



# Towards a Cashless India

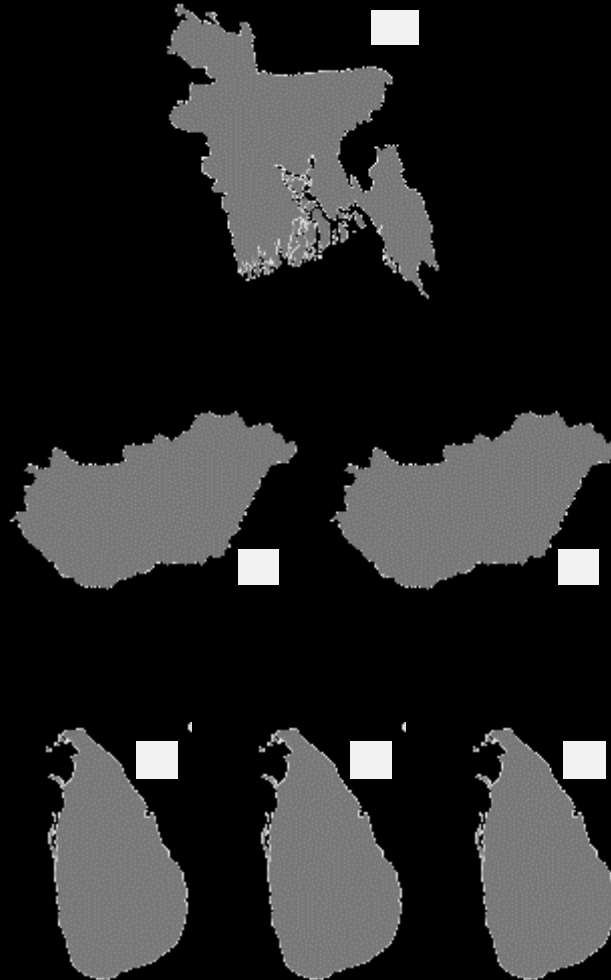
FIBAC 2019

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# How big really is digital payments in India?



Estimated  
value of UPI  
txns in FY20



Bangladesh's GDP

2 times  
Hungary's GDP

3 times  
Sri Lanka's GDP

Unprecedented  
growth and  
innovation



## Data Access

600 mn internet users by 2019



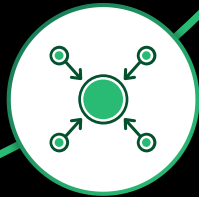
## Start-ups

375 fintechs, \$700 mn last year



## Entry of Bigtechs

Google, Whatsapp, Amazon



## Consolidation

Flipkart acquired PhonePe, Axis Bank acquired Freecharge, PayU acquired CitrusPay

