

“Effectiveness of Unified Payment Interface (UPI) in Karnataka- With Special reference to Ramanagara District”

*M.R. Prasanna. **Dr.Thammana Gowda

Assistant Professor Department of Commerce S.Kariyappa Rural PG and Research Center Kanakapura

Date of Submission: 15-10-2020

Date of Acceptance: 02-11-2020

ABSTRACT: today the UPI is one of the wireless movements in the financial field, online activity in everywhere, depends upon UPI. The UPI users are increasing rapidly, because leading nationalized banks have been playing a dynamic role in Ramanagara Region. The Unified Payment Interface is expected to change the way of payments are being made to APMC activities in cocoon Market, granite business, examination fees payments, College fee payments, Restaurants, Retail Shops, wine shops, Cabs, Fuel, Gas, Recharge purposes, Malls. Theaters, purchasing milk in Retail shops, toys shopping, and Online shopping, and e-commerce companies located at Harohalli, Bidadi, Channaptana and Kanakapura industrial area.

KEY Words: UPI, Cocoon, Granites, and Banks

I. INTRODUCTION:

The Reserve Bank of India, along with the National Payment Corporation of India (NPCI) has launched the Unified Payment Interface (UPI) system in India it is a most ambitious project. The Unified Payment Interface (UPI), It was started on 25th August 2016. The RBI has been reducing cash transactions in the economy by introducing Unified Payment Interface (UPI), thereby ushering “**Cash less Economy**”. Through electronic devices, smart phones have become the part of Peoples, personal, professional and financial life in India.

The Banking System in our country has created a platform for transfer of money without any physical involvement of currency from place to placed, Account to account and person to person. The **Unified Payment Interface (UPI)** system is has transformed multiple Bank Accounts into single Mobile Application. It is designed to enable all account holders to send and receive money from their smart phone with a single identifier, which can be the **Aadhar Number, Mobile Number or the Virtual Payment address** without entering any Bank Account Information.

The Unified Payment Interface is expected to change the way payments are being made to restaurants, retail shops, Cabs fuel, gas, recharge purposes, Malls, Theaters, purchasing milk in retail shops, online shopping and e-commerce companies. The new payment method is further expected to revolutionize mobile banking which has grown exponentially among retail and corporate customers of late.

II. CONCEPTS OF UPI:

Development of Unified Payment Interface:

Unified Payment Interface (UPI) was developed by National Payment Corporation of India (NPCI) in 25th August 2016, as per the guidelines of the Reserve Bank of India (RBI). Unified Payment Interface (UPI) is based on the Immediate Payment Service (IMPS) platform.

Reserve Bank of India is the regulatory body with Payments and Settlements Systems Act (2007) being the primary legislation governing payments systems in India. Making India “**Cash Less**” dependent and promoting digital payments has been a focus area for RBI since the last decade. To proactively encourage electronic payment system for ushering in a cash-less society in India and to ensure payment and settlement systems in the country are safe, efficient, interoperable, authorized, accessible, inclusive and in compliance with international standards”.

The Reserve Bank of India has been relentlessly working in the direction of enabling a digital payments ecosystem in the country. In this direction, with support from the Indian Bank Association (IBA) which enabled the formation of National Payment Corporation of India (NPCI) as an umbrella organization for all retail payments systems in India, with all leading banks as share holders. National Payment Corporation of India (NPCI) was formed with the mandate to consolidate and integrate the disparate system with varying service levels into nation-wide uniform and standard

business process for digital payment systems. The clear objective was to create a uniform and affordable payment system by leveraging technology and enabling financial inclusiveness in the country.

The first step taken by National Payment Corporation of India (NPCI) in this direction was the standardization, simplification, and implementation of National Finance Switch (NFS) for all banks in the country. National Finance Switch (NFS) is now the backbone which powers the largest domestic Automated Teller Machine (ATM) network in the country.

