



## Digital Payments System in India

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# DIGITAL PAYMENT SYSTEMS IN INDIA

A digital or electronic payment refers to transferring money from one payment account to another using a digital device or channel (bank transfers, mobile money, QR codes etc.)



## Payment Systems by NPCI

National Payment Corporation of India (NPCI) is an umbrella entity for retail payment (Payment and Settlement Systems Act, 2007).

### Immediate Payment Service (IMPS)

- ⌚ For retail customer
- ⌚ **Limit:** ₹1-5 lacs (Fees+GST)
- ⌚ 24/7 (Instant Settlement)
- ⌚ **Provider:** Banks, PPI, Mobile Wallet Companies

### Unified Payment Interface (UPI)

- ⌚ Technology for digital payment apps based on IMPS
- ⌚ Push and Pull Transaction
- ⌚ Also adopted by other countries like France, UAE, Singapore
- ⌚ **UPI-Lite+NFC:** For offline payment
- ⌚ **BHIM-UPI:** Money transfer app

### Rupay Card Payment Gateway (RuPay)

- ⌚ **Works in 3 Channels:** ATM, Point of Sale Device, Online Portals
- ⌚ Given free with PMJDY
- ⌚ Adopted in foreign countries as well (e.g. Mauritius)

### Miscellaneous Initiatives

- ⌚ Bharat Bill Payment System (BBPS) & Unified Presentment Management System (UPMS)
- ⌚ National Electronic Toll Collection (NETC)
- ⌚ PAI Chatbot
- ⌚ Bharat QR
- ⌚ e-RUPI
- ⌚ Aadhaar Payment Bridge (APB) System
- ⌚ Aadhaar enabled Payment System (AePS)

## RBI's Centralised Payment System (CPS)

### Real Time Gross Settlement (RTGS)

- ⌚ For high value transactions
- ⌚ **Lower Limit:** ₹2 Lacs (No Upper ceiling) (No fees)
- ⌚ 24/7 (Instant Settlement)
- ⌚ Provided by banking & non-banking entities

### Lightweight Payment and Settlement System (LPSS)

- ⌚ RBI's emergency alternative to NEFT/RTGS
- ⌚ Temporary, portable solution

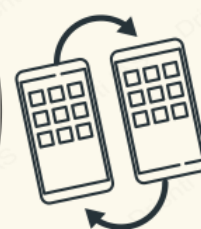


### National Electronic Fund Transfer (NEFT)

- ⌚ For mid-range transactions
- ⌚ No limit imposed by RBI (No fees)
- ⌚ 24/7 (Settles net amount between banks @ 30 minutes intervals)
- ⌚ Provided by banking & non-banking entities

### Digital Payment Regulatory Bodies

- ⌚ Digital Transactions Ombudsman
- ⌚ Board for Regulation & Supervision of Payment & Settlements Systems (BPSS)



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