



e-Newsletter

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FROM THE MD & CEO'S DESK

Dear Readers

"Now that a majority of Indians have, or can have, a RuPay debit card," this statement, which was declared by our Finance Minister in his recent budget, itself gives a great sense of gratification. RuPay will immensely contribute towards Financial Inclusion in India's growth trajectory.

RuPay debit card has reached to more than 110 million families in the country. Today, the accessibility of the card has enormously gone widespread. It can be used at more than 1.86 lakh ATMs, accessed at all PoS facilities and utilised at most e-Commerce purchases. Our RuPay card has become a proud asset for most, especially for villagers. In my recent visit to one of the gram panchayats in Odisha, Karangamal, people were exulted to do PoS transactions, withdraw money from the newly installed SBI Bank ATM and are swaying away with online purchasing. Women came out significantly in large numbers to open their bank accounts and own a RuPay card in order to make transactions. We are certainly bringing smiles to the needy ones.

The month witnessed very promising to us. Initiating Unified Payment Interface for tomorrow, is one big thing that can change the payment scenario in India. With the help of this, payments can be made through e-mail account, Aadhaar number or mobile phone number. What's more, RBI Governor Dr Raghuram Rajan believed in the magnitude of the system and congratulated our team for coming out with such an innovation, during an ecosystem event.

Immediate Payment Service (IMPS) has galloped to cross 10 million transactions in February, recording the highest in any month, despite of having two less days in a month. IMPS also enabled ICICI Bank customers to initiate fund transfer across 250 kiosks. NUUP (National Unified USSD Platform) is now enabled at 34 banks, and offers in 12 languages by just dialing *99#.

Ever-growing Direct Benefit Transfer scheme helped NACH process highest number of transactions of 7.65 million in a day. Punjab National Bank, Oriental Bank of Commerce and City Union Bank launched RuPay Platinum Debit card with various offers, making it the next preferred card for customers.

Our Product Development Department is enthusiastically widening the horizon with the mindset of creating futuristic payment systems that would put India into a global map of payments. Each one of you is closely attached in all of these developments, and will expectedly follow the organization's goal in creating a value for all of us.



A P Hota



NPCI & SBI embolden Gram Panchayat to turn digital panchayat

A group of Seven villages in Karangamal gram panchayat, in Odisha's Nuapada district, is transforming into digitalization to set a benchmark for 100% Financial Inclusion in modern India. More than 4,000 villagers have been issued RuPay card, under the PMJDY, and are encouraged to transact on Point of Sale (PoS) terminals as well as make payments on eCommerce platform. NPCI & SBI have jointly taken this initiative to convert this gram panchayat into digital panchayat, and stimulating electronic payments. While SBI has installed an ATM in the area, NPCI has provided RuPay cards to most users, 30% being females. The next plan is to initiate mobile payments through IMPS.



Book train tickets on IRCTC via RuPay Prepaid card



Next time you book ticket on IRCTC, make sure you easily locate the option of RuPay payment. NPCI has tied-up with the Indian Railways to facilitate ticket-booking enabling users to pay through RuPay cards among other payment options. RuPay prepaid card is continue to grow its merchants' network up to 26,000, making the card efficient, easy and accessible at all functions. Earlier, NPCI has tied-up with major merchants for eComm transactions including – LIC, Snapdeal, Flipkart, Amazon, Bookmyshow, Homeshop 18 and Firstcry.

DBTL pushes NACH volume record 78.75 Mn, Aadhar Mapper touches 15 crore

Taking government's ambitious DBTL scheme ahead, National Automated Clearing House (NACH) processed the highest number of transactions on a single day with recording 7.65 million transactions, totalling 78.75 million transactions in the entire month. The Aadhaar Mapper has witnessed a high volume of 14.79 crore in its database. With 399 banks now live under Aadhaar Payment Bridge, a peak volume of 5.2 million transactions were processed under APB-credit and 403 live banks record highest volume of 2.3 million transactions processed in ACH-credit and 2.2 million under ACH- debit.

