

# Empowering India's Financial Landscape: A Dive into the National Payment Corporation of India

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## Abstract:

Transforming Transactions Unraveling the Story of India's National Payment Corporation. Established in 2008 by the Reserve Bank of India and Indian Banks Association. Spearheaded the implementation of Unified Payments Interface (UPI) in 2016. Revolutionised digital payments, fostering financial inclusion and innovation nationwide. Research delves into the pivotal role of NPCI in shaping India's digital payment ecosystem. It explores the corporation's impact on financial inclusion, technological advancement, and regulatory dynamics. Examining NPCI's evolution and current landscape, this study aims to provide insights into its future trajectory and potential reforms. Despite NPCI's remarkable achievements, challenges persist in ensuring equitable access and security in digital payments. The research seeks to address gaps in understanding NPCI's role in fostering financial inclusivity and regulatory compliance. By identifying key obstacles and opportunities, the study aims to propose strategies for enhancing NPCI's effectiveness in driving India's digital payment agenda. It is hypothesised that NPCI's continued innovation and strategic partnerships will further accelerate the adoption of digital payments across diverse socio-economic segments. Through empirical analysis and stakeholder engagement, this study aims to validate the hypothesis and provide actionable insights for policymakers and industry stakeholders. Recognising the evolving nature of digital payments, NPCI could prioritise initiatives aimed at enhancing cybersecurity measures and fraud detection mechanisms. Collaboration with government agencies, financial institutions, and technology firms can facilitate the development of robust infrastructure and regulatory frameworks. Furthermore, promoting financial literacy and consumer awareness programs can bolster trust and confidence in digital payment platforms, driving widespread adoption. By fostering an ecosystem of innovation and inclusivity, NPCI can position itself as a global leader in digital finance, driving sustainable economic growth and societal development. This research is to critically analyse the role of NPCI in shaping India's digital payment landscape and propose actionable recommendations for its future trajectory. include assessing NPCI's impact on financial inclusion, evaluating regulatory challenges, identifying opportunities for innovation, and formulating strategies for enhancing its effectiveness and resilience.

**Key words :** *Digital payments, financial, UPI, stakeholder. : Digital payments, financial, UPI, stakeholder.*

## 1. Introduction to Research

Researcher undertake investigations into the National Payments Corporation of India (NPCI) to gain a comprehensive understanding of its structure, functions, and legal framework. The primary goals of this research are examining NPCI's history, formation, and organisational structure, including its founding members, the Reserve Bank of India (RBI) and Indian Banks Association (IBA).

Studying NPCI's role in promoting digital payments and reducing dependence on cash transactions in India. Analysing NPCI's product portfolio, including the Unified Payments Interface (UPI), Bharat Interface for Money (BHIM), and RuPay card scheme. Investigating NPCI's regulatory environment, including its relationships with the RBI and other regulatory agencies. Evaluating NPCI's adherence to data protection regulations, consumer protection guidelines, and anti-money laundering measures.

Also monitoring changes in the legal landscape that affect NPCI's operations, such as new regulations, judicial decisions, and policy reforms. Identifying potential gaps in NPCI's legal framework and suggesting improvements to enhance its efficiency and effectiveness.

Legal research on NPCI would typically involve reviewing relevant statutes, regulations, case law, and legal commentary to understand the legal framework governing its operations, assess compliance requirements and risks, and provide guidance for decision-making and strategic planning within the organisation. Researchers may utilise various research methods, including doctrinal analysis, comparative legal analysis, and empirical research, to address specific legal issues or questions related to NPCI's mandate, governance, operations, and interactions with stakeholder. The findings of this research will benefit legal experts, policymakers, and the wider legal community by offering insights into NPCI's legal framework and its contributions to the Indian economy and society.

## 2. Rational and Significance:

Conducting research on the National Payments Corporation of India (NPCI) is highly advantageous. Research will be helpful for understanding the Indian payment ecosystem. By analysing NPCI's structure, operations, and products, researchers can better comprehend the complexities and dynamics of the Indian payment ecosystem. Even if NPCI has developed numerous groundbreaking payment solutions, such as the Unified Payments Interface (UPI), Bharat Interface for Money (BHIM), and RuPay card scheme. Researching these innovations can inspire future advancements in the global payment space.

On having Analysis on regulatory frameworks researcher try to analyse, NPCI operations under various regulatory frameworks, including the Payment and Settlement Systems Act, 2007, and the Companies Act, 2013. Exploring these frameworks can shed light on the legal aspects of the payment industry. Also NPCI plays a significant role in promoting financial inclusion by providing access to basic financial services to individuals and businesses. Researching NPCI's efforts in this domain can inform strategies for achieving inclusive growth worldwide. Staying informed about technological advances like NPCI have credit cutting-edge technology to improve its payment solutions. Staying abreast of these technological advancements can equip researchers with valuable insights into the future of the payment industry.

Overall, researching NPCI can lead to a greater comprehension of the Indian payment ecosystem, technological advancements, and regulatory frameworks, thereby contributing to the progress of the payment industry globally. Legal research on NPCI would typically involve reviewing relevant statutes, regulations, case law, and legal commentary to understand the legal framework governing its operations, assess compliance requirements and risks, and provide guidance for decision-making and strategic planning within the organisation. Researchers may utilise various research methods, including doctrinal analysis, comparative legal analysis, and empirical research, to address specific legal issues or questions related to NPCI's mandate, governance, operations, and interactions with stakeholders.

