UPI LITE
Product Booklet

Contents

1. Background

UPI has been successful in leveraging smartphones to support financial inclusion. Its interoperable platform has gained wide acceptance across Third Party Apps (TPAPs), Bank Apps, merchants and aggregators through the PSP banks.

Based on current data analysis and projections, it is estimated that about 60% of future digital payment transactions will be below INR 200. This dovetails into the UPI objective of migrating low value cash transactions on to the digital ecosystem.

To accommodate this scaling-up in low value transactions and reduce the load on bank infrastructure, UPI LITE solution is created to process low value transactions having limit of INR 1000 without UPI Pin.

The solution would be required to efficiently support the future goal of a billion-a-day transactions in the UPI environment while reducing critical load on Core Banking System (CBS) and enabling a better customer experience.

2. Introduction UPI LITE

On Device Wallet for small value transactions UPI LITE is a payment solution that leverages the trusted NPCI Common Library (CL) application to process low value transactions that have been set at below Rs. 1000. The solution runs off existing UPI ecosystem protocols for mobile phones to ensure commonality, compliance and system acceptance. The UPI LITE experience is intended to be a customer-friendly approach to enabling low value transactions without utilizing a bank's core banking systems in real-time, while providing adequate risk mitigation. UPI LITE is intended to be customer-friendly and enable low value transactions without utilizing a bank's core banking systems in real-time, while providing adequate security. With the consent of its UPI registered customer, an Issuing bank can create an escrow on the customer's account up to a set limit. This refillable, 'stored value' resides in the common library (CL) of the customer's UPI app and can only be utilised for low value payments without leaning into core banking infrastructure. UPI LITE permits a 'stored value' balance limit of Rs. 5,000, which the registered customer can use for single transactions below Rs. 1000 each and refill the stored value as necessary from the linked bank account.

3

Replenishment of funds is only permitted in an online mode with additional factor authentication (AFA) or using the UPI AutoPay feature.

Using the UPI LITE service

Creating a UPI LITE account

1. User can download the UPI LITE app from the play /app store.

2. Once the user has downloaded the UPI LITE app, they will need to accept the required terms and conditions for LITE registration.

3. Post which the user can create a LITE account by selecting their UPI linked bank account and making a first-time store value of INR 5000 (maximum limit permitted).

4. If the user wants they can also setup auto-top while enabling LITE for the first time

5. After enabling all the settings User authenticates the transaction by entering UPI PIN.

6. Once their UPI PIN is verified, their LITE account will be enabled with/without auto-top setup and is ready to use.

LITE Enablement with Auto-top setup (1/2)
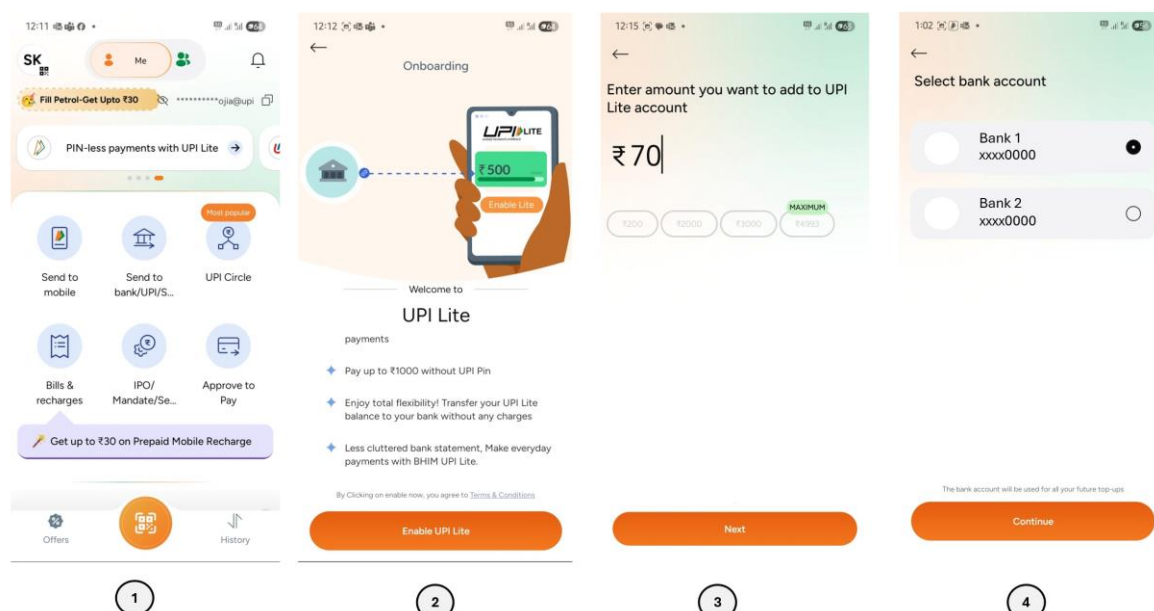
LITE Enablement with Auto-top setup (2/2)

