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TRANSFORMING PAYMENT PATTERNS: THE ROLE OF UPI AND IMPS IN MONTHLY TRANSACTIONS IN INDIA

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ABSTRACT

This composition discusses how UPI and IMPS have been revolutionizing how individuals in India are making yearly payments. UPI and IMPS are electronic payment platforms through which individuals can send and receive money instantly via mobile phones, ensuring that payments are quick and accessible. In the last 12 months, both networks have demonstrated sharp growth in value and number of deals, emphasizing their rise in fissionability as a payment tool among businesses as well as guests. According to the statistics, UPI payments have grown continuously, registering a month-to-month Growth Rate of 26.10, and IMPS deals have recorded 12.75 growth. This expansion reflects the speedy embrace of digital payments in India, propelled by high population ownership of smartphones, internet connectivity, and digital mindfulness. As digital payments keep developing, policymakers, businesses, and consumers need to understand their trends and counteraccusations. This composition will try to bring to light this revolutionary trip, pressing the need for innovative results to enable sustainable growth in digital payments in India.

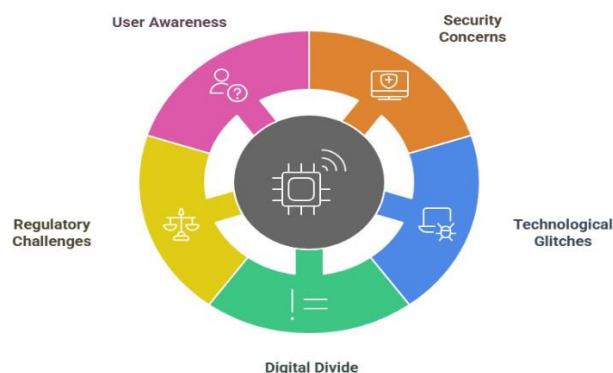
Keywords: Digital Payments, UPI, IMPS, sustainable growth, banking systems, smartphones, internet connectivity, and digital mindfulness.

INTRODUCTION

India has seen a tremendous change in its profitable script over the once many times. The most striking among them is the unforeseen shift towards digital payment modes, particularly UPI and IMPS. These modes enable individuals to send money in real time via their mobile devices, diminishing the use of cash and conventional banking systems. The RBI and the Indian government have both encouraged digital payments in a big way to promote fiscal inclusion, dampen the black market, and simplify and make further transparent deals. Accordingly, millions of Indians use digital means for routine deals, ranging from paying electricity bills to online shopping and transferring money to musketeers and cousins. UPI was rolled out in 2016 and picked up traction as it's simple, presto, and cheap. It enables a stoner to

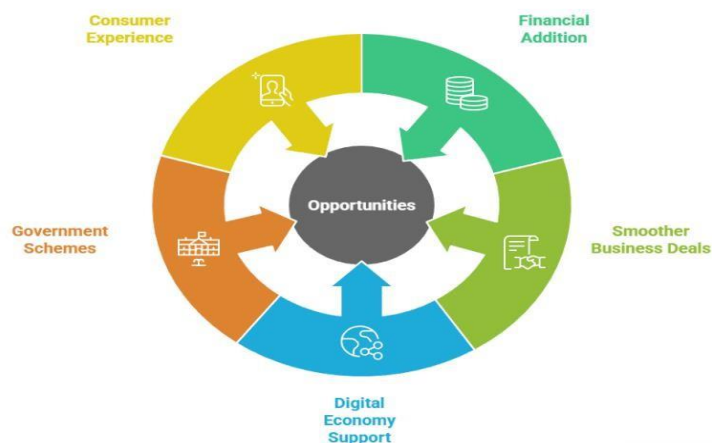
associate several bank accounts with a single app; icing plutocrat transfer becomes hassle-free. IMPS, which was launched in 2010, provides instant plutocrat transfer installations, which are 24x7 functional, so it's good for real-time payments. The two platforms endured exponential growth, particularly during the COVID-19 epidemic, because people steered clear of physical cash transactions and shifted to contactless deals.

