

## MPAI Newsletter

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**Indian fintech industry third largest in the world** - India is now home to the [third-largest fintech-related ecosystem](#) globally according to the latest report of the Mumbai-based firm of VC BLinC Investment Management.

The overall market size of Indian financial services was USD 500 billion in 2012. The fintech industry grew to the figure of USD 31 billion. From 2016 to 2021 local fintech companies have been able to raise around USD 16.5 billion, which is 60 percent of the capital entering the country over the past three years.

The Indian fintech industry is predicted to expand by 22% at an average annual growth rate for the next 5 years, according to the report. This is accompanied by a rapidly swelling consumer base which is expected to add 140 million middle-income households and 21 million high-income households by 2030.

**NPCI tie up with TerraPay** - National Payments Corporation of India's (NPCI) international payments - NPCI International Payments Limited (NIPL) signed a memorandum of understanding [with TerraPay](#), Netherlands-based global payments infrastructure company. This will enable the Indian diaspora overseas and Indian residents to carry out international bank to bank transfers using UPI IDs via TerraPay's secure payments technology.

Globally, TerraPay processes payouts into over 4.5 billion bank accounts and more than 1.5 billion mobile wallets. This development

comes on the back of [successful partnerships](#) between NIPL with entities like Western Union apart from banks and payment enablers in the UAE, Singapore and Japan, among others.

**Payments Council of India urges govt to bring MDR back** - The Payments Council of India (PCI) [wrote](#) to the Ministry of Finance, urging it to roll back the zero Merchant Discount Rate (MDR) regime for Unified Payments Interface (UPI) payments and RuPay debit card transactions. It suggested either reinstating the MDR charges or incentivizing the industry with an amount of INR 40,000 million. The payments industry hopes to have some relief which can then be used by them to further expand the digital payments infrastructure.

**Tata Digital floats subsidiary, Tata Payments** - Tata Digital [floated](#) a wholly-owned subsidiary, Tata Payments. Industry executives said that Tata Group may offer Tata Pay to other companies as a digital payment gateway in the future. The assets under Tata Payments include Tata Pay, an online payments experience layer, UPI functionality, Bharat Bill Payments Services, and payments operations support. Experts have said that Tata Payments' separation from Tata Digital indicates that the company is looking to dominate the e-commerce as well as the digital payments space.

**NPCI may soon roll out UPI lite for offline digital payments** - The National Payments Corporation of India (NPCI) is [working](#) on a new solution for the UPI framework, which will enable digital payments to be made without active internet connections. The

NPCI's move comes after the Reserve Bank of India (RBI) recently allowed limited offline UPI payments. The UPI Lite solution will most likely be used first to promote digital payments under INR 200 in rural areas.

**PayTm announces partnership for MSME lending** - Paytm and non-banking financial company Fullerton India [announced](#) a partnership to expand digital lending to MSMEs and consumers from smaller cities and towns. With the partnership, the two established institutions will leverage data-driven insights and wide reach to bring credit to new-to-credit users.