

## FROM THE MD & CEO's DESK



Dear Readers,

As we bid goodbye to another financial year, I feel proud to share with you that it was a very successful year for NPCI with a transaction volume close to 6.5 billion. With less than a billion in the year 2010-11, in only service – NFS, the organisation has grown multifold with seven services NFS, CTS, ACH, IMPS, RuPay, APBS and \*99#.

We are working on five new services during the year 2016-17 starting with Unified Payments Interface (UPI) this month, and then a host of products namely Bharat Bill Payment System (BBPS), Electronic Toll Collections (ETC), RuPay Credit card and Tap-and-Go National Common Mobility Card.

Conceived and implemented by NPCI under the guidance of former chairman of Unique Identification Authority of India (UIDAI) Nandan Nilekani, UPI is likely

to be as transformational as Aadhaar when it gets adopted by most banks. Initially, 29 banks are likely to join the platform and certification is already in progress for 12 more banks. Eventually, other banks will also join.

In terms of human resources, NPCI has expanded its employee strength to over 700 and the number is likely to touch 1000 in two years, as we spread our operations across the country and tap opportunities in the international market.

The regulator is taking a number of initiatives to popularise digital payments and with each passing year, it is helping us to come closer to our vision of a less-cash society with products like RuPay debit card, Immediate Payment Service (IMPS) and \*99#. We would request you to extend your support even in the new financial year and encourage us in our journey of touching every Indian's life by 2020.

Best Wishes,

A P Hota

## IMPS wins prestigious Golden Peacock Innovative Product/Service Award – 2016



NPCI is pleased to share that our product – Immediate Payment Service - IMPS has been declared as the Winner of 'Golden Peacock Innovative Product/Service Award' for the year 2016. Immediate Payment Service (IMPS) is the only 24\*7\*365 account to account fund transfer facility available in the country. IMPS ensures immediate or real time transfer of funds to the beneficiary and instant confirmation of such

transfer within seconds to both the remitter as well as beneficiary. It allows customers to access fund transfer anytime during the day and even on public holidays. It enable banks to give access to customers through different communication channels like SMS, USSD (Unstructured Supplementary Service Data), Mobile Application, WAP (Wireless Application Protocol) and POS (Point of Sale). IMPS is also a transaction channel agnostic system, providing access through multiple options like mobile, internet and ATM.

## NPCI awarded card protection certificate

NPCI has emerged as the first company in the BFSI sector to receive a certificate of compliance for the Payment Card Industry – Data Security Standard's (PCI DSS) latest version 3.1. PCI DSS is a widely accepted set of policies and procedures intended to optimise the security of card transactions. It also helps to safeguard the transmission and storage of payment card data. Updates to the standards are geared towards maintaining proper controls and to provide a strong framework for protecting payment card data. PCI DSS is constructed in such a way that their principles can be applied to various environments where cardholder's data is processed, stored, or transmitted—such as e-commerce, mobile acceptance, or cloud computing.



## 1000 plus banks under NPCI network



NPCI has crossed a major milestone by bringing in 1004 banks under its network for one of its key services – National Automated

Clearing House (NACH) system. NACH is a centralised system launched with an aim to consolidate multiple ECS (Electronic Clearing Service) systems running across the country in a decentralised manner. It is a web based solution which facilitates interbank, high volume, electronic transactions that are repetitive and periodic in nature. It empowers banks, financial institutions, corporate and government institutions for making bulk transactions towards distribution of subsidies, dividends, interest, salary, pension, etc. Transactions towards collection of payments pertaining to telephone, electricity, water, loans, investments in mutual funds, insurance premium etc. are also processed seamlessly through NACH.

## RuPay Domestic Platinum & RuPay RurBan Platinum Debit card launched by YES Bank

YES Bank has launched two variants of RuPay on EMV platform in March 2016 for their customers. YES Bank RuPay Domestic Platinum debit card is being issued to the bank's customers to enjoy Platinum benefits while YES Bank RuPay RurBan Platinum debit card (RIBB) is also launched. A dedicated Rural and Inclusive Branch channel (RURBAN) and a segment has been established to support acquisition & servicing of Rural Assets Businesses.

## CTS gross volume crossed 6 million transactions milestone in a day



Cheque Truncation System (CTS) has crossed a milestone on March 28, 2016 of performing 6 million transactions in a single day since its inception. Also, on the same day CTS Western Grid processed an all-time high volume of 3.06 million cheques. Implementation of CTS for monetary transactions has several operational and commercial benefits. CTS 2010 standards lead to enhanced security which ensures proper Fraud Prevention Mechanism with better customer service.

## RuPay Hi Flyer

RuPay Hi Flyer program is being run by RuPay issuing banks wherein top 25 spenders on Point of Sale (PoS) terminals and e-commerce websites will be rewarded with flight vouchers worth Rs 15,000/- every calendar month.



