

NPCi eNewsletter

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From the MD & CEO's desk



Dear Readers

NPCI has indeed come a long way. I vividly remember the scenario three years back, when we all were gearing up to set up and operationalize Cheque Truncation System (CTS) in Chennai. That was one of the biggest challenges NPCI took and achieved it successfully. Today, the banking industry as well as RBI is happy for our efforts that made all the three grids fully functional covering most part of the country for image-based cheque clearing. My sincere greetings to all, and especially to CTS team that worked whole-heartedly to make this a big success.

During last month, RuPay cards have shown record numbers of 11,000 approved transactions at PoS with an average spent size of close to Rs 1970. RuPay eCom saw 2,000+ transactions while customers made 5.8 million transactions on IMPS. NACH has on-boarded more than 100 banks, more particularly NACH Debit membership has added 200 banks with inclusion of SBI & Corporation Bank. And NACH Credit has registered maiden 14 million transactions in a month.

NFS network has introduced two value added services for the benefit of customers that are-cheque book request and statement request. More than 10 million Aadhaar numbers were added in the month of September with taking the total number to 80 million. It is a great news that Ministry of Rural Development has begun processing the MNREGS payments using APB channel

of NPCI. NUUP, which was recently launched during PMJDY, has added one more important feature that is-Aadhaar seeding status-by dialling *99*21#. NUUP has also been awarded with FIPS Award 2014.

I am thrilled to learn that each one of you is involved some way or other to achieve our mission-Touching every Indian with one or other payment services. And we are not far away to realize our vision that is 'To be the best payments network globally.' With our values-passion for excellence, integrity, customer centricity & respect- we can achieve so many milestones in the coming days.

Wishing you all a great month ahead !!!

A P Hota

NUUP wins FIPS Award 2014 under 'Access to Banking & financial Service'



NUUP (National Unified USSD Platform), which was launched by the Prime Minister, Shri Narendra Modi in August 2014, has won the prestigious FIPS Award 2014 (Financial Inclusion & Payments System) under 'Access to Banking and Financial Service' category, in a ceremony held at New Delhi on September 19, 2014. NUUP has recently added one more feature under its service ambit that is – Knowing Aadhaar seeding status. Now customers

can be apprised of their respective Aadhaar seeding status by dialling *99*21# from any GSM mobile phones. The service is launched as part of the value added service on NUUP and utilizes the functionality of Aadhaar mapper that is being maintained by NPCI.

Rupay acceptance records 11,000 daily transactions on PoS

After having enabled at more than one million point of sale (PoS) terminals, RuPay cards for the first time witnessed a

sheer rise in daily average approved transactions crossing 11,000 mark with showing an average ticket size spent of more than ₹1970 of various 29 acquiring banks/entities. RuPay has already achieved 96% of PoS market in India and is working on mobile PoS acceptance deployed by member banks that are set to get enabled shortly.

CTS turns 3, processes 3 million instruments per day out of 3 grids

Cheque Truncation System (CTS), an image-based cheque clearing system, made a humble beginning on September 2011 in Chennai with 12 banks. Within just 3 years of time, CTS has been able to cover all major cities across the country through 3 Grids- southern, northern and western. It efficiently covers 66 MICR and 100 non-MICR centres and processes more than 3 million instruments per day.



FIBAC 2014 enlightens on digital revolution

FIBAC 2014, an annual premiere banking conference, was organized on September 15-16, 2014 in Mumbai by FICCI & IBA with an aim to bring together banking stalwarts and global thought leaders under one roof to understand productivity excellence and digital banking technology. Chairing one of the key panels on 'Corporate Transaction



Banking: The Hidden Jewel', Shri A P Hota weighed on 'digital operations and technology' while discussing with panel members. Dr Raghuram Rajan, Governor of RBI, gave away the inaugural address to the dignitaries present in the conference.

SaraswatCo-op Bank becomes first bank to go live as AUA

Saraswat Cooperative Bank is the first bank to go live as an Authentication User Agency (AUA) on NPCI network. The bank has a strong presence across Maharashtra, Gujarat, Madhya Pradesh, Goa and Delhi with 267 fully operational computerized branches providing 24 hour service through its 205 ATMs. The bank has become the first co-operative bank and the fifth bank overall to have implemented the card-to-card fund transfer functionality.

mPay Insights 2014 conference focuses on Translating to Transactions in mobile payments

The need for efforts to improve awareness about mobile payment system coupled with action points around addressing the complexity & security concerns was one of the key points discussed at 'Translating to Transactions' themed event of mPay Insights 2014, held in Mumbai on September 17, 2014. In his keynote address, Shri A P Hota particularly stressed upon futuristic needs of mobile payments and shared the usefulness of Immediate Payment Service (IMPS) to a huge gathering of officials of telecom major and mobile service providers.



Program on 'Electronic banking initiatives & CTS' for bankers



NPCI team participated in a program on 'Financial education under electronic banking initiatives and CTS', organized by DPSS at Vadodara on September 22, 2014. The program was being organized post formation of western grid Bankers Clearing House (WG-BCH) after accomplishing all 20 MICR centers. The program highlighted on electronic modes of payment covering mobile banking, domestic money transfer, card products, prevention of electronic frauds, card-less withdrawals, simplified KYC normset al for local bankers' ease.

