

THE ERA OF RISING FINTECH

YOU SHOULD KNOW



Customer Demand for Digital Payments is growing but regulatory & operational complexities in innovation remain



SMEs in Tier-1 and 2 cities are driving rapid growth

2023

Non-cash transactions to overtake cash transactions



New payment methods adopted by Pune businesses in FY'18



Karnataka is the highest contributing state in digital payments



Pune, Chennai, Bangalore, NCR, Hyderabad and Jaipur are the most active cities transacting digitally

PEER-TO-MERCHANT (P2M) TRANSACTIONS ONLINE (FY'19)

SECTORS

42%
TRAVEL



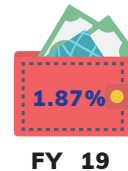
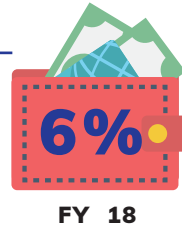
17%
UTILITIES



16%
ECOMMERCE



UPI USAGE



Share of wallets declined.
UPI, the reason for the death of wallets.

PREFERRED PAYMENT MODES

56.48%
CARDS



17%
UPI



23.8%
NETBANKING



1.87%
WALLETS



80%



INDIA'S GAME CHANGER - UPI

7X↑

in UPI adoption throughout 2018



**P2P
PAYMENT
MODE
(2017)**



**P2M
PAYMENT
MODE
(2019)**

ON RAZORPAY

**2%
TOTAL
GMV**



**14%
TOTAL
GMV**

**74%
TOTAL
GMV**



**55%
TOTAL
GMV**

JANUARY 2018

DECEMBER 2018

ON RAZORPAY

G Pay 62%

of all UPI payments in 2018 came via Google Pay

BHIM 4%

BHIM took home 4% of the cut (last year's winner)

UPI has the potential to make life easier in tier-2 and 3 cities. Towards the end of 2018, UPI users across Tier 2 & 3 cities showed an unexpected pattern



**87%
TIER-1 CITIES**

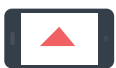


**13%
TIER-2 & 3 CITIES
(UP FROM 1% IN JAN'18)**

OTHER POTENTIAL GAME CHANGERS FOR DIGITAL BUSINESSES IN 2019

eNACH

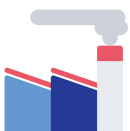
Enach/ emandates



Increase in innovations in mobile technologies



Collaboration over Competition between fintech services community and banks



More SME-oriented products and services means more trust

Razorpay



SEBI recently announced that UPI will be made available for IPO payments

WHAT INDIA CAN EXPECT IN 2020 AND BEYOND

**70%
CAGR ↑**

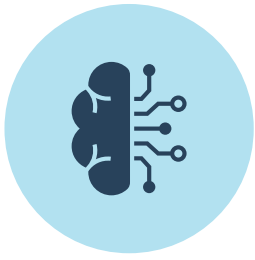
Non-cash transactions are expected to accelerate at 70% CAGR through to 2020

**15%
GDP**

15% of India's GDP will flow through digital payments



WHAT INDIA CAN EXPECT IN 2020 (CONTD.)



Use of AI (artificial intelligence) technology in the digital payments ecosystem will make transactions more convenient and secure



Mobile payment volume to increase tenfold by 2020



40%

40% of digital payment transactions will be driven by Tier 2 and 3 businesses & consumers by 2020



50%

Internet users will use digital payments by 2020

OBSTACLES



Lack of awareness of digital payments - more incentives needed



Regulatory frameworks in FinTech may effect scope for innovation



New Regulations may lead to lack of clarity about the roles of different fintech bodies

