

# UPI GOES WEBLESS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

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This could be the next big leap for India's Unified Payments Interface (UPI). On Tuesday, Reserve Bank of India Governor Shaktikanta Das launched UPI123Pay, a digital application that lets users of feature phones transfer money. With it, they'll be able to do virtually everything that smartphone users can do on this payment platform, except scan-and-pay. No internet connection is required. All one needs is a feature phone linked to a bank account, and funds can be sent to any other UPI user without needing to key in bank details each time.

This should serve to expand the adoption of this proprietary platform that India has developed for cashless transactions. While UPI usage has soared since its launch in 2016, it could not penetrate rural belts where smartphone ownership remains low and internet connectivity is patchy. With cheaper handsets logging on to the UPI system, volumes should swell, aiding financial inclusion. The pandemic has already seen UPI transfers zoom, with over 4.5 billion of them worth nearly 8.3 trillion reported in February, up from just above 1.3 billion worth 2.2 trillion in the same month two years earlier. The count is set to go higher.

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