

National Payment Corporation Of India- All You Need to Know



INTRODUCTION

National Payments Corporation of India (NPCI) is a national level payment system which manages all types of electronic retail payments. It is owned by a group of promoter banks and was set up under the guidance and support of the reserve bank of India (RBI) and Indian banks' association (IBA). The BHIM app, Unified Payments Interface (UPI) which aims at cashless society in the country is the recent work of NPCI.

OBJECTIVE:

The objective was to integrate the various financial organisations which offer varying services, into a nation-wide uniform and standard business platform for all retail payment systems. It provides unrestricted access to e-payment services. It also facilitates an affordable payment mechanism to benefit the common man across the country and help financial inclusion, direct cash transfer, subsidy allocation etc.

BACKGROUND:

- After establishing the Board for Regulation and Supervision of Payment and Settlement Systems (BPSS) in 2005, RBI proposed to set up an umbrella institution for all the RETAIL PAYMENT SYSTEMS in the country.

- NPCI was incorporated in December 2008 and the Certificate of Commencement of Business was issued in April 2009 under Section 25 , Companies Act 1956 (now Section 8 of Companies Act 2013)
- It operates for the benefit of all the member banks and their customers.
- The authorized capital was Rs 300 crore and paid up capital was Rs 100 crore.

PROMOTER BANKS OF NPCI:

NPCI has ten promoter banks namely, State Bank of India, Bank of Baroda, Union Bank of India, Canara Bank, Bank of India, Citibank , Punjab National Bank, ICICI Bank, HDFC Bank, and HSBC.

BOARD OF MEMBERS:

- The Board constitutes of:
- Shri Balachandran M as the Chairman,
- Nominee from RBI,
- Nominees from ten core promoter banks,
- Two Independent Directors and
- Shri A. P. Hota, Managing Director and Chief Executive Officer, NPCI.

SERVICES OFFERED:

- From a single service of switching of inter-bank ATM transactions, the range of services has grown to
- National Financial Switch (NFS) - provides e-commerce transactions with interbank payment gateway and shared ATMs.
- BHIM- mobile app based on UPI
- Unified Payment Interface (UPI)- fund transfer using mobile based payment method
- Immediate Payments Service (IMPS) – provides electronic fund transfer payment mechanics through usage of mobile phones, internet banking and ATM
- *99# - provides banking services to common man which works on USSD channel.

- National Automated Clearing House (NACH)- facilitates high volume interbank transactions which occur repetitively.
- Cheque Truncation System (CTS)- clearing cheques using online image basis
- Aadhaar Enabled Payment System (AEPS)- provides point of sales transactions with Aadhar enabled number.
- RuPay- domestic card payment network provided at very low transaction cost
- Bharat Bill Payment system (BBPS) – unified platform for bill payment system in the country.

LOGO:



NPCI logos signify the speed at which the organization is achieving new milestones adding to set higher benchmarks to match global standards. The shades Blue, Saffron and Green represent the colours of the Indian flag.

HEAD QUARTER: Mumbai, Maharashtra