IMPS surges up to 10 Million transactions

Immediate Payment Service (IMPS), which is gaining ground in all payment channels, has crossed 10 million successful transactions in the month of February, with recording 5.15 lakh transactions in a single day on February 16, 2015. The million transactions club, an individual member/player recording a million transactions, has been expanded to four namely- Oxygen Services, Axis Bank, GI Technology and ITZ cash.

IMPS aids ICICI Bank for funds transfer at kiosks, NACH services IPRUTOUCH



IMPS enables ICICI Bank customers to quickly initiate fund transfer across 250 kiosk terminals installed at the electronic branches across India. With the facility, customers can transfer funds to own ICICI bank accounts or other ICICI bank accounts. In another initiative with ICICI group, NACH service has enabled customers to transact mutual funds through IPRUTOUCH app in quick time. It supports individuals to cut down the paperwork and transact easily with the one-time mandate benefits



Unified Payment Interface to revolutionize mobile payments faster

With a view to make mobile payments simpler, faster and quicker, NPCI has initiated an interface for institutional players to facilitate users make payment without mentioning bank account numbers or credentials on third party applications. Personal mobile can be used as the primary device for all payments (pay/collect) including person to person, person to entity and entity to person. The interface, when live, will simplify monetary transactions and some core banking functions such as sending money to relative, buying railway ticket on IRCTC application, buying on an ecommerce site, collecting money from friend, using a taxi services, using for bill payments and insurance premium collections will be as easy as making a call. The pioneering initiative was introduced in an Ecosystem event organized by NPCI at BoI Auditorium, Mumbai. Dr Raghuram Rajan, Governor, RBI and Chief Guest of the prestigious event inaugurated the project, in the gracious presence of Shri Nandan Nilekani, ex-Chairman, UIDAI & Honorary Advisor, NPCI; Shri Balachandran M, Chairman, NPCI; Smt V R Iyer, CMD of BOI; Smt Chanda Kochhar, MD & CEO, ICICI; Shri A P Hota, MD & CEO, NPCI and Shri Sambamurthy, Director, NPCI Board.



Literacy workshop to convert non-MICR into CTS

After successfully converting all MICR centres across India into CTS operations, NPCI is now marching ahead for another milestone to convert non-MICR centres into CTS. A workshop has been conducted with bankers on February 16, 2015 at Hyderabad, which was attended by 36 member banks, with a participation of 50 people, to showcase couple of demos on the usage, application and processes on how to transform into CTS from the current scenario of non-MICR. Earlier, a similar workshop had been organized at Vapi to facilitate financial literacy on how easily the process can be converted into CTS system.

PNB, OBC and City Union launch 'RuPay' platinum Debit Card

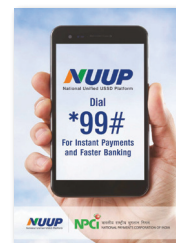
'RuPay' Platinum card is expanding its reach with the support of banking bigwigs. Punjab National Bank, Oriental Bank of Commerce and City Union Bank have launched features-rich RuPay platinum Debit card that offers personal accident insurance of up to Rs 2 lakh, access to 27 airport lounges, cash back on utility bill payments, zero fuel surcharge, accelerated merchant discounts on 'Café Coffee Day' and 24x7 concierge services. Customers of these banks can very well walk-in in their respective bank branches to avail the card and access the facilities that can be used at ATM, PoS and eCommerce channels. Banks including -Canara, Syndicate, Dena, HDFC, BoI, Andhra – have already launched the card and are adding up the issuance numbers.





