# Digital Transformation – India Way

# India leading from front in digital

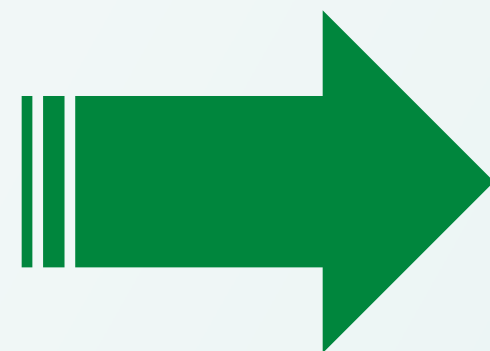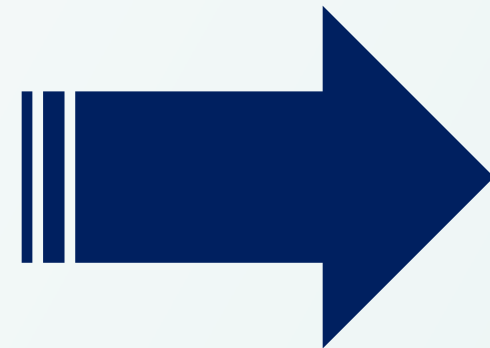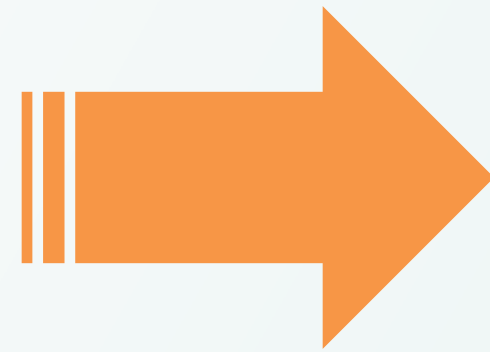**80%** Population with the access to banking services, increased significantly

**1st** Largest digital ID issuance under Aadhaar Program over 1.3 billion enrollments

**1st** Country with large liberalized internet (Affordable data with $0.17 per GB, 1.2 Bn mobile phone users with 70% smartphone)

AADHAAR

UPI UNIFIED PAYMENTS INTERFACE

# Aadhaar, India's Digital ID Platform

*1,332 Million + Aadhar Generated*



- A 12-digit unique identity for every Indian individual, including children and infants

- Establishes uniqueness and robust ID utility, of every individual on the basis of demographic and biometric information

- Enabler for efficient delivery of services

- Aadhaar offers nationwide portability for Indian residents which can be authenticated anywhere online in India

