

India Payment Market Size and Share Outlook - Forecast Trends and Growth Analysis Report (2025-2034)

Market Report | 2025-08-13 | 122 pages | EMR Inc.

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Report description:

The India payment market attained a value of USD 3.15 Trillion in 2024 . The market is expected to grow at a CAGR of 11.00% during the forecast period of 2025-2034. By 2034, the market is expected to reach USD 8.94 Trillion .

Quick response (QR) codes and tap-to-pay technology have transformed transaction convenience in India by enabling instant, contactless payments in remote and small merchant locations. Their low cost and ease of use have accelerated digital adoption among consumers and businesses, fostering financial inclusion and reducing reliance on cash. In September 2024, FCB India and Google rolled out the 'Android Tap' campaign to drive easy, secure contactless transactions via Android devices throughout India. UPI and mobile wallet integration further facilitates easy, secure transactions across various sectors.

India payments market trend is influenced by payments becoming embedded in day-to-day digital platforms ranging from e-commerce to education, with transactions done without exiting the app. At the same time, vertical-focused fintechs and neobanks are providing highly customized solutions for specific customer segments, increasing relevance and stickiness. Moreover, increasing usage of APIs and open banking encourages smoother integration, while data-driven personalization and AI-based credit underwriting further enhance user experience and financial inclusion across various sectors.

Key Trends and Recent Developments

August 2025

Smart Payment Solutions unveiled Mony, a UPI-based mobile app tailored for NRIs and tourists in India. It enables cashless payments at local merchants like restaurants and shops without needing an Indian bank account. Users complete KYC via the app, then pay by scanning UPI QR codes nationwide.

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July 2025

PayPal launched PayPal World, a global payments platform integrating India's UPI via NPCI, to enable Indian users to make international payments directly using familiar UPI wallets. The system fosters seamless, secure cross-border commerce linking major wallets like Mercado Pago, Tenpay Global, and Venmo.

June 2025

Razorpay unveiled India's first MCP (Model Context Protocol) server, enabling AI assistants like Claude, Zapier, or custom agents to directly interact with its payment infrastructure. With this, businesses can initiate payment links, process refunds, or manage transactions via simple prompts for delivering instant, secure, AI driven payment workflows.

April 2025

Easebuzz raised USD 30 million in Series A funding to build the next generation of verticalized digital payments products. The funds will enhance its vertical-SaaS payment offerings, expand into offline solutions like POS and UPI Soundbox devices, and reinforce its mission to deliver efficient, customer-centric payment infrastructure for businesses.

Smartphone Penetration & Mobile-First Payments

The India payment industry share is growing with the shift toward a mobile-first digital ecosystem. This growth is fueled by affordable smartphones, expanding 4G/5G networks, and rising digital literacy, which have brought millions into the formal financial system. As per a MoSPI survey in May 2025, 85.5% Indian households possess at least one smartphone. Mobile wallets, UPI-based apps, and super apps are central to everyday payments from utility bills to investments making mobile the dominant payment channel across both urban and rural areas.

UPI's Unstoppable Growth

India's Unified Payments Interface (UPI) continues to be India's powerhouse of digital payments. The number of UPI transactions in India, according to the Department of Financial Services, went up from 92 crore in FY 2017-18 to 13,116 crore in FY 2023-24. As NPCI inducts more partners, UPI makes person-to-person and person-to-merchant payments easier, driving a rapid move away from cash and cards towards instant real-time transfers. Its deep penetration across apps and verticals highlights its position as the backbone of the digital payment's revolution.

AI, ML & Fraud-Fighting

Rising transaction volumes make artificial intelligence and machine learning imperative for fraud prevention, behavioral analysis, and customer personalization, also shaping the India payment market outlook. In August 2024, NPST introduced a set of AI-driven solutions such as risk intelligence decisioning, contextual payments, credit enhancement through instant lines, and fraud prediction tools specially designed for UPI and e-commerce ecosystems. Smart routing engines, such as those that drive Razorpay, leverage ML to maximize success rates and efficiency, reflecting how clever algorithms improve both user experience and security.

Government Push & Regulatory Frameworks

Goods and Services Tax (GST) have laid the foundation for digital finance's expansion. RBI's Payments Vision 2025 roadmap, Payment Aggregator guidelines, and regulatory sandboxes further spur innovation, ensuring inclusion and security. These

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measures fortify trust and foster a robust payments ecosystem. Together, these initiatives create a cohesive framework that empowers fintech growth, drives user adoption, and supports India's transition to a cash-light economy.

Public-Private Collaboration & Fintech Ecosystem

Collaborations between banks, fintechs, regulators, and telecoms are underpinning revolution of the India payment industry. In July 2025, Telecom operator Vi launched Vi Finance within its app by collaborating with Aditya Birla Capital, Upswing Financial Technologies, as well as Credilio for enabling seamless access to loans, fixed deposits, and credit cards. API-driven partnerships are also delivering super-apps and integrated services, amplifying reach and delivering customer-centric innovation at scale.