Screen 5 — Select bank account
- Union Bank of India *** 4984 PRIMARY (selected)
- AXIS BANK *** 1042

Would you like to set Auto Top-Up for UPI Lite?
Your UPI Lite account will automatically be refilled when your balance falls below ₹200.

[I'll Do This Later] [Set up now]

(5)

Screen 6 — Set Auto Top-up
Set it and forget it! Your UPI Lite balance auto-adds money from your account when your balance falls below ₹200.

Auto Top-up Amount   Max ₹4800
₹ 500

[₹200] [₹1000] [₹1500]

Your Auto Top-Up is valid till 20/08/2032. You can either modify or delete it anytime.

Powered by UPI AUTOPAY

[Set Auto Top-up]

(6)

Screen 7 — ENTER UPI PIN
UPI

ENTER UPI PIN 👁 SHOW

_ _ _ _ _ _

1	2	3
4	5	6
7	8	9
⌫	0	SUBMIT

(7)

Screen 8 — Set Auto Top-up
Set it and forget it! Your UPI Lite balance auto-adds money from your Union Bank of India account XXXX4984 when your balance falls below ₹200.

Auto Top-up Amount   Max ₹4800
₹ 200

[₹200] [₹1000] [₹1500]

Your Auto Top-Up is valid till 20/08/2032. You can either modify or delete it anytime.

UPI LITE and Auto Top-up Enabled!
UPI LITE will automatically top up by ₹200 whenever your balance falls below the ₹200.

[View Transaction] [Go to UPI LITE]

(8)

LITE Enablement without Auto-top setup (1/2)

Screen 1
SK Me 🔔
🚗 Fill Petrol-Get Upto ₹30 ***********ojia@upi

PIN-less payments with UPI Lite →

- Send to mobile
- Send to bank/UPI/S...
- UPI Circle
- Bills & recharges
- IPO/ Mandate/Se...
- Approve to Pay

Most popular

⚡ Get up to ₹30 on Prepaid Mobile Recharge

Offers   History

(1)

Screen 2 — Onboarding
UPI LITE ₹ 500 Enable Lite

Welcome to
UPI Lite
payments

- ✦ Pay up to ₹1000 without UPI Pin
- ✦ Enjoy total flexibility! Transfer your UPI Lite balance to your bank without any charges
- ✦ Less cluttered bank statement, Make everyday payments with BHIM UPI Lite.

By Clicking on enable now, you agree to Terms & Conditions

[Enable UPI Lite]

(2)

Screen 3 — Enter amount you want to add to UPI Lite account
₹ 70

[₹200] [₹2000] [₹3000] [MAXIMUM ₹4993]

Money will be added from your Union Bank of India Account XX4984 for fast payments

[Next]

(3)