- The architecture of UID is designed in such a way that it is open and scalable

- Aadhaar authentication is processed in such a way that it can handle 100 million authentications per day
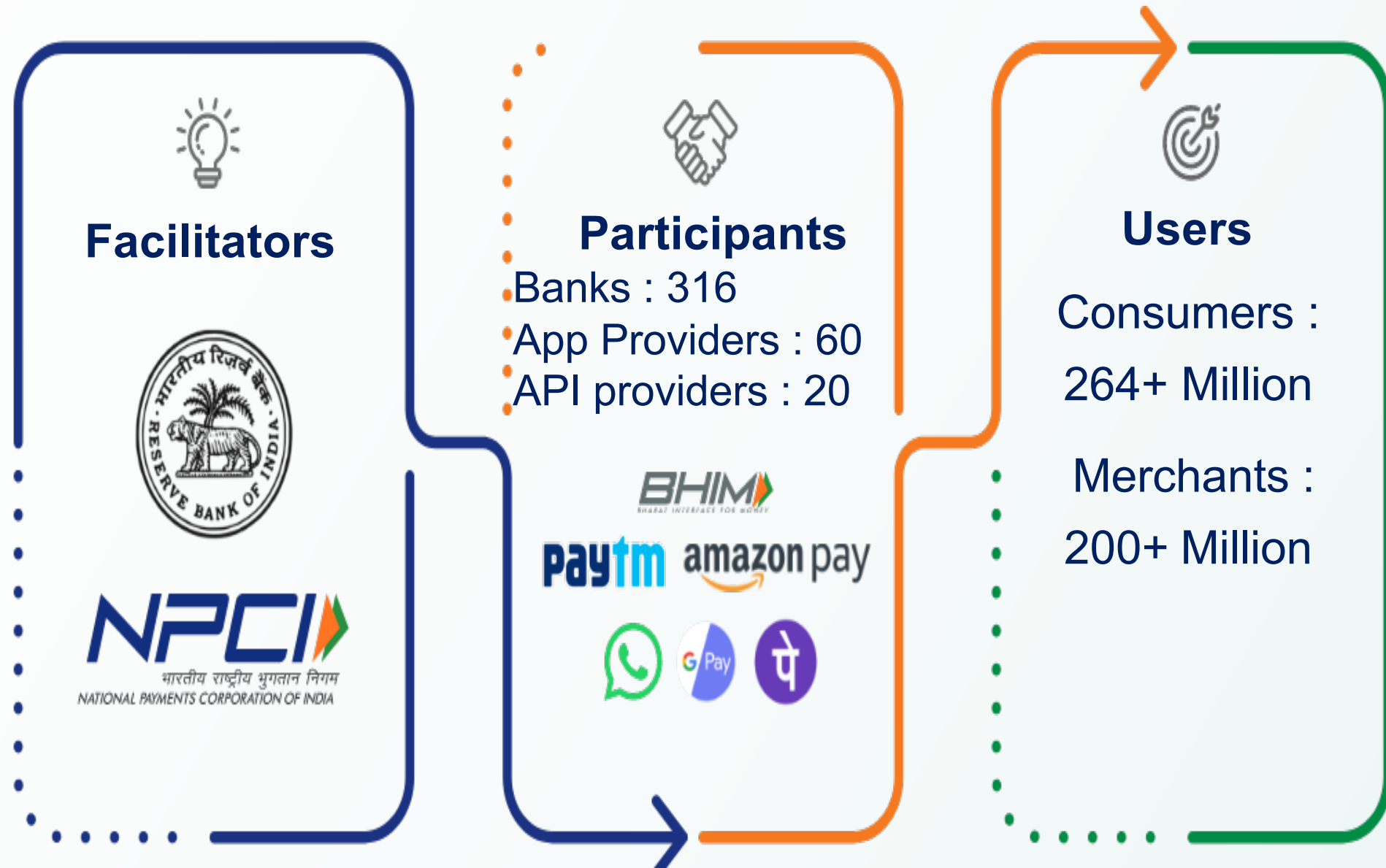
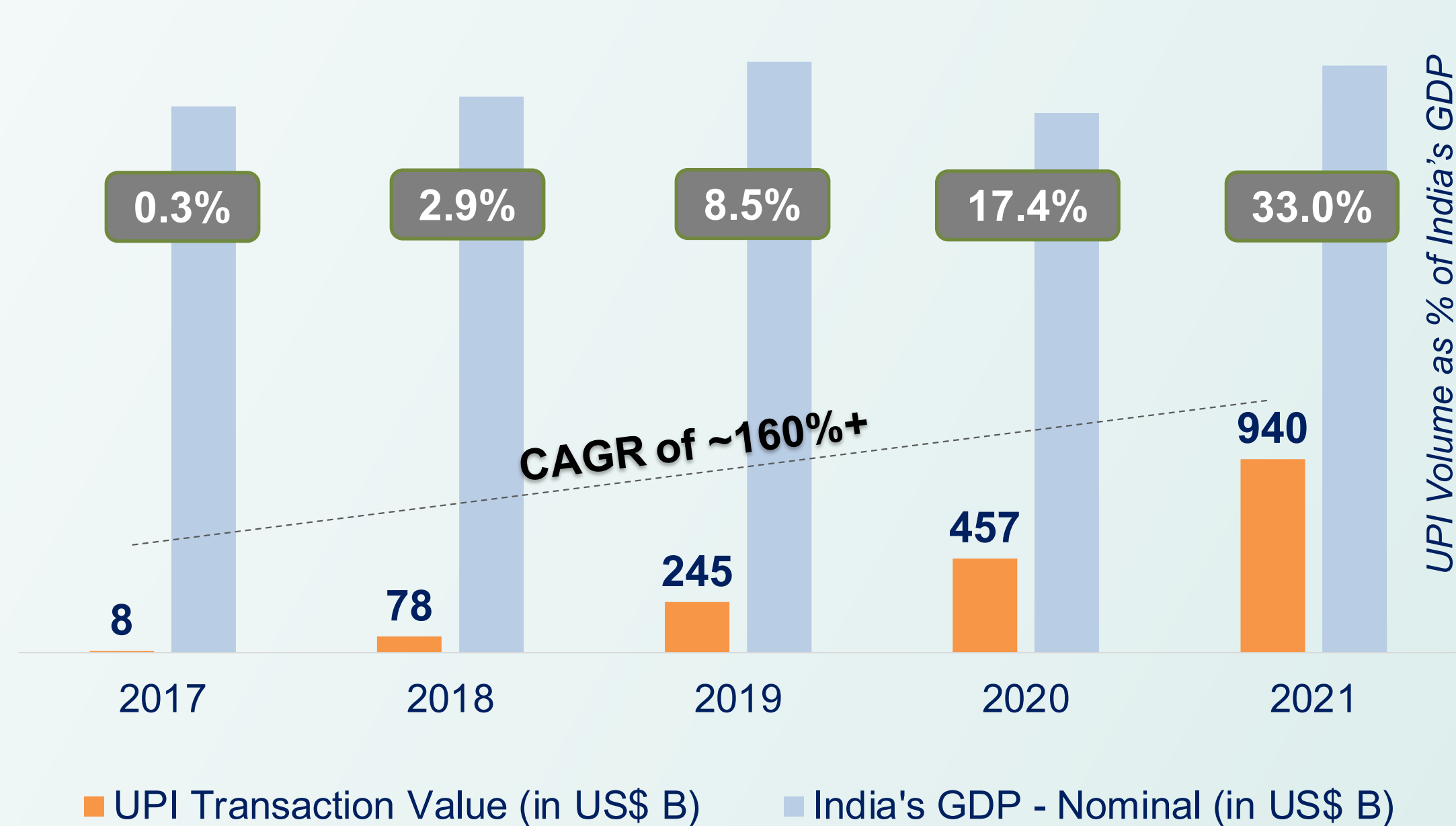**Uniqueness**