The next revolutionary step of the National Payments Corporation of India (NPCI) was to enable Immediate Payment Systems (IMPS) overriding the interoperable layer of National Finance Switch (NFS). Prior to IMPS the modes for digital transaction in banks were Real Time Gross Settlement system (RTGS) and National Electronic Fund Transfer (NEFT). Which became unsuitable for small ticket digital retail payments limits, delayed settlement to batches and fixed operating time hours. Thus the National Payment Corporation of India introduced Immediate Payment Systems, a Real Time, and Retail Payments Service with round the clock availability. Immediate Payment Systems is an independent channel and can be accessed through mobile phone, internet, ATM and Unstructured Supplementary Service Data (USSD) on feature phones, Immediate Payment System (IMPS) provided a mobile based interoperable fund transfer service involving various shareholders such as banks, merchants, and telecom service providers. Immediate Payment Systems (IMPS) works on immediate settlement where settlement takes place on a granular transaction level with instant transaction confirmation to both the remitter and the beneficiary.

Banks had officially started to upload their Unified Payment Interface (UPI) enabled apps on Google play store from August 25th, 2016 onwards. Raghuram Rajan, Governor of the Reserve Bank of India (RBI) Governor of the with National Payment Corporation of India (NPCI) Chairman, Balachandran M and Advisor, Nandan Nilekani officially launched the Unified Payment Interface (UPI) application. The Payment gateway becomes operational after it received the Reserve Bank of India's clearance that allowed banks Unified Payment Interface (UPI) application to go live on Google Play store.

Unified Payments Interface is The Brainchild Of Reserve Bank of India:

Unified Payments Interface (UPI) is a system that empowers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, merchant payments and seamless fund routing into one hood. It also accommodates the "Peer to Peer" collection request which can be scheduled and paid as per requirements. It is a financial architecture and a set of standard **Application Programming Interface** (API's) by Reserve Bank of India (RBI) to facilitate the next generation online immediate payments leveraging trends such as increasing smart phone adoption and App downloads, Indian language Interfaces, and universal access to internet and data. The National Payments Corporation of India (NPCI) 2016 and the Unified Payment Interface allows payments to be initiated by the payer, or by the payee. In the basic payee initiated flows, the payment request is routed by the initiating application through the National Payments Corporation of India (NPCI) switch to the payer for approval. However, in certain instances, where it is possible to connect with the payer immediately, it is preferred that the payee sends a payment request to the payer, who can then initiate the payment request with his credentials.

III. UPI APPLICATIONS IN INDIA:

1. **PhonePe:** This is one of the most popular payments apps that allow users to transact using the Unified Payment Interface (UPI) interface. This is considered to be one among the most preferred apps for Unified Payment Interface (UPI). The app was founded in 2015 and is powered by Yes Bank.



2. **Paytm:** This mobile wallet app company has also collaborated with the Unified Payment Interface (UPI) platform to provide customers the facility to transact funds in an easier manner. Customer can add money into their Paytm wallets with the Unified Payment Interface (UPI) Identity Document (ID). Along with other payments options such as debit/credit card, net banking etc., UPI is also among them, customers can also initiate collect money request through Paytm with Unified Payment Interface (UPI). After the remitter accepts the

payment request, the money is added to the Paytm wallet.



3. BHIM (Bharat Interface for Money): The Bharat Interface for Money (BHIM) app has been developed by National Payments Corporation of India. This app is known for its simplicity. It also guarantees a very secure interface. The payment interface comes with all the essential features and is known for its good user experience. Transfer of funds can be initiated either through Virtual Payment Address (VPA), Quick Response (QR) code or bank account number and Indian Financial System Code (IFSC) code.



4. MobiKwik: This Indian payments network joined the Unified Payment Interface (UPI). All Mobikwik customers can use Unified Payment Interface (UPI) to fill money into their wallet. They provide various services such as fund transfer using debit/credit card, net banking, cash pickup and cash deposit. The e- wallet service provider has also tied-up with various e- commerce merchants.



