



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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