# Our payments infrastructure today leads the world

## Payments Infrastructure

### Highly advanced features

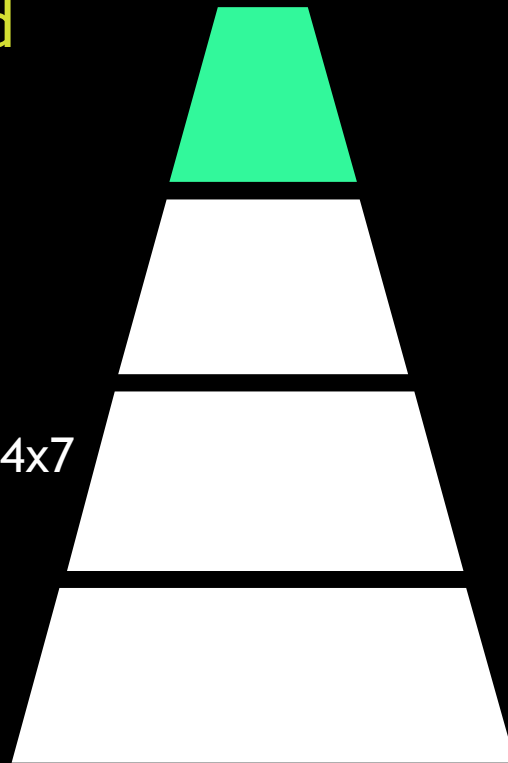
E.g. QR code, batch payments

### Semi advanced features

E.g. ISO compliant, 24x7 access

### Basic features

E.g. A/c to a/c transfer



## Maturity Score (out of 5)<sup>1</sup>

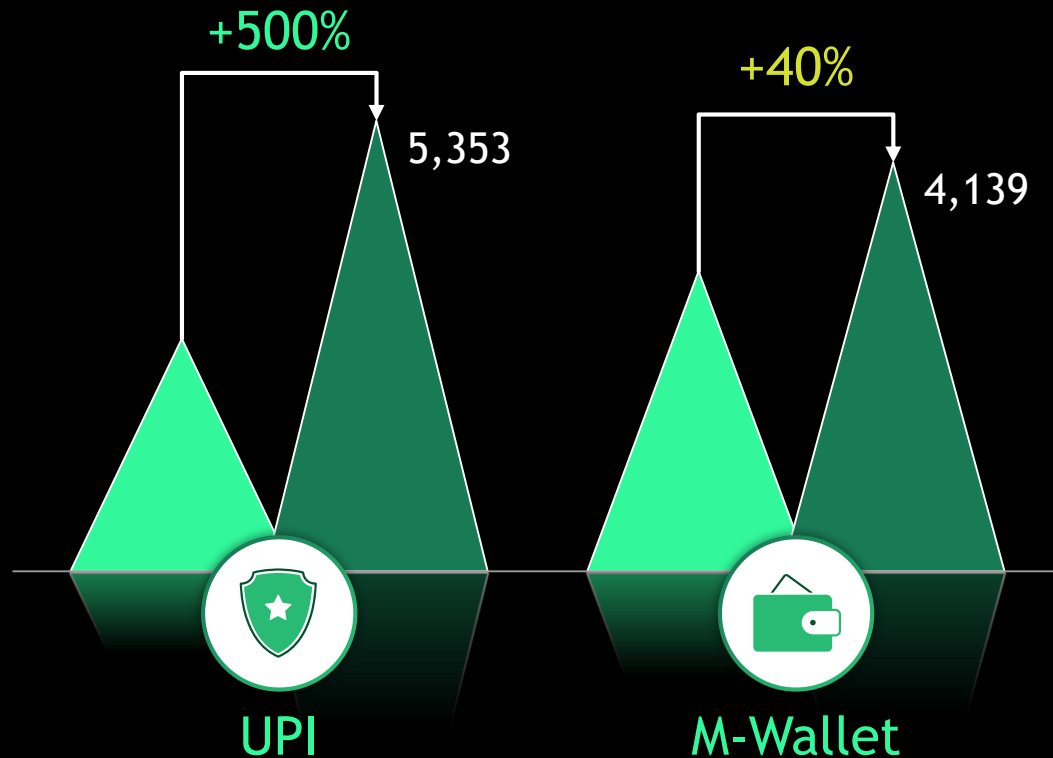


1. FIS assigns scores to countries basis sophistication of payment system and future potential for innovations, highest score of 5  
Source: FIS - Flavors of FAST report 2018