### 3. Literature Review :-

1. NPCI Meeting Digital Banking August 2016 : This report provides insights into digital banking and NPCI's role in advancing digital payment solutions. It may offer valuable data for research analysis on NPCI's initiatives in the digital banking sector.<sup>1</sup>

2. Privacy and Security Policy - National Payments Corporation of India (NPCI) : Understanding NPCI's privacy and security policies is crucial for research analysis, especially in the context of data protection regulations and consumer trust in digital payment systems.<sup>2</sup>

3. William cook and Anand Raman, National payments corporation of India and the Remarking of Payment in India, National Payments Corporation Working Paper : This working paper delves into the history and evolution of NPCI, shedding light on its creation, operational challenges, and regulatory environment. It can serve as a foundational resource for in-depth research analysis on NPCI.<sup>3</sup>

4. Mahesh A., and Ganesh Bhat, Digital Payment Service in India - A Case Study of Unified Payment Interface: This case study explores the Unified Payment Interface (UPI) of NPCI, offering a detailed analysis of its strengths, weaknesses, opportunities, and threats. It provides a comprehensive view for researchers studying NPCI's digital payment services.<sup>4</sup>

These resources encompass a range of topics related to NPCI, including its operational journey, technological infrastructure, regulatory framework, and impact on the Indian payment ecosystem.

### 4. Research problem:

There are many legal challenges and regulatory complexities faced by NPCI in facilitating digital payments, including issues of data privacy, liability, and regulatory oversight, effective governance strategies and policy recommendations are not available.

### 5. Hypothesis:

NPCI's plays vital role in India's financial ecosystem.

#### Proved :

NPCI's pivotal role in India's financial ecosystem is underscored by its transformative impact on digital payments and financial inclusion. Through innovative solutions like the Unified Payments Interface (UPI), NPCI has revolutionised the way transactions are conducted, making them more accessible, efficient, and secure. The widespread adoption of UPI has democratised financial services, empowering individuals and businesses across urban and rural areas to participate in the digital economy seamlessly. NPCI's initiatives have facilitated the shift from cash-based transactions to digital payments, fostering greater transparency, efficiency, and financial literacy nationwide.

Furthermore, NPCI's strategic partnerships and collaborations with banks, fintech companies, and government agencies have bolstered India's digital infrastructure and accelerated the pace of financial digitisation. By providing a robust platform for interoperable payment solutions, NPCI has facilitated the integration of diverse financial services, including peer-to-peer transfers, merchant payments, bill payments, and even government disbursements. This comprehensive ecosystem has not only enhanced convenience for consumers but has also catalysed economic growth, driving greater efficiency in transactions, reducing costs, and expanding access to financial services for millions of Indians, thereby solidifying NPCI's indispensable role in India's financial landscape.

<sup>1</sup>National payment corporation of India, NPCI, Available at [https://www.npci.org.in/PDF/npci/research-reports/NPCI\\_Meeting\\_Digital\\_Banking\\_August2016.pdf](https://www.npci.org.in/PDF/npci/research-reports/NPCI_Meeting_Digital_Banking_August2016.pdf) last seen on 17/02/2024.

<sup>2</sup> Privacy and security policy, NPCI, available at <https://www.npci.org.in/privacy-policy>, last seen on 17/02/2024.

<sup>3</sup> William cook and Anand Raman, *CGAP, National payments corporation of India and the Remarking of Payment in India*, Washington, D.C.: CGPA, working paper page number 3, available at <https://www.npci.org.in/privacy-policy>, last seen on 17/02/2024.

<sup>4</sup> Mahesh A., and Ganesh Bhat, *Digital payment Services of India*, *5 International Journal of case studies in Business, IT, and Education ISSN: 2581-6942(2021)* available at [https://www.researchgate.net/publication/353217166\\_Digital\\_Payment\\_Service\\_in\\_India\\_-\\_A\\_Case\\_Study\\_of\\_Unified\\_Payment\\_Interface](https://www.researchgate.net/publication/353217166_Digital_Payment_Service_in_India_-_A_Case_Study_of_Unified_Payment_Interface) last seen on 17/02/2024.

**6. Aims and objectives:**

- To understand the history and evolution of the NPCI.
- To understand the relevant laws applicable to the NPCI.
- To know the Constitution of the NPCI .
- To know the administration of the NPCI.
- To understand the Powers, functions of the NPCI authorities.
- To understand the jurisdiction of the NPCI.
- To understand the Development or change occurred till date in the working and framework of the NPCI.

**Proved :**

Investigating the history, legal framework, structure, and operations of the National Payments Corporation of India (NPCI) provides a comprehensive understanding of its evolution and significance within India's financial landscape. Delving into NPCI's inception, including its founding principles and key milestones, sheds light on its journey from conceptualisation to becoming a critical infrastructure provider for digital payments. Analysing relevant laws and regulations governing NPCI's operations elucidates the legal framework within which it operates, guiding its functions, responsibilities, and regulatory compliance. Understanding NPCI's constitution and administrative structure unveils the organisational hierarchy, decision-making processes, and accountability mechanisms governing its operations. Exploring the powers, functions, and jurisdiction of NPCI authorities elucidates their roles in overseeing and regulating payment systems, ensuring efficiency, security, and interoperability. Examining the development and changes in NPCI's working and framework over time reveals its adaptive nature in response to technological advancements, market dynamics, and regulatory requirements, showcasing its resilience and commitment to driving financial inclusion and innovation in India.

**7. Research Methodology:-****Research models:-****I. Critical Analysis :**

In this research the researcher study present law and the present needs of the society and finds out the defects in existing law. He has to make concrete suggestions based upon the evaluation.<sup>5</sup>

With this model find the critical data or the negative laws related to the Act

**II. Analytical Model :**

Analytical research model indicates the use of already available facts and information to critically study the situation. It analyses the whole range of facts and information critically.<sup>6</sup>

By this model researcher analyse the legislation with different aspects of breeding process and its legality about on having critical analyses and also many of the different analytical approach.

**III. Evaluative Model:**

Researcher used this model is used to find out how a legal fact came to be what it is. In it, the evaluation of a legal fact is traced out by locating various supportive and casual phenomenon and events responsible for shaping the growth of legal fact under study.<sup>7</sup>

By using this institution the researcher to understand on which circumstances arises to pass the legislation, what is the need of this legislation and many other aspects related to this legislation.