NACH credit achieves 14 million Transactions

NACH Credit system for the first time surpassed 14 million transactions in a month. Continuing its scintillating performance in September, the NACH onboarding team has added over 100 banks on NACH system that spans across APB, EBT, NACH Credit, ACH Credit and ACH Debit. The NACH Debit membership has gone up to 200 banks including two major public sector banks – SBI & Corporation Bank. Recently, the Bhartiya Mahila Bank has also joined NACH system by containing APBS, NACH Credit and ACH Credit system. With this, all the 27 PSBs are now part of APB and NACH Credit system.

NFS network expands with 7th WLAO, introduces 2 value added services

Bullion trader Riddhi Siddhi Bullion Ltd has joined National Financial Switch (NFS) network as 7th White Label ATM Operator (WLAO) and has got approval to deploy 50,000 ATMs across the country in next 3 years.

Tata Communications Payment Services Ltd. has also been made live with its third sponsor bank i.e. Deutsche Bank. Also, two new Value Added Services – cheque book request and statement request- have been introduced under NFS network to provide convenient services to customers. While these services were piloted with YES Bank Ltd and Saraswat Co-operative Bank, Union Bank of India became the third bank to enable same services at their host ATMs.

Kaveri Grameena goes live as acquiring bank, issues 60,000 RuPay cards

Kaveri Grameena Bank, a regional rural bank sponsored by State Bank of Mysore, has gone live as an acquiring bank. KGB, which is operating in 10 districts of South Karnataka with having its head office at Mysore city and 400 branches, has issued more than 60,000 RuPay debit cards to customers in addition to KCC RuPay cards. Interestingly, the bank has launched a designed mobile van showcasing RuPay card that comes with the opening an account under PMJDY.

NPCI aims to achieve 100% financial inclusion in remote areas

As part of achieving 100% financial inclusion project at Karangamal panchayat of nuapada district in Odisha, NPCI joined hands with Utkal Grameena Bank (UGB) to organize a camp on September 23, 2014 at panchayat premises to open bank accounts for unbanked people and provide RuPay debit cards. More than 3600 RuPay debit cards have been issued in total as part of PMJDY scheme and 600 new accounts were opened during the camp day. NPCI's Team has methodically initiated this project with the support of UGB to enable the unbanked population with IMPS & RuPay. The first phase of the project focused on opening bank accounts and provided them with RuPay debit cards.



APBS mapper database adds over 10 million aadhaar numbers

In a major achievement, the Aadhaar Payment Bridge (APB) system mapper database has added over 10 million Aadhaar numbers during the month of September, taking the total mapper database to over 80 million. A large number of transactions were being pushed by the Ministry of Rural Development (MoRD) that began processing the MNREGS payments using the APB channel of NPCI. As part of continuing practice of engaging with the banking fraternity, NPCI Team had organized a workshop on NACH system for sub-member banks of Mumbai District Central Co-operative Bank on 09th September, 2014. The workshop was loudly applauded and actively participated by all 26 sub-member banks.

officials of RBI, IDRBT, NPCI and other bank officials attended the event to address a gathering of customers.

RuPay e-Com launches 'Moviелicious Weekends' and IMPS flashes facebook campaign



RuPaye-Commerce launched a 'Moviелicious Weekends' promotional offer for all movie lovers in September. Under this offer any RuPaydebit card holder, issued by any bank enabled for e-Commerce transactions, can buy 1 movie ticket on bookmyshow.com during weekends and get the 2nd ticket free. The month saw cumulative approved transactions go beyond 1,00,000 transactions for this year, settlement value doubled to 2.8 crore against 1.4 crore in the previous month and monthly approved transactions surged to 45,000 from its previous month of 26,000 transactions. For the first time, more than 10,000 unique transactions registered in a month making RuPay online more prominent. IMPS campaign has been launched on facebook to create awareness among users to make use of the country's first of its kind instant money transfer service that is available anytime, anywhere. IMPS saw 5.8 mn transactions during the month.

A P Mahesh Co-operative Urban Bank launches RuPay card



The A P Mahesh Co-operative Urban Bank Ltd. direct member bank of NFS network, has launched RuPay Debit Card on September 25th, 2014. The bank is also facilitating other services of NPCI like, IMPS, CTS, APBS and NACH. Along with the Chairman of the bank, senior

