

WORLDLINE 

India Digital Payments Report

1H 2024



Foreword by Ramesh Narasimhan.

As we present the 1H 2024 India Digital Payments Report, I am proud to reflect on the remarkable growth of India's digital payment ecosystem. The continued growth and transformation of the financial ecosystem underscores India's ongoing digital transformation and Worldline remains committed to driving this change.

The data in this report highlights several key trends that showcases the scale and speed at which digital payments are becoming a part and parcel of everyday life across the country. For instance, UPI remains the dominant player, with over 78 billion transactions in the first half of 2024 alone, which is a 52% increase in volume compared to 1H 2023. This significant rise in UPI transactions, particularly in the person-to-merchant (P2M) segment, further cements its position as the preferred method for micro-transactions, demonstrating long-term sustainability and even movement to larger transactions in the coming years.

Another notable highlight is the use of credit cards has grown, reflecting its stronghold in high-value transactions, while debit card volumes have seen a steady decline, reflecting UPI's dominance.

The payment infrastructure also continues to grow as well. The number of Point of Sale (POS) terminals deployed on the field crossed the 8.96 million mark. The number of UPI QR codes deployed has also continued to rise – highlighting the readiness of merchants across industries to accept digital payments—from grocery stores to e-commerce.

We have given our view on the Unified Lending Interface (ULI) on how it will simplify and enhance the financial inclusion journey. ULI integrates multiple lending products on a unified digital interface, making credit more accessible to the unserved and underserved populations while reducing borrowing costs. This platform will play a crucial role in reshaping lending practices, bringing efficiency, transparency, and inclusivity.

At Worldline, our goal is to continue facilitating the adoption of these digital solutions, creating a seamless and secure ecosystem that serves both consumers and businesses. We are confident that as India continues to embrace digital payments, the benefits will extend far beyond convenience, driving greater economic participation, financial inclusion, and overall growth.



Ramesh Narasimhan
Chief Executive Officer
India

Industry Insights by Sunil Rongala.

The Unified Lending Interface: An Important Step Forward

In August 2023, the Reserve Bank of India (RBI), launched a pilot for a platform called the Public Tech Platform for Frictionless Credit. According to them, the platform “would enable delivery of frictionless credit by facilitating seamless flow of required digital information to lenders. The end-to-end digital platform will have an open architecture, open APIs and standards, to which all financial sector players can connect seamlessly in a ‘plug and play’ model...It shall bring about efficiency in the lending process in terms of reduction of costs, quicker disbursement, and scalability.”¹ In September 2024, this platform was re-named as the Unified Lending Interface (ULI).

There is an urgent need for such a platform. Access to credit, be it for businesses or personal, is important to greasing the wheels of the economy. According to a 2022 report by TransUnion CIBIL, out of a population of 814 million who were credit eligible, 408 million were credit unserved and 164 million were credit underserved.² The ULI potentially emerges as a solution that could serve the unserved and underserved. It is designed to simplify the borrowing process for consumers, lenders, and financial institutions alike by consolidating multiple lending channels into a single platform.

The ULI integrates various lending products such as personal loans, mortgages, auto loans, and business financing into a unified platform. This consolidation allows borrowers to access a range of options on one platform. This allows users to make informed decisions based on their individual situations. One of the key benefits of the ULI is its ability to promote transparency in borrowing costs.

Many individuals and small businesses cannot obtain financing due to credit requirements or a lack of awareness of available options. The ULI leverages multiple information sources to evaluate borrowers more comprehensively, i.e., beyond traditional credit scores. This opens the door to a wider range of borrowers, including those who may have been overlooked. The ULI can also streamline and automate multiple administrative tasks allowing lenders to operate efficiently and gain insights into trends and behaviour enabling them to have targeted product offerings.

Obviously, potential data privacy and security challenges will need to be addressed. In addition, a wider adoption requires collaboration between financial institutions, technology providers, and regulatory bodies. Like any platform, it should balance innovation and customer protection.

In conclusion, by simplifying the borrowing process, promoting transparency, enhancing accessibility, and streamlining operations, the ULI has the potential to reshape the financial landscape. This could lead to a more inclusive and efficient environment, ultimately benefiting customers and institutions alike.



Sunil Rongala
Senior Vice President – Strategy,
Innovation and Analytics

1 https://rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=56200

2 <https://newsroom.transunioncibil.com/more-than-160-million-indians-are-credit-underserved/>

Executive Summary.

We have analyzed transactions available in public databases* as well as the transactions processed by us in 1H 2024 (January – June) and derived some unique insights

1.

The number of POS terminals deployed on the field breached the 8.96 million mark.

2.

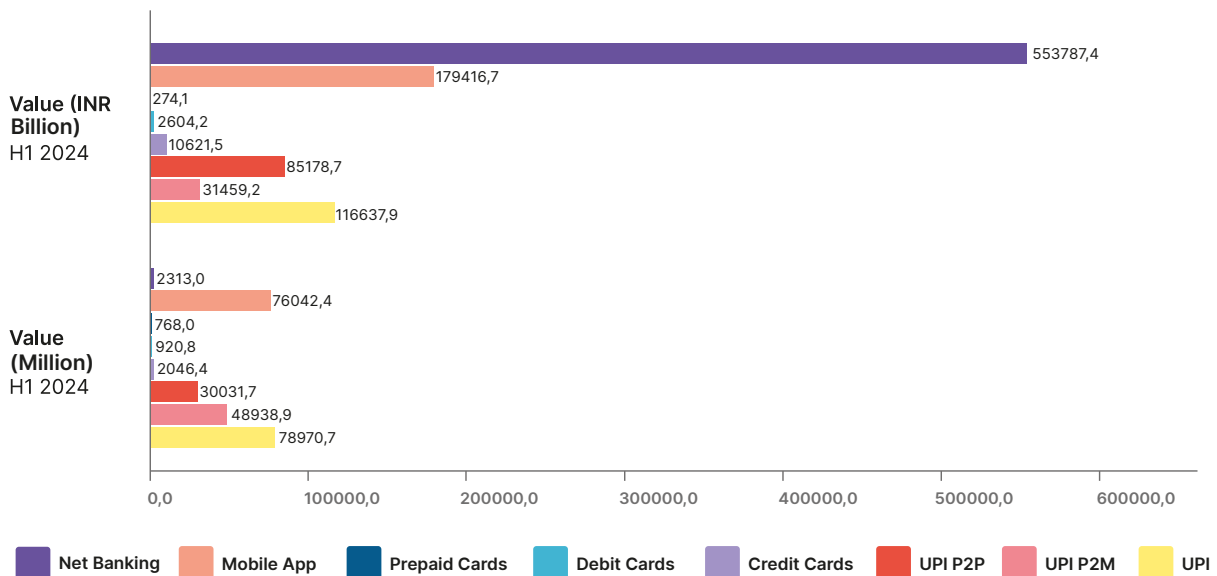
10 banks accounted for 95% of PoS terminals deployment.

3.

As far as payment choices go, UPI continues to dominate.

