

The Study of National Payment Corporation of India

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Abstract: *The National Payments Corporation of India (NPCI) has emerged as a pivotal entity in the Indian financial landscape, revolutionizing payment systems and fostering financial inclusion. This study aims to provide a comprehensive analysis of the NPCI, focusing on its organizational structure, key initiatives, technological innovations, and the impact on the Indian economy. Through a combination of qualitative and quantitative methods, including case studies, interviews, and data analysis, the study seeks to evaluate the efficiency, effectiveness, and societal implications of NPCI's operations. By examining the evolution of NPCI, its collaborations with various stakeholders, and its role in promoting digital payments, this research contributes to a deeper understanding of the organization's significance in shaping India's digital financial ecosystem and facilitating inclusive growth. The findings of this study are expected to provide insights for policymakers, industry practitioners, and researchers interested in the dynamics of payment systems and financial technology in emerging economies like India.*

Keywords: National Payments Corporation of India

I. INTRODUCTION

Reserve Bank of India, after setting up of the Board for Payment and Settlement Systems in 2005, released a vision document incorporating a proposal to set up an umbrella institution for all the RETAIL PAYMENT SYSTEMS in the country.

IBA's untiring efforts during the last few years helped turning this vision a reality. National Payments Corporation of India (NPCI) was incorporated in December 2008 and the Certificate of Commencement of Business was issued in April 2009. It has been incorporated as a Section 25 company under Companies Act and is aimed to operate for the benefit of all the member banks and their customers. The authorized capital has been pegged at Rs 300 crore and paid up capital is Rs 100 crore so that the company can create infrastructure of large dimension and operate on high volume resulting payment services at fraction of the present constructure.

II. PROFILE OF NATIONAL PAYMENTS CORPORATION OF INDIA

National payments corporation of India (NPCI), an umbrella organization for operating all the retail payment and settlement systems in India, is promoted by 10 banks under the aegis of the IBA with majority shareholding by public Sector banks, The Board constitutes of **Shri Balachandran M** as the Chairman, Nominee from Reserve Bank of India, Nominees from ten core promoter banks, two Independent Directors and **Shri A.P.Horta**, Managing Director and Chief Executive Officer, NPCI. The Board for Regulation and Supervision of Payment and Settlement Systems (BPSS) at its meeting held on September 24, 2009 has approved in-principle to issue authorization to NPCI for operating various retail payment systems in the country and granted Certificate of Authorization for operation of National Financial Switch (NFS) ATM Network with effect from October 15, 2009. NPCI has deputed its officials to IDRBT Hyderabad and NPCI has taken over NFS operations from December 14, 2009. Membership regulations & rules are being framed for enrolling all banks in the country as members so that when the nation-wide payment systems are launched, all would get included on a standardized platform.

A Technical Advisory Committee has also been constituted with two eminent professors of IIT, Mumbai. Prof.N.L.Sarda is the Chairman and Prof.G.Sivakumar is the Co-chairman of the Technical Advisory Committee. Members in these committees are drawn from banks at the level of Deputy General Manager/ Asst. General Manager.

III. RESEARCH METHODOLOGY

The research designed for the study is descriptive in nature. This study is based on secondary data only. The secondary data have been gathered from published material in various journals, books, related reports and various websites. Exhaustive literature survey regarding the topic and related concept has been done .

IV. OBJECTIVES OF NPCI

1. To study the various product and services offered by NPCI.
2. To highlight the role of NPCI with reference to demonetisation.
3. To study the role of NPCI towards cashless economy.
4. To study the comparison of various product.

V. CONTRIBUTION OF NPCI IN FINANCIAL INCLUSION

Aims to touch every Indian by 2020 with one or other electronic payment product to support RBI's vision on " less cash society"

Introduction of digital payment products/facilities to facilitate basic financial services

AEPS allows on line financial inclusion transactions at Po's(Micro ATMS) through BCs in remotest locations

Cash Benefit transfers through Aadhaar Payment Bridge System

Accident Insurance benefits in RuPay Debit Cards for PMJDY accounts NUUP service for Aadhaar status and basic banking as part of PMJDY by dealing *99# from GSM mobile phones

VI. CONCLUSION

NPCI has created digital infrastructure to facilitate inter-operable transactions among the different banks. NPCI has developed various products to play an instrumental role in moving cash-intensive society to less-cash one. This year NPCI has planned to launch National Common Mobility Card (NCMC) which can be used in all metros, buses and suburban trains in an interoperable way. NPCI specifications on NCMC have been adopted for BMTC bus rides in Bengaluru. Similarly, there are plans to use Tag based toll gate payment (ETCElectronic Toll Collection), which will enable the vehicles to move freely through the toll gates.

The digital infrastructure and the products created by NPCI facilitated the process of demonetization by Govt. of India. Cashless transactions through Unstructured Supplementary Service Data (USSD) for GSM phones, e-wallets, UPI and BHIM for smart phones and debit, credit and prepaid cards for POS machines will facilitate the electronic payments by every section of society. NPCI is developing a metric to assess the extent to which electronic payments have gone universal in India and ensures every Indian has access to electronic payments in secure, convenient and affordable way.

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