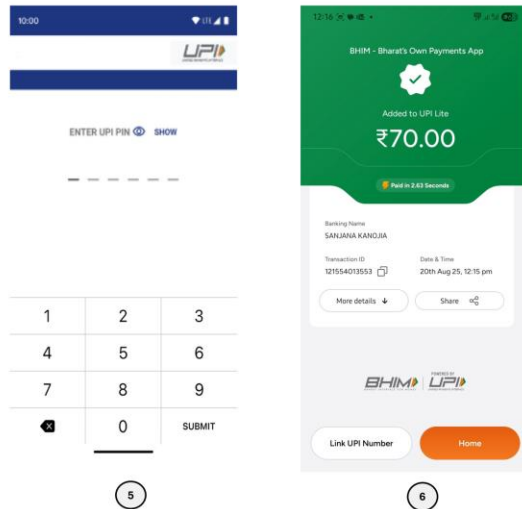**Screen 4 — Select bank account**
- Bank 1 xxxx0000 (selected)
- Bank 2 xxxx0000

The bank account will be used for all your future top-ups

[Continue]

(4)

**LITE Enablement without Auto-top setup (2/2)**

Loading money on to LITE account

1. User can load or top up their LITE account by accessing the add amount function

2. User can load the amount of money that they want to use. The minimum user can load is INR 100 and total stored value should not exceed INR 5,000

3. Post this step, user can also setup auto-top up as per their desired options

4. After enabling all the settings authenticate user authenticates the transaction by entering their UPI PIN.

5. User will receive a money added notification on successful completion of the transaction. User will also be able to see the total updated balance at their home page

LITE manual top-up

     (1)   (2)   (3)   (4)
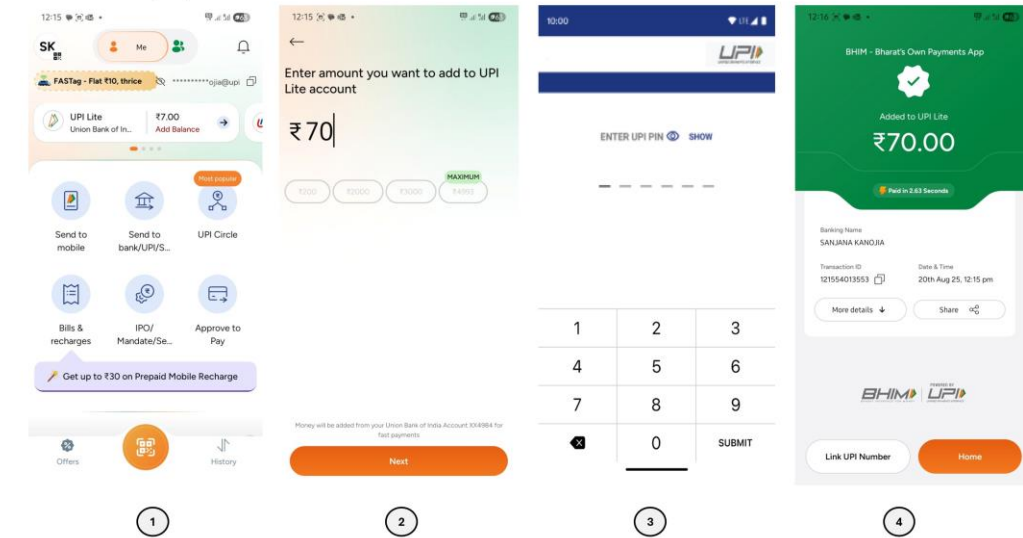
Auto-top up setup in an enabled LITE account

