

# HOW UPI HAS TRANSFORMED INDIA'S DIGITAL ECONOMY



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1

# INTRODUCTION TO UPI

Unified Payment Interface





## WHAT IS UPI 🚩?

- It is a payment system launched by NPCI.
- Facilitates money transfer between two different banks.
- Support seamless fund routing and merchant payments.
- Open source, easily adaptable, simple, cheap, mobile based, innovative.



# EVOLUTION OF PAYMENT SYSTEMS

- Electronic Clearing System(ECS) launched in 1990s
- Real Time Gross Settlement(RTGS) introduced in 2004
- National Electronic fund transfer(NEFT) launched in 2005
- IMPS introduced in 2010
- NPCI Launched RuPay cards in 2012
- UPI introduced in 2016

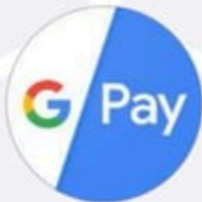




## WHY DO WE NEED UPI?

- Simplified, hassle-free online payments
- Allows us to make payments towards your bills,shops on e-commerce websites, etc.
- We don't need bank details(Account no., IFSC etc) to transfer money.
- Transaction charge is zero.

**paytm**



**amazon**



 **PhonePe**

 **MobiKwik**

 **freecharge**

Some UPI apps



# 2

## IMPACTS OF UPI

Benefits to Merchants, End users and lots more.





## BENEFITS TO MERCHANTS

- Seamless money collections from customers.
- No need to store virtual address like's in card.
- Suitable for e-com & m-com, resolves the COD collection problem.
- Empowered small businesses







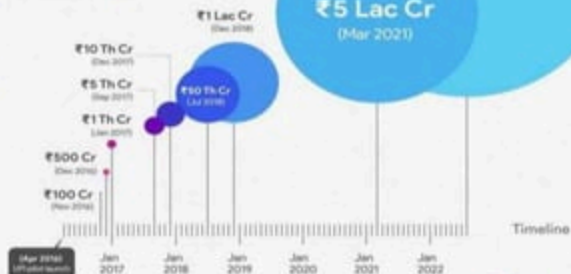
## BENEFITS TO END USERS

- Available 24 x 7.
- Easy and secure transaction.
- User does the transaction on his personal device.
- Share only virtual address or QR code.
- One applications for all banks.



# The Meteoric Rise of UPI

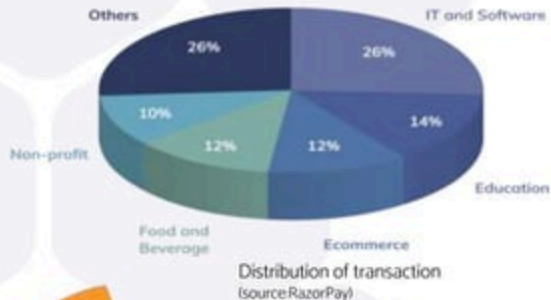
How the UPI transactions have increased in value\* over the years



\*Values represent milestones crossed in the respective month  
Source: [www.upi.org.in](http://www.upi.org.in)



Some Statistics



# 3

## CHALLENGES TO UPI

Drawbacks and solution





## DRAWBACKS OF THE SYSTEM

- Upper cap on transaction size(₹ 1 lakh max).
- Its take lot of time to settle transactions when the bank server is down.
- Lack of awareness in rural areas.
- In order to maintain the entire digital infrastructure banks and payment service provider need spend a significant amount of money.
- Example - All parties need to spend ₹ 2.50 for ₹ 1000 transaction



## HOW TO RESOLVE IT?

- Create awareness.
- Promote UPI 123pay to make transaction without internet that reduces loads on server.
- Need to put service charge for high value transaction.



## CONCLUSION

- UPI had a transformative impact on India's digital economy.
- Increased accessibility and convenience of digital transactions.
- Promoting financial inclusion.
- Driving India's economic growth.



*Thank You*  
*Any Questions?*