Payment Channel	Volume (Million) – 1H 2024	Volume (Million) – 1H 2023	Value (INR Billion) – 1H 2024	Value (INR Billion) – 1H 2023
UPI	78970.66	51905	116637.8	83166.3
UPI P2M	48938.9	29153.5	31459.2	19394.6
UPI P2P	30031.7	22751.9	85178.7	63991.1
Credit cards	2046.355	1551.5	10621.51	7745.46
Debit Cards	920.81	1379.5	2604.22	3176.47
Prepaid Cards	767.951	710.8	274.13	231.44
Mobile App	76042.353	52158.2	179416.7	132404
Net Banking	2313.022	2130.6	553787.4	469030

Transactions - All Payment Systems



4. Average Ticket Size (INR)

	1H 2024	1H 2023
UPI	1478	1603
UPI P2M	643	667
UPI P2P	2836	2812
Credit card	5190	4992
Debit card	2830	2302
Prepaid Cards	357	325
Net Banking	239422	220140
Mobile App	2359	2538

6. Debit card transactions (volume and value) have been falling steadily indicating the dominance of UPI.

5. Credit card transactions (volume and value) have been increasing steadily solidifying its position as the preferred channel for high value transactions. This is for both POS as well as online transactions.

7. With the growth of vehicle sales and government mandates, **NETC FasTag** is continuing to see a steady growth.

*Sources: <https://rbi.org.in/> <https://www.npci.org.in/>





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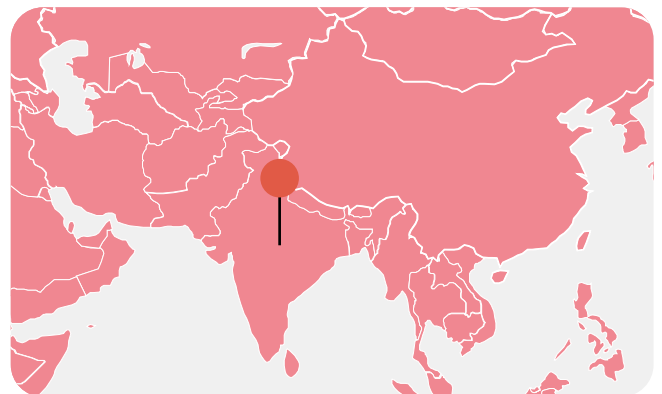
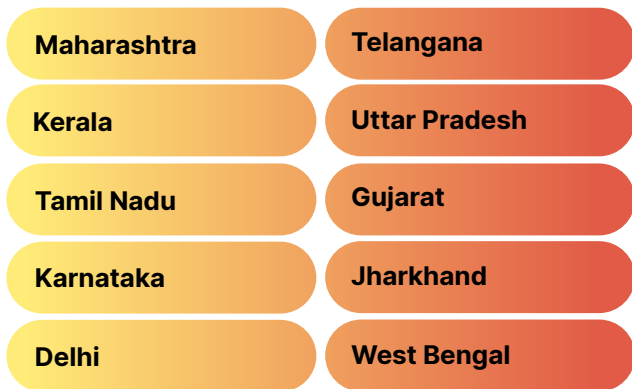
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Worldline India – Data Trends.

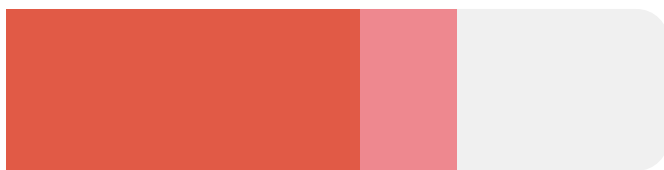
In 1H 2024, the most frequently visited **in-store** merchant categories were grocery stores, restaurants, service stations, clothing stores, government services, pharmacies and hospitals which accounted for around 68% in terms of volume and nearly 53% of the total transaction value.

In the **online space**, e-commerce, gaming, utilities, government and financial services amounted to about 81% of the total transaction volume and about 74% of the total transaction value.

The top 10 States and Union Territories with the highest number of transactions at physical touch points in 2024 were Maharashtra, Kerala, Tamil Nadu, Karnataka, Delhi, Uttar Pradesh, Gujarat, Jharkhand, and West Bengal.



In-store



53%

of the total transaction value

68%

of the total transaction volume



Online



74%

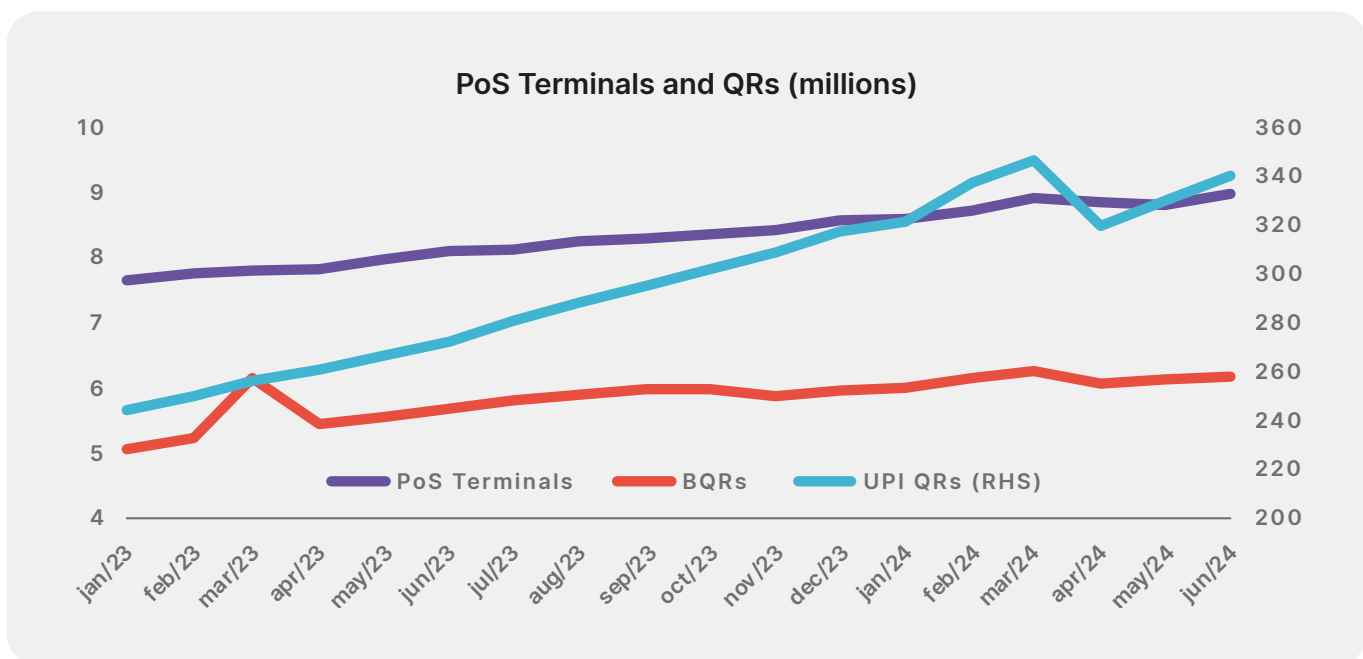
of the total transaction value

81%


of the total transaction volume

Payment acceptance infrastructures.


Across the board, payments acceptance infrastructure channels have grown at a good clip. Between January 2023 and June 2024, PoS terminals grew by 17% to 8.96 million (from 7.65 million in Jan 2023) while BQRs grew by 22% to 6.16 million (from 5.06 million in Jan 2023). The standout, as expected, is UPI QRs which grew by 39% to 340 million (from 244.23 million in Jan 2023). This growth in UPI QRs is also reflected in UPI transactions.