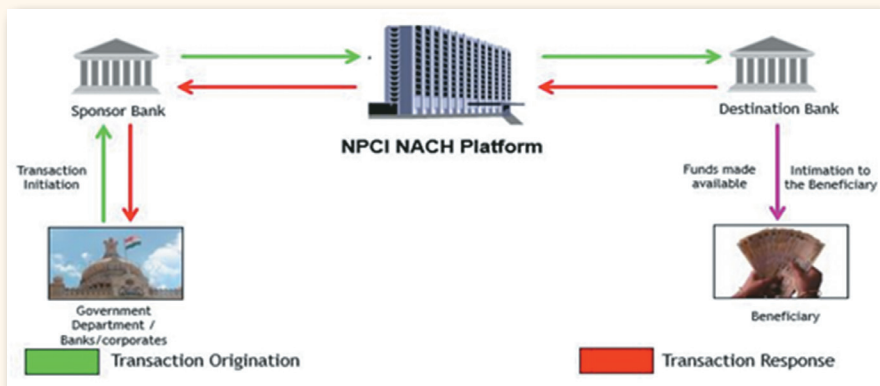
National Automated Clearing House

National Automated Clearing House (NACH) is a centralized payment system developed with an aim to consolidate multiple ECS systems running across the country and provides a framework for the removal of local barriers/inhibitors. NACH system, which was launched in December 2012, provides a national footprint to cover entire core banking enabled bank branches across the country. The unique system has been designed keeping in view the specific needs of banks & corporate including a refined Mandate Management framework and an online Dispute Management System (DMS) coupled with a strong information exchange and customized MIS capabilities. And it also supports Financial Inclusion measures initiated by Government, State agencies and banks by providing support to Aadhaar-based transactions.

NACH system actively supports both credit as well as debit transactions which can be mainly categorized into **NACH Credit, NACH Debit and Aadhaar Payment Bridge (APB) System**. While NACH Credit system can be used for processing of bulk transactions like distribution of dividends, salary, pension etc. which are repetitive in nature; NACH Debit is used for collection of payments pertaining to EMIs, utility bills, insurance premiums, rent payments, investments in mutual funds etc. On the other hand, APB System has been specifically designed for routing the benefits of various social welfare schemes using the Aadhaar number directly into the Aadhaar Enabled Bank Account (AEBA) of the beneficiary.

The NACH system provides a robust, secure and scalable platform to participants both banks as well

as corporate to process the bulk electronic transactions. It has best-in-class security features, cost efficient & payment performance coupled with multi-level data validation facility accessible to all participants. NACH is a scalable system capacitized to process 10 million transactions per day.



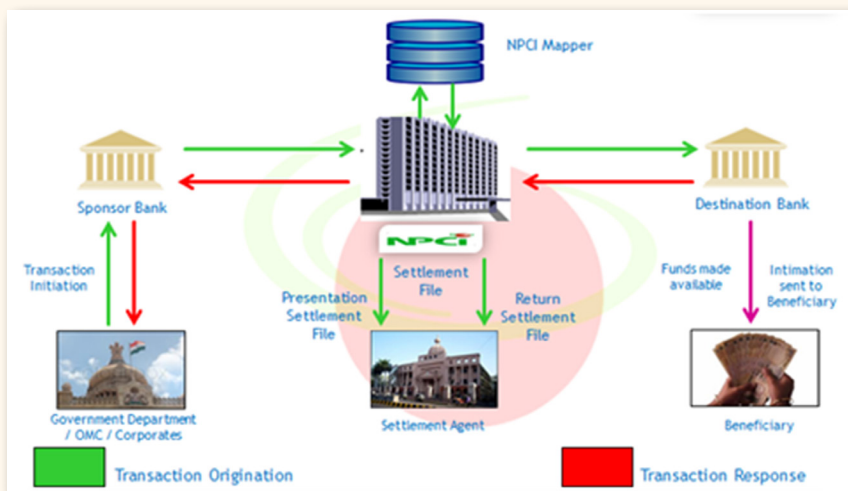
Typical Transaction Flow Diagram in NACH Credit and Debit

Aadhaar Payment Bridge (APB) System is one of the crucial functions of NACH. The basic function of APBS is to utilize Aadhaar numbers of the beneficiaries for direct electronic transfer of various benefits & subsidies doled out by the Government and State run agencies. This Aadhaar based payment service has been used to credit the beneficiary bank account directly, once the Aadhaar number and the bank account number of the recipient are linked successfully, thus making it an Aadhaar Enabled Bank Account (AEBA). APB system is largely used for disbursing the benefits of various social welfare schemes like LPG Subsidy, MNREGA, Social Security Pension, Old Age Pension etc. APB System is an attempt towards financial re-engineering of the subsidy / welfare management program of the Government and State agencies. For this benchmark initiative, NPCI's APB System has been felicitated with 2 prestigious awards in the category of financial inclusion.

Another feature which sets apart NACH System is the Direct Corporate Access (DCA) facility which provides access of NACH System to the corporate thus leading to ease of operations both for the corporate as well as banks. However, DCA feature comes with sponsor bank's control which implies that along with ease of operations, all entities involved in the transaction cycle are kept informed at every stage of the transaction. DCA empowers the corporate to keep a track of respective transactions, reports and MIS directly without having a dependency on the sponsor bank.

One of the key aspects of the NACH system is an online **Dispute Management System (DMS)** which provides a common platform to all participating banks to resolve transaction related issues in a time bound manner with provisions of pre-arbitration, arbitration and good faith.

With over 400 participating banks and 500+ corporates, NACH is on its way to become one of the largest payment systems in the country. The wider coverage of banks has enabled NACH system to play a crucial role in the payments industry and is helping sub-serve the goal of financial inclusion through APB channel.



Typical Transaction Flow Diagram in APB