Challenges of UPI and IMPS



The numbers demonstrate an apparent rising trend in the volume and value of yearly deals of UPI as well as IMPS. UPI's sale value has registered a steep growth, with a composite periodic growth rate (CAGR) of further than 26, as an indication of its growing ascendance in digital payments. IMPS too has recorded steady growth but at a slower pace as a demonstration of its sustained role in the digital payment ecosystem. Though these encouraging trends are on the rise, problems like cybersecurity pitfalls, technology structure challenges, and digital knowledge enterprises still exist. still, the openings offered by these platforms are vast. They can enable fiscal addition, empower small businesses, and help India in realizing a fully cashless economy. With digital payments increasing day by day, it's essential to know their changing geography for policymakers, merchandisers, and consumers to work to their true potential. This composition tries to dissect these trends, challenges, and openings and gain insight into how UPI and IMPS are reconsidering the future of deals in India.

Opportunities of UPI and IMPS



REVIEW OF LITERATURE

Anandaraman R. (2012). Micro finance is the basic concepts helping to self-employment people, low-income groups, poor entrepreneurs in rural areas. It provides thrift, credit, savings and other financial services and products of small amount to poor in rural, semi urban or urban areas. Micro finance is the target raising their income, improve standard living, increasing economic growth, and reduce poverty. Micro finance is another aspect given empowers to poor women especially for handicapped women, divorce women, widow women. This paper focus on the role of banks in micro finance in India.

Ravikumar T., & et al. (2019). In recent years, economic transactions are carried out through electronic or online or cashless means all over the world especially in developed countries and developing countries like India. As a result of increased digital means of payment has brought down usage of cash transactions in the economy. A well-functioning digital payment system has much relevance on overall economic activity, monetary policy, and financial stability of a country.

P. V. Rajeswari., P. Pirakatheeswari., & M. Vadivel. (2021). The last decade has seen tremendous growth in use of internet and mobile phone in India. Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment. Electronics Consumer transaction made at point of sale (POS) for services and products either through internet banking or mobile banking using smart phone or card payment are called as digital payment.

Mahesh A., & Ganesh Bhat S. (2022). The Indian payments sector is undergoing far reaching changes, with digital payments capturing a sizable slice of the cake in recent years. The changes began from a fully cash economy to a less-paper-currency system. Nearly one billion cards and more than two billion Prepaid Payment Instruments (PPI) such as online wallets, mobile applications, e-wallets, and digital payment modalities have pushed India into one of the world's fastest growing and largest digital payment ecosystem.

Rajas Saroy.. & et al. (2022). The COVID-19 induced lockdown in India was an inflection point for on-boarding of new users into digital payments. Using a large survey dataset, we examine the driving factors of this shift for those who used digital payments for the first time. Apart from demographic drivers of payment choice traditionally explored in the literature, we find that this shift was significantly shaped by the degree of awareness of digital modes, access to smartphones and debit cards, and pandemic-relief welfare transfers.

Sangeeta Jerath. (2022). Abstract: With the liberalisation of the Indian banking sector in 2014, the digital payment ecosystem has undergone a steady transformation which can be attributed to the usage of new technologies like Automated Teller Machines (ATM) and Magnetic Ink Character Recognition (MICR). Digital payment systems offer convenience and security while transacting. In 2010, a variety of payment products (stored value cards, wallets, and recharge vouchers) and service providers were introduced.

Hafiza Nanu Gazi., & Shadab Shakil Shaikh. (2023). India is a country with developing stage. The growth of economy is done into the fasted speed. Purchase and selling of products among the people was happened in old age years. Firstly, people use barter system as the medium of exchange among the goods. But due to economic value of product the exchange in barter system had become difficult. So, the concept of money was introduced among the people in the country.

Varun Kesavan., & Kandaswamy Sakthi Srinivasan. (2023). The digital payments system is a technologically advanced payment system that enables individuals, businesses, and nations to become selfsufficient, contactless, and tap-less when conducting transactions. Understanding the significance of the digital payment system is crucial. There remains much to investigate and discover.

Pankaj Sharma., Vaibhav Gallani., & Suhaag Maheria. (2024). In the dynamic world of digital transactions in India, the symbiotic relationship between convenience and vulnerability has become increasingly apparent. This study aims to know how digital payment and fraud connect in Indian economy. The primary objective of this study is to know the relationship between financial fraud with digital payment infrastructures, value of digital payments, and volume of digital payment.

Ana Aguilar. (2024). We examine the relationship between digital payment innovation, economic growth and informal activities in 101 economies over 2014–19. Following the economic growth literature, panel regressions relate growth rates of GDP per capita, total factor productivity (TFP) and the share of informal sector employment to lagged levels of these variables, the extent of digital payments use and various controls for endogeneity.