Additionally, 5 flight vouchers worth Rs 15,000/- each will be given to customers of the top 5 RuPay issuer banks. The offer is valid till December 31,



2016. The vouchers can be used on any IndiGo

flight by mentioning the code at the time of booking through [www.IndiGo.in](http://www.IndiGo.in) or through the IndiGo call centre. (Seen in pic: NPCI's Relationship Manager handing over 6 Hi Flyer vouchers to SBI's Chief General Manager - Corporate Strategy and New Business, Mr. Ravi Prakash.)

## NACH presentation for all co-operative banks of Gujarat

All co-operative banks of Gujarat have successfully migrated to National Automated Clearing House (NACH) system of NPCI from Electronic Clearing Service (ECS) under the guidance of the Reserve Bank of India (RBI) at Ahmedabad. A seminar on NACH was arranged for all co-operative banks of Gujarat on March 10, 2016 in Ahmedabad. Over 100 bankers who attended the event were familiarised with NACH Products, NACH File Process Flow, File Naming Convention, DMS Stages, File Formats Comparison and other relevant information on NACH on NPCI's Website.



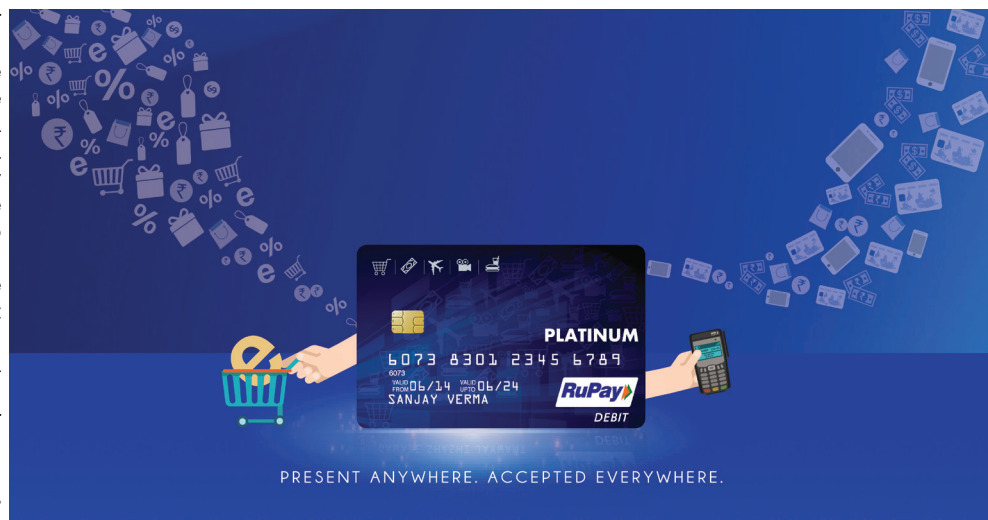
## Growth of IMPS and RuPay



During the last financial year ended March 31, 2016, NPCI's products recorded impressive growth in transaction volumes compared with the previous fiscal. Transaction volumes of Immediate Payment Service (IMPS) jumped 182 per cent while that of RuPay PoS grew by 384 per cent. Transaction volumes of RuPay ecommerce rose by 1,107 per cent during the same period.

## Highlights on RuPay's online presence

NPCI has been enhancing the user experience of RuPay cardholders through its solution, RuPay PaySecure. The transaction is now more seamless since the user has to enter just the card details and a One Time Password (OTP) to complete a transaction. The new flow is set to simplify the process of transacting for the cardholder by eliminating the need to remember any additional passwords. Indian Bank and Bank of Maharashtra are amongst the first issuing banks to get certified for this new flow and are live as on date. These banks are already seeing a spike in their transaction success rates. Joining the ranks of 50,000+ other merchants, top online merchants like Airtel, HomeShop18, Yatra, BabyOye and Cinepolis India too made their mobile apps live for RuPay acceptance recently.



Citibank enabled RuPay acceptance on its Payment Gateway in order to extend RuPay as a payment option to its merchants. This strategic association between NPCI and Citibank is paramount for both since 250 million RuPay cardholders would now have access to Citibank's impressive merchant base.

RuPay PaySecure is now live with 9 acquiring and 133 issuing banks as on date. The e-commerce industry continues to grow and this is evident from the fact that the RuPay transaction volumes have grown by tenfold during this financial year. With its strong reach in Tier 2 and Tier 3 cities in the country wherein the e-commerce boom is being observed, RuPay is all set to rule the roost as far as e-commerce is concerned.

