



KAMARAJ IAS ACADEMY
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UPI Transaction Value Exceeds Rs 20 Lakh Crore for Third Month

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Context:

In July, UPI (Unified Payments Interface) transaction values exceeded Rs 20 lakh crore for the third straight month, according to data released by the **National Payments Corporation of India (NPCI)** on August 1.

The total transaction value reached Rs 20.64 lakh crore, up from Rs 20.07 lakh crore in June.

The average daily **transaction volume also increased** to 465 million from 463 million, though the average daily transaction value declined slightly to Rs 66,590 crore from Rs 66,903 crore in the previous month.

National Payment corporation of India:

National Payments Corporation of India (NPCI), an umbrella organisation **for operating retail payments and settlement systems in India**, is an initiative of the **Reserve Bank of India (RBI)** and **the Indian Banks' Association (IBA)** under the provisions of the **Payment and Settlement Systems Act, 2007**, for creating a robust Payment & Settlement Infrastructure in India.

It has been incorporated as a **"Not for Profit" Company** under the provisions of **Section 25** of the **Companies Act 1956** (now Section 8 of the Companies Act 2013).

Other Payment Systems:

Aadhaar-enabled Payment System (AePS):

The Aadhaar-enabled Payment System (AePS) is an initiative to enhance the ease of banking and financial services in India, especially for those in rural and remote areas. It leverages the Aadhaar biometric identification system to facilitate financial transactions and services.

The model **removes the need for OTPs, bank account details, and other financial details.**

It allows fund transfers using only

§the bank name,

§Aadhaar number, and

§fingerprint captured during Aadhaar enrolment, according to the National Payments Corporation of India (NPCI).

FASTag:

It is a device that employs Radio Frequency Identification (RFID) technology for making toll payments directly while the vehicle is in motion.

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It is a RFID passive tag used for making toll payments directly from the customers linked prepaid or savings/current account.

It is affixed on the windscreen of the vehicle and enables the customer to drive through toll plazas, without stopping for any toll payments.

The toll fare is directly deducted from the linked account of the customer.

It is also vehicle specific and once it is affixed to a vehicle, it cannot be transferred to another vehicle.

FASTag can be purchased from any of the National Electronic Toll Collection (NETC) Member Banks.

If a FASTag is linked to the prepaid account, then it needs to be recharged/ topped-up as per the usage of the customer.