**8. Evolution / Historical Perspectives :**

The National Payments Corporation of India (NPCI) has undergone a significant historical evolution since its inception. Established in 2008 under the Payment and Settlement Systems Act, 2007, NPCI commenced operations in January 2010. Initially, NPCI focused on incremental product development with an emphasis on stability and technology decisions to achieve its objectives.

In the early years, NPCI faced challenges from international card schemes alleging preferential treatment from regulators. This led to NPCI establishing a separate commercial office space and appointing A. P. Hota as CEO, marking a pivotal moment in its organisational structure.

Technologically, NPCI initially relied on the National Financial Switch (NFS) as its core infrastructure, later introducing the Bharat switch to enhance its technological capabilities. The acquisition of debit/credit card transactions in 2009 provided a revenue stream from the outset, ensuring financial sustainability without additional capital injections.<sup>8</sup>

As NPCI matured, it aligned with global best practices while customising solutions to meet local needs. The organisation transitioned from siloed products to an integrated system, addressing technical limitations and enhancing operational efficiency under strong regulatory support.

<sup>5</sup> Dr. S. R. Myneni, *Legal Research Methodology*, 185 (2009) 4<sup>th</sup>ed.

<sup>6</sup> *All you need to know about legal research*, available at <https://blog.ipleaders.in/all-you-need-know-about-legal-research/last> last seen on 17/02/2024.

<sup>7</sup> Chunuram Soren, *Legal Research Methodology: An Overview*, 8 *Journal of Emerging Technologies and Innovative Research* 442, 447(2021), available at [https://www.researchgate.net/publication/355523510\\_LEGAL\\_RESEARCH\\_METHODODOLOGY\\_AN\\_OVERV IEW](https://www.researchgate.net/publication/355523510_LEGAL_RESEARCH_METHODODOLOGY_AN_OVERV IEW), last seen on 17/02/2024.

<sup>8</sup> *Ibid*, at 3. (NOTE: Here 108 is the page number from where the content has taken the cited text).

Over time, NPCI expanded aggressively by connecting smaller banks to its services and offering domestic switching for cards through initiatives like RuPay. This strategic growth approach positioned NPCI as a key player in India's payment ecosystem, contributing significantly to the country's financial landscape.<sup>9</sup>

Through these evolutionary stages, NPCI has demonstrated adaptability, innovation, and strategic foresight in transforming India's payment systems and fostering financial inclusion across the nation.

### 9. Relevant laws applicable to the institution:

The National Payments Corporation of India (NPCI) operates under various laws and regulations to ensure its smooth functioning and compliance with legal requirements. Here are some of the relevant laws applicable to NPCI:

**1. Payment and Settlement Systems Act, 2007:** The Payment and Settlement Systems Act, 2007 (PSS Act) is a crucial legislation in India that governs the regulation and supervision of payment and settlement systems in the country. This Act is highly relevant to the National Payments Corporation of India (NPCI) as it provides the legal framework for the operation of various payment systems under NPCI's purview. The PSS Act empowers the Reserve Bank of India (RBI) with extensive regulatory powers to oversee and regulate payment mechanisms, ensuring efficiency, security, and stability in the payment landscape.

Under the PSS Act, the RBI is authorised to issue authorisations for the operation of payment systems, set standards, impose penalties, conduct audits, and ensure consumer protection within the payment and settlement systems. The Act also provides a legal basis for "netting" and "settlement finality," crucial aspects of payment systems' functioning. Additionally, the Act defines important terms like "payment obligation," "payment instruction," "payment system," "electronic fund transfer," "gross settlement system," "netting," "settlement," "systemic risk," "system participant," and "system provider" to ensure clarity and consistency in the regulatory framework.

Overall, the Payment and Settlement Systems Act, 2007, plays a fundamental role in providing the regulatory foundation for NPCI's operations, ensuring compliance with standards, promoting financial stability, and safeguarding the interests of consumers within India's payment and settlement systems. NPCI was established under the provisions of this Act, which regulates payment systems in India. It provides the legal framework for the operation of payment systems like the National Financial Switch (NFS), Immediate Payment System (IMPS), and Aadhaar-enabled Payments System (AEPS)<sup>10</sup>.

### 2. Companies Act, 2013:

The Companies Act, 2013 is a relevant law applicable to the National Payments Corporation of India (NPCI) due to its regulatory framework governing corporate entities in India. NPCI is registered as a not-for-profit company under Section 8 of the Companies Act, 2013. This Act governs the incorporation, functioning, and dissolution of companies in India.<sup>11</sup> falls under the purview of this legislation. The Companies Act, 2013 provides guidelines and regulations for the functioning, governance, compliance, and operations of companies in India, including not-for-profit entities like NPCI. This Act ensures transparency, accountability, and proper management of companies, aligning with NPCI's objectives of promoting financial inclusion, enhancing operational efficiency, and ensuring regulatory oversight in the digital payment landscape.

**3. Regulatory Guidelines:** NPCI operates under the regulatory oversight of the Reserve Bank of India (RBI) and other regulatory bodies. The RBI issues guidelines and regulations that NPCI must adhere to in its operations.<sup>12</sup>

### 4. Data Protection Laws:

NPCI collects and processes sensitive financial data, making compliance with data protection laws crucial. Adherence to laws like the Personal Data Protection Bill, when enacted, will be essential for NPCI's operations. The Data Protection Laws, particularly the Digital Personal Data Protection Act, 2023, are highly relevant laws applicable to the National Payments Corporation of India (NPCI). These laws govern how entities handle and process users personal data, establishing guidelines for organisations collecting user data to obtain express user consent before processing it. The Act designates certain entities as "Significant Data Fiduciaries" and imposes strict regulations to safeguard personal data, including prohibiting behavioural monitoring and targeted advertising directed at minors. Additionally, the Act establishes the Personal Data Protection Board to investigate data breaches and handle consumer inquiries about their personal data processing. Violations of the Act can result in significant fines, up to 2.5 billion rupees (\$30 million), emphasising the importance of compliance with data protection regulations. Given that NPCI deals with a vast amount of user data through digital payment transactions, adherence to data protection laws is crucial to ensure the security, privacy, and trust of users in the digital payment ecosystem.

