

A Case Study of BHIM APP : The Indian Government initiative using Smart Technology

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ABSTRACT

Bharat Interface for Money (BHIM) is a mobile based payment app that lets a citizen make simple, easy and quick transactions using Unified Payments Interface (UPI). Anyone can make direct bank payments to anybody on UPI using their UPI ID or scanning their QR with the BHIM app. A person can also request money through the app from a UPI ID.

*It is a unique payment solution which can be used even without internet connection. The user can dial *99# from any phone and avail the same features of BHIM on respective mobile screen. Any person can also register for BHIM using *99#.*

BHIM (Bharat Interface for Money) is a mobile payment Application developed by the National Payments Corporation of India (NPCI), based on the Unified Payments Interface (UPI). Named after B. R. Ambedkar and launched on 30 December 2016. The main aim is intention to facilitate e-payments directly through banks as part of the 2016 Indian bank note demonetisation and drive towards cashless transactions.

This mobile application supports all Indian banks which use UPI, which is built over the Immediate Payment Service (IMPS) infrastructure and allows the user to instantly transfer money between bank accounts of any two parties. It can be used on all mobile devices normally used by any of the citizen.

This research paper attempts to ascertain the problems faced by Indian Economy in post demonitisation period and presents the study of Bhim App which has proved to be golden solution to initiate cashless economy.

Keywords: Bhim App, UPI, NPCI, IMPS, demonetization, internet payment system.

INTRODUCTION:

Bharat Interface for Money (BHIM) is a mobile based payment app that lets a citizen make simple, easy and quick transactions using Unified Payments Interface (UPI). Anyone can make direct bank payments to anybody on UPI using their UPI ID or scanning their QR with the BHIM app. A person can also request money through the app from a UPI ID.

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OBJECTIVES OF THE STUDY

1. The primary goal of this study is to examine the role of **BHIM APP** in providing solution to the Indian Citizens in post demonitisation phase of Indian Economy.
2. The secondary objectives are

- a. To study the need of unified payment solutions using smart technology.
- b. To study in detail the barriers faced by the Indian Economy in promoting cashless economy.
- c. To create awareness amongst various stakeholders about the benefits of the **BHIM App**.

LIMITATIONS

This is a conceptual study. It is supported more by facts than by numerical data. The study is further limited to the discussion of the Unified Payment System using Bhim Application.

HYPOTHESIS

The smart Technology product of Unified Payment System using Bhim Application has proved to be a golden solution to Indian Citizens in post demonitisation period.

METHODOLOGY

This study is based on secondary data's. The information has been collected from books, journals, magazines, newspaper and websites.

STATEMENT AND SIGNIFICANCE

STATEMENT & SIGNIFICANCE OF THE PROBLEM UNDER STUDY

After November 8th, 2016, i.e. the date of demonetization, India saw an increased use of different internet payment systems for money transfer through various devices. NPCI (National Payments Corporation India) launched a unique solution, Bharat interface for Money (BHIM) an application run on UPI (Unified Payment Interface) in December 2016. This application was intended to cater the growing online payment needs. During the period of past 2 years the different modes of digital payments saw a drastic change in usage. Though technological innovations brought in the features of efficiency and security in transactions, many are still unwilling to adopt and use it.

The purpose of this research paper is to highlight some of the factors which have an influence on the customer satisfaction of BHIM application. The study is conducted using data collected from 100 users of BHIM application. The analysis of data reveals an understanding, that factors which influences the level of customer satisfaction of BHIM application includes transactions speed, easiness of use, consumer security and service satisfaction.

THE UTILITY OF BHIM APP

The BHIM App allow users to transact by sending or receiving money to or from UPI payment addresses, or to non-UPI based accounts (by scanning a QR code with account number and IFSC code or MMID (Mobile Money Identifier) Code).

The other mobile wallets (PayTM, MobiKwik, mPesa, Airtel Money, etc.) are made to hold money, but the BHIM app is only a system which transfers money between various bank accounts. Transactions on BHIM are rapid in nature and can be done all the days i.e. 24/7 including weekends and bank holidays.

BHIM App also allows citizens to check the recent balance in their bank accounts and to choose which account to use for conducting transactions, with the utility to use only one account at a time.

It also allows citizens to create their own QR code for a fixed amount of money, which is helpful in merchant-seller-buyer transactions. The users can also have more than one payment address.

The BHIM App requires 12-digit Aadhaar number which is listed as a payment ID. The BHIM app will not require any biometric authentication or prior registration with the bank or UPI on the system.

The application version 1.3 allows its users to use mobile numbers from their phone contact book to send money and also save payment addresses for future transactions use without requiring to type the address again and again. User can also check all the transaction history, which shows transactions through BHIM app only.