5. Airtel Payments Bank: This payments app has also integrated with the Unified Payment Interface (UPI) system to allow hassle- free digital payments through its app. The app will enable users to create Virtual Payment Address (VPA) and link their bank accounts. The main advantage is payments can be made both offline and online.



6. Google Tez: Launched by technology giant Google, the Tez app is one of the other apps that provides customers the facility of using Unified Payment Interface (UPI). What makes this app different is that it is available in many Indian Languages such as Telugu, Tamil, Marathi, Kannada, Gujarati, Bengali, and Hindi.



7. Uber: Now, Uber has included Unified Payment Interface (UPI) as one of the modes of payment. We can easily pay for Uber rides with this interface.



8. Chillr: This payments app has made available Unified Payment Interface (UPI) as one of its payment methods. This app had been providing fund transfer facility through Immediate Payment Systems (IMPS) before it joined the Unified Payment Interface (UPI) bandwagon.



9. Paytm Payments Bank: Paytm Payments Bank will now include Unified Payments Interface (UPI) system as one of its features. The facility will soon be launched for all account holders after testing and fixing bugs. The feature is likely to be made available in the next few weeks. Paytm Payments Bank Unified Payments Interface (UPI) will allow customers to transfer funds with a Unified Payments Interface (UPI) Identity Document (ID) to all merchants or account holders without any hassle, at the click of a button. The interest rate offered by the payments bank is around 4%.



10. State Bank of India Pay: The State Bank of India (SBI) app that is specially built for Unified Payments Interface (UPI) requirements. The main advantage of this app is that even those who do not hold an account in SBI can use the app to send and receive money using a Virtual Payment Address (VPA). The app is very simple to use, a done can easily register for the service after downloading the app.



11. i-Mobile: The Unified Payments Interface (UPI) can be used through the i-Mobile and Pockets app offered by ICICI Bank. The app can be downloaded from Google play store to send money through this app.



12. Axis pay: Axis Bank is one of the leading banks that has launched a Unified Payments Interface (UPI) enabled platform for its customers. This comes with a very user-friendly interface and various attractive other features.



13. Bank of Baroda UPI: The Bank of Baroda (BOB) Unified Payments Interface (UPI) app has been launched by Bank of Baroda and can be downloaded from Google Play Store. One of the advantages of this app provides customers certain additional features that are not available on other Unified Payments Interface (UPI) apps.



Around 52 Banks in the country have collaborated with Unified Payments Interface (UPI) to provide customers the service. While most Banks have developed their own Unified Payments Interface (UPI) in their existing mobile apps, other banks do not have Unified Payments Interface (UPI), while some banks have partnered with third parties to provide customer's access to Unified Payments Interface (UPI). Its interface is changing

the way digital payments are being made in the country, There a number of Unified Payments Interface (UPI) apps in the market and there are more and more such app that are being launched.

IV. RESEARCH METHODOLOGY

Research methodology is a way of systematically solving the research problem. The methodology deals with the research design used and method used to present study. The research design adopted for study is 'convenience sampling method'.

Statement of the Problem:

In the last 10 years our Nation has registered rapid strides in the field of electronic payments. Effective has been checking black money frauds, and in fighting terrorism activities? It is brought about convenience and safety in bank transactions. This study is undertaken to assess the influence of UPI in the banking sector and also safeguard holders.

Need for the Study:

Unified Payment Interface is concentrated on the standard payment transfer mechanism. It helps hide sensitive account information along with consumer convenience, Even though UPI has been known to be customer friendly, it is also working very speedily, and do not charge anything like debit card or net banking.

Scope of the Study:

The study is based on the effectiveness of Unified Payment Interface System in banks and to know the influence of UPI over customers. It has covered only one particular bank in our region. It has been highly helpful to us, because people always expect changes in the banking sector. The customers are not ready to spend a lot of time in banks; the Unified Payment Interface System has been acquiring wider scope in this study.