<sup>9</sup> NPCI, *National Payment Corporation of India*, available at <https://www.npci.org.in/npci-profile> last seen on 04/04/2024.

<sup>10</sup> *National payment corporation of India*, available at <https://www.studyiq.com/articles/national-payments-corporation-of-india/> 04/04/2024.

<sup>11</sup> *Supra*5.

<sup>12</sup> Madhu Bakaji, bl., *Know about NPCI (2023)* available at <https://www.thehindubusinessline.com/money-and-banking/know-about-npci-national-payments-corporation-of-india/article66694400.ece> last seen on 04/04/2024.

## 5. Consumer Protection Laws:

Consumer Protection Laws are relevant laws applicable to the National Payments Corporation of India (NPCI) as they govern how entities handle and protect consumers rights and interests. These laws ensure that NPCI, as a service provider in the digital payment ecosystem, complies with regulations that safeguard consumers from unfair practices, ensure transparency, and protect their personal and financial information. Adherence to Consumer Protection Laws is crucial for NPCI to maintain trust, integrity, and accountability in its operations while prioritising consumer rights and interests in the digital payment landscape.

As NPCI provides payment services to consumers, compliance with consumer protection laws is vital. Ensuring transparency, fair practices, and dispute resolution mechanisms aligns with consumer protection regulations.<sup>13</sup>

## 6. Anti-Money Laundering Laws:

Anti-Money Laundering (AML) laws are highly relevant to the National Payments Corporation of India (NPCI) to ensure compliance with regulations that prevent money laundering activities and maintain the integrity of the financial system. The section from the provided sources that is helpful in understanding the relevance of AML laws to NPCI is the "PFMI Disclosure Report March 2023" from NPCI's website. This report likely details NPCI's adherence to AML and Know Your Customer (KYC) requirements, highlighting the processes in place to verify the identity of individuals and prevent money laundering activities within the organisation. This section provides valuable insights into how NPCI addresses AML regulations to uphold financial integrity and security.

Given the nature of financial transactions processed by NPCI, adherence to anti-money laundering laws is critical. Compliance with regulations like the Prevention of Money Laundering Act ensures that NPCI contributes to combating financial crimes<sup>14</sup>.

**7. The Reserve Bank of India (RBI) :** governs the National Payments Corporation of India (NPCI) through a regulatory framework established under the Payment and Settlement Systems Act, 2007 (PSS Act). As per the PSS Act, the RBI is designated as the regulatory authority responsible for overseeing and supervising payment and settlement systems in India, including NPCI. The RBI exercises its regulatory powers by issuing guidelines, directions, and regulations to NPCI, ensuring compliance with statutory requirements and promoting the stability, efficiency, and integrity of payment systems. Additionally, the RBI grants authorisations to NPCI for operating various retail payment systems and settlement services, while also conducting regular inspections and audits to monitor NPCI's operations and adherence to regulatory standards. Through this regulatory oversight, the RBI plays a crucial role in maintaining the safety and soundness of NPCI's operations and fostering confidence in India's digital payment ecosystem.

**8.** NPCI also has their own Dispute Redressal mechanism if any user has queries they can resolve it with their Dispute redressal methods by giving details and the issues.

By understanding and complying with these laws and regulations, NPCI can operate effectively within the legal framework while promoting digital payments, financial inclusion, and innovation in India's payment ecosystem.

## 10. Constitution of the Institutional Authorities :

The National Payments Corporation of India (NPCI) has a structured Board of Directors as per the provisions outlined in Section 6 of the NPCI Act. The Board of Directors plays a crucial role in overseeing NPCI's operations, governance, and strategic direction. The appointment of Directors at NPCI is governed by specific policies and guidelines to ensure transparency, accountability, and effective leadership within the organisation.

Key points related to the appointment and constitution of the Board of Directors at NPCI include:

1. **Appointment Process:** The ultimate responsibility for appointing and removing directors lies with the Company (Shareholders). The appointment process should be transparent, with directors required to give declarations regarding their qualifications and disqualifications.

2. **Minimum Number of Directors:** The law specifies the minimum number of directors necessary for various classes of companies, with an enabling provision for different categories of companies to determine the maximum number of directors.

3. **Residency Requirement:** Every company should have at least one director resident in India to ensure availability in case of any issues arisen.

4. **Code of Conduct:** NPCI has a Code of Conduct for its Board of Directors, outlining ethical standards, responsibilities, and guidelines for behaviour.

5. **Constitution of Board:** As of the available information, the National Payments Corporation of India (NPCI) does not explicitly mention the exact number of directors in its Board of Directors. Considering that NPCI'S Board of Directors is likely to follow standard corporate governance principles, it is reasonable to assume that NPCI'S Board might consist of fewer. Therefore, until official documentation from NPCI confirms the precise number of Directors, we cannot definitively state the exact figure.

### Board of directors:

Non Executive Chairman and Independent Director, MD & CEO., Chief General Manager, Department of Information Technology which is nominated by RBI, Independent Directions, Nominee directors representing nominee bank

<sup>13</sup> *Supra*7.

<sup>14</sup> *Supra*7.

**11. Administration of the Corporation :**

The National Payments Corporation of India (NPCI) is an umbrella organisation for retail payments in India, established by the Reserve Bank of India (RBI) and the Indian Banks Association in 2008. NPCI is registered as a Section 8 company under the Companies Act, 2013, and is headquartered in Mumbai. The organisation was created to operate and manage retail payment systems in the country, including the National Financial Switch (NFS), Immediate Payment Service (IMPS), RuPay cards, National Automated Clearing House (NACH), and Aadhaar Enabled Payments System (AEPS).

