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Mobile wallet would pocket micro-finance soon

Oxi-Cash Wallet is ready to head in new areas of transactions like toll payment e-tags, micro-finance payments, etc.

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PUNE, INDIA: Mobile Wallet service major OxiCash is set to create more space in its wallets for new services if discussions underway and required regulatory support materialise.

Primary among these are microfinance transactions and nationwide integration of toll payments. These areas have ready potential for mobile wallet service and it seems that the company's system is ready to capitalise on this potential as soon as possible.

Pramod Saxena, CMD of Oxigen Services, says, "We want to touch the masses and spread to all possible users who do not have access to the financial system. We want to extend to micro-payments that can have micro-finance, micro-insurance payments as possible services."

But the possibility is subject to RBI guidelines on enabling cash-out payments except the ones allowed from ATMs, etc.

"It's not possible today without the regulator's permission, so as that comes by we are ready to enter this area," Saxena adds.

Another new terrain is a nationwide integrated toll payment service. "Can we become the aggregator of all tolls where a vehicle can use the same tag all over India at various toll points? We are exploring this question and are looking towards automation of toll road payments."

Among other plans, are targets of expanding footprint from 50,000 connectivity points to 250,000 in the next three years. This would also entail Government-led connectivity points as well as large format retail stores, department stores, banks, malls, etc. for which talks are in progress. Current spread majority encompasses small mom-and-pop stores and POS points from where the service is being distributed across India's far flung territories.

OxiCash, basically is a prepaid stored value closed wallet that is accessible through all mediums i.e. PC or mobile and allows payments towards services like prepaid mobile and TV recharges, bill payments, travel, online shopping, mobile videos, music, games and other utilities.

Here the user's mobile phone number becomes the unique identity and can be used on the web as well. So far, Mobile commerce, in India is confined to basic banking transactions, purchase of travel tickets and payment of some utility bills.

Recently RBI has stepped in with a set of draft guidelines for banks that provide mobile-payment solutions. In India, other players in this space include names like the Californian mobile payment service provider Obopay Inc. and Bangalore's mChek India Payment Systems Pvt. Ltd.

Mobile Wallet is an upcoming concept globally and is being used as a broad application that goes beyond M-commerce to membership cards, loyalty cards and travel cards and even information like passport, credit card information, PIN codes, online shopping accounts, booking details, etc.

Mobile wallet allows the user to use their mobile phone to pay transactions at merchants that accept mobile payments. The user needs to upload digital cash from an account to their mobile phone and swipe their mobile phone at payment counters or ticketing machines.

It has many potential application avatars like a virtual train ticket or an identifier or a toll e-tag. Technologies for this vary from Near Field Communications (NFC), Radio Frequency (RFID), bar codes, to visual recognition.

Internationally markets like Japan and the US have been among the first to try the wallets out with NTT DoCoMo's Felica system, Sony's smart card chip system as some of the pioneering moves. Spain, some parts of Europe, the US and micro payments in South Korea are other global examples.