

Kudos To National Payments Corporation

Praise be to the National Payments Corporation of India or NPCI, promoted in 2008 by eight Indian and two foreign banks to fulfil the RBI's mission to create an agency to streamline all retail bank payments. It has created a low-cost electronic payment system that will help India achieve financial inclusion and reduce the use of cash. Besides creating Rupay, which offers the same services as those offered by Visa or Mastercard at a much cheaper rate, the NPCI operates the Aadhaar payment bridge to electronically transfer welfare payments from government treasuries directly to beneficiary accounts. NPCI's electronic infrastructure is what underpins the JAM (Jan Dhan-Aadhaar-Mobile) route to financial inclusion and

overhaul of subsidy administration that the Economic Survey talked about.



Digital banking products that allow people to transfer money from their accounts in an instant, at any time, to another bank account linked to a phone too ride the NPCI's platform, known as the immediate payment service IMPS. With a unique

mobile money identifier and a personal identification number, anyone with a bank account and a phone can now transfer small amounts to a beneficiary's bank account instantly, without having to know or enter that person's bank account number, IFSC code, etc. This could allow merchandise to be paid for directly from the customer's account to the merchant's, without cash and without even a payment card. White-labelled automated teller machines (ATMs), which allow the use of cards issued by any bank, also make use of the NCPI switch.

The central infrastructure created by NCPI will lower costs, enhance security and transparency and lead to better governance. India can proudly offer its services to other developing countries as well.