NPCI's regulatory members include the RBI and ten core promoter banks: State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Union Bank of India, Bank of India, ICICI Bank, HDFC Bank, Citibank, and HSBC. The regulating board of NPCI consists of a non-executive chairman, nominees from the RBI, and nominees from the ten core promoter banks. Dilip Asbe is the current managing director and chief executive officer of NPCI.

The objectives of NPCI include facilitating an affordable payment system that can help the common people, operating payment systems under the Payment and Settlement Systems Act, 2007, and promoting financial inclusion. NPCI's products include the Unified Payments Interface (UPI), Bharat Bill Pay, RuPay cards, FASTag, and NACI.<sup>15</sup>

The management team of NPCI includes the managing director and CEO, chief operating officer, chief technology officer, chief risk officer, chief financial officer, and other senior executives. NPCI has a robust governance structure, with separate committees for risk management, audit, and finance.

The General Administration Manual 2009 Volume I of the Reserve Bank of India (RBI) provides guidelines for the administration and management of the Bank, including the functioning of NPCI and other payment system providers. The Manual includes chapters on organisational set-up, staff administration, establishment matters, budget and financial powers, maintenance of office premises, security arrangements, housekeeping functions, and miscellaneous matters.

NPCI has been instrumental in promoting digital payments in India, with the UPI system becoming a popular mode of payment. The organisation has also launched initiatives to promote financial inclusion, such as the Aadhaar Enabled Payments System (AEPS).

In conclusion, NPCI is an important organisation that facilitates retail payments in India, with a robust governance structure and a focus on promoting financial inclusion. The organisation has been successful in promoting digital payments and has launched various products and initiatives to make payments more accessible and affordable for the common people. The General Administration Manual 2009 Volume I of the RBI provides guidelines for the administration and management of the Bank, including the functioning of NPCI and other payment system providers.

**12. Powers and Functions of the Institution:**

The National Payments Corporation of India (NPCI) plays a pivotal role in the Indian financial ecosystem by operating and managing various retail payment systems and initiatives. Its powers and functions include:

1. Operating Payment Systems: NPCI operates and manages several retail payment systems in India, including the Unified Payments Interface (UPI), Immediate Payment Service (IMPS), National Electronic Funds Transfer (NEFT), Real-Time Gross Settlement (RTGS), Bharat Bill Payment System (BBPS), and National Automated Clearing House (NACH). These systems facilitate secure, efficient, and interoperable electronic fund transfers and bill payments across the country.

2. Developing New Payment Products: NPCI is responsible for developing and launching innovative payment products and solutions to meet the evolving needs of consumers, businesses, and financial institutions. It fosters innovation in the payments space by introducing initiatives such as UPI, which revolutionised peer-to-peer and merchant payments in India.

3. Promoting Financial Inclusion: NPCI promotes financial inclusion by facilitating access to digital payment services for underserved and unbanked populations. It collaborates with banks, government agencies, and other stakeholders to expand the reach of digital payments and promote financial literacy and awareness among marginalised communities.

4. Ensuring Interoperability: NPCI ensures interoperability among different payment systems and service providers, enabling seamless transactions between banks, payment wallets, and other financial intermediaries. This interoperability enhances convenience and accessibility for users while promoting competition and innovation in the payments market.

5. Risk Management: The management of risks is core to NPCI's vision mission and objectives of ensuring safety, security and sustainability of national retail payment systems. Effective risk management is fundamental to being able to generate critical mass and optimum risk-reward and is thus considered to be the epicentre of decision making at NPCI. The risk management activities are carried out under the realm of enterprise risk management framework, with the objective of maximising risk-adjusted returns while remaining within defined risk appetite and tolerance levels.

<sup>15</sup> what is NPCI, available at <https://www.bajajfinserv.in/npci>, last seen on 04/04/2024.

A comprehensive risk management process allows management to take risks in a controlled manner. In order to provide all-inclusive view of retail payment systems, risks and opportunities are assessed and identified in a seamless manner using elements of top-down and bottoms-up approach. As part of the risk management framework we use a set of principles that entails the risk management culture we wish to promote, preach and practice at NPCI. <sup>16</sup>NPCI is responsible for managing and mitigating various risks associated with payment systems, including operational, technical, and fraud-related risks. It implements robust risk management frameworks, security standards, and monitoring mechanisms to safeguard the integrity and stability of the payment infrastructure.

6. Setting Standards and Rules: NPCI sets standards, rules, and guidelines governing the operation and usage of its payment systems. These standards ensure consistency, reliability, and security in payment transactions and promote trust and confidence among users and stakeholders.

7. Collaborating with Stakeholders: NPCI collaborates with banks, financial institutions, government agencies, regulators, and industry associations to promote the adoption of digital payments, address industry challenges, and drive innovation in the payments ecosystem.

Overall, NPCI plays a crucial role in modernising India's payment infrastructure, promoting financial inclusion, and fostering a vibrant and inclusive digital economy. Its powers and functions are instrumental in driving the adoption of digital payments and advancing India's vision of becoming a less-cash economy.<sup>17</sup>

### 13. Jurisdiction :

The National Payments Corporation of India (NPCI) is a not-for-profit company established in 2008 under the Payment and Settlement Systems Act, 2007, and incorporated as a Section 8 company under the Companies Act 2013. The NPCI is headquartered in Mumbai and serves as an umbrella body for the operation of retail payment systems in India. The organisation was established by the Reserve Bank of India (RBI) and the Indian Banks' Association (IBA) to operate and manage retail payment systems in the country.

The NPCI is promoted by ten major promoter banks, including State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Union Bank of India, Bank of India, ICICI Bank, HDFC Bank, Citibank, and HSBC. The regulating board of NPCI consists of a non-executive chairman, nominees from the RBI, and nominees from the ten core promoter banks. Dilip Asbe is the current managing director and chief executive officer of NPCI.

The NPCI's objectives include facilitating an affordable payment system that can help the common people and operating payment systems under the Payment and Settlement Systems Act, 2007. The NPCI's products include the Unified Payments Interface (UPI), Bharat Bill Pay, RuPay cards, FASTag, and National Automated Clearing House (NACH).