**Financial Address**

**E - KYC**

**Authentication**

# UPI, India's Digital Payments Platform

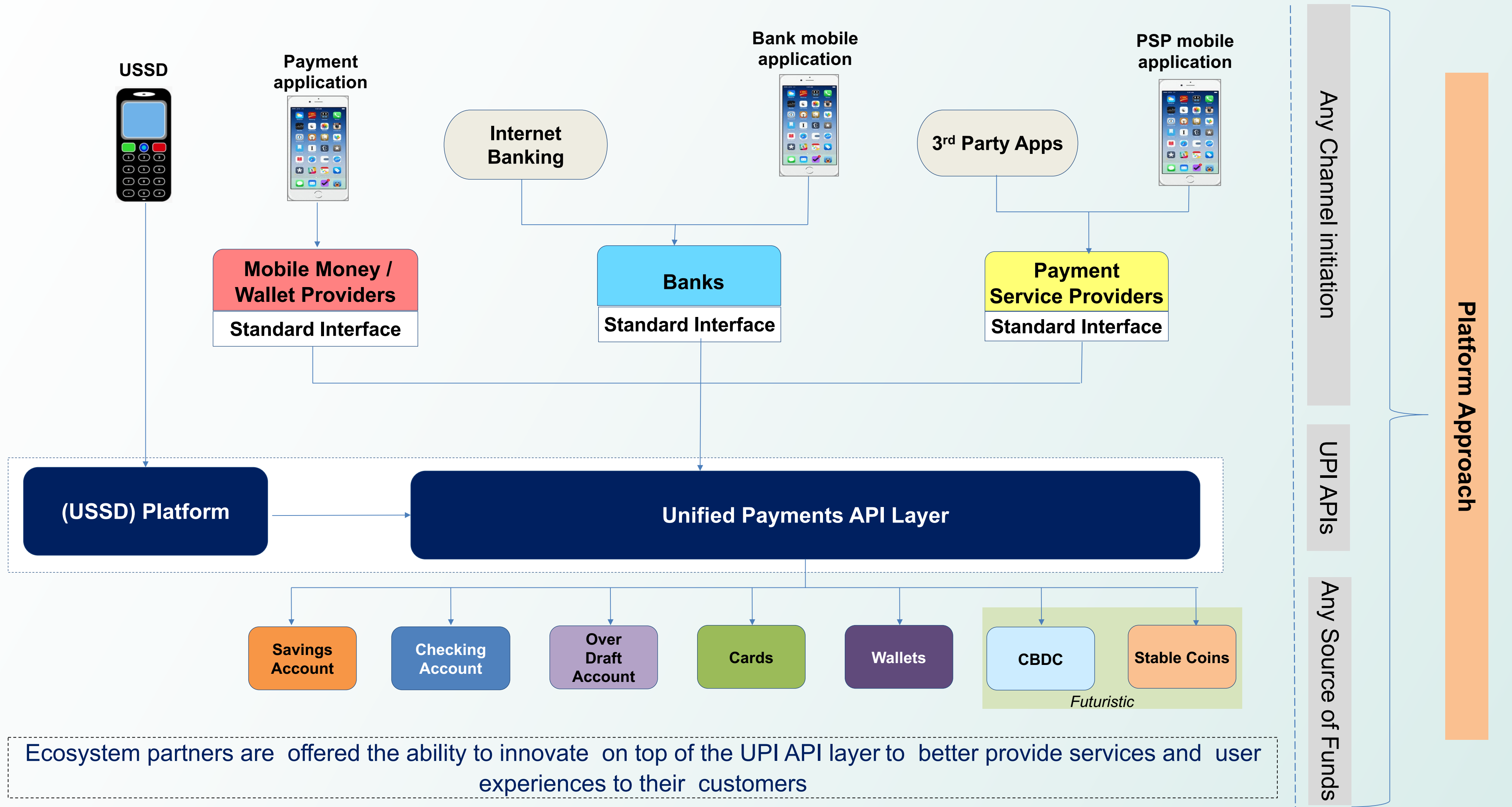*UPI processed 7.31 Billion financial transactions in October 2022*