UPI QRs grew by

39% 

BQRs grew by

22% 

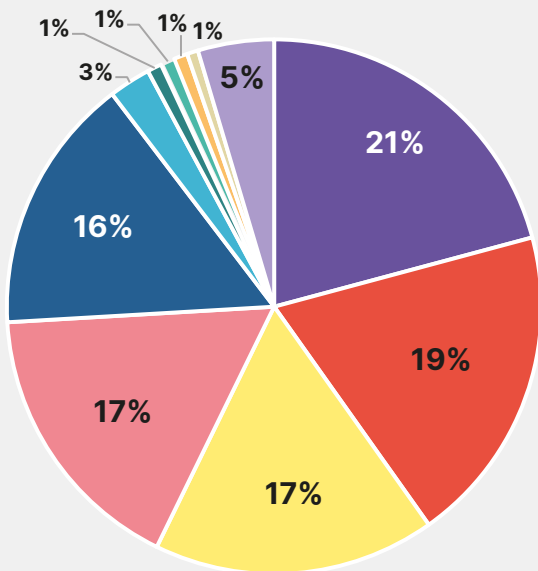
PoS terminals grew by

17% 

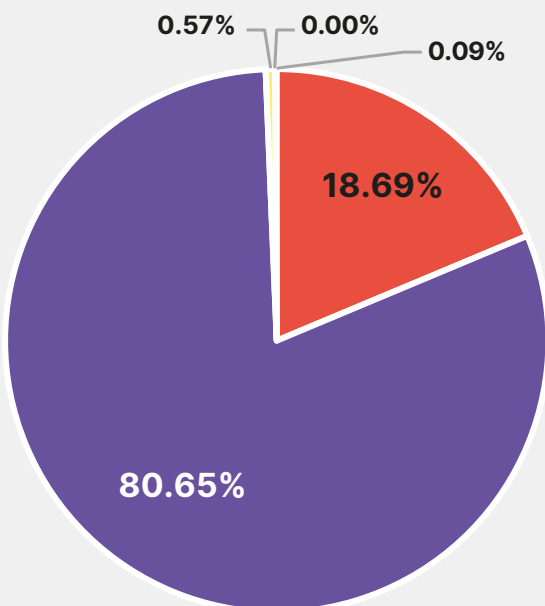
PoS market share.

Top POS deployers:

Axis Bank, ICICI Bank, RBL Bank, HDFC Bank, State Bank Of India, IndusInd Bank, Canara Bank, Yes Bank, Kotak Mahindra Bank and Bandhan Bank accounted for 95% of terminals deployed as of June 2024.



- AXIS BANK LTD
- ICICI BANK LTD
- RBL BANK LTD
- HDFC BANK LTD
- STATE BANK OF INDIA
- INDUSIND BANK LTD
- CANARA BANK
- YES BANK LTD
- KOTAK MAHINDRA BANK
- BANDHAN BANK LTD
- Others



Private Sector banks dominated the space with a 80.6% market share while Public Sector Banks accounted for 18.6%; Foreign and Small Finance banks have a sub-1% market share while Payment Banks have no terminals deployed at all. This is a dramatic turn from the 2H 2023 where Payment Banks accounted for about 8% of terminals deployed.

- Public Sector Banks
- Private Sector Banks
- Private Sector Banks
- Foreign Banks
- Payment Banks

Unified Payments Interface (UPI).

The number of UPI transactions increased from 8.03 billion in January 2023 to 13.9 billion in June 2024. Correspondingly, the transaction value has exhibited a parallel upward trajectory; it increased from INR 12.98 trillion in January 2023 to an impressive INR 20.07 trillion in June 2024.

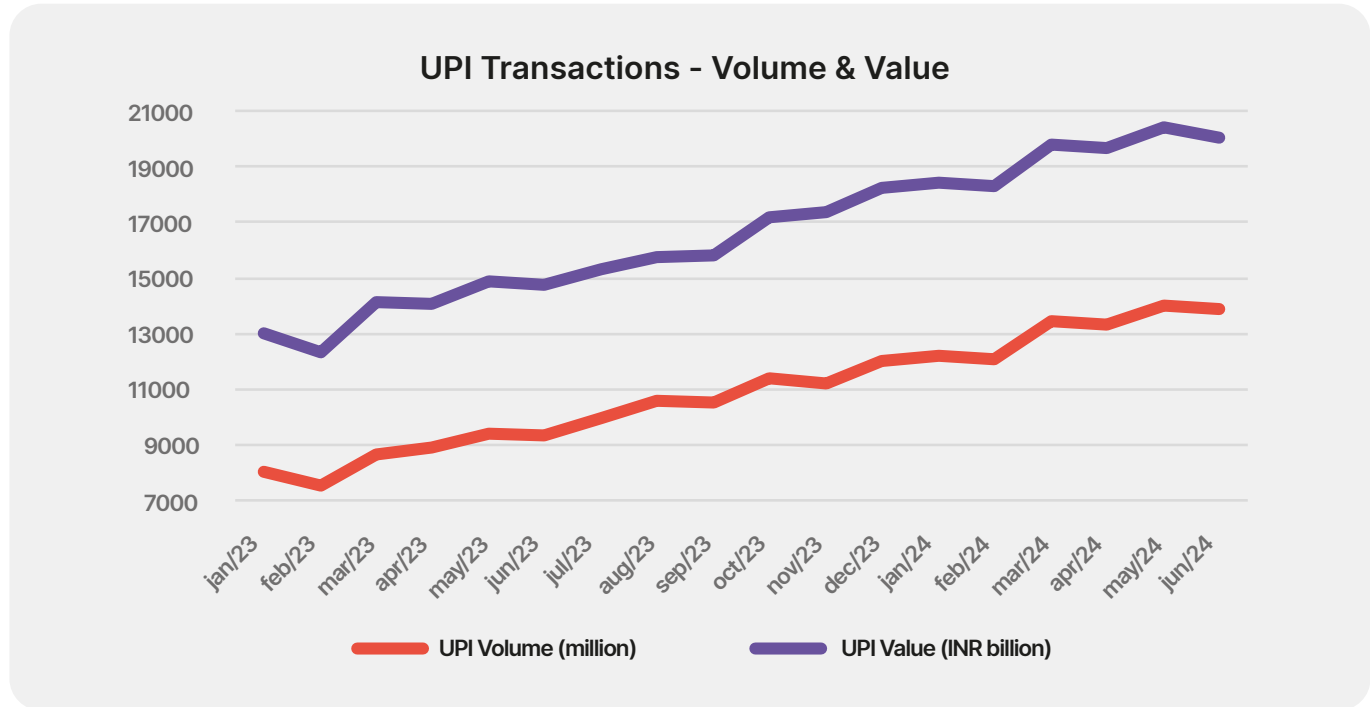
When comparing the volume of UPI transactions in 1H 2024 to 1H 2023, it increased by 52% from 51.9 billion to 78.97 billion. During the same timeframe, the value of transactions increased by 40% from INR 83.16 trillion to INR 116.63 trillion.

The interesting number continues to be the average ticket size (ATS) which reduced by 8% from INR 1603 to INR 1478.