NUUP enable 34 banks, offer in 12 languages

Customers of 34 major banks can dial *99# in 12 different languages (including English & Hindi & 10 regional) to avail facilities such as fund transfer- MMID & IFSC, balance enquiry, mini statement request, change MPIN, generate OTP and know MMID, all from a simple GSM phone. NUUP (National Unified USSD Platform), a recently launched payment service by NPCI, works across all GSM handset and require no GPRS connectivity. USSD channel is secure, uses two-factor authentication consisting of CLI of customer's phone and a PIN entered by the customer, thus compromise of details which can happen through SMS can be avoided. Allahabad Bank and IndusInd Bank are latest additions to the rapid increasing list of NUUP USSD service.



Garnering Financial Inclusion through “Transacting Jan Dhan Yojana”



The Jan Dhan Yojana scheme of Financial Inclusion initiative can be well-regarded with inducing more number of transactions by account holders. In order to deal with the basic gap that is plaguing Financial Inclusion mission and boost the overall ecosystem, Forum For Inclusive Financial System (FFIFS) organized a ‘Transacting Jan Dhan Yojana conference’ on February 13, 2015, in Bhubaneswar to make understand the right moves and to bring all the stakeholders in a common platform to collaborate and coordinate the efforts in an integrated manner.

56 RRBs endeavour to enable NPCI products

The successful case of Canara Bank supporting its RRBs and the progress of its RRBs was presented to motivate the enthusiasm of 56 regional rural banks (RRBs) at an event, organised by Nabard, on February 25, 2015 in Mumbai. The meeting was inaugurated by Shri Rajiv Takru, IAS, Secretary, DFS, Ministry of Finance, and Government of India and was presided by officials from RBI, SIDBI, PFRDA and NPCI.

Ratnakar Bank, TamilNad Mercantile Bank & Prizm Payments offer C2C Fund Transfer

Ratnakar Bank, TamilNad Mercantile Bank and Prizm Payments have been on-boarded for Card to Card transfer service in National Financial Switch (NFS). With this, the total number of banks that have gone live has reached up to seven and one white label ATM operator. C2C is a value added service offered in NFS, wherein the remitter can initiate a Peer-2-Peer instant fund transfer request at the ATM and transfer funds basis the beneficiary's card number.

Payments & Financial Inclusion boost ecosystem at IBA

Gradually, ‘RuPay’ and ‘IMPS’ are becoming preferred payment system for most Indians and will create a better ecosystem in the coming days, shri A P Hota shared with fellow panellists in a session- ‘Payments and Financial Inclusion’ at the Banking Technology International Conference, Mumbai, held on February 11, 2015. He also shared his observations on the unlimited possibilities and diversity of opportunities that payment related products and services offer to banks and emphasized some key deliverables with intent to provide the audience a diverse spectrum of technologies and business issues.





Unified Payment Interface (UPI)

With the core objective to simplify and provide a single interface across multiple payment systems, NPCI has taken up a new initiative of implementing Unified Payment Interface (UPI). It offers next-generation peer-to-peer immediate payment just by using personal phone and uses existing systems such as IMPS, AEPS, to ensure settlement across accounts.

Key Highlights

- Account holders could send and receive money with just an identifier without having any other bank/account details.
- Identifiers - Aadhaar number, Mobile number, Virtual payments address.
- Paying and receiving payments as easy making a call on mobile phone.
- Taxi booking, online shopping, paying school fees, transfer of money at el soon at your fingertips.
- Ability to use a fully interoperable system across all payment system players without having silos and closed systems.

Simplicity

- Any transaction can be easily executed through the unified payments interface; for instance, a person travelling by a taxi will have to give his Aadhaar number, mobile number, or even just an e-mail address to the driver.
- The driver will key in the fare details and a text will come to the customer.
- The customer then will have to key in his mobile phone ID or bank ATM pin to complete the transaction.

Unique features

- Ability for all payment system players to use a standard set of APIs for any-to-any Push (Pay someone) and Pull (Collect from someone) payments.
- Sending collect requests to others (person to person or entity to person) with "pay by" date to allow payment requests to be "snoozed" and paid later before expiry date without having to block the money in the account until customer is ready to pay.
- Pre-authorize multiple recurring payments similar to ECS (utilities, school fees, subscriptions, etc.) with a one-time secure authentication and rule based access. Ability to have PSP provided mobile applications that allow paying from any account using any number of virtual addresses using credentials such as passwords, PINs, or biometrics (on phone).