## UPI's Eco-system

**Facilitators**

Reserve Bank of India

NPCI
National Payments Corporation of India

**Participants**
Banks : 316
App Providers : 60
API providers : 20

BHIM
Paytm  amazon pay
WhatsApp  G Pay  PhonePe

**Users**

Consumers :
264+ Million

Merchants :
200+ Million

## UPI's Performance in India

*UPI Volume as % of India's GDP*

| Year | UPI Volume as % of GDP | UPI Transaction Value (in US$ B) |
|------|------|------|
| 2017 | 0.3% | 8 |
| 2018 | 2.9% | 78 |
| 2019 | 8.5% | 245 |
| 2020 | 17.4% | 457 |
| 2021 | 33.0% | 940 |

CAGR of ~160%+

■ UPI Transaction Value (in US$ B)  ■ India's GDP - Nominal (in US$ B)

# 7

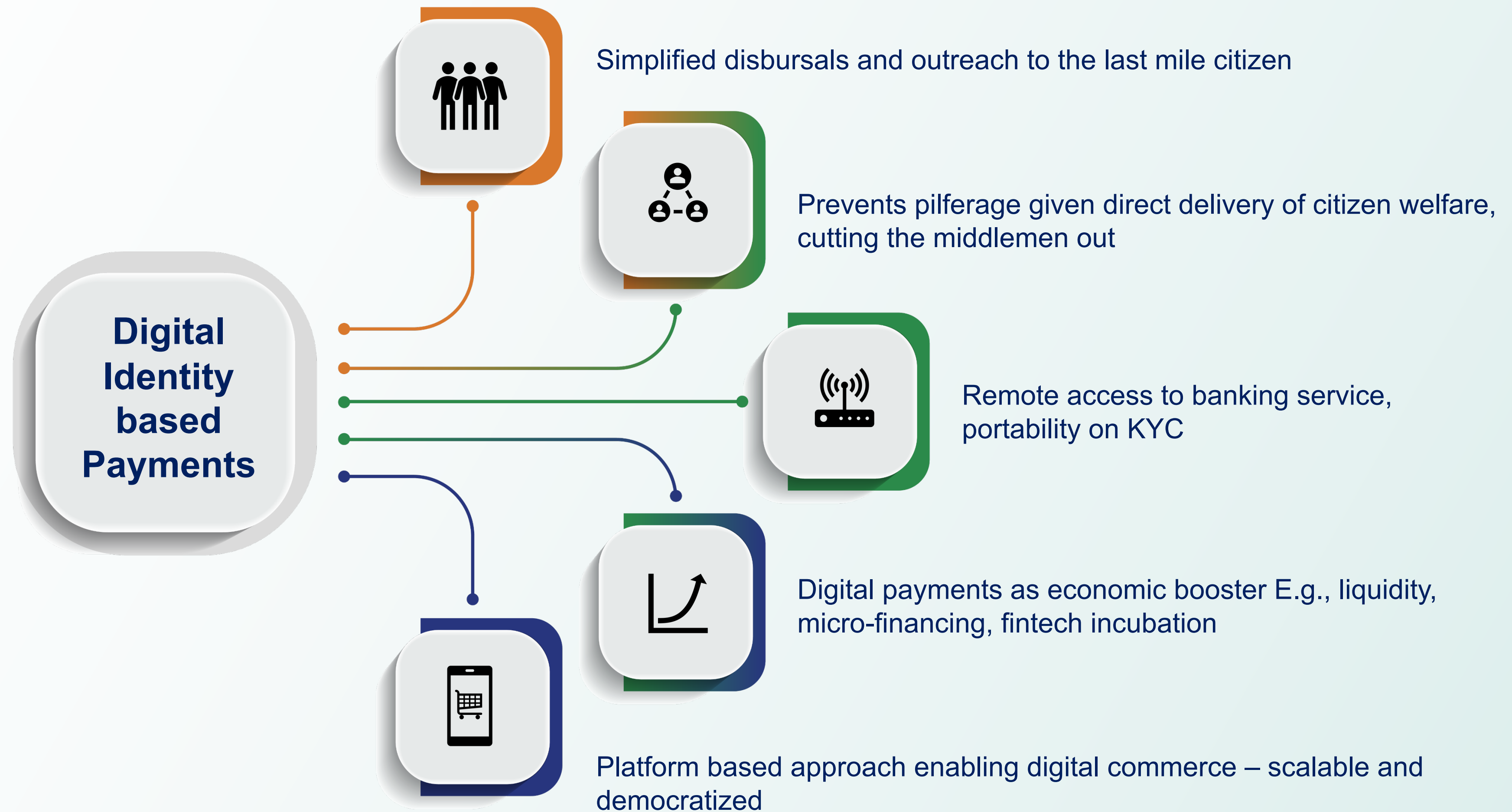| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Interoperable Platform | Runs on aliases | Real-time payments | Multiple servicing channels | Collaborative engagement model | Open Banking | API driven |

# UPI powered by Open Architecture, any channel and any source of funds



**USSD**

**Payment application**

**Bank mobile application**

**PSP mobile application**

**Internet Banking**

**3rd Party Apps**

**Mobile Money / Wallet Providers**
Standard Interface

**Banks**
Standard Interface

**Payment Service Providers**
Standard Interface

**(USSD) Platform**

**Unified Payments API Layer**

| Savings Account | Checking Account | Over Draft Account | Cards | Wallets | CBDC | Stable Coins |
|---|---|---|---|---|---|---|

*Futuristic*

Ecosystem partners are offered the ability to innovate on top of the UPI API layer to better provide services and user experiences to their customers

**Any Channel initiation**

**UPI APIs**

**Any Source of Funds**

**Platform Approach**

# In India Government polices are enabling digital evolution

**Digital Identity based Payments**

Simplified disbursals and outreach to the last mile citizen

Prevents pilferage given direct delivery of citizen welfare, cutting the middlemen out

Remote access to banking service, portability on KYC

Digital payments as economic booster E.g., liquidity, micro-financing, fintech incubation