2023
2024

UPI transactions increased in 2024

13.9 billions

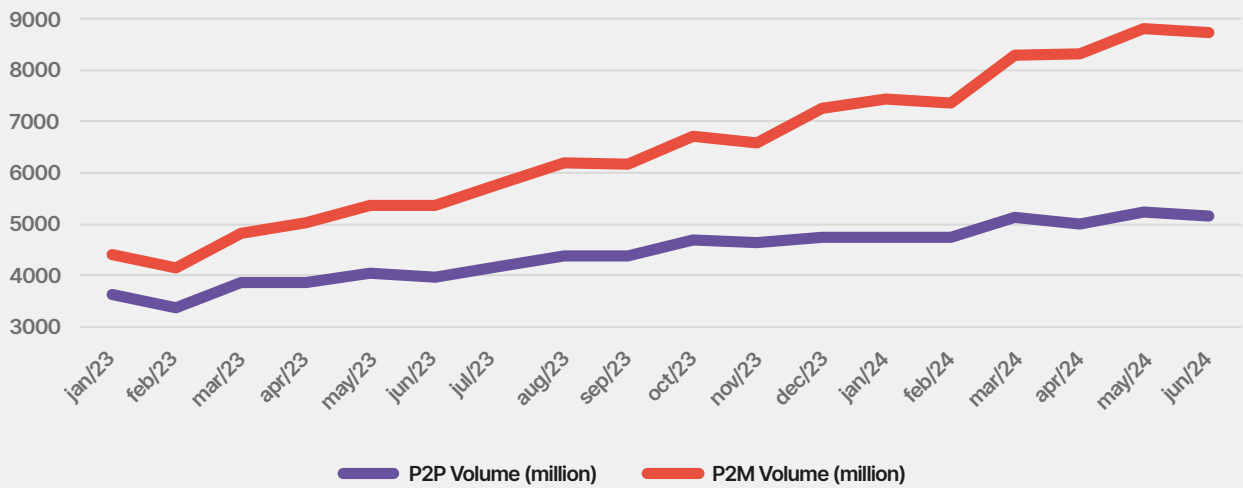


P2P and P2M Transactions.

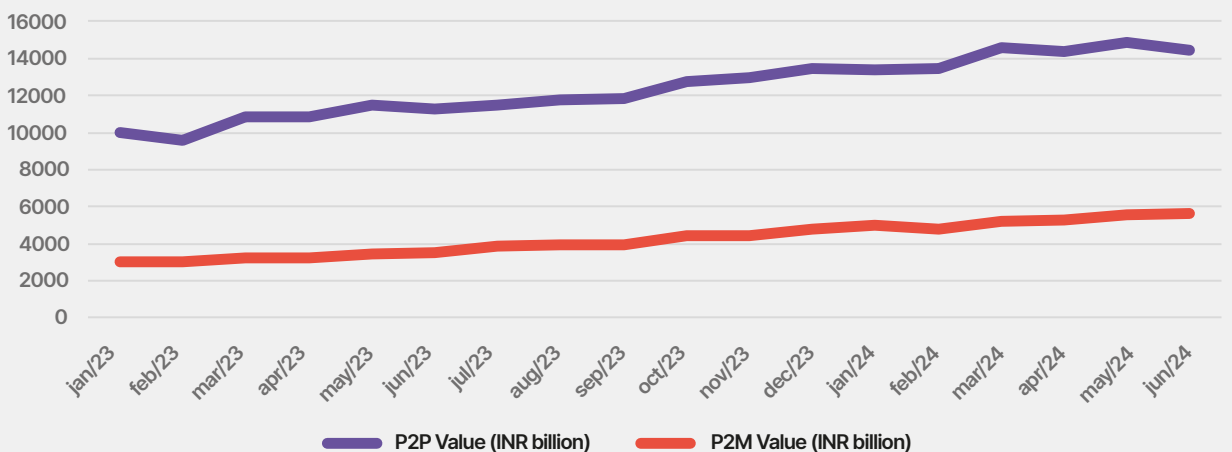
UPI transactions comprise person-to-person (P2P) and person-to-merchant (P2M) transactions; the latter is what we pay when buying goods or services. P2P transactions grew from 22.75 billion transactions in 1H 2023 to 30.03 billion in 1H 2024; a 32% increase. The value of P2P transactions grew from INR 63.99 trillion to INR 85.17, a 33% increase. During the same period, P2M transactions volume grew from 29.15 billion to 48.94 billion, a fantastic 68% increase while the value of transactions grew from INR 19.39 trillion to INR 31.45 trillion, a 62% increase.



UPI P2P & P2M Transactions - Volume



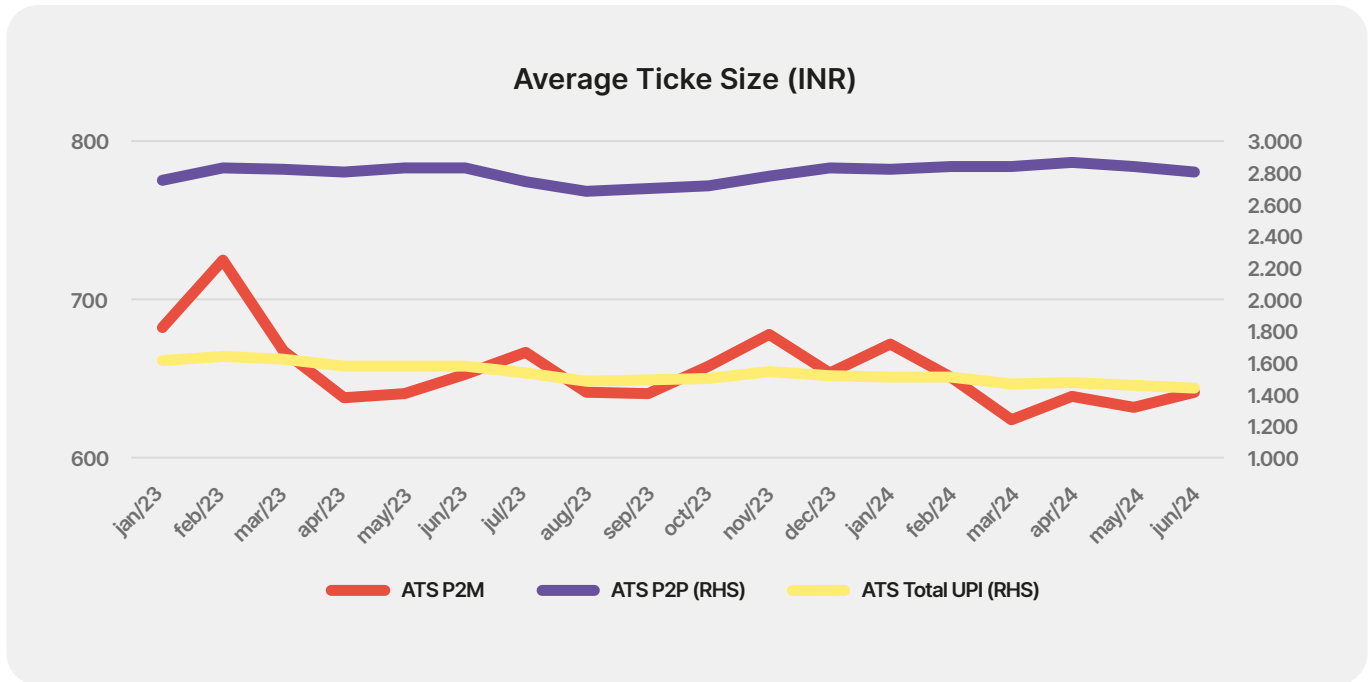
UPI P2P & P2M Transactions - Value (INR billion)



Average Ticket Size.

The average ticket size (ATS) of all UPI transactions in 1H 2023 was INR 1603 compared to INR 1478 in 1H 2024, an 8% decrease. When P2P transactions are considered, during the same period, the ATS grew from INR 2812 to INR 2836, 1% increase. During the same period, the ATS of P2M transactions fell from INR 667 to INR 643, a 4% reduction.