Kumaran Kanapathipillai., & et al. (2024). This study aims to examine the relationships between perceived consumer purchase behaviour, technological readiness, and merchant and government support in driving the adoption of digital payments by Malaysian small and medium enterprises (SMEs) after the COVID-19 pandemic. The objectives are to provide data-driven insights into the factors enabling the transition to cashless transactions and Fintech solutions.

Mary Metilda Jayaraj., & Adarsh Umesh Bhat. (2024). Growing internet accessibility, the rise of Internet electronic devices and government initiatives and commitment to transform India into a digital society has rapidly transformed the payment mechanism into a cashless one. The study seeks to understand the influence of demographic variables on preference for online payments, usage experience, satisfaction levels, security concerns and purchase experience. Gender, education, age and employment status are associated.

Mythili D., & Kanimozhi.R. (2024). The advent of online payment systems has revolutionized the way financial transactions are conducted globally. This abstract delves into the evolution, functionalities, and impact of online payment systems, highlighting their significance in the digital era. The primary objective of this abstract is to provide an overview of online payment systems, including their key features, benefits, challenges, and the impact they have had on various stakeholders such as businesses, consumers, and financial institutions.

Ravichendran G. (2024). The purpose of the banking sector in the country is to provide banking services to all the people with a simple and easy manner with this view, PMJDY was introduced in 2014 to provide bank account to unbanked people free of cost and with simplification of KYC norms. All the incentives and monetary benefits to the targeted people will reach only through direct benefit transfer scheme which is linked with bank account and Aadhar.

S. C. Premathilaka. (2024). This study examines the transformative impact of Usage of Digital Payment Systems (UDPS) on Small and Medium Enterprises' (SMEs) credit access, mediated by the traceability of financial data (TFD) and Moderated by Government Intervention (GI) in the evolving financial landscape of Sri Lanka.

RESEARCH PROBLEMS

India is undergoing a rapid transformation in its payment landscape, marked by a steady shift from traditional cash-based transactions to digital modes, particularly through platforms like Unified Payments Interface (UPI) and Immediate Payment Service (IMPS). This evolution is driven by increased internet and mobile penetration, government initiatives such as Digital India, technological innovation, and the growing demand for convenience and security in financial transactions. Studies have highlighted the exponential rise in digital payments, the role of demographic and behavioural factors, and the influence of socio-economic events like the COVID-19 pandemic in accelerating digital adoption. However, despite this growth, there remains a lack of comprehensive understanding regarding how UPI and IMPS are specifically

reshaping monthly transaction patterns, influencing consumer behaviour, and altering the broader economic and financial dynamics. Furthermore, issues such as digital literacy, fraud risk, infrastructure challenges, and the urban-rural digital divide continue to pose significant barriers. This study, therefore, seeks to critically analyse the impact of UPI and IMPS on monthly transactions in India, addressing the gaps in empirical insight and offering data-driven recommendations for policy and financial inclusion.

RESEARCH METHODOLOGY

The research in this study relies on a quantitative approach to examine the development and influence of UPI and IMPS on online payment patterns in India during April 2024 to March 2025. The secondary data are those collected from formal reports released by the Reserve Bank of India (RBI), National Payments Corporation of India (NPCI), and other banking institutions. Descriptive statistical measures such as mean, standard deviation, and month of month Growth Rate are employed to determine growth trends, volatility, and general trends. The research does not entail primary data collection like surveys or interviews; however, future studies could include user surveys to examine consumer attitudes and behaviour. In all, this approach provides a robust framework for determining the growth patterns of UPI and IMPS in furthering our knowledge about their changing role in India's digital economy.

STUDY PERIOD

The period of study is from April 2024 to March 2025.