## Highlights of 2015-16

### Business milestones

- Processed over 6.5 Billion approved transactions
- The revenue share in non- National Financial Switch (NFS) and non- CTS services increased to 20 per cent as against commitment of 18 per cent
- RuPay card volume crossed 250 million mark
- RuPay market share in ATM reached 21.8 per cent
- RuPay PoS and E-comm transactions increased multifold and 18 banks have gone live with RuPay International card
- 1000+ Banks on NACH on-boarded till now and 1,237 banks in CTS
- Launch of extensive media campaign for RuPay – first time for NPCI
- Revamping the Logo of NPCI and its products

### Other major milestones

- NPCI shifted to its owned Corporate Office at BKC
- Organised first ever International Conference of Payment System Institutions
- Record 120+ financial literacy workshops conducted pan-India on a single day on September 8, 2015 to celebrate World Literacy Day
- Awarded Ramkrishna Bajaj National Quality Awards (RBNQA) Certificate of Merit for Operational Excellence
- NPCI emerged as the first entity in financial services to secure PCI DSS 3.1 certification
- NPCI added 171 employees taking the headcount to over 700
- Financial Literacy camps have become a regular event

### HR Initiatives / Developments:

- Employee Get together – NPCI Carnival across locations
- Introduced library facility for employees
- Implementation of flexible hours policy
- Fast track promotions
- Health awareness programs for employees / health guru tips for all
- New rewards & recognition programs
- Mentors for new employees
- Festive celebrations and observing special days across locations
- Service Awards on completion of 3 years & 5 years' service at NPCI



## Insights on Unified Payments Interface (UPI)

### What is Unified Payments Interface (UPI)?

Unified Payments Interface (UPI) is a next generation online payment solution which will leverage trends such as increasing smartphone adoption and deepen penetration of mobile data. UPI will empower users to perform instant push and pull transactions seamlessly which will transform the way people make payments today.

### Why is it unique?

- Single click 2-Factor Authentication for subsequent transactions
- 'Virtual address' as a payment identifier for sending to & collecting money from
- Bill splitting with friends
- Best answer to Cash on Delivery hassle, running to nearest ATM or rendering exact amount
- Merchant Payment with Single App or In-App Payments
- Schedule, PUSH and PULL Payments for various purposes
- Utility Bill Payments, Over the Counter Payments, Barcode (Scan and Pay) based payments
- Donations, Collections, Disbursements Scalable

### A simple UPI transaction (Overview):

When Deepak initiated an e-commerce purchase of a Team India jersey online using only his virtual ID after selecting UPI as payment mode, a pop-up/push notification was received on his Payment Service provider (PSP) app requesting for a confirmation of the payment. He simply entered his secure pin to authenticate the purchase transaction and within seconds received a confirmation of a successful online purchase from the merchant.

(Deepak created his virtual Id/Address as a part of the registration process with the PSP).

### What happens in the back-end?

Deepak reaches the payment section on the merchant site post adding goods to his shopping cart and selects UPI as the payment mode. He is only required to enter his virtual ID to proceed and nothing else. When the transaction request hit's the merchant's server, it is immediately passed on to the acquiring bank's server where a UPI Collect Transaction is initiated on the virtual ID shared by Deepak from the merchant's server. This request is then routed to the UPI server and using Deepak's virtual ID the transaction request is directed towards his PSP app. A popup appears on the app screen requesting for the secure pin. He authenticates the transaction request and the transaction proceeds to the UPI system where the actual account details are fetched against the mapped virtual ID. This transaction is then pushed to Deepak's bank account, where the credentials are validated and his account is debited. The confirmation is again pushed back to UPI servers and in turn it initiates a credit message to the merchant's acquiring bank and the credit to the merchant happens in real time.

## UPI - Benefits to the Ecosystem participants

### Benefits for banks:

- Single click 2-Factor Authentication for subsequent transactions
- Universal app for transaction
- Leveraging existing infrastructure
- Security (on other bank app, it uses the NPCI library to securely capture credentials)
- Payment basis Single / Unique Identifier
- Enable seamless merchant transactions

### Benefits for end Customers:

- Round-the-clock Availability
- Single app for accessing different bank accounts
- Use of Virtual ID is more secure, no credential sharing
- Faster checkout
- No time-out scenario

### Benefits for merchants:

- Seamless fund collection from customers - single identifiers
- No risk of storing customer's virtual address like in cards
- Suitable for e-com & m-com
- Resolves the COD collection problem
- Single click 2FA facility to the customer - seamless Pull
- In-App Payments (IAP)



## AB PAISE BHEJNE KI SUVIDHA, HAR NUKKAD PAR.

IMPS ke saath ghar bhejiye paise turant. Bas apne kareebi Domestic Money transfer outlet se sampark kijiye

• Instant money transfer • Available 24X7X365 • Available on weekends and bank holidays

Get IMPS service in retail outlets supporting these brands:

Airtel Money | Atom | Eko wallet | Fino Money | I Cash Card Wallet/Smart Shop | ITZ Cash wallet | M Rupee | Money on Mobile (MOM) | Muthoot Money IMPS | Oxygen | Paypoint | Payworld | Spice Mudra | Vodafone M Pesa | X Pay Cash Wallet

**IMPS**  
 IMMEDIATE PAYMENT SERVICE