



## Digital Payments System in India



# 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

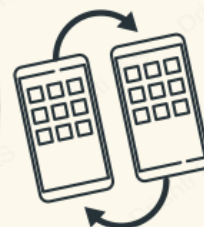


### National Electronic Fund Transfer (NEFT)

- ↳ 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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