Table No. 1
UPI MONTHLY PRODUCT STATISTICS TREND
(In Crore)

S.No	Month	Value	MoM Growth (%)
1	Apr-24	19,64,464.52	-
2	May-24	20,44,937.05	4.10%
3	Jun-24	20,07,081.20	-1.85%
4	Jul-24	20,64,292.41	2.85%
5	Aug-24	20,60,735.57	-0.17%
6	Sep-24	20,63,994.71	0.16%
7	Oct-24	23,49,821.46	13.85%
8	Nov-24	21,55,187.41	-8.28%
9	Dec-24	23,24,699.94	7.87%
10	Jan-25	23,48,037.11	1.00%
11	Feb-25	21,96,481.70	-6.45%
12	Mar-25	24,77,221.59	12.78%
	Mean	21,71,412.89	
	Standard Deviation	1,65,700.97	
	CAGR (12 Months)	26.10%	

(Source: NPCI)

Table 1 shows the yearly value of UPI deals from April 2024 to March 2025 in crores of rupees. The statistics depict a steadily increasing trend, the values beginning around 19.64 lakh crore in April 2024 and reaching as high as about 24.77 lakh crore in March 2025. What's noteworthy then is the vault in October 2024 to nearly 23.50 lakh crore, conceivably due to increased spending exertion brought about by jubilee or festive seasons of shopping. Following

a temporary decline in November and December, the values picked up again in January and March, showing uninterrupted growth. The average yearly sale value of UPI is roughly 21.71 lakh crore with a standard deviation of around 1.66 lakh crore, showing some volatility but overall positive trend. The CAGR of 26.10 shows the strong growth in the stoner base and sales volume of UPI.

Chart No 1
UPI MONTHLY PRODUCT STATISTICS TRENDED (In Crore)

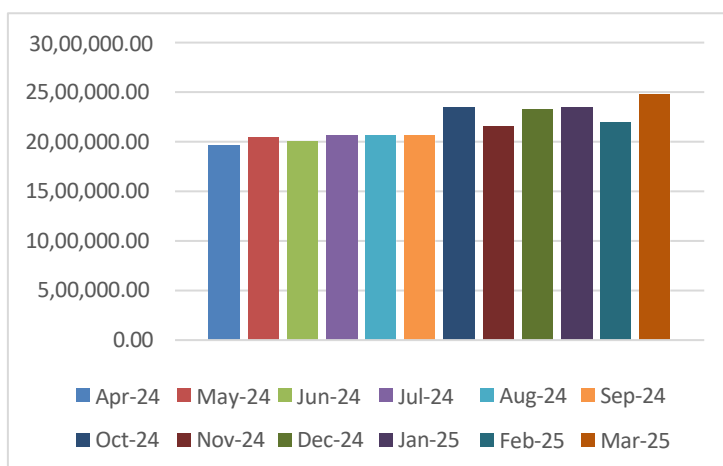


Table No 2
IMPS MONTHLY PRODUCT STATISTICS TRENDED
(In Crore)

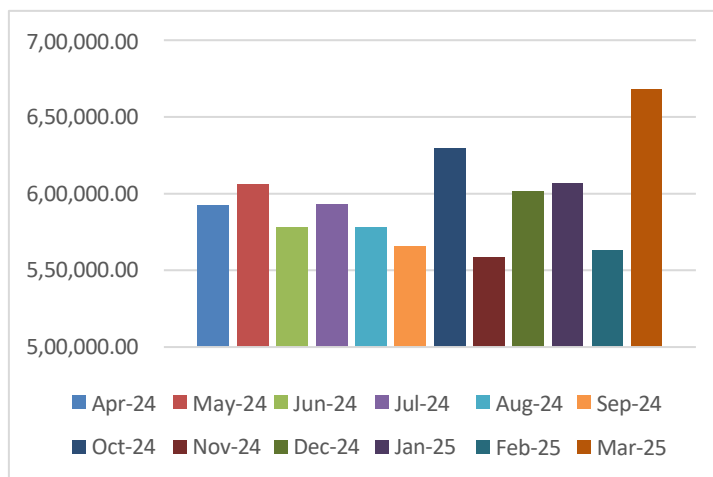
S.No	Month	Value	MoM Growth (%)
1	Apr-24	5,92,278.85	-
2	May-24	6,06,166.78	2.35%
3	Jun-24	5,77,794.24	-4.68%
4	Jul-24	5,93,176.58	2.66%
5	Aug-24	5,77,887.90	-2.58%
6	Sep-24	5,65,232.66	-2.19%
7	Oct-24	6,29,381.52	11.36%
8	Nov-24	5,58,327.60	-11.29%
9	Dec-24	6,01,549.15	7.75%
10	Jan-25	6,06,420.17	0.81%
11	Feb-25	5,63,081.64	-7.15%
12	Mar-25	6,67,812.80	18.60%
	Mean	594925.82	
	Standard Deviation	31,087.95	
	CAGR (12 Months)	12.75%	

(Source: NPCI)

Table 2 illustrates the sale values on IMPS during the period from April 2024 to March 2025, in terms of crores of rupees. The moderate growth is depicted with values beginning around 5.92 lakh crore in April 2024 and adding up to nearly 6.68 lakh crore in March 2025.

