



ISSN Print: 2394-7500
ISSN Online: 2394-5869
Impact Factor: 5.2
IJAR 2015; 1(13): 709-711
www.allresearchjournal.com
Received: 09-10-2015
Accepted: 12-11-2015

Vindhya KT
Assistant Professor Jindal
First Grade College for Women
Bangalore.

A conceptual research on impact of immediate mobile payment system/interbank mobile payment system (IMPS) on the upliftment of banking transactions in India

Vindhya KT

Abstract

Currently majority of interbank mobile fund transfer transactions are channelized through NEFT mechanism. Under NEFT, the transactions are processed and settled in batches, hence are not real time. Also, the transactions can be done only during the working hours of the RTGS system.

With the above context in mind, NPCI conducted a pilot study on the mobile payment system with the banks like SBI, BOI, UBI and ICICI in August 2010. Also the banks like Yes bank, Axis and HDFC bank joined this league in the month of September, October and November 2010 respectively. Immediate Payment Service (IMPS) public launch happened on 22nd November 2010 by Smt. Shyamala Gopinath, DG RBI at Mumbai and this service is now available to the Indian public.

IMPS offers an instant, 24X7, interbank electronic fund transfer service through mobile phones. IMPS is an emphatic tool to transfer money instantly within banks across India through mobile, internet and ATM which is not only safe but also economical both in financial and non-financial perspectives. The present paper focus on how the introduction of IMPS service has raised the number of banking transactions and to how far the use of mobile payment service is used by customers.

Keywords: Immediate Mobile Payment Service, Inter-bank Mobile Payment System, Customers, banking transactions.

Introduction

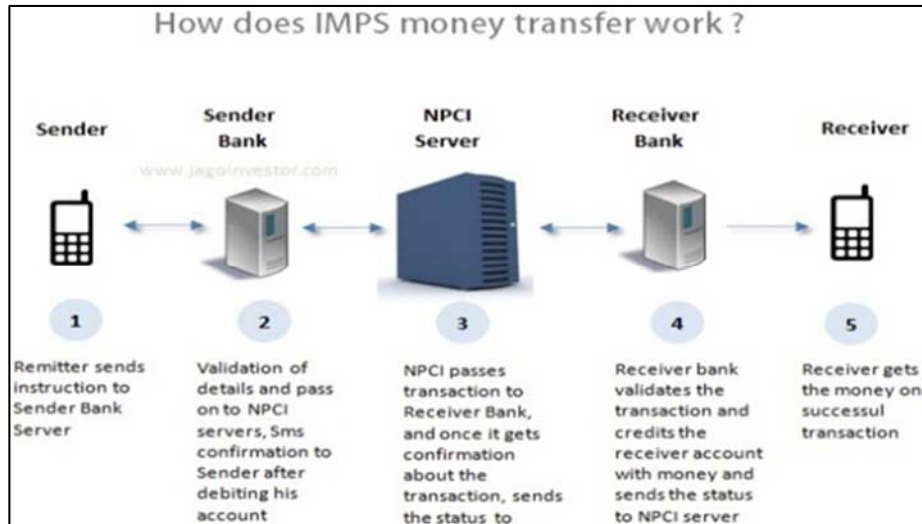
Using Immediate Payment Service (IMPS), a relatively newer service, users can transfer money immediately from one account to the other account, within the same bank or accounts across other banks. Similar to NEFT, there is no minimum amount for transactions, but the maximum amount possible is Rs 5 lakhs, which is again, can vary between banks.

IMPS is a payment service introduced by National Payments Corporation of India (NPCI). The eligible criteria for the Banks who can participate in IMPS is that the Bank should have approval from RBI for Mobile Banking Service. The service, launched as an instant mobile remittance solution in November 2010, has today evolved as a multi-channel, multi-dimensional remittance platform. The IMPS platform today is capable of processing P2P (Person to Person), P2A (Person to Account) and P2M (Person to Merchant) remittance and transactions can be initiated from Mobile, Internet as well as ATM channel. In addition to banking customers, non-banking customers can also avail the IMPS facility through Reserve Bank of India (RBI) approved PPIs.

This can be payments for utility bills, mobile or DTH recharge, credit card bills, grocery bills, travel ticketing, online shopping and even educational institutes fee payments through this channel.