Platform based approach enabling digital commerce – scalable and democratized

Story of Ms. **Savitri Devi**

Age**: 64**
Education: **Class II**
Family : **Stays alone**
Village: **Chichgarh, Gondia, Maharashtra, India**
Primary source of Income: **Farm Labourer, Household activities**
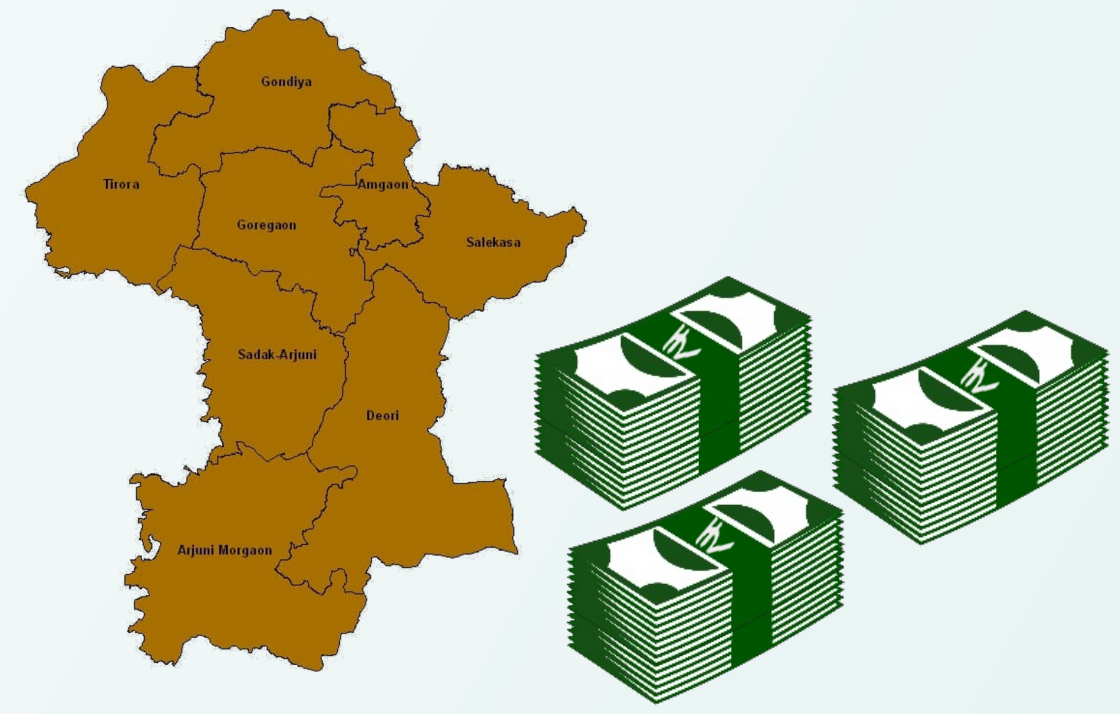
# Maharashtra, India
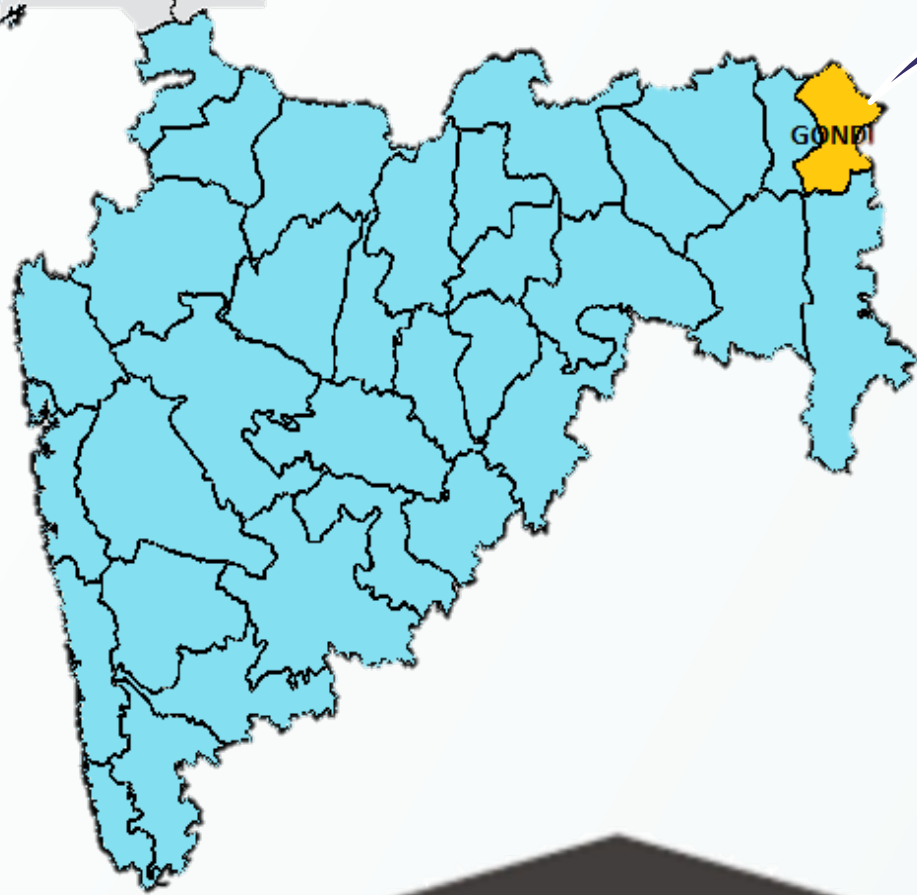
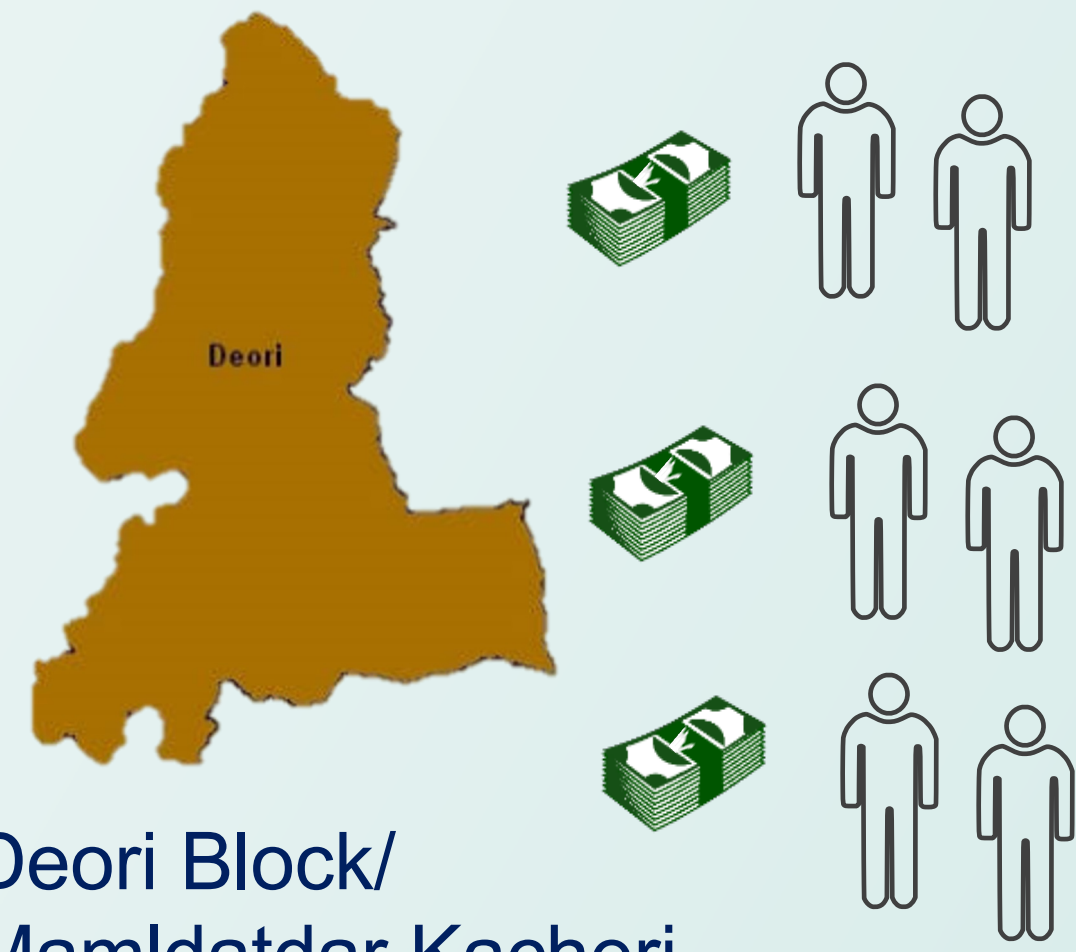Mamlatdar Kacheri