     (1)   (2)   (3)   (4)   (5)
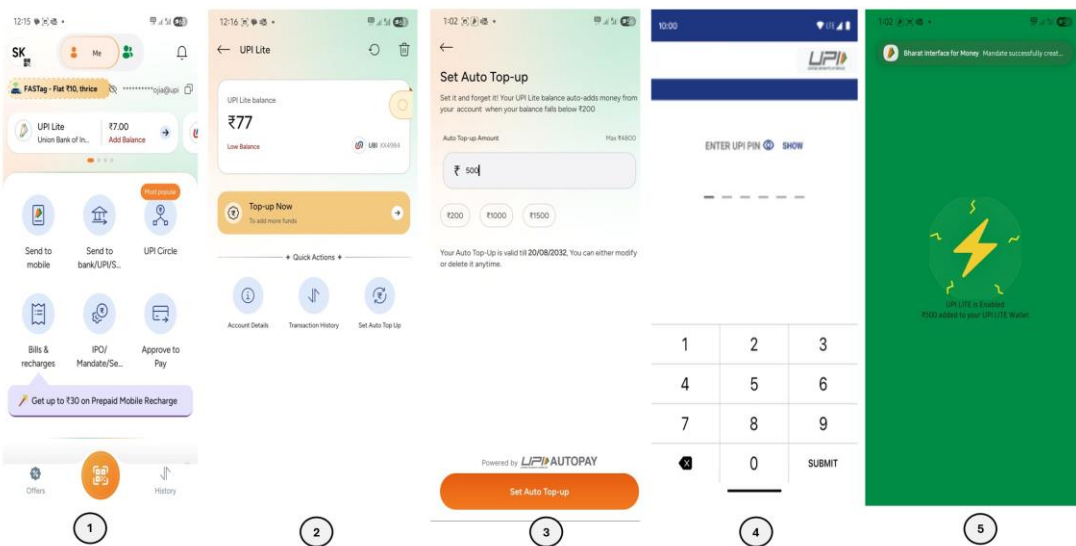
Auto-top up settings management

1. User can also pause/revoke their auto-up on their LITE account

2. On the UPI LITE page, User will be able to find manage auto-top up settings

3. On clicking on which, User will get the option to