The NPCI has a robust governance structure, with separate committees for risk management, audit, and finance. The General Administration Manual 2009 Volume I of the Reserve Bank of India (RBI) provides guidelines for the administration and management of the Bank, including the functioning of NPCI and other payment system providers.

The NPCI has been instrumental in promoting digital payments in India, with the UPI system becoming a popular mode of payment. The organisation has also launched initiatives to promote financial inclusion, such as the Aadhaar Enabled Payments System (AEPS).<sup>18</sup>

In conclusion, the NPCI is a critical institution for the development of the digital payment system in India, with a robust governance structure and a focus on promoting financial inclusion. The organisation has been successful in promoting digital payments and has launched various products and initiatives to make payments more accessible and affordable for the common people. The General Administration Manual 2009 Volume I of the RBI provides guidelines for the administration and management of the Bank, including the functioning of NPCI and other payment system providers.

### 14. Developments/ Changes Occurred till date :

The National Payments Corporation of India (NPCI) has undergone significant developments and changes over the years, shaping its evolution and impact on India's financial landscape. Some key developments and changes at NPCI include:

#### 1. Establishment and Early Operations:

NPCI was established in 2008 under the Payment and Settlement Systems Act, 2007, and commenced operations in January 2010<sup>19</sup>. The National Payments Corporation of India (NPCI) was established in December 2008 as a not-for-profit organisation under Section 8 of the Companies Act 2013. It was founded by the Reserve Bank of India (RBI) and the Indian Banks Association (IBA)

<sup>16</sup>NPCI, *National payment Corporation of India*, available at <https://www.npci.org.in/privacy-policy> last seen on 04/04/2024

<sup>17</sup> NPCI, *National Payment Corporation of India*, available at [http://www.npc.gov.cn/englishnpc/c2845/c2846/201905/t20190523\\_372384.html](http://www.npc.gov.cn/englishnpc/c2845/c2846/201905/t20190523_372384.html) last seen on 05/04/2024.

<sup>18</sup> NPCI, *policy on prevention of sexual harassment*, available at <https://www.npci.org.in/PDF/npci/corporate-governance/Policy> Last seen on 04/04/2023.

<sup>19</sup> NPCI, *history and evolution*, available at <https://www.npci.org.in/npci-profile%5B2> last seen on 05/04/2024.

to operate retail payment and settlement systems in India. The primary objective behind the foundation of NPCI was to modernise and streamline the country's payment and settlement systems, promote financial inclusion, enhance operational efficiency, ensure regulatory oversight, and foster collaboration between key stakeholders to advance digital payments in India.

NPCI serves as an umbrella body for the operation of retail payments in India and was centrally promoted by the Reserve Bank of India. The organisation was incorporated in December 2008, with the Certificate of Commencement of Business issued in April 2009. NPCI is headquartered in Mumbai, Maharashtra, and is regulated by a board consisting of members such as Biswamohan Mahapatra as the Non-Executive Chairman, nominees from the RBI, and nominees from ten core promoter banks. Currently, Dilip Asbe serves as the Managing Director and Chief Executive Officer of NPCI.

The organisation operates under the Payment and Settlement Systems Act, 2007, and is authorised to operate various payment systems, including the National Financial Switch (NFS), Immediate Payment System (IMPS), RuPay Cards, National Automatic Clearing House (ACH), Aadhaar Enabled Payments System (AEPS), and Cheque Truncation System. NPCI has introduced several innovative products to revolutionise digital payments in India, such as RuPay, National Common Mobility Card, Bharat Interface for Money (BHIM), and Unified Payments Interface (UPI).

RuPay, a domestic card scheme of India, has been widely accepted and issued by numerous banks across the country. The National Common Mobility Card, also known as the Ru-pay Contactless card, enables contactless payments at terminals without physical contact. BHIM is a mobile payments application based on UPI, facilitating easy money transfers between customers. UPI, introduced in 2016, allows instant inter-bank transactions through a single interface.

NPCI's establishment marked a significant milestone in India's digital payment landscape, aiming to provide affordable and efficient payment solutions to the masses. Through its innovative products and services, NPCI has played a pivotal role in promoting financial inclusion, enhancing operational efficiency, and ensuring the security and reliability of digital transactions in the country. Initially focused on incremental product development with a stability-oriented approach to achieve its goals<sup>20</sup>.

## 2. Technological Advancements:

The National Payments Corporation of India (NPCI) has embraced technological advancements to enhance its payment and settlement systems. One notable technological advancement in NPCI is the adoption of containerised architecture and the implementation of solutions like Rancher Prime and SUSE NeuVector. These advancements have enabled NPCI to streamline and automate deployment processes, ensuring operational efficiency and security in its application landscape.

With Rancher Prime, NPCI has been able to centralise the management of dispersed clusters and deployments, facilitating the adoption of micro-services architectures with ease. This centralised management approach has allowed NPCI's IT teams to focus on value-add operations while ensuring operational consistency and observability levels for all certified Kubernetes clusters. Additionally, Rancher Prime has provided NPCI with unparalleled stability and security, allowing for seamless and steady operations without compromising on security measures.

NPCI initially relied on the National Financial Switch (NFS) as its core technology infrastructure, later introducing the Bharat switch to enhance technological capabilities. The acquisition of debit/credit card transactions in 2009 provided a revenue stream from the outset, ensuring financial sustainability without additional capital injections.<sup>21</sup>

Overall, NPCI's technological advancements, including the adoption of containerised architecture, Rancher Prime, and SUSE NeuVector, demonstrate the organisation's commitment to leveraging cutting-edge technologies to improve operational efficiency, security, and stability in its payment and settlement systems.

## 3. Strategic Growth and Expansion:

NPCI, during its journey, has made a significant impact on the retail payment systems in the country. Dedicated to the nation by our former President, Shri Pranab Mukherjee, endorsed by the Hon'ble Prime Minister, Shri Narendra Modi and later made the card of choice for the ambitious Pradhan Mantri Jan Dhan Yojana, RuPay is now a known name.