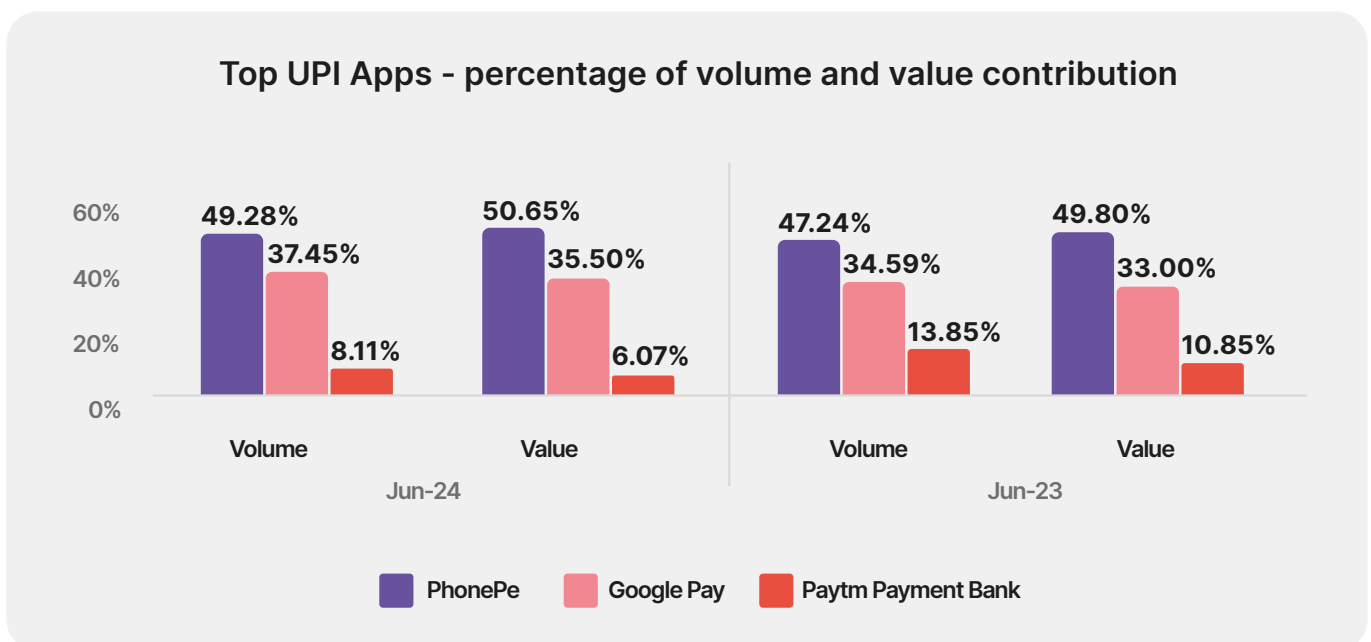
This fall in P2M ATS is a trend that has been continuing for some time now indicating how UPI is the primary choice for micro transactions indicating its long-term sustainability. Had the median value of UPI transactions been publicly available, from an anecdotal experience, it will likely show how truly it is used for micro transactions; those that are INR 100 or less.



Top UPI apps, Remitter and Beneficiary banks.

3 UPI apps are dominant in terms of volume and value; PhonePe, Google Pay, and Paytm. In terms of transaction volume, in June 2024, the 3 apps accounted for 94.83% of

all transactions compared to 95.68% a year prior. In terms of transaction value, the 3 accounted for 92.21% in June 2024 compared to 93.65% a year prior.



The top 5 remitter and beneficiary banks are the below:

UPI Remitter Banks	Total Volume (In Mn)
State Bank of India	3738
HDFC Bank Ltd	1191.9
Bank of Baroda	912.47
Union Bank of India	869.16
Punjab National Bank	783.7

UPI Beneficiary Banks	Total Volume (In Mn)
Yes Bank Ltd.	5523
State Bank Of India	1549.3
Axis Bank Ltd.	1025.6
HDFC Bank Ltd.	653.68
ICICI Bank Ltd.	624.6

Highest Transactions Volume – Merchant Categories (January to June 2024).

The below merchant categories show where the most UPI P2M transactions were done. This sheds light on why the average ticket sizes have been reducing while volumes have been increasing. The below merchant categories are typically where smaller ticket sizes done with a higher volume.

High Transacting Categories



- Groceries and supermarkets
- Fast food restaurants
- Eating places and restaurants
- Bakeries



- Telecommunication services
- Service stations



- Digital Goods: Games



- Drug stores and pharmacies
- Department stores
- P2PM changes
- Utilities electric, gas, water and sanitary

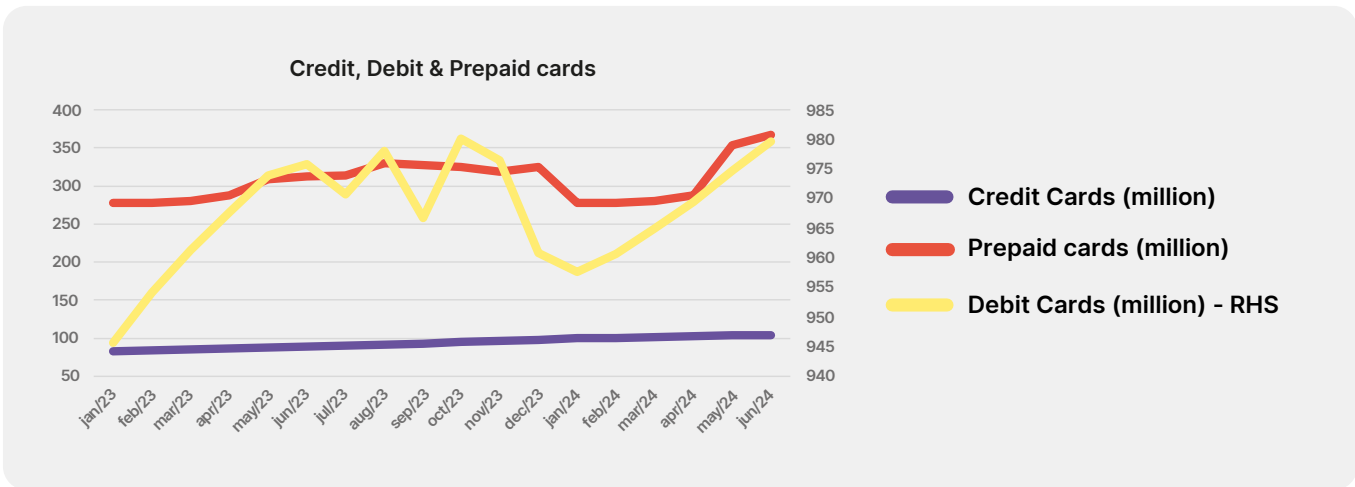


Card Issuance Credit, Debit and Prepaid Cards.

In June 2024, the total number of cards was 1.451 billion, a 11% YoY increase; the number of credit cards was 103.8 million, 979.71 million debit cards and 367.5 million prepaid cards. This corresponds to a YoY growth of 26%, 4% and 32% respectively (compared to January 2023)

The top 5 issuers of credit cards were HDFC, SBI, ICICI, Axis and Kotak respectively and the top 5 issuers of debit cards were SBI, Bank of Baroda, Canara Bank, HDFC and Union Bank of India. 71% of credit cards were issued by

private sector banks and 24% were by public sector banks while 65% of debit cards were issued by public sector banks and 25% by private sector banks. The balance was issued by payment banks, small finance banks and foreign banks. The contrast between private sector banks dominating credit card issuance and public sector banks dominating debit card issuance is clear suggesting the risk appetite among the former is higher while the latter is focused on providing accounts to a larger section of the population including the unbanked.