State Transport Bus
8:00 AM/5:00 PM
₹ 25

Auto
8:00 AM/10:00 AM /12:00 pm..
₹ 50

GONDIA

Chichgarh

22 Km

Consolidated Fund of India

Gondia District Administration

Deori Block/ Mamldatdar Kacheri

# 2012……
# Aadhar

## 2014…..
## National Mission of Financial Inclusion: PMJDY

# Story of 2015…..
## Aadhar Enabled Payments (AePS)



**Authentication Service**

**Demo Auth Service**

**eKYC services**

Cash Withdrawal

Cash Deposit

Fund Transfer

Balance Enquiry

Mini Statement

BHIM Aadhar
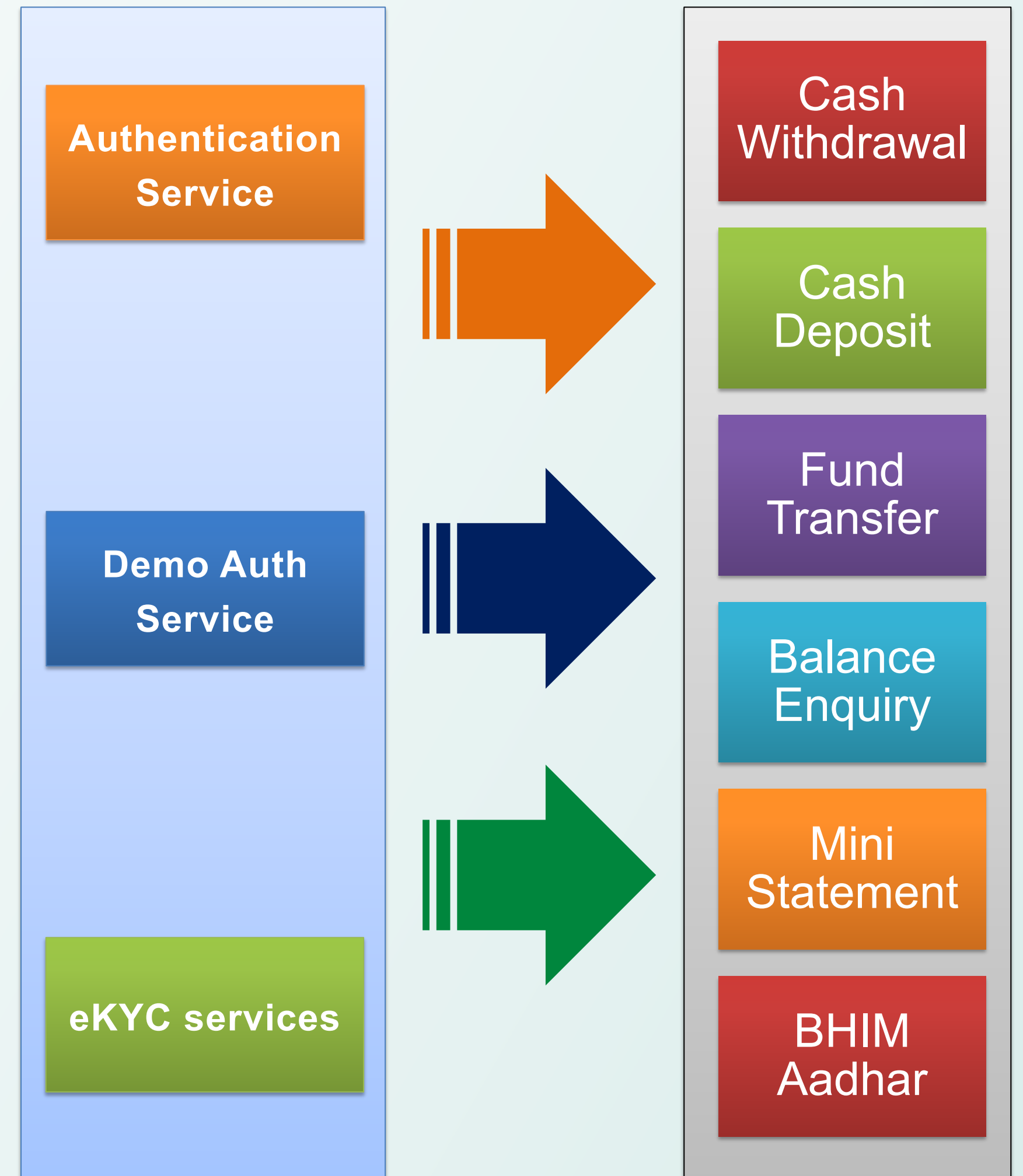
Story of a Happy **Savitri Devi**

Through **AePS doorstep banking**..
- Saved her ₹**100** on travel expense
- Now able to earn **one extra day's wage**
- Accessing her pension **hustle free**

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# Thank You

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