India Payment Industry Segmentation

The EMR's report titled "India Payment Market Report and Forecast 2025-2034" offers a detailed analysis of the market based on the following segments:

Market Breakup by Method

- Cash
- Debit Card
- Credit Card
- E-Wallet
- Pre-Paid Card
- Others

Key Insight: Despite digital advances, cash remains a deeply embedded payment method in India, particularly in rural areas and informal sectors. It is widely used for small-value transactions such as at local markets, street vendors, and inter-personal lending. While UPI and digital adoption are growing, cash still plays a critical role due to its ease, privacy, and acceptance without needing digital infrastructure. According to the Reserve Bank of India (RBI), nearly 60% of India's consumer expenditure was still conducted in cash in 2025. Even in urban areas, cash-on-delivery continues to dominate certain e-commerce orders in tier 2 and 3 cities.

Market Breakup by Industry Vertical

- Retail
- Hospitality
- Utilities and Telecommunication
- Others

Key Insight: Retail is the most dominant segment in the India payment market, driven by rapid digitalization of offline and online commerce. UPI, QR codes, and POS terminals are widely used in local stores, supermarkets, malls, and e-commerce platforms. In July 2025, the government of Tamil Nadu disclosed plans to introduce UPI transactions in all 37,328 ration shops in the state within the next year. From street vendors to major brands like Reliance Retail and Big Bazaar, digital payments have become ubiquitous. E-commerce giants, such as Amazon and Flipkart also promote card, UPI, and wallet-based checkouts.

Market Breakup by Region

- North India

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- South?India
- West?India
- East?India

Key Insight: North India is the most significant region in the India payment market, driven by large urban centers like Delhi, Noida, and Chandigarh, which are major fintech hubs. According to the United Nations, the Delhi urban agglomeration population is projected to increase to 39 million by the year 2030. The area enjoys high smartphone penetration, digital literacy, and early adoption of card and UPI payments. Banking institutions, like Paytm, with their headquarters in Noida, have heavily influenced the market. Policies by the government, such as digital payment of ration cards in Uttar Pradesh and Haryana, further enhance digital adoption.

India Payment Market Share

Debit Cards & E-Wallets to Gain Importance in India

Debit cards are the most popular means of payment in India as they are easily accessible and convenient to use. With the RuPay card scheme expanding its reach, debit cards have gained immense popularity among first-time account holders under schemes such as Jan Dhan Yojana. Debit cards are accepted almost everywhere at ATMs, retail stores, and online platforms, bringing the gap between physical cash and digital payments to a near nil. Also, debit cards offer functionalities such as contactless payments and mobile wallet integration, further improving their popularity in India's burgeoning digital economy.

E-wallets like PhonePe, Paytm, and Google Pay are revolutionizing the India payment market dynamics by making peer-to-peer and merchant transactions effortless. These wallets primarily operate through UPI and QR codes, allowing instant transfers with no transaction fees. E-wallets dominate urban micro-payments, food delivery, ride-sharing, and small-scale merchant payments. As of May 2025, PhonePe recorded more than 600 million registered users, emerging as India's top finance app by downloads. These apps also offer loyalty rewards, credit lines, and insurance, turning them into financial super apps, especially for tech-savvy, mobile-first consumers.

Hospitality & Utilities and Telecommunication to Witness Huge Payment Demand in India

The hospitality industry is witnessing huge adoption of digital payments, especially post-pandemic. Platforms like Zomato, Swiggy, and MakeMyTrip offer seamless payment experiences via cards, UPI, and e-wallets. In May 2023, Zomato partnered with ICICI Bank to launch UPI payments, enabling customers to make instant, secure, real-time transactions seamlessly. Many restaurants use QR code menus with embedded payment options, and large hotel chains have integrated digital invoicing and tap-to-pay facilities. Payment gateways also provide integrated billing for bookings, food orders, and concierge services.

Utilities and telecom services represent a steadily growing segment in the India payment market. Bill payments for electricity, water, LPG, broadband, and mobile recharge are increasingly digitized, due to platforms like Bharat BillPay (BBPS), Paytm, and PhonePe. Government schemes and fintech collaborations have enhanced access in rural areas too. Telecom giants like Jio, Airtel, and Vi offer in-app payments and bundling with wallets or UPI for easy recharge. This growing digital adoption is helping bridge the urban-rural divide, promoting financial inclusion and convenience across diverse user segments.