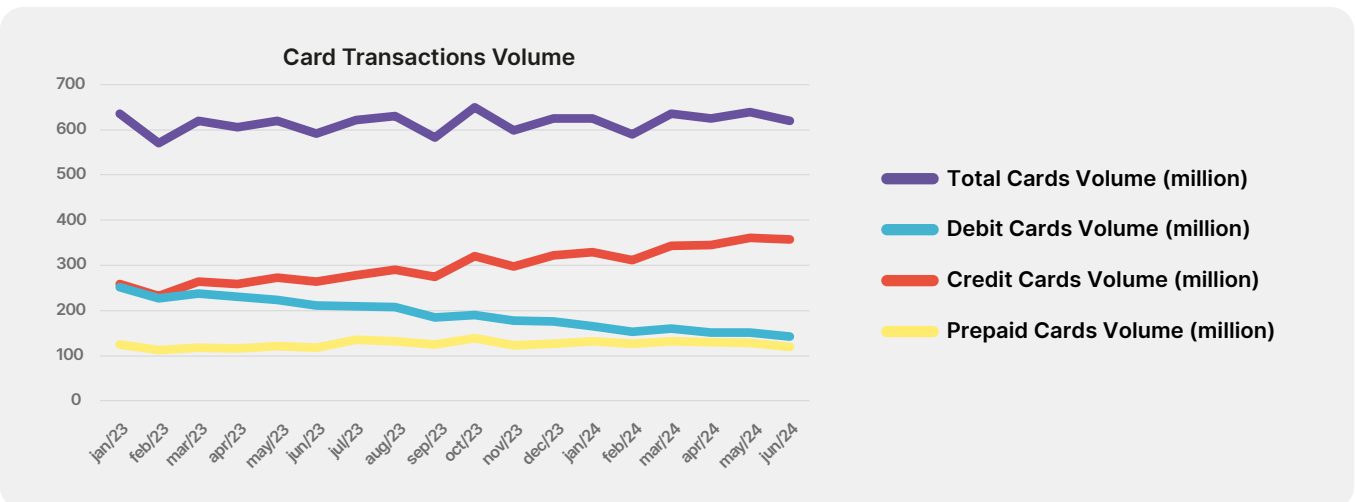
In contrast to card issuance, the volume of card transactions in 1H 2024 was 3.735 billion, a growth of 3% from 1H 2023.

Debit card transactions in 1H 2024 was 0.92 billion, a 33% drop off from 1H 2023 (1.379 billion) while the number of prepaid card transactions was 0.77 billion, a growth of 8%. On the other hand, credit card transactions were 2.04 billion, a significant increase of 32% (1.55 billion) when compared to 1H 2023.

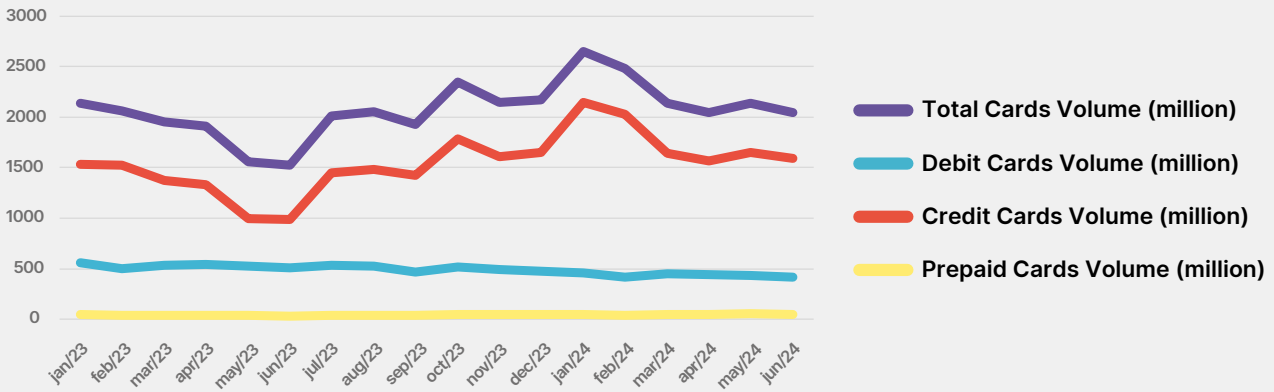
The value of all card transactions in 1H 2024 was INR 13.49 trillion, an increase of 21% from 1H 2023. This growth was largely supported by credit cards. Credit card transactions

value in 1H 2024 was INR 10.62 trillion, a strong rise of 37% (INR 7.74 trillion) from 1H 2023 while during the same period, debit cards transaction value were INR 2.60 trillion, a fall of 18% (INR 3.17 trillion) and prepaid cards were INR 274 billion, a growth of 18% (INR 231 billion).

The average ticket size (ATS) for all cards in 1H 2024 was INR 2629, a 2% increase from 1H 2023. Credit cards ATS in 1H 2024 was INR 5190, a 4% increase while prepaid cards ATS was INR 357, a 10% increase and debit cards ATS was INR 2830, a 23% increase but this is because transactions volume fell more than value.



Card Transactions Value



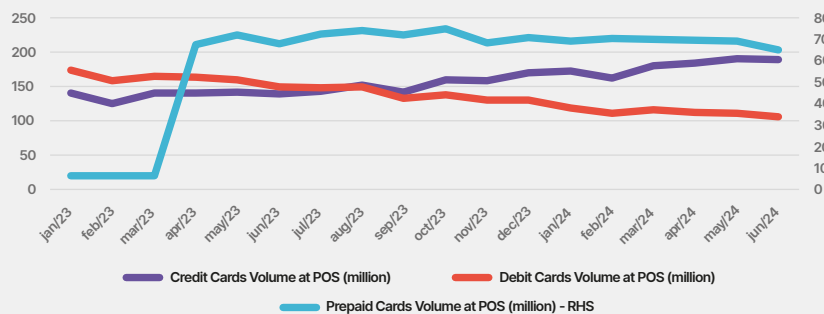
Total card transactions volume on POS terminals in 1H 2024 was 2.16 billion, a 7% YoY increase. During the same period, credit card transactions were 1.078 billion, a 30% rise (828.47 million) while debit card transactions were 677 million, a 30% fall (970.32 million). Prepaid card transactions were 413 million transactions, an increase of 82% YoY but this rise is because of how the RBI changed reporting between POS and Online transactions.

The value of card transactions on PoS in 1H 2024 was INR 5.395 trillion, compared to INR 5.14 trillion a year before. During the same time period, the value of credit card transactions was INR 3.58 trillion, a very healthy growth of 21% (INR 2.957 trillion) while debit card transactions value was INR 1.75 trillion, a 18% drop (INR 2.131 trillion) while prepaid cards was INR 57 billion, a growth of 5%.

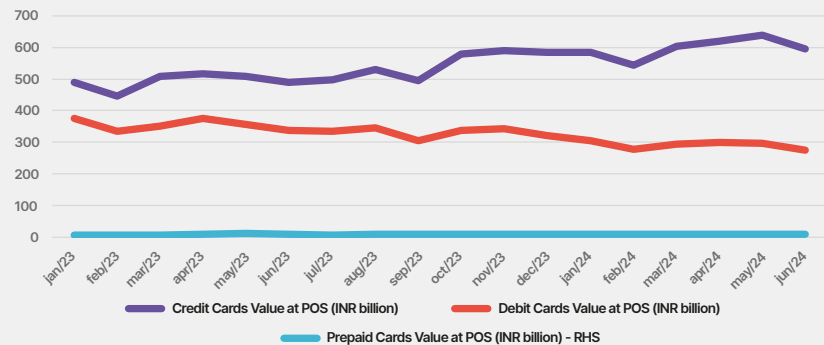
The ATS for credit cards at PoS was INR 3323 for 1H 2024 (INR 3569 in 1H 2023) while it was INR 2585 for debit cards (INR 2197 in 1H 2023). Prepaid cards ATS was INR 140 in 1H 2024 compared to INR 241 in 1H 2023.

