

KOTAK MAHINDRA BANK



INITIATIVE	Cloud Native, Auto Scalable UPI Acquiring Stack
AWARD	Celent Model Bank 2026 for Payments Innovation
EXECUTIVE SUMMARY	<p>UPI, the Indian instant payments solution was a runaway success from day 1 and continues grow rapidly – indeed, volumes rose by 56 billion in 2025 alone. UPI P2M (Payments to Merchants) as a product was designed to be attractive for merchants. For example, the Zero Merchant Discount Rate (MDR) drives high adoption due to no cost per transaction. It allows small, micro-merchants to accept digital payments without expensive Point-of-Sale (POS) machines, and money is instantly transferred from the user’s bank account to the merchant’s bank account. As a result, UPI P2M has been a success, accounting for over 60% of UPI volumes.</p> <p>That created both a challenge and an opportunity for the bank – how to win merchants and payment aggregators, but still deliver a seamless, scalable solution end to end where clients could be processing hundreds of millions of transactions</p> <p>To address this, the bank decided to embark on building a fully modernized, auto scalable cloud UPI acquiring switch in partnership with Juspay, encompassing cross functionally across multiple parts of the bank.</p>
KEY BENEFITS	<ul style="list-style-type: none"> • Significant increase in Kotak’s UPI P2M market share in first year • 67% reduction in merchant onboarding time • 7,000+ merchants onboarded within 4 months of full-scale launch
KEY VENDORS	Juspay
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