**RuPay** is an Indigenously developed Payment System – designed to meet the expectation and needs of the Indian consumer, banks and merchant eco-system. RuPay supports the issuance of debit, credit and prepaid cards by banks in India and thereby supporting the growth of retail electronic payments in India.

RuPay is well poised to explore innovative payment opportunities such as Contactless – offline and online to drive adoption of low value payments. All RuPay Cards will now have the functionality of NCMC which can enable low value contactless payments (like transit, toll, parking, retail) using Offline technology.

The alliances with international network partners (Discover Financial Services, Japan Credit Bureau and China Union Pay) provides valuable access to global acceptance footprint and offer world class payment solutions to RuPay cardholders.

**IMPS** With Immediate Payment Service (IMPS), India has become the leading country in the world in real time payments in retail sector.

<sup>20</sup> *Ibid*, at 3. (Note- here 122 is the page number from where the content has cited).

<sup>21</sup> *Ibid*, at 3.

**NACH** National Automated Clearing House (NACH), an offline web based system for bulk push and pull transactions. NACH provides electronic mandate platform to register mandates facilitating paper less collection process for the corporates and banks. It provides for both account based and Aadhaar based transactions.

**APBS** Aadhaar Payment Bridge (APB) System is helping the Government and Government agencies in making the Direct Benefit Transfers for various Central as well as State sponsored schemes.

**AePS** To access these funds at door step & drive the financial inclusion in India, Aadhaar enabled Payment System (AePS) has been introduced. Since inception it has become instrumental to increase accessibility of basic banking services in underserved areas. To extend the convenience of biometric to merchant payments, BHIM Aadhaar has been launched by Hon'ble Prime Minister Narendra Modi.

**NFS** National Financial Switch (NFS) is the largest network of shared Automated Teller Machines (ATMs) in India facilitating interoperable cash withdrawal, card to card funds transfer and interoperable cash deposit transactions among other value added services in the country.

**UPI** Unified Payments Interface (UPI) has been termed as the revolutionary product in the payment system.

### **Bharat Bill Payment System**

Bharat Bill Payment System is offering one-stop bill payment solution for all recurring payments with 200+ Billers in the categories Viz. Electricity, Gas, Water, Telecom, DTH, Loan Repayments, Insurance, FASTag Recharge, Cable etc. across India.

**NETC** National Payments Corporation of India (NPCI) has developed the National Electronic Toll Collection (NETC) program to meet the electronic tolling requirements of the Indian market.<sup>22</sup>

It provides an electronic payment facility to customer to make the payments at national, state and city toll plazas by identifying the vehicle uniquely through a FASTag. FASTag are Radio-Frequency Identification (RFID) stickers which are affixed on the vehicle windshield and enable the driver to make toll payments electronically while the vehicle is in motion without stopping at the Toll plazas by saving Fuel and Time.

With these products the aim is to transform India into a 'less-cash' society by touching every Indian with one or other payment services. With each passing year NPCI are moving towards our vision to be the best payments network globally. NPCI's footprint in the Indian payment landscape stood at 64.5% by volume and 4.07% by value as of March 2020, reflecting its significant presence in the market.

### **4. Adaptation to Regulatory Changes:**

- NPCI faced challenges due to regulatory changes impacting its revenue streams, such as the disallowance of income from the merchant discount rate (MDR) or commissions.

- The emergence of New Umbrella Entities (NUEs) as potential competitors prompted NPCI to adapt to new market dynamics and foster innovation within the fintech ecosystem.<sup>23</sup>

### **5. International Expansion:**

The technical expansion of the National Payments Corporation of India (NPCI) involves various aspects of its operations, including the development of new products and services, technological advancements, and the expansion of its network and infrastructure. The search results do not provide a direct answer to the question, but they do offer some relevant information related to the topic.

The very first provides information about the committees of NPCI, including the Technical Committee, which is responsible for overseeing the technical aspects of NPCI's operations and ensuring the development and implementation of new technologies. Secondly discuss about uses NPC (Nuclear Pore Complex) as a tool for measuring expansion from macro- to nanoscale. While not directly related to NPCI, this search result highlights the importance of NPC in technological advancements, particularly in the field of biotechnology and biomedicine.

They also have bio printing of neural progenitor cells (NPCs) for expanding lattices in 3D, which reduces the spatial footprint compared to traditional 2D culture methods. This search result highlights the potential of NPCs in therapeutic applications, such as cell therapy and regenerative medicine.

They provides a protocol for expanding and maintaining human, mouse, and rat-derived NPCs using a specific medium. This search result is relevant to the field of biotechnology and biomedicine, but not directly related to NPCI. NPCI established NPCI International Ltd to venture into international markets, aiming to facilitate efficient digital payments globally.

These developments highlight NPCI's journey from inception to becoming a key player in India's payment ecosystem, adapting to technological advancements, regulatory changes, and market dynamics to drive financial inclusion and innovation.

<sup>22</sup> NPCI , *who are we*, available at <https://www.npci.org.in/npci-profile%5B2> last seen on 05/04/2024.

<sup>23</sup> Romita Majumdar. *Inc4 with big business expected to apply, will NUE make NPCI redundant?*, Available at <https://inc42.com/features/big-businesses-expected-to-apply-will-nue-make-npci-redundant/>, last seen on 05/04/2023.

