

UPI Transaction Volumes Dip, Value Rises Marginally in Sept

Our Bureau

Mumbai: The Unified Payments Interface (UPI), operated by the National Payments Corporation of India (NPCI), reported a decline in transaction volume in September even as the transaction value inched up.

According to data from NPCI, UPI processed 19.63 billion transactions in September, compared with 20.01 billion in August. The total value of transactions rose marginally to ₹24.9 lakh crore from ₹24.85 lakh crore a month earlier.

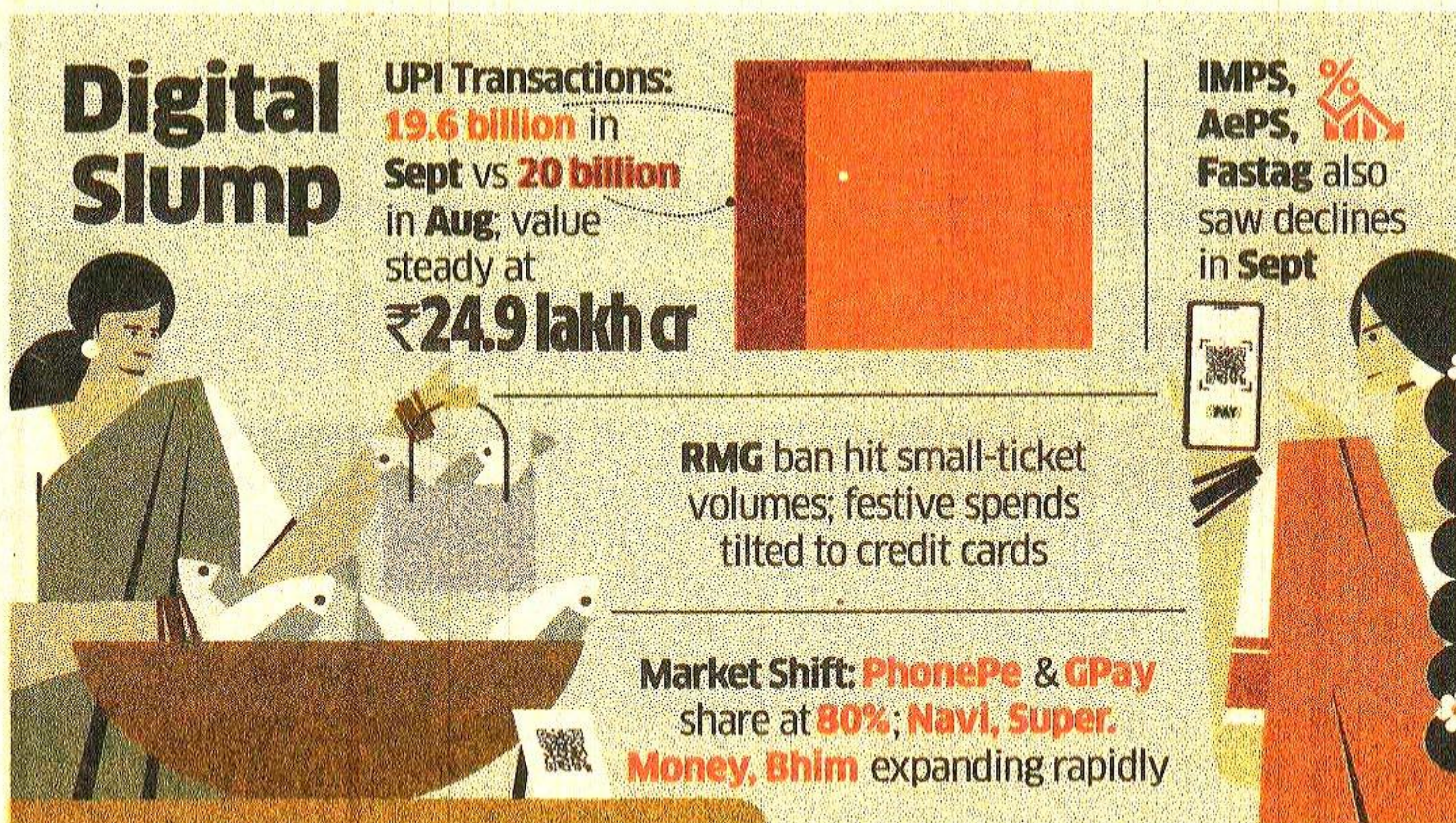
The average daily transaction volume stood at 654 million, with a daily average value of ₹82,991 crore.

On a year-on-year basis, however, UPI transaction volume rose 31% while value grew 34%.

Industry executives attributed the dip in volumes to the Promotion and Regulation of Online Gaming Act, 2025, which imposed a blanket ban on real money gaming (RMG) in India. They added that festive season spending, where credit cards capture a significant share, also weighed on UPI usage.

“While the ticket size of RMG transactions used to be small, the segment accounted for a large share of overall volumes. That’s why the impact of the gaming ban is significant. Since the law takes effect today, whatever residual transactions remained will now vanish”, said Mohit Bedi, cofounder of fintech startup Kiwi.

The ban on RMG platforms is also



weighing heavily on payment aggregators, with transaction volumes significantly hit, ET earlier reported. The deeper impact will be felt over the coming quarters as firms grapple with a sharp drop in revenues, ET had reported earlier.

“September was largely credit card-dominated, but October should be strong for UPI, so we can expect a healthy jump in volumes this month,” he added.

In August, UPI spending on digital goods, including gaming, had already fallen 26% sequentially to ₹7,441.1 crore, while transactions in the segment dropped to 270.7 million from 351.2 million in July. NPCI is yet to release merchant category-wise data for September.

Other digital payment channels also saw a decline in September. The Immediate Payment Service (IMPS) processed 394 million

transactions worth ₹5.97 lakh crore, compared to 477 million worth ₹5.98 lakh crore in August. Transactions via the Aadhaar Enabled Payment System (AePS) fell to 106 million from 128 million.

Fastag transactions dropped to 333 million in September from 371 million in August. ET earlier reported that Fastag’s growth had stagnated, with minimal traction in the last financial year due to the lack of new use cases beyond toll payments.

As of May 31, 2025, UPI had 65 shareholders, including public sector, private, and foreign banks.

For the financial year ended March 2025, NPCI reported a 41.7% rise in net profit to ₹1,552 crore, as per credit rating agency ICRA. As a not-for-profit entity, NPCI classifies profits as a revenue surplus. Its revenue rose 19% to ₹3,270 crore in FY25, up from ₹2,749 crore in FY24.