

TURING

M2P

How We Powered Unified Payment Interface (UPI)

Gayatri Bank

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About Gayatri Bank

Gayatri Bank is a cooperative urban bank in the Jagtial district, Telangana. Established in 2000, it functioned as a unit bank till 2009; Gayatri Bank has grown to be the 2nd largest co-operative urban bank in Telangana with over 23 branches. They deliver economic support and hassle-free digitised financial services to India's underbanked and unbanked population.

Challenges in ease of financial access, cost, and transaction volumes

Most of the cooperative banks in India cater to banking customers living in rural or small-town areas of the country.

Cash was the key mode of retail payments for this sector of customers while purchasing daily groceries/dairy products, utility bill payments, restaurants or even entertainment. Customers not only had to bear the risk of always carrying cash with them but also faced the inconvenience of requiring frequent trips to bank branches or ATMs to access cash. Banks had to struggle with crowded cash counters or ATMs along with the cost incurred to manage and maintain such premises.

Customers and banks face the inconvenience of maintaining the physical cheques for transactions using chequebooks as an instrument. Banks incur the cost of printing, issuing, and dispatching the chequebooks, while customers incur charges for getting the chequebooks allocated to themselves. Also, the cheques always need to be submitted in person to the banks to execute clearing transactions.

Customers also had to incur higher charges while performing online transactions using already available modes such as card-based payments, RTGS/NEFT, and IMPS. Such transactions could only be possible after sharing sensitive information like bank account numbers, IFSC codes, Card Numbers, CVV, bank names etc. The process of performing these transactions was cumbersome due to tedious processes like adding beneficiary account details and cooling down periods before initiating transactions, remembering the passwords to the internet or mobile banking, carrying physical Debit or Credit Cards, remembering ATM PIN and receiving an OTP via SMS service and entering them in the merchant websites for two-factor authentication.

Card-based transactions are also prone to scams like card cloning leading to financial frauds and losses to customers and banks.

Resolution: Unified Payments Interface (UPI)

UPI or Unified Payments Interface is an instant real-time payment system created by the National Payments Corporation of India or NPCI which clearly implies that the Reserve Bank of India controls it. It helps to transfer funds in real-time between two bank accounts with a simple availability of a UPI ID (Virtual Payment Address or VPA) and UPI PIN.

With UPI service, customers need not share any sensitive banking information like bank name, bank account number, IFSC code, name of the bank account holder etc., and still perform in real-time and secure online fund transfers.

UPI is a user-friendly method of digital payment where the bank account holder only needs to remember their UPI PIN to execute the fund transfers.

With the advent of the facility to map a QR Code with the UPI ID, the use of this platform has become extremely easy. It enables a contactless payment process and has become one of the most preferred modes of payment. This boomed further with the advent of the pandemic. Today, in India, one can see street vendors, small businesses and retail giants, all use UPI-enabled QR codes to accept online payments irrespective of the transaction value.

How we powered UPI for Gayatri Bank

Gayatri Bank needed a fintech partner to enable UPI implementation to provide the digital payment facility to its customers. This was a strategic move for Gayatri Bank to drive inclusion, digitize retail payments, achieve interoperability, reach more customers, and cut costs.

With BSG's UPI switch catering to the above payment needs, it helped Gayatri Bank customers eliminate the need and risk of carrying cash in person. Our cutting-edge technology stack of the UPI switch enables a UPI transaction to be executed in under 10 milliseconds! This makes the process of UPI payments easy, quick, and secure. Due to the ease of use and extremely fast processing time, the UPI transaction volume for Gayatri Bank has reached an average of up to 1 lakh per day. This becomes highly significant considering that almost 80% of the bank's customer base resides in either rural area of India. The charges incurred for performing UPI transactions are much less than other modes of transactions making it one of the least expensive modes of fund transfer.

With UPI becoming the preferred digital payment channel, Gayatri Bank now spends less investment on bank branches and ATM premises as the physical customers or footprint has reduced at least 3 times.

We powered the UPI switch and helped customers use just the UPI ID(VPA) and UPI PIN to perform the following transactions through just the internet-enabled smartphones:



Bill payments



Everyday transactions
such as groceries



E-commerce



Dining



Retail



Balance
inquiries



Mandate registration for
scheduled payments

Results achieved

On the very first day of our UPI going LIVE, over 5000 customers were onboarded from remote locations to initiate UPI transactions. **Gayatri Bank experienced a significant boost in revenue and transaction volumes, as they were able to service more customers with greater convenience without incurring the costs** of opening bank branches or ATM machines. The number of transactions increased from 20,000 to 1,00,000 per day with the introduction of digital and UPI services.

We enabled Gayatri Bank to deliver the following benefits to their customers.

- Facilitate quick and secure transactions for day-to-day needs
- Deliver 5X improvement in transaction efficiency
- Cut down execution time by 1/5th of the usual timing
- Financially empower senior citizens, the masses, and the differently-abled
- Increase in volumes of Digital transactions by 3 times
- Eliminate the need to carry cash, cheques or cards
- Abolish the need to remember Passcodes, CVV numbers or entering OTP numbers for all transactions
- Enable secure transactions at remote locations without bank branches or ATMs



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