Correspondence

Vindhya KT
Assistant Professor Jindal
First Grade College for Women
Bangalore.



Objectives

- To know the extent of mobile instruments usage by the customers as a channel for accessing their banks accounts and remit funds.
- To focus on the impact of IMPS on increasing banking transactions.
- To study how mobile payment has made payment simpler.
- To understand the fulfillment of the goal of Reserve Bank of India (RBI) in electronication of retail payments.

Research Methodology

The present study is based on descriptive study which includes secondary data. The secondary data is based on RBI Annual Reports, National Payment Corporation of India’s Publications and reports, newspaper and magazines.

Services available under IMPS

Funds Transfer and Remittances

- Using Mobile number & MMID (P2P)
- Using Account number & IFS Code (P2A)
- Using Aadhaar number (ABRS)

Using Mobile number & MMID (P2P)

IMPS offer an instant, 24*7 interbank electronic fund transfer service capable of processing person to person, person to account and person to merchant remittances via mobile, internet and ATMs. It is a multichannel and multidimensional platform that make the payments possible within fraction of seconds with all the standards and integrity maintained for security required for even high worth transactions.

Sender & Receiver – Have to register for Mobile Banking & get a unique ID called “MMID”

- Generation of MMID is a One-time process.
- Remitter (Sender) transfer funds to beneficiary (Receiver) using Mobile no. & 7digit MMID of beneficiary.

Using Account number & IFS Code (P2A)

Presently, IMPS Person-to-Person (P2P) funds transfer requires the Remitter customer to make funds transfer using Beneficiary Mobile Number and MMID. Both Remitter as well as Beneficiary needs to register their mobile number with their respective bank account and get MMID, in order to send or receive funds using IMPS.

There may be cases where Remitter is enabled on Mobile Banking, but Beneficiary mobile number is not registered with

any bank account. In such cases, Remitter shall not be able to send money to the Beneficiary using Mobile Number & MMID.

Hence on the merit of the feedback received from the banking community as well as to cater the above mentioned need, the IMPS funds transfer has been made possible using Beneficiary account number and IFS code as well, in addition to Beneficiary mobile number and MMID.

Additional information’s

IFS Code – 11 digit alphanumeric number, available in the users Cheque book. Using Aadhaar number (ABRS).

In ABRS, a remitter can initiate IMPS transaction using the beneficiary’s AADHAAR number, which acts as a financial address & which will be linked to the beneficiaries account number. ABRS facilitates in simplifying the IMPS payment initiation process as in this service the customer will have to input only AADHAAR number of the beneficiary for initiating an IMPS transaction. Another important utility of this service will be in disbursement of subsidy payment i.e. Electronic Benefit Transfer (EBT)/ Direct Benefit transfer (DBT) by the Government. ABRS will act as a catalyst in expanding financial Inclusion reach.

Merchant Payments

- Grocery bills • Travel & Ticketing • Credit Card bills • Utility bills • Online shopping • School & College fees • Mobile top ups & DTH recharge.

National Unified USSD Platform (NUUP)

NUUP (National Unified USSD Platform) is a USSD based mobile banking service from NPCI that brings together all the Banks and Telecom Service Providers. In NUUP, a customer can access banking services by just pressing *99# from his/her mobile phones. This service works across all GSM mobile handsets.

Query Service on Aadhaar Mapper (QSAM)

QSAM (Query Service on Aadhaar Mapper) – This service helps user in knowing their Aadhaar Seeding status with their bank account. • This service can be availed by dialling *99*99#. • User will know whether his/her AADHAAR number is seeded/linked to any bank account number or not. • If yes, then with which bank and when it was last updated [IMPS FAQs] 5/7 Public Enabling for IMPS.

Advantages of IMPS over NEFT and RTGS

1. Instant Transfer of Money: -It happens instantly within few seconds, so it's practically real time money transfer, unlike NEFT or RTGS which works in batches and takes time in money transfer
2. Transfer without Internet Connection: -The money can be transferred just using your mobile phone through SMS or using the mobile application, hence we can do the money transfer even while moving/travelling and just with a mobile connection

3. Money transfer even on Holidays and outside working Hours: - We can literally make transfers in early morning, midnight or whatever time we want unlike NEFT or RTGS, where it doesn't allow money transfer on holidays or even Sundays
4. No Need to disclose Bank account number and other details: - With only mobile number and MMID, we can transfer the amount and thus can secure the bank account details.