pause/revoke the Auto-top up settings linked to their LITE account

4. As per their desired options, user can alter their auto-top up settings for their LITE account
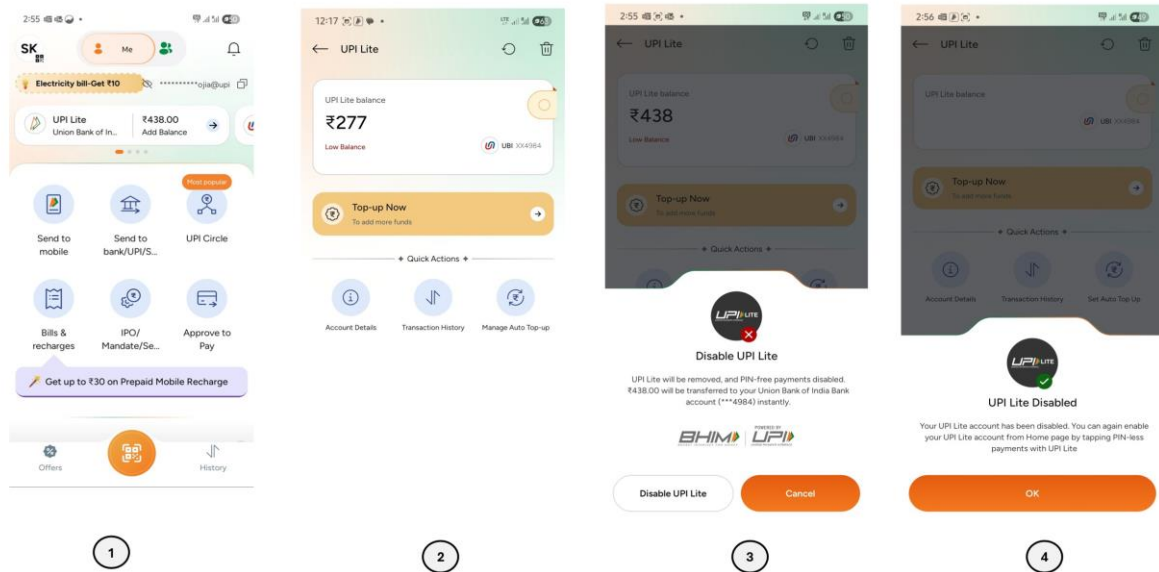
Auto-top up settings management (Pause/Revoke)
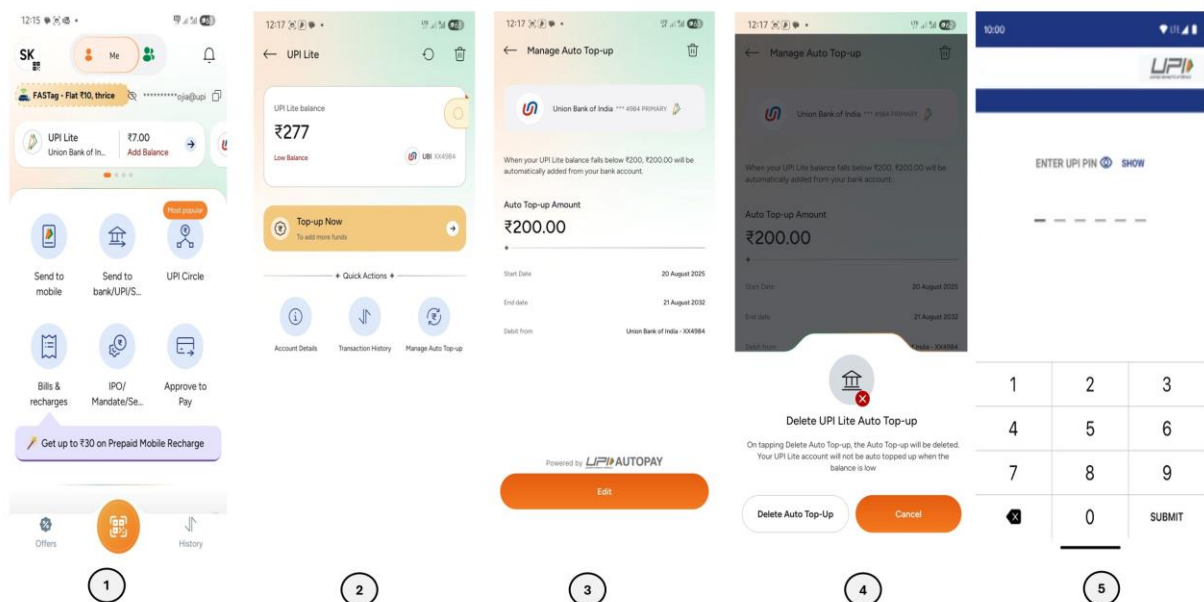
Disable LITE Account

