

Munish Vaid, Vice President, Primus Partners

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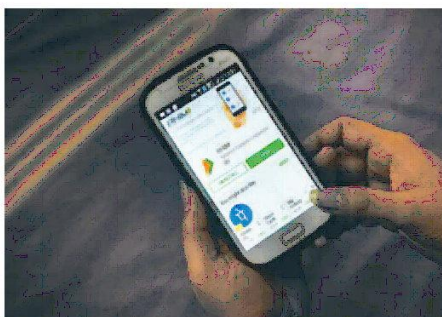
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UPI AutoPay set to drive incoming wave of consumer AI cos in India

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The launch of UPI AutoPay has led to a new breed of startups and is helping others tweak their strategy to make the best use of the technology. The shift comes at a time when Indians are spending more time and money on the internet.

AutoPay's adoption has been sector agnostic. Between 2024 and 2025, startups in edtech, wellness, health tech, fintech, as well as media and entertainment, have raised nearly \$7.6 billion from venture capital firms, according to startup data intelligence platform Tracxn. Some firms that have adopted a subscription model or have enabled UPI AutoPay include content platforms like Kuku FM and Pocket FM, edtechs like SpeakX, Khare Classes, and Seekho, and wellness platforms like mental health startup Wysa and weight loss and nutrition tracking startup HealthifyMe. "Anywhere that



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people need to make regular payments, whether it's towards entertainment or financial services, AutoPay is boosting that," said Munish Vaid, vice president at global consulting firm Primus Partners. In 2025, India will have over 900 million internet users, according to a 2024 report from market research firm Kantar and the Internet and Mobile Association of India. As a result, UPI AutoPay's adoption is also set to

increase. But it isn't new to us. Indians have always paid for television channels and newspaper subscriptions, and even milk. "AutoPay has opened people up to subscriptions online. It isn't a new market, this is the offline market that is coming online," said Anant Vidur Puri, partner at global investment firm Bessemer Venture Partners.

Indians spend an average of nearly seven hours a day accessing various services and

products on the Internet, according to social media intelligence firm Meltwater. Mobile devices account for 58% of this time.

Launched in 2021, the National Payments Corporation of India (NPCI) introduced UPI AutoPay, a functionality for recurring payments that allows users to set up e-mandates for things ranging from electricity bills to mutual fund systematic investment plans to even OTT subscriptions. As a result, startups have pivoted their business

models: subscription-first platforms priced for the Indian consumer. "What UPI AutoPay has done is that it has enabled people to recurrently pay for something they want to pay for," said Puri.

The transaction volume of UPI AutoPay from the top 10 remitter banks nearly doubled to 29.29 million in May 2025 from 16.73 million in May

2024, according to data from the National Payments Corporation of India, which runs UPI. In contrast, the volume of UPI transactions in May this year alone stood at 18,677 million, valued at ₹25 trillion.

Harsha Kumar, partner at Lightspeed India, said, "UPI was the first large tailwind because of which transaction platforms such as e-commerce, transportation and utility all grew. Now, UPI AutoPay is the next big tailwind on the back of which we will see a bunch of fintech and content solu-

tions come up. It's because these are two models where AutoPay or subscription works best." The volume of UPI transactions has gone to ₹3,116 crore in FY24 from ₹2,92 crore in FY18, a compound annual growth rate of 129%. For example, prior to UPI AutoPay, consumers would make mutual fund investments through systematic investment plans

(SIPs), doing it via accounts on MF websites. Essentially, AutoPay makes it easier for people to set up their SIPs on brokerage apps like Groww, Zerodha and AngelOne.

AutoPay reduces friction for both users and businesses. Traditional subscription systems use credit cards, a financial product with little penetration in India. In comparison, UPI AutoPay is mobile-first, low-cost, and works for small-ticket services. Thirty-seven million AutoPay mandate registrations were made in January this year alone.

English-language learning startup SpeakX uses a subscription model, enabled by AutoPay. "We've been able to capture a market which was untouched because digital penetration there was low. What it has enabled is access to people who want solutions, and it has become feasible for us to serve them at an affordable cost," said company founder and chief executive Arpit Mittal.

For an extended version of the story, go to livemint.com

UPI AutoPay enables users to set up recurring e-mandates for payments like electricity bills & subscriptions