

- It cannot be encashed in any other way.
- The beneficiary can go and redeem it at any centre that accepts its.
- It helps users without a bank account, debit /credit card, digital payments app, smart phone or internet banking access.
- The vouchers can be issued electronically as messages to feature phones.

How it improves the targeted delivery of benefits?

- The e-RUPI launch was directed at the neediest sections of the society, whose access to technology was still limited.
- It makes digital payment more inclusive.
- The backdrop against the launch of the e-RUPI (initially called the UPI Prepaid Voucher) was during the time of pandemic.
- A leakage-proof mechanism to deliver targeted benefits in real time was felt necessary.
- e-RUPI's was used for targeted delivery of Covid-19 relief measures.
- The most obvious application of this was distribution of medical aid
- A large base of hospitals was enabled to accept these vouchers—be it for vaccinations or treatment for medical conditions.

How can we enhance its usage?

- This can be extended to other benefits as well like the PDS or other nongovernmental channels.
- The end-uses of this capability for administration are numerous.
- It can be used to cover food subsidies, agricultural subsidies and various sector-specific benefits.
- Using this to deliver benefits for MSMEs and individual businesses greatly improves them.
- While the initial focus was for government measures, there was also a facility for the corporates to use this facility to distribute benefits to their employees, contractors and partners.
- Authorised issuers of these vouchers continue to be banks
- Banks need to use this opportunity by making it easier for corporates to access issuance capabilities via digital channels.
- Also allowing sophisticated usage monitoring and reporting would make it a very attractive proposition for the corporates.

What were the issues faced while using e-RUPI?

- 2 major constraints were imposed at launch
 - Maximum value of a single voucher could be Rs 10,000.
 - They are single use vouchers. Even if partially availed would lapse on first-use.
- While it is good to have these restrictions during launch to allow the system to stabilise, overtime the restrictions limits its adoption.
- Multiple vouchers have to be issued for larger amounts even though the recipient was an individual.

What are the recent reforms?

- The RBI as part of the 2022 Monetary Policy update relaxed these restrictions
 - The value-limit for vouchers has been increased to Rs 1 lakh.
 - e-RUPI now becomes a multi-use voucher that can be used till the value is reduced to zero.
- Now e-RUPI gets closer to being a non-reloadable prepaid instrument with its use restricted to specific purposes or at specific merchant categories.
- No significant cost associated with issuance and thus can be an economical alternative to prepaid cards like gift vouchers, food and meal vouchers.