March provides the loftiest value, signifying a gradational growth in application. Interestingly, the sale value varies minimally month- on- month, with a dip during June and September but generally with an upward trend overall. The yearly average sale value is about 5.95 lakh crore with a standard deviation of about 31,088 crores, which indicates comparatively stable growth. The CAGR of 12.75 indicates IMPS is growing constantly, but at a lower rate than UPI. The steady growth of IMPS shows that it's still pivotal in delivering secure, immediate fund transfer installations, particularly to guests who stick to traditional banking channels.

Chart No 2
IMPS MONTHLY PRODUCT STATISTICS TRENDED (In Crore)



FINDINGS

The last time analysis of sale data on UPI and IMPS offers tremendous insight into India's dynamic digital payments geography. The value of deals for UPI has increased phenomenally, with a CAGR of 26.10, marking a fast pace towards mobile-grounded, instant payment. The peak deals in March 2025 indicate growing relinquishment due to gleeful ages, digital mindfulness, and government juggernauts. The yearly average value of UPI deals exceeds 21 lakh crores, indicating general acceptance in both civic and pastoral spaces. In contrast, IMPS, growing at a CAGR of 12.75, suggests constant but braking growth while still retaining its position in instant bank transfers. The stability of the IMPS data indicates it remains a fallback or completing system to UPI. Overall, the data underscores a clear trend of rising digital deals, inferring increased fiscal addition and technological relinquishment. The growth of UPI especially highlights its potential to make India a lower cash-dependent economy, fostering convenience, translucency, and profitable effectiveness. still, challenges similar to security pitfalls and infrastructural gaps need addressing to sustain this initiative.

SUGGESTIONS

To continue and further nurture the growth of UPI and IMPS in India, many strategic conducts are needed. First, enhancing cybersecurity protocols is a prerequisite for securing stoner information and establishing trust. Advanced encryption, frequent security checkups, and stronger information safeguards can alleviate fraud pitfalls. Second, adding digital structure, particularly in pastoral and remote regions, will give wider access. Investing in internet access and low-cost smartphones can close the digital divide, allowing more citizens to use digital payments. Third, encouraging digital knowledge training will educate druggies how to operate and use these platforms responsibly, dwindling abuse and miscalculations. Fourth, nonsupervisory authorities should produce unequivocal rules and guidelines to avoid abuse, uphold sequestration, and promote invention, staying current with tech development.

Fifth, incentivizing collaboration between government agencies, banks, and fintech companies can stimulate innovative results suited to stoner conditions, including streamlined apps or localized services. In addition, satisfying digital payments through prices or cashback impulses can encourage druggies to use UPI and IMPS more regularly. Last but not least, ongoing evaluation and data analysis will enable policymakers and companies to identify new challenges and opportunities and adapt strategies accordingly. Relinquishment of these measures will enable India to achieve the maximum possible use of digital payment systems, ensuring all deals come safer, more inclusive, and more effective.

CONCLUSION

The extraordinary growth in UPI and IMPS deals in India points towards the major metamorphosis to a digital, cashless frugality. Exponential growth in UPI, with a CAGR of further than 26, reflects the mass fissionability and growing dependence on mobile-driven payments. While IMPS remains a solid fallback with harmonious growth, the supremacy of UPI is changing the face of day-to-day deals in civic and pastoral India. With this change comes numerous advantages, such as greater convenience, briskly payment, increased fiscal benefits, and lower reliance on cash. Challenges like ensuring the security of deals, further structuring the digital structure, and covering the digital peak accompany these benefits. Addressing these problems calls for collaborative action from fiscal institutions, government authorities, and technology companies. The future of digital payments in India is bright, with inventions and policy changes needed to maintain growth, increase consumer confidence, and ensure inclusive fiscal engagement. As India transitions towards a fully digital frugality, the changing patterns in UPI and IMPS will be crucial to framing a more effective, transparent, and inclusive fiscal system for millions of Indians.

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