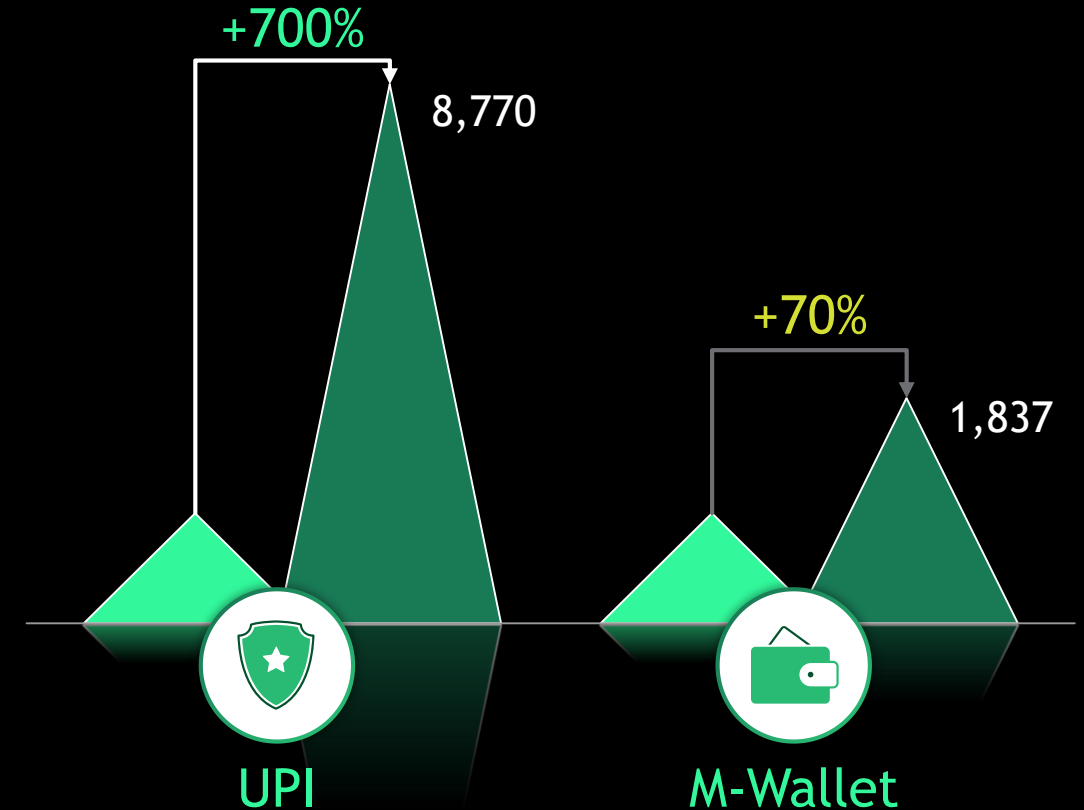
# UPI has been game changer - bigger than m-wallets

■ 2018 ■ 2019

# of transactions (mn)



Value of transactions (Rs bn)



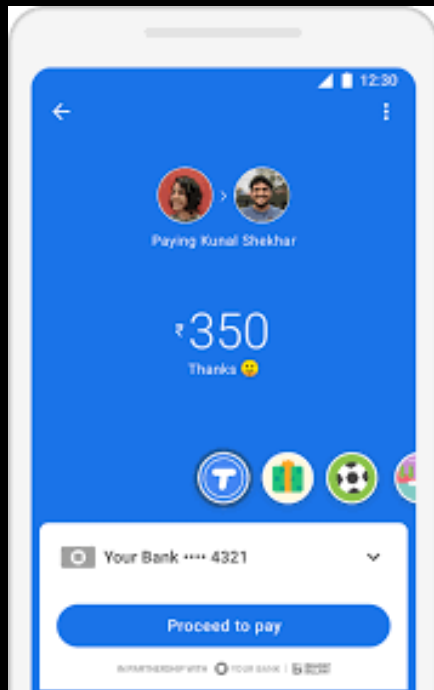
Note: UPI was operational from April 2016, UPI transactions and value also include loading of mobile wallets  
Source: Target Financials, RBI

# Use cases of UPI based payments have proliferated

From P2P transfers..

..to m-commerce..