Total card transactions volume for online transactions in 1H 2024 saw a dip of 3% to 1.56 billion when compared to 1H 2023 (1.61 billion). During the same time period, credit card transactions increased by 34% to 967.41 million (from 723.06 million) while debit cards fell by 40% to 243.77 million (from 409.27 million) and prepaid cards fell by 27% to 355.14 million (from 483.88 million).

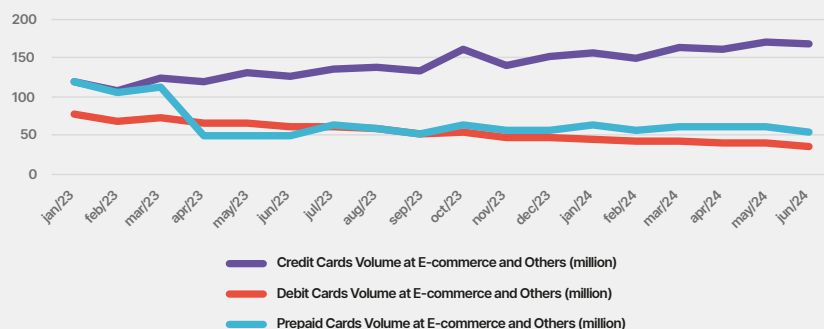
Card Transactions Volume at PoS



Card Transactions Value at PoS



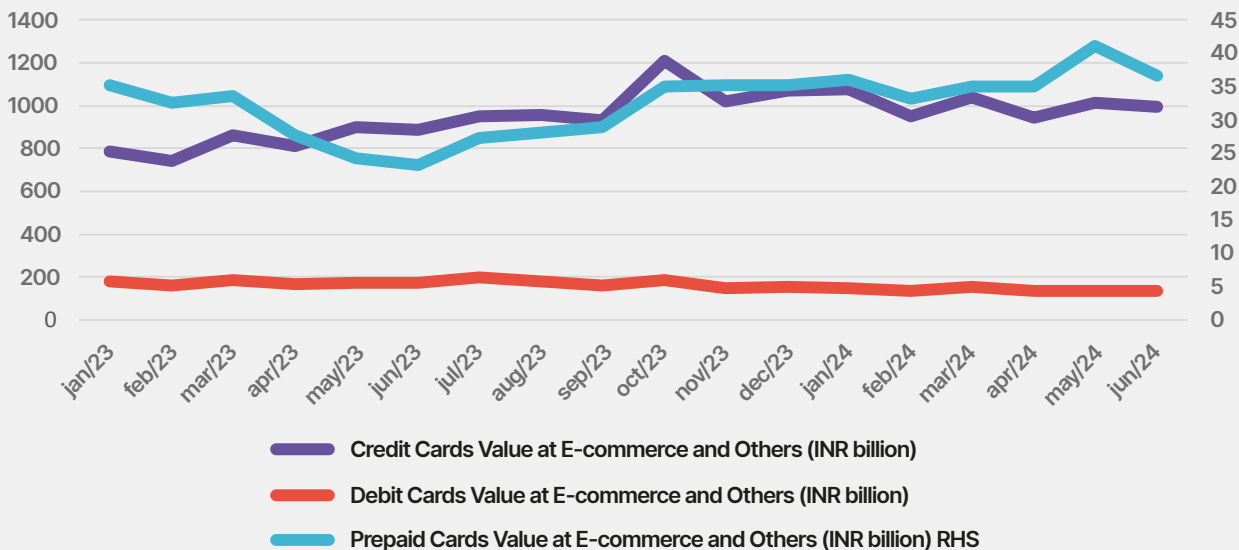
Card Transactions Volume - E-commerce



In contrast, the value of total card transactions in 1H 2024 for online transactions rose by 14% to INR 7.08 trillion when compared to 1H 2023 (INR 6.20 trillion). During the same time period, credit card transactions value rose by 21% to INR 6.018 trillion (from INR 4.985 trillion) while debit cards fell by 18% to INR 850 billion (from INR 1.044 trillion) and prepaid cards grows by 23% to INR 216.68 billion (from INR 176.71 billion).

The ATS for credit cards for Online transactions was INR 6221 for 1H 2024 (INR 6895 in 1H 2023) while it was INR 3502 for debit cards (INR 2552 in 1H 2023). Prepaid cards ATS was INR 610 in 1H 2024 compared to INR 365 in 1H 2023.

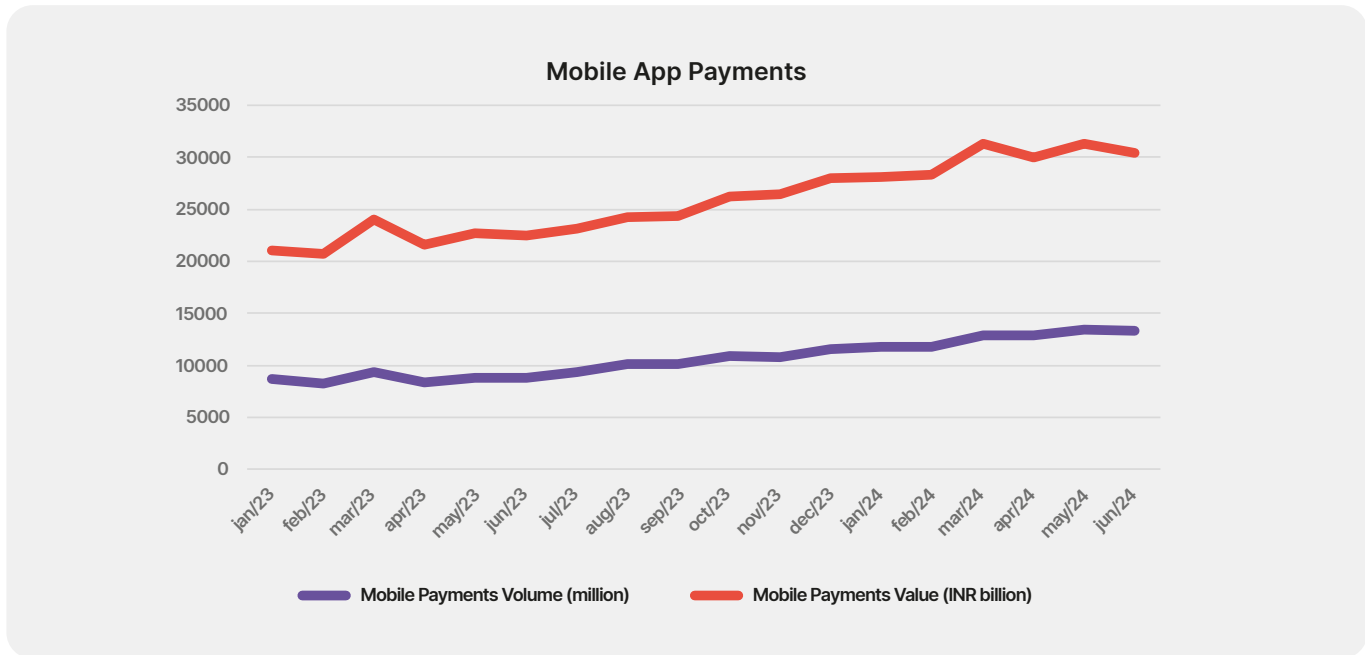
Card Transactions Value at Online- E-commerce



Mobile Payments.

