

Over 50 lakh new users on UPI over the last month, Aadhaar enabled Payment System sees surge

Surabhi Mumbai | Updated on [April 12, 2020](#) Published on April 12, 2020

Overall digital payment numbers down due to Covid lockdown but building up in relevant categories, says NPCI

Though the volume of digital payments may be going down due to the current lockdown on account of Covid-19, certain categories like bill payments, recharges and payments to supermarkets are seeing a growth in volume.

In an interview with *BusinessLine*, Praveena Rai, COO, National Payments Corporation of India, said there are over 50 lakh new users on Unified Payments Interface (UPI) in the last month and Aadhaar enabled Payment System (AePS) is also seeing a surge in transactions.

“Just like people will continue to wear masks and wash their hands, it will be equally important to use digital payments,” she said.

Excerpts:



Praveena Rai, COO, National Payments Corporation of India

Is the current lockdown due to the coronavirus giving a demonetisation-like boost for digital payments?

The current situation calls for digital payments. Earlier, digital payments were about convenience but in this environment, it is practically mandatory from a safety point of view. That's why the government and Reserve Bank of India are pushing for it. We will eventually come out of lockdown but to get

back to normal will be some time away. So just like people will continue to wear masks and wash their hands, it will be equally important to use digital payments.

Recent data shows a dip in digital payments. Is it a cause for concern?

The first half of March did very well in terms of payments but once the lockdown was announced, there was a volume dip as economic activities and social interactions went down. So payments can't keep continuing. While overall numbers are down, the digital payment methods are building up in certain categories that are relevant. Amongst these, UPI and RuPay are the least impacted.

Is there more demand for digital payments infrastructure from merchants of essential goods?

The demand is coming for infrastructure. They are on-boarded on UPI. We are seeing a surge in demand. We probably have 50 lakh new users on UPI in the last month. These include both merchants and individuals.

Amongst products, UPI is the best with no physical contact. We have been running a campaign on UPI *Chalega*, which focuses on lockdown-related payments such as payments to grocer, supermarket and salary payments. This campaign has got nearly 1 billion impressions and we have seen volumes grow in specific categories like supermarkets. Merchants are also moving into a digital mode from QR codes to UPI. A lot of RuPay cards are also getting activated and used. Specific categories like bill payments and recharges are seeing traction while point of sale (PoS) transactions have gone down.

What is the situation like in rural areas? With the cash transfers, are people using Aadhaar enabled Payment System?

AePS is a super critical product as DBT transfers are being made and people need to access these funds close to their houses. People are able to get the funds from business correspondent (BC) outlets. AePS is now seeing a surge in volumes and we are tracking it closely.

Have the problems in accessing cash and banking services in rural areas been addressed?

There were some challenges in the early days of the lockdown. While the government circular had clearly put banking, fintech, NPCI and cash services as essential services, there were some problems in implementation initially. These have now been sorted out.