..and mass retail



Acceptance of UPI payments ubiquitous

# Riding on UPI, "big-tech" disrupting payments

## Global tech giants entering market..



- 45 mn monthly users
- 3 lakhs locations



- 150 mn users to tap
- 80% txns outside Tier-1

## ..and backing domestic players



- Alibaba backed (38% stake)
- 350 mn customers, 12 mn merchants

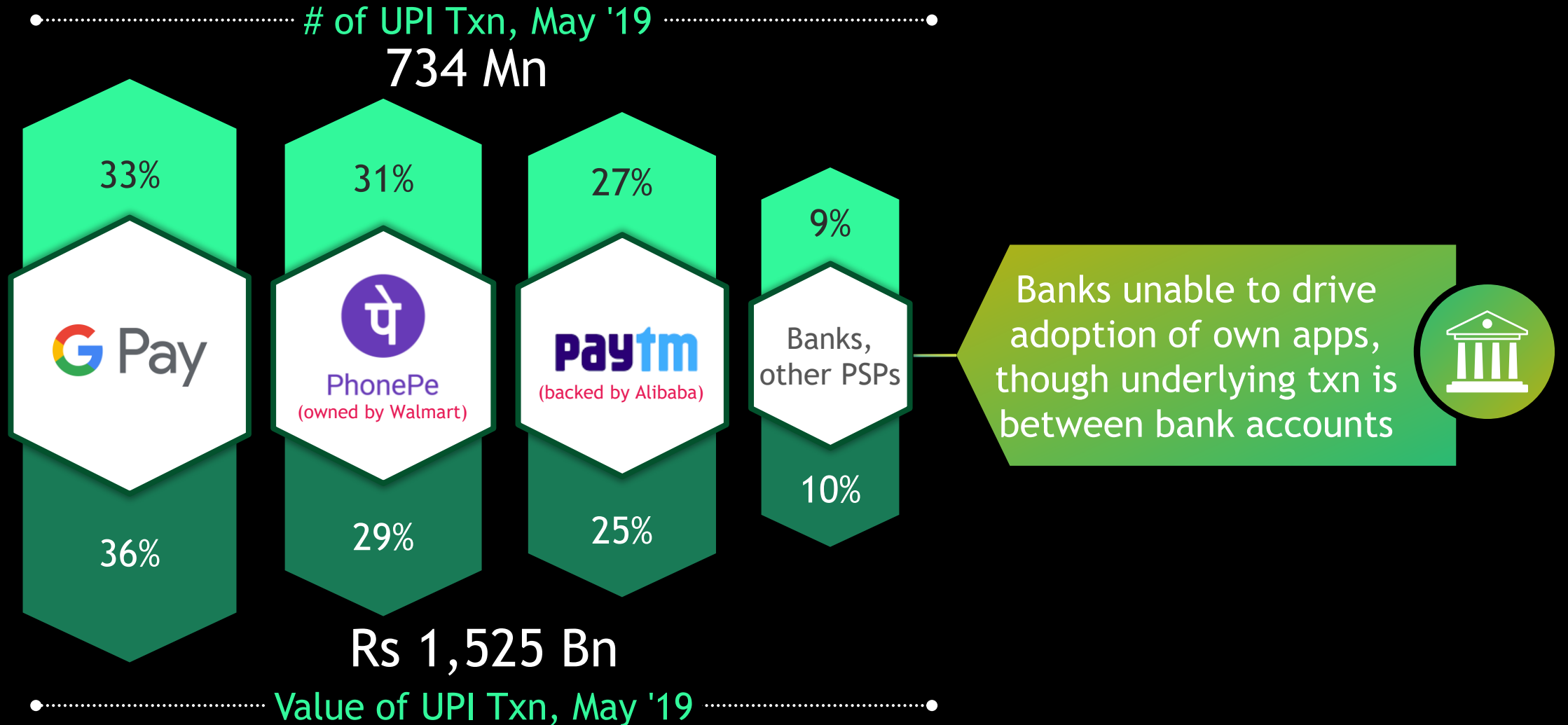


- 200 mn monthly active users
- 1 Mn users, full-scale launch underway
- Owned by Facebook



- Walmart acquired with Flipkart (80% stake)
- 185 mn customers, 5 Mn merchants

# Big-tech have 90% share of UPI txns





# Crystal balling the future - what lies in store



What is the next frontier for digital payments in India?  
What will make cash really disappear?



Can banks become digital giants faster than the digital giants can become banks?



What will differentiate the winners in this evolving landscape?



What further role can regulator and government play?