1. User can delete their LITE account by disabling LITE account in the UPI App itself

2. Money will be refunded back to user bank account from the LITE account

3. Option of disabling option will be must there in the App

LITE disablement flow

Please note - In case auto-top is active, Please ensure auto-top up is disabled before disabling LITE account

Scenarios of change of mobile device of user

1. UPI LITE account balance should be treated as cash and can be spent from the App itself

2. LITE account balance will not be transferred in other mobile device if user changes the phone and creates LITE account in new mobile device.

3. User must disable LITE account from the UPI App in case user is changing the mobile device and does not want to use it for payment

4. If user forgets to disable LITE account and wants his LITE balance back in bank account, user should user the same old mobile phone to disable LITE account from the UPI App

<u>Paying a merchant by scanning a QR code</u>

User can make an instant small payment for goods or services under INR 1000 by scanning the QR code the merchant provides without the need to validate this transaction with a UPI PIN.

1. User opens their UPI LITE app and scans the QR code.
2. User puts the required amount to be paid to the merchant. User clicks on 'Pay Now' to complete the transaction.
3. On successful completion of the transaction, User will get a 'Payment done' screen with details of the payment made and the linked bank account it was made from
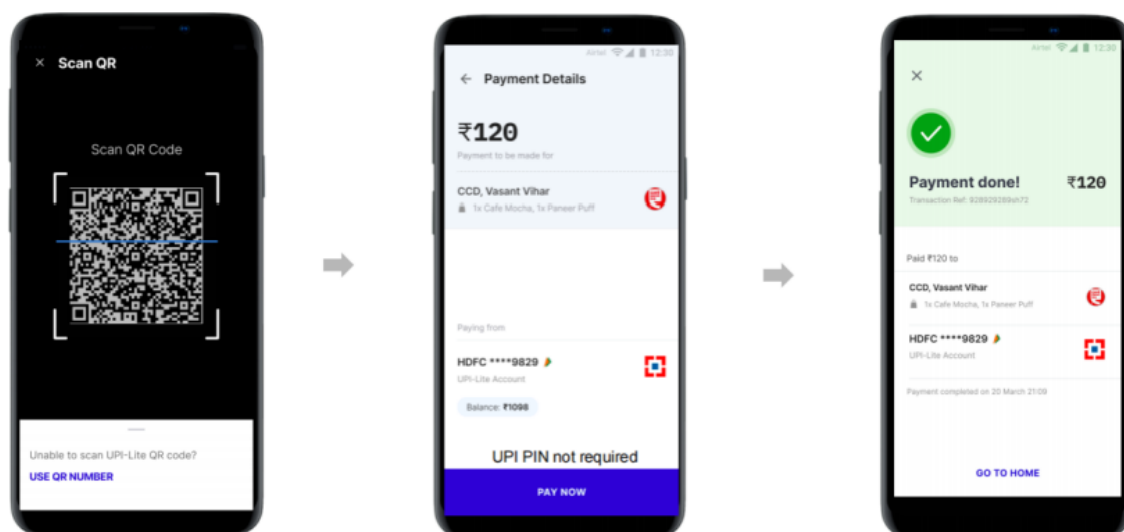
4. Business Uses

What are the business uses of UPI LITE?

Instant low value daily payments UPI LITE is designed to enable instant, low-value offline payments below INR 1000 which form the bulk of retail payments made across India. Customers can use the replenish able balance to make cashless payments for any low value item they need from Kirana stores, pharmacies, restaurants, shops, fuel retail outlets, and more. Moreover, customers will have uncluttered passbook as LITE transactions will not be captured in the passbook.

5. Business Benefits

What are the business benefits of UPI LITE?

For Banks

- Scalable through enhanced transaction capacity

- No real-time load on core banking systems

- Better small payments management

- Functionality in low or intermittent internet availability locations

- Zero delays as it eliminates hops to remitter bank

- Zero business declines due to pre-approved model

- Better customer experiences

For merchants

- Seamless instant payments from customers

- High success rate

For customers

- Round-the-clock availability

- Better small value payment management

- Convenient to track

- Single-click payments

- Spends management with daily limit

- No worry of hiding UPI Pin in crowded place for small value payments

6. Participants

Who are the participants in the UPI LITE ecosystem?

NPCI

NPCI is the owner, network operator, service provider, and coordinator of the UPI network and the UPI LITE solution.

Banks

Banks approved with mobile banking license and eligible for UPI.

Bank Account holders / Customers

Any customer who is on-boarded by a bank with a UPI enabled account and a UPI ID can consent to utilise the UPI LITE services.

Merchants

Participating merchants who are on-boarded by their banks to accept UPI enabled payments from customers can also be approved for UPI LITE transactions.

Roles and Responsibilities

NPCI

NPCI will provide the Payer App with a CL to host the UPI LITE store value balance and support balance reclaim for any scenario pertaining to life cycle management. NPCI will also enable settlement, dispute management, and transaction batch management with issuers.

Bank

It is the bank's responsibility to create the escrow account and provision for real time fund management, changes to settlement and reconciliation.

PSP

It will be the responsibility of the PSP to manage certification test cases as well as follow all the guidelines as specified for the UPI ecosystem.

TPAPs

The authorised TPAP will need to integrate the Common Library protocols CL V 1.8 for LITE enablement and certification test cases. The TPAP will also need to manage transaction orchestration and provide rules to initiate the UPI LITE customer experience.

7. Use Cases

How is the UPI LITE service used?

Grocery shopping

Radha needs to buy a few grocery items. She realizes she doesn't have enough cash on her, but she remembers that she has a UPI LITE balance of INR 1,000 stored on her mobile. She uses this to pay for the INR 180 worth of purchases she makes at the grocery merchant without worrying for hiding UPI Pin.

Small item purchases

Gagan loves to pick up small toys and treats for his nephew on his way back from work. He often stops at several merchant shops and scans the QR code to pay for small purchases worth under INR 200 each, using the UPI LITE app.