LANGUAGE BARRIER

BHIM app currently supports 13 Indian languages (including English). IT is further notified that in future, BHIM is expected to support all 22 official languages of India along with many other regional languages which are spoken widely along with the scheduled languages.

TRANSACTIONS FEES

On BHIM app currently, there is no charge for transactions from rupee One to rupees One lakh. Some of the banks are, however, charging a nominal fee for UPI or IMPS transfers.

It is further notified that the minimum transaction amount is rupee One, and the maximum number of transactions allowed per day is Ten. After exceeding a limit of 10-transactions-per-day, the user needs to wait for 24 hours from the last transaction for making further transaction.

In the initial stage, the fund transfer limit has been set to a maximum of ₹20,000 per transaction and a maximum of ₹40,000 in a 24-hour period.

STATUS OF OTHER PAYMENT APPS.

At present, in India we have number of mobile payment applications including payment banks. Out of this Paytm is the most used payment application. The other application include Mobikwik, Freecharge, LIME by Axis bank, State Bank Buddy, Vito Master Pass, ICICI pockets, Citrus, etc.

The Bharat Interface for money (BHIM) is one such bank to bank instant payment application launched in post demonetization period by National Payments Corporation (NPCI) by Prime Minister Shri. Narendra Modi, on 30th December 2016 at Digi Dhan mela at Talkatora Stadium in New Delhi.

Any person who hold bank account can use the mobile application BHIM Bharat Interface for Money (BHIM). This app allows the user to make bank to bank money transactions as well as merchant transaction if the merchant application is registered on BHIM interface in an simple, easy and fastest manner using Unified Payments Interface (UPI). This application works using the mobile number / Virtual Payment Address (UPI ID). The recent data declared from the government source states that NPCI page BHIM has a downloads of 38.92 Million till 31st December, 2018 (Android) and 2.12 Million others till 31st December, 2018. As of now 107 banks are live on BHIM.

THE IMPORTANT FEATURES OF BHIM APP ARE

Sending Money: To send money Virtual Payment Address (UPIID), Mobile number, Account number of the beneficiary is used.

Request to Collect Money: For Collecting money one can send a collect request entering Virtual Payment Address (UPI ID).

Scan & Pay: This command of Scan & Pay is used to pay money and generate your QR can be used to receive a payment from others.

Details of Transactions: This enables the user to check his/her transaction details and also pending collect requests (if any).

Multiple Bank Account: This allows the user to switch between multiple bank accounts linked with your BHIM application. The user can set/change your UPI PIN or check your balance.

Blocking the particular User: The user can block any other users who send them a collect request from unknown sources.

Privacy of User: The feature of Privacy permits a BHIM user to enable and disable UPI ID in the users account if a second UPI ID is created.

Payment Reminders: The app also enables the user to set payments schedule.

Splitting Bill: The split bill feature helps the user to split a bill between multiple BHIM users.

SWOC ANALYSIS OF BHIM APP

The SWOC analysis of BHIM APP can be stated as follows :-

- **Strength:** This application is very simple to use one which is supported by NPCI which is a government body.
- **Weakness:** There is lack of awareness among many Indian users and increasing number of dissatisfied customers for lack of support system to redress issues.

- **Opportunities:** In post demonetization period there is a huge growth in the use of digital payment systems across the country with many organizations offering online banking and money transfer services. This has been amplified with the proliferation of internet services to non-metro (Tier II and III) towns and villages in India.
- **Constraint :** The safety and security of transactions towards digital transactions are the major concerns and threats which can hinder the use of application. As of now it has a daily transaction growth of approximately 10.98% with transaction count of Seven hundred million and Transaction value of more than one lakhs crore.

CONCLUSION

The study acknowledged that the customers are satisfied with BHIM App due to its unique feature of ease of use, customer service and speedy transactions. The speed in the transactions is the strongest feature which allows bank to bank transaction in minimal time. Further the feature of BHIM App that it can be used even without internet attracts people to use it anywhere any time. It is also observed that maximum users are comfortable to transact for the value below Rs. 1,000/- and still they are reluctant to transact for high value transfers. Other apps also are in much demand from the consumers like PayTM, MobiKwik, mPesa, Airtel Money, etc.

It can be well concluded that BHIM App is the best ever service introduced by the Indian Government for imbibing cash less economy among Indian citizens.

SUGGESTIONS

In view of above study the following suggestions are offered :

1. The small businessman's shall get acquainted with the technology for using BHIM App.
2. The service class men and women shall practice the use of mobile app for day to day requirements.
3. The housewife's shall practice use of mobile app and widely use BHIM App for purchase of consumables and their routine requirements.
4. Government shall give wide publicity to BHIM App and offer some cash back schemes to the users.
5. The BSNL shall offer free use of internet to its customers using BHIM App.

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