Supporting Infrastructure

Aadhaar System

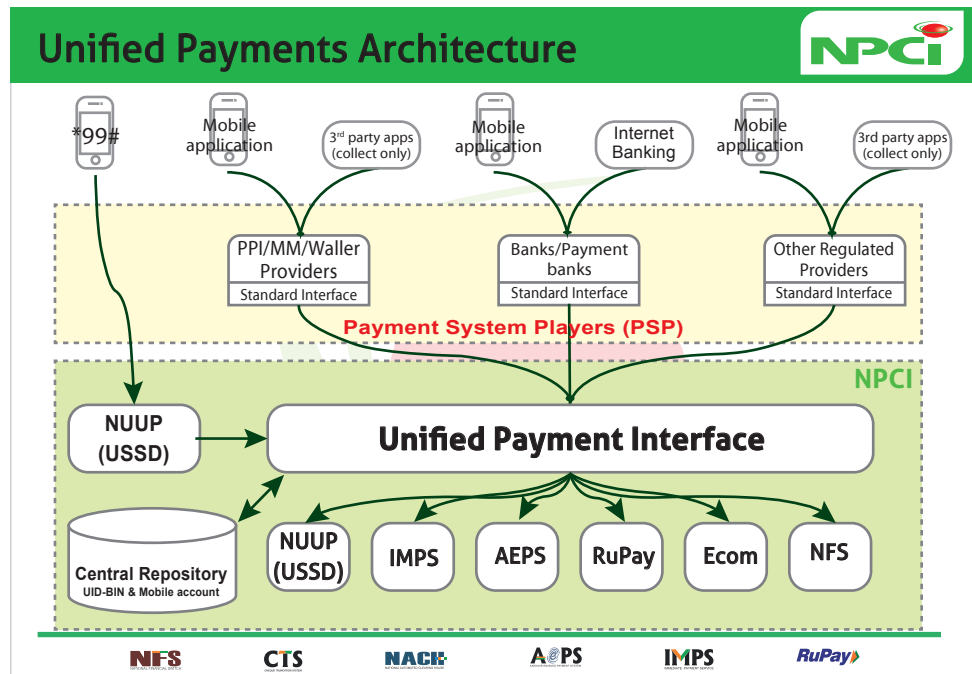
- Aadhaar Authentication
- Aadhaar e-KYC
- Aadhaar Enabled Account
- Aadhaar Payment Bridge
- Aadhaar Enabled Payment System

Security Considerations

- Identity & account validation
- Protecting account details
- Protecting authentication credentials
- Protecting against phishing
- Message security, trust & non-repudiability



Robustness



It is a standardised innovative, adoptable, secure and cost effective interface. The standardised API, designed for enabling different forms of payments beneficial for Mobile Application, and other channels, can be integrated into the NPCI backbone infrastructure.

Technology Platform

- Unified – hiding the complexity of dealing with disparate systems – both internal and external to NPCI.
- Expandable – to allow for innovations in newer forms of identity, authentication, and banking
- Adaptable to the current way of life-
- Smart phones as an integral part of people's identity
- Aadhaar as a form of online verifiable identity - authenticated by a third party
- Allow customers to enter credentials on their own device
- E-Commerce
- Real Time – Allows banks to provide real time experience for interactive transactions.
- Secure – Allows for traceability through the entire transaction chain
- Monitoring - Allows for NPCI to monitor the system centrally.

Authorization

- Simplifying Authentication
- Simplifying Issuance & Acquiring Infrastructure
- Flexibility of PSPs & Users
- Enabling 1-click 2-FA Transactions
- Stimulating Innovation
- Embracing Mobile & Aadhaar Adoption
- Creating National Interoperability