Mobile payments, which are transactions done using mobile phone apps, have seen solid growth. A significant number of these transactions are UPI-based but could be a whole host of payments using bank accounts etc. The volume of mobile transactions in 1H 2024 was 76.04 billion compared to 52.15 billion in 1H 2023, a 46% increase while the value of mobile transactions in 1H 2024 was INR 179.41 trillion compared to INR 132.40 trillion in 1H 2023, a 36% increase.

The ATS of mobile app transactions in 1H 2024 was INR 2359.4, a 7% reduction compared to 1H 2023. What this really shows is how Indians have taken to their mobile phones to make payments for multiple goods and services using multiple channels but primarily UPI. The growth in this channel also indicates how stable this method of payment will be and how mobile phones will continue to power the future of digital payments in India.



1H 2023	1H 2024	1H 2023	1H 2024
Volume of mobile transactions		Value of mobile transactions	
46% increase		36% increase	

Net Banking.

In 1H 2024, the volume of NB transactions was 2.31 billion, a 9% increase from 1H 2023 (2.13 billion). In terms of value, NB transactions in 1H 2024 amounted to INR 553.78 trillion compared to INR 469.03 trillion in 1H 2023, an 18% increase.

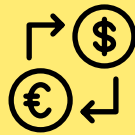
In terms of ATS, it was a massive INR 239422 in 1H 2024 compared to INR 220139 a year before. It should be noted that it is not an indicator of digital payments only because it includes payments for things such as taxes etc.



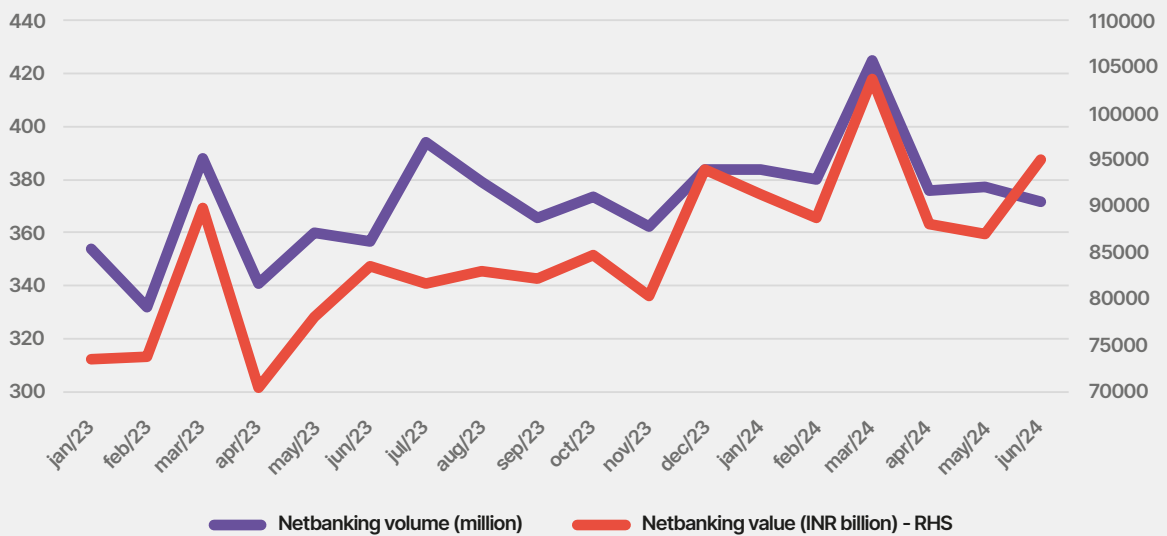
1H 2024

Volume of NB transactions was

2.31 billion



Net Banking

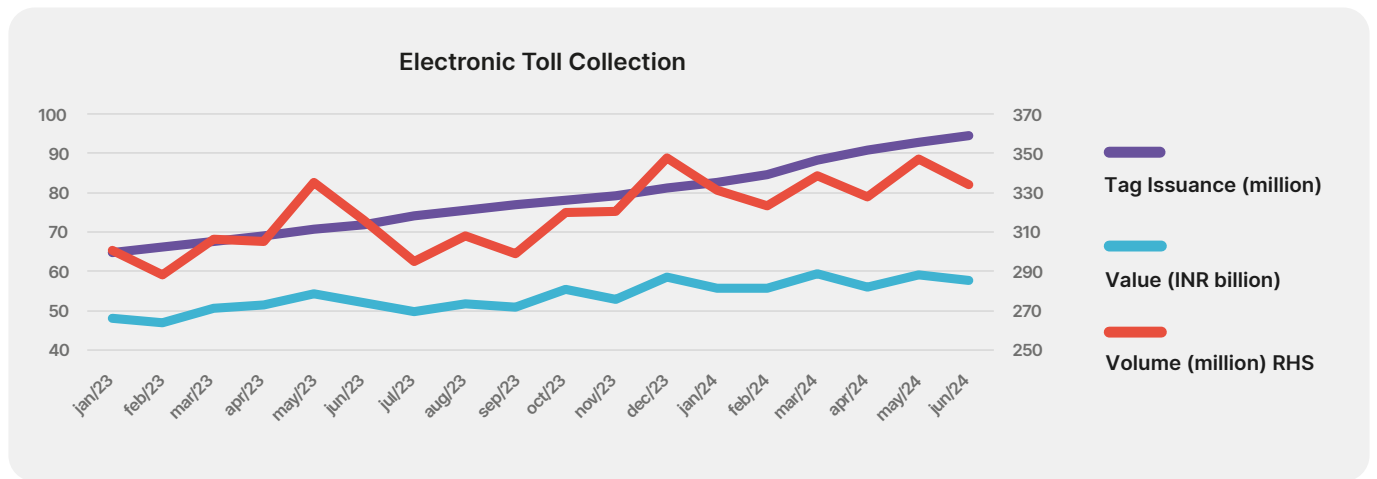


Electronic Toll Collection (ETC).

Electronic Toll Collection (ETC) has changed how we pay for tolls on the country's roads and now increasingly at parking plazas among other use cases.

The number of tags issued has grown from 64.78 million in January 2023 to 94.56 million in June 2024, a 46% growth. This is a reflection of car sales and mandates around ETC.

In terms of volume, transaction in 1H 2024 were 2 billion compared to 1.85 billion in 1H 2023, a 8% growth while the value of ETC transactions in 1H 2024 was INR 343.6 billion, a 13% increase when compared to 1H 2023 (INR 303.4 billion).





Conclusion

It goes without saying that digital payments will only continue to grow in the coming months. That said, there are 2 developments that will be of interest to watch in the coming months.

- 1. UPI delegate payments –**
this was launched in August 2024 and is a feature that allows a primary bank account holder to give permission to secondary users to do UPI transactions from the primary bank holder's account. There is both partial (every transaction needs to be approved by the primary) and full delegation (INR 15,000 per month limit with no individual approval needed within that limit). This fulfils a major use case especially for parents giving access to children to make payments without a roundabout methodology that is needed.
- 2. License for in-store players –**
The RBI is expected to announce licensing guidelines for in-store players (offline POS players) in the coming months as announced in April 2024. These guidelines are likely to be similar to the ones issued for online payments players.

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About Worldline

In India, Worldline is a leading Omnichannel payments technology player building a robust payment ecosystem for over 26 years. Worldline is the preferred partner for over 30 leading public and private sector banks, leading sectors like NBFCs, insurance companies, e-commerce businesses, startups, retail brands, hotel chains and many more.

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