

## You will see a lot of marketing efforts for UPI International: Ritesh Shukla

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Ritesh Shukla, CEO, NPCI International Payments Limited

As the Unified Payments Interface (UPI) takes its first steps abroad, Forbes India speaks with Ritesh Shukla, CEO, NPCI International, to understand the future plans. On the anvil are to increase the acceptance of UPI QR codes by merchants abroad so that Indians travelling on business or pleasure can use their Indian UPI apps—BHIM, PhonePe, Paytm, GooglePay—to scan and make payments. The NPCI [National Payments Corporation of India] would also like to enable payments from Indians working abroad who send money back home. And lastly, there are plans to work with other countries to allow them to develop UPI-like domestic payment systems. Edited excerpts:

### **Q. When did you first think of going global and how did you go about it?**

Before diving into the specific question, it is important to look at the Indian ecosystem—that is where some people have coined this term, digital public infrastructure (DPI). If you look at the DPIs that we have, infrastructure we have developed in India... they stack beautifully—there is the identity layer, the payment layer and the payment exchange layer. So, when it comes to NPCI, we are sitting on the second layer. The role that NPCI and UPI have played has created a lot of excitement globally. The approach we have

taken is adding new use cases and acquiring new customers. So, we are growing on both axes and that multiplier effect is creating traction, new flows, and enabling new opportunities for the ecosystem. As an outcome of this approach, there are beautiful things happening. There is financial inclusion. There is better money movement that, if I can say, is leading to better tax compliance and faster economic activity. It is leading to fintechs getting new solutions and platforms, and so, many of them are thriving.

Lot of countries around the world are in a similar space [they have high cash usage] and have an evolved telecom sector and a median age like India's [India is 28, Africa is 19]. There is lots that they can learn... and create similar ecosystems in their country. There is a lot that has got us excited, including the recognition we have received internationally. All this has given us the confidence to take homegrown solutions and create this outside India. That is the underlying thought behind us going global.

**Q. Is the endeavour to have a payment system out of India to rival the two or three global networks we have? Or is it to have a payment system Indians can use when aboard?**

Thank you for this question. It allows me to articulate our strategy. First of all, we are not here to create rivalry.

When we go outside [India], there are two key areas of focus. One is building interoperability with India and that means two things—creating opportunities for travellers from India when they go to international markets, giving them the option to scan their UPI apps and make UPI payments. Today, we are live in four countries, but there is work going on for many countries.

The other use case has to do with Indians living abroad. Today, there are 30 million Indians living abroad—in the Middle East and Southeast Asia, and even North America, and they have a need to send money back home. How can we use the core infrastructure we have for UPI to bring that money faster and in a more efficient manner?

The other part that is more long term is helping other countries create UPI-like ecosystems. And our model is that we prefer working with central banks or central bank-authorized entities so that we create a relevant proposition that not only has technology but also business know how. Let's be honest... UPI is not the first instant payment platform in the world. But the success of UPI lies in the way we conduct our business. You look at how collaborative our model is—how deeply we are working with fintechs,

how we are creating new things on top of the basic platform. So, we are working at the frontier of technology and the world knows the value they have delivered in a complex country like India.

**Q. Has NPCI given out any data on transactions with QR codes that are scanned abroad or when money comes to India via UPI?**

The way things work in payments—we create a lifecycle chart and so while it takes time [initially], it moves like a hockey stick curve later and then it stabilises. That is the usual customer lifecycle. Like you mentioned, we have been in the business for two to three—the reality is that not all systems are designed for one standardised approach. When you are working in such a diverse landscape, you have to create capabilities to not only read the message format coming from the foreign country but also be able to propagate it further within the ecosystem in India. So, we are somewhere in the process of creating a compliant ecosystem and this includes working with banks, fintechs and big techs here in India to be able to support cross border transactions. At NPCI, we may create these connections, but what if the banks' core systems are not able to read a message format that comes in a currency that is not 356 [356 is the code for Indian rupee]. We are also investing a lot with our partners to be able to train and retrain cashiers etc to offer this to customers as a payment service. So, we are in that process and whatever others have achieved in 70 years of their service, we are working way faster than them. The whole point is about driving transactions. You don't want to create rails and not see any traffic. In times to come, we will be able to share numbers with you.

**Q. You spoke about dealing with central banks. And the Reserve Bank of India (RBI) has introduced the digital currency on a pilot basis. Do you see any synergies with the digital currency and UPI?**

When you look at UPI, we are all about retail payments, and when you talk about CBDC [central bank digital currency] in India, the RBI is running a pilot with about two to three million people participating. When it comes to NPCI International, our focus is to promote retail payments from around the world using apps from across India—BHIM, PhonePe, GooglePay etc. Right now, we have so much to deliver that we are not thinking about CBDC. Our focus is on retail payments outside India as well as people remitting money to India.

**Q. What can we expect in the next few years?**

You will see expansion of the network as more countries join the merchants' payment network—countries that are relevant where Indians go for tourism or business. We will expand our network to include other countries of importance. You will also see efforts on the marketing part. Today, if you go to a store in Singapore, it may be offering UPI, but you may not see the branding and so you may not be prompted to use your UPI apps. You will see a lot of investment in branding. And we would create awareness in India to tell people that when you travel to so many countries, you can use UPI.

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