India Payment Market Regional Analysis

Surging Payment Penetration in South & West India

South India is emerging as a significant payment market led by tech-savvy cities like Bengaluru, Chennai, and Hyderabad. This

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region boasts a strong IT and startup ecosystem, which fosters rapid innovation in payment solutions. Payment adoption is high in urban and semi-urban centers, with widespread UPI, mobile wallet, and card usage. Banks like State Bank of India and fintechs such as Razorpay, headquartered in Bengaluru, drive the ecosystem. Digital payments in hospitality, retail, and education sectors flourish, supported by proactive government policies and active telecom penetration.

West India, including Maharashtra, Gujarat, and Rajasthan, records a growing payment industry share in India with vibrant commercial hubs. As per the National Payments Corporation of India (NPCI), Maharashtra recorded 6.58 billion UPI transactions from April 2025 to June 2025. Mumbai's role as India's financial capital boosts digital banking, credit card usage, and high-value transactions. The region's retail sector, including fashion and manufacturing, heavily relies on POS and wallet payments. Initiatives like Reliance Retail's UPI integration in Mumbai and fintech collaborations with local banks are also increasing payment digitalization.

Competitive Landscape

Key players in the India payment market are employing several key strategies to drive growth, user adoption, and digital transformation. One major strategy is deep UPI integration across platforms, with fintechs embedding seamless payments into apps for e-commerce, education, and healthcare. Companies like PhonePe, Paytm, and Google Pay are also investing in offline merchant acquisition, bringing QR codes and soundbox-enabled transactions to small retailers and rural areas. Another key strategy is AI and ML deployment for fraud detection, smart routing, and real-time customer insights.

To boost retention and monetization, players are offering value-added services, such as personal loans, credit lines, and insurance through wallet ecosystems. Fintechs and banks are also expanding cross-border payment solutions by linking with global systems and supporting remittances. Regulatory collaboration through sandbox participation and RBI-compliant frameworks helps ensure security in the India payment industry, while public-private partnerships with telecoms extend financial access. Finally, customized payment products for SMEs, NRIs, and underserved users are enabling broader inclusion and supporting a mobile-first, cash-light economy.

Mswipe Technologies Pvt. Ltd.

Founded in 2011, headquartered in Noida, Mswipe swiftly scaled through launching mobile POS devices. The firm holds an RBI payment aggregator license and has recently turned profitable. Mswipe is recognized for its omni-channel tools like POS, QR, soundbox, and risk management systems and won the 2025 award for Best Digital Hospitality Payment Solutions Provider in India.

Pine Labs Private Limited

Established in 1998 and led from Noida with a registered office in Gurgaon, Pine Labs disrupted retail payments with its PoS systems and a suite of checkout solutions. It counts over 100,000 merchants, spanning India and Asia. The company's innovations include EMI-on-PoS, loyalty programs, gift-card platforms like Qwiksilver and international expansion. Pine Labs attained unicorn status in 2020 and filed for an IPO in 2025.

ePaisa Services Private Limited

Founded in 2012 and headquartered in India, ePaisa delivered a multilingual mobile POS app for merchants, combining billing, inventory, and payments. It expanded with offline-friendly "lite" versions and enabled QR payment acceptance at toll plazas. The platform integrates loyalty programs, bill payments, and e-gifts, focusing on small to medium merchants across sectors.

Mosambee Payment Solutions Private Limited

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Headquartered in Mumbai and launched in 2008, Mosambee offers flexible payment modules via merchant apps. Its standout innovation is "Tap on Phone" allowing secure POS directly on smartphones. Mosambee became the first in India to receive PCI certification for software-based PIN entry, enabling mobile devices to replace traditional terminals.

Other players in the India payment market are MobiSwipe Technologies Private Limited, ICICI Merchant Services Pvt. Ltd., One97 Communications Ltd. (PayTM), Ezetap Mobile Solutions Private Limited., One MobiKwik Systems Limited, PayU Payments Private Limited, and Freecharge Payment Technologies Pvt. Ltd., among others.

Key Features of the India Payment Market Report:

- Comprehensive quantitative analysis of transaction volumes and market growth rates.
- In-depth segmentation by payment types, regions, and end-user industries.
- Detailed competitive landscape with profiles of key fintech and banking players.
- Insights into regulatory impacts, digital innovations, and consumer behavior trends.
- Forecasts on emerging technologies like UPI, QR payments, and contactless methods.
- Examination of market drivers, challenges, and future opportunities through 2034.

Why Choose Expert Market Research?

- Trusted, data-driven insights based on primary and secondary research.
- Customized reports tailored to specific industry needs and market dynamics.
- Access to expert analysts for clarifications and strategic guidance.
- Timely updates reflecting the latest market trends and policy changes.

Call to Action:

Stay ahead with our detailed India payment market trends 2025 report, featuring the latest analysis of UPI growth, digital wallets, and fintech innovations. Download your free sample now to explore emerging opportunities and make informed strategic decisions in India's rapidly evolving payment landscape. Don't miss out on unlocking valuable market insights today!

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