Objectives of the Study:

1. To understand the conceptual framework on Unified Payment Interface.
2. To analyze the awareness and usage of Unified Payment Interface in Ramanagara Region.
3. To study the effectiveness of Unified Payment Interface in banks in Ramanagara Region.
4. To record the findings and suggestions.

Limitation of the Study:

1. The study area is restricted to Ramanagara Region Only.

- The research samples collected through questionnaires and applied convenience sampling method.
- Majority of the respondents are in Students groups, as both parents and children are using UPI and has become the new technology.
- Network problems always exist in the region.
- Due to lack of information, it is not suitable to rural areas.
- Some people do not have any idea about the UPI system.

V. DATA ANALYSIS:

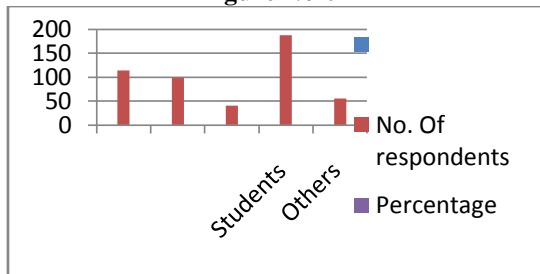
1. Responses on UPI Awareness

Table No: 01

Sl no	Occupation	No. Of respondents	Percentage
1	Self employed	115	23%
2	Professional	100	20%
3	House wives	40	8%
4	Students	189	38%
5	Others	55	11%
Total		498	100%

(Sources: Primary Data)

Figure No-01



Analyses and Interpretations:

The above table and diagram shows, out of 498 respondents, 115 respondents are Self Employed, 100 respondents are Professionals, 40 respondents are house wives, 189 respondents are Students, and other respondents are 55. As per this Data, 38% of the students, 23% Self Employed, 20%, professionals, 11% others and 8% House wives is using UPI Apps for their daily activities.

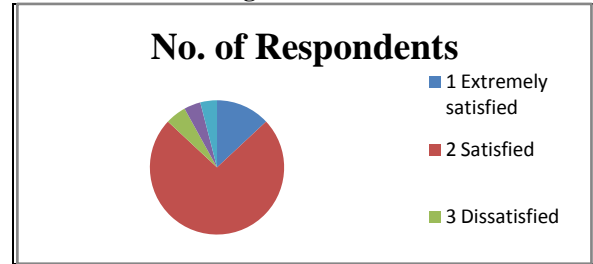
2. Rate On Unified Payment Interface (UPI) Is Safe/ Secure:

Table No: 02

Sl no	Opinion	No. Of respondents	Percentage
1	Extremely satisfied	65	13%
2	Satisfied	368	74%
3	Dissatisfied	25	5%
4	Highly dissatisfied	20	4%
5	Neutral	20	4%
Total		498	100%

(Sources: Primary Data)

Figure No-02



Analyses and Interpretations:

The above table and diagram shows, out of 498 respondents, 65 respondents are extremely satisfied, 368 respondents are satisfied, 25 respondents are dissatisfied, 20 respondents are highly dissatisfied, and 20 respondents are Neutral. As per this Data, 13 % are extremely satisfied, 74% respondents are satisfied, 5% respondents are dissatisfied, 4% of the respondents are highly dissatisfied, and 4% respondents are neutral.

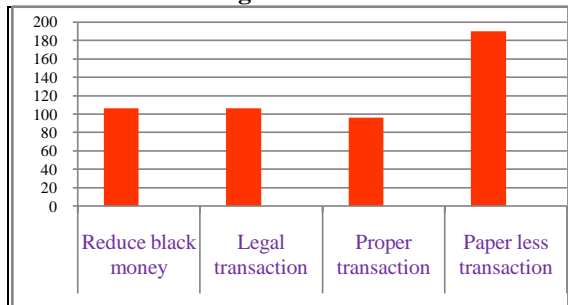
3. Unified Payment Interface (UPI) Supporting To Reduce Corruption:

Table No-03

Sl no	Opinion	No. Of respondents	Percentage
1	Reduce black money	106	21%
2	Legal transactions	106	21%
3	Proper transactions	96	20%
4	Paper less transaction	190	38%
Total		498	100%

(Sources: Primary Data)

Figure No-03



Analyses and Interpretations:

The above table and diagram depicts, out of 498 respondents, 106 respondents expressed opinion on reduction of black money, 106 respondents expressed positive opinion to legal transitions, 96 respondents to proper transaction, 190 respondents to expressed on Paperless transactions. As per this Data, 21 %, expressed opinion on reduction of black money, 21% legal transitions, 20% expressed opinions on Proper transactions, 38% respondents on Paperless transactions, through using UPI Apps in their daily activities.

Findings:

1. It is found most of the respondents are aware of Unified Payments Interface (UPI) transaction, and prefer the Unified Payments Interface (UPI) transaction.
2. It is found that more respondents are agreeing that Unified Payments Interface (UPI) is safe and secure.
3. More respondents think that, the Unified Payments Interface (UPI) transactions reduce corruption in India and paper less transaction is more supporting in reducing corruption in India.
4. Standard of living have been rising through banks, Banks are helpful in the economic and commercial development.
5. Majority of the respondents have accepted to Central Bank of India, Regional Rural Bank, Bank of Baroda, and SBI, Canara Bank and some private banks are helpful in developing economic and commercial programmes through UPI use.

Suggestions:

1. It is recommended that Indian Banks should be aware of customer safety, and Unified Payments Interface is widely used.
2. It is recommended that every Bank in the region, should conduct opinion and awareness programs to know if Unified Payments Interface (UPI) transaction has reduced corruption in India.

3. It is recommended that, every bank should keep customer identity and accounts status a sacred.
4. It is recommended that customer should know Unified Payments Interface (UPI) has succeeded in controlling blocky money.
5. It is recommended that bank customers should recommend Unified Payments Interface (UPI) to others.
6. It is recommended that account holders should encourage using more online banking services.

VI. CONCLUSION:

Unified Payment Interface (UPI) system will fundamentally change the way of digitized payments, the mobile phone or tablet will become the primary device of all payments. Unified Payment Interface (UPI) system crystallised multiple bank accounts into a single mobile application, Compared to all other payment systems is the most advanced payment system in the world.

Unified Payment Interface (UPI) will make a major impact on the economy as it would substantially reduce cash payment. Use of currency notes would come down and the economy would become more transparent, amenable to compilation of authentic data. The above discussion clearly indicates that, Unified Payment Interface (UPI) has the capability to take India to a new level in the field of digital payment system at National and International levels.

REFERENCE:

- [1]. Prasanna M.R. & Sushma (2019): Effectiveness of Unified Payment Interface (UPI) in Ramanagara Region, M. Com Project Report. S. Kariyappa Rural PG and Research Center-Kanakapura.
- [2]. Dr. Shivamani Chaudhry (2018) "Unified Payment Interface (UPI) in India: A revolution in the field of E-commerce. International Journals of Management
- [3]. Dr. Abhijeet Chatterjee (2017) "Unified Payment Interface (UPI): A catalyst tool supporting digitalization-utility, Prospects and issues. International Journals of Commerce and Management.
- [4]. Rahul Gochwal (2017) "Unified Payment Interface (UPI) – Advancement in payment systems. International Journals of Commerce and Management.
- [5]. Radhika Basavaraj Kakade (2017) "Unified Payment Interface (UPI) - A way towards cashless economy". Global journals on Management.
- [6]. **Websites:**

- [7]. https://en.m.wikipedia.org/wiki/unified_payment_interface
- [8]. <https://testbook.com/blog/unified-payment-interface-upi-pdf/>
- [9]. <https://www.npci.org.in/upi-live-members>
- [10]. <https://www.google.co.in>
- [11]. <https://www.centralbankofindia.co.in/english/home.aspx>.