Analysis and Interpretation

Table 1: showing the raise in IMPS transactions

System	Volume (Billion)				Value (Billion)			
	2012-13	2013			2013-14	2014		
		Aug.	Sep.	Oct.		Aug.	Sep.	Oct.
	1	2	3	4	5	6	7	8
Customer Transactions	512,997.84	42,652.24	49,130.14	47,057.88	573,614.03	46,545.69	60,640.01	47,700.97
Interbank Transactions	163,843.20	12,431.12	13,705.08	11,766.19	160,638.37	9,024.57	10,889.21	9,127.92
Interbank Clearing	349,509.02	12,473.99	14,436.09	13,121.33	170,715.64	13,756.83	16,581.98	12,996.38
Immediate Payment Service (IMPS)	4.33	4.71	5.53	7.32	95.81	35.20	42.95	48.99
Mobile Banking	59.90	14.13	15.62	19.75	224.18	48.58	82.68	90.35

Source: RBI

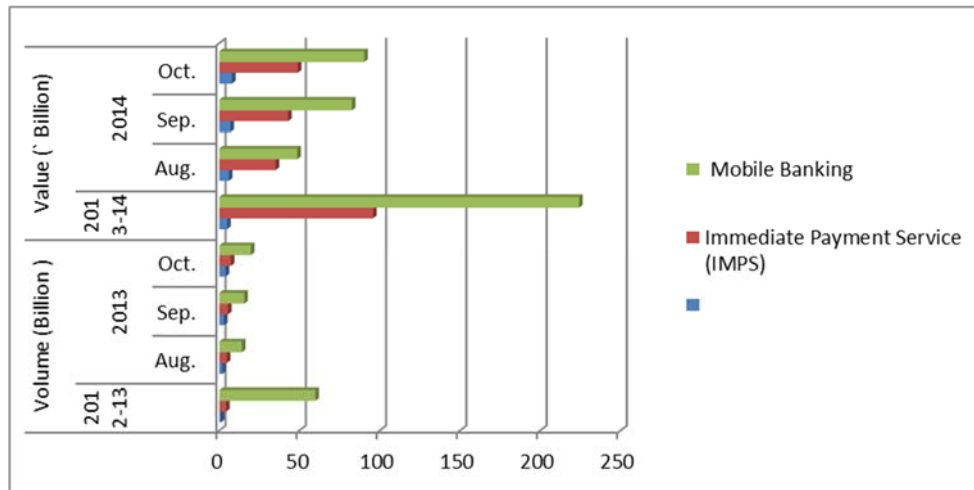


Chart 1: showing a comparative raise in mobile banking transactions from 2013 to 2014

Table 2: showing number of mobile banking users as per 2014

Unique mobile subscribers	350 to 550 million
Aadhaar numbers issued	510 million ⁷
Bank account holders	589 million
Bank account holders using ICT based channels	182 million
Number of mobile banking customers	22 million

Source: NPCI

Findings

- ❖ IMPS have a greater impact on increasing the banking transactions particularly inter-bank fund transfer.
- ❖ The usage of IMPS has increased drastically for a year from 2013-14.
- ❖ The era is moving towards electrification in payment system.
- ❖ The goal of RBI and NPCI towards payment system is being fulfilled more through mobile payment transaction.
- ❖ IMPS is linked for merchant payment also which made mobile transactions increasing.

Suggestions

- As per merchant payment still more effort is needed to build trust and security among customers in their mobile payment.
- Usage awareness should be created among all the customers particularly with rural and old age people about the usage of IMPS with security norms.

References

1. Manav Agarwal. A Study on Importance of Mobile Banking, Indian Journal of Applied Research. ISSN: 2249-555X. 2014; 4:5.
2. Mallat N. Exploring consumer adoption of mobile payments - A qualitative study, Journal of Strategic Information Systems. 20007; 16:413-432.
3. Karnouskos S. Mobile Payment: A journey through existing procedures & standardization initiatives, IEEE Communications Surveys & Tutorials, 2004, 44-66.
4. www.npci.org.in.
5. https://www.rbi.org.in.