**15. Relevant case laws :****BINOY VISWAM V. RESERVE BANK OF INDIA<sup>24</sup>**

Analysis of the Counter Affidavit Filed by the Reserve Bank of India:

1. Authority and Jurisdiction: The affidavit establishes the authority of the Reserve Bank of India (RBI) in regulating payment and settlement systems in India under the Payment and Settlement Systems Act, 2007 (PSS Act).
2. Regulatory Framework: It outlines the key provisions of the PSS Act, emphasising RBI's role as the designated authority for regulating payment systems and authorising system providers, including the National Payments Corporation of India (NPCI).
3. Development of Payment Systems: The affidavit highlights the evolution of payment systems in India, emphasising the shift towards digital transactions and the role of RBI in facilitating this transition through initiatives like Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT), and Electronic Clearing Service (ECS).
4. Introduction of UPI: The affidavit provides insights into the Unified Payments Interface (UPI) developed by NPCI, explaining its features, functionality, and regulatory framework.
5. Multi bank Model: It discusses the transition from a single PSP model to a multi bank model under UPI, allowing third-party app providers like Amazon, Google, and WhatsApp to connect to the UPI system through multiple sponsor PSP banks.
6. Regulatory Compliance: The affidavit emphasises NPCI's compliance with RBI's regulations and guidelines in authorising entities to operate within the UPI framework, ensuring the integrity and security of the payment system.
7. Regulatory Oversight: It underscores RBI's authority to issue directions, regulations, and guidelines for ensuring the smooth functioning and integrity of payment systems, including UPI.
8. Conclusion: The counter affidavit argues against the merits of the Writ Petition, asserting that RBI's regulatory measures are essential for maintaining financial stability and safeguarding the economy from disruptions in payment and settlement systems.

**16. Analysing the Evolution and Impact of NPCI:**

NPCI, or the National Payments Corporation of India, is like the engine behind many of the digital payments we use every day. It's responsible for making sure that when we transfer money from one bank account to another, pay bills online, or use apps like UPI, everything works smoothly and securely. NPCI'S core ethos revolves around contributing to nation-building through our products and services, catalysing the transformative journey of Digital India. We have our unwavering focus on impact over profits and fostering a deep sense of pride in being a part of this nation-building endeavour. NPCI'S organisational culture aligns the team with a shared purpose, vision, and goals, ensuring that we collectively drive forward this transformative mission of touching every Indian with one or the other payment services.<sup>25</sup>

Over the years, NPCI has been working hard to make digital payments easier and more accessible for everyone. They've introduced things like UPI, which lets us send money instantly using just our smartphones. They've also set up systems like BBPS for paying bills and NACH for handling bulk transactions.

NPCI is also focused on making sure that all these different payment systems can work together smoothly. They've put in place measures to keep our transactions safe from fraud and cyber threats, so we can trust that our money is in good hands.

By working with banks, government agencies, and other partners, NPCI is helping to bring more people into the digital economy and making financial services available to everyone, even in remote areas. Overall, NPCI is playing a big role in making India's digital payment ecosystem more inclusive, secure, and convenient for everyone.

**Conclusion :**

In conclusion, The National Payments Corporation of India (NPCI) is a not-for-profit company established in 2008 under the Payment and Settlement Systems Act, 2007, and incorporated as a Section 8 company under the Companies Act 2013. The NPCI is headquartered in Mumbai and serves as an umbrella body for the operation of retail payment systems in India. The organisation was established by the Reserve Bank of India (RBI) and the Indian Banks' Association (IBA) to operate and manage retail payment systems in the country.

The NPCI is promoted by ten major promoter banks, including State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Union Bank of India, Bank of India, ICICI Bank, HDFC Bank, Citibank, and HSBC. The regulating board of NPCI consists of a non-executive chairman, nominees from the RBI, and nominees from the ten core promoter banks. Dilip Asbe is the current managing director and chief executive officer of NPCI.

The NPCI's objectives include facilitating an affordable payment system that can help the common people and operating payment systems under the Payment and Settlement Systems Act, 2007. The NPCI's products include the Unified Payments Interface (UPI), Bharat Bill Pay, RuPay cards, FASTag, and National Automated Clearing House (NACH).

<sup>24</sup> Binoy Viswam v. Reserve Bank of India, W.P. (C) NO. 1038 OF 2020.

<sup>25</sup> NPCI, *National Payment Corporation of India*, available at

[http://www.npci.gov.cn/englishnpc/c2845/c2846/201905/t20190523\\_372384.html](http://www.npci.gov.cn/englishnpc/c2845/c2846/201905/t20190523_372384.html) last seen on 05/04/2024.

The NPCI has a robust governance structure, with separate committees for risk management, audit, and finance. The General Administration Manual 2009 Volume I of the Reserve Bank of India (RBI) provides guidelines for the administration and management of the Bank, including the functioning of NPCI and other payment system providers.

The NPCI has been instrumental in promoting digital payments in India, with the UPI system becoming a popular mode of payment. The organisation has also launched initiatives to promote financial inclusion, such as the Aadhaar Enabled Payments System (AEPS).

In conclusion, the NPCI is a critical institution for the development of the digital payment system in India, with a robust governance structure and a focus on promoting financial inclusion. The organisation has been successful in promoting digital payments and has launched various products and initiatives to make payments more accessible and affordable for the common people. The General Administration Manual 2009 Volume I of the RBI provides guidelines for the administration and management of the Bank, including the functioning of NPCI and other payment system providers.

### **Suggestions:**

The National Payments Corporation of India (NPCI) plays a crucial role in the financial infrastructure of India, overseeing various retail payment systems and initiatives. As such, suggesting strategies and improvements for NPCI involves considering its current functions, challenges, and opportunities. Here are comprehensive suggestions for NPCI to enhance its operations, promote financial inclusion, and drive innovation in the Indian payments landscape:

#### **1. Enhancing Payment Infrastructure:**

NPCI should focus on continuously improving the robustness and scalability of India's payment infrastructure to handle growing transaction volumes efficiently. Investing in advanced technology and adopting best practices in cybersecurity to protect against evolving threats and ensure the integrity and reliability of payment systems.

#### **2. Promoting Interoperability:**

Facilitate interoperability between different payment systems and platforms to enable seamless transactions for users across various channels, including UPI, IMPS, NEFT, and Aadhaar-enabled Payment Systems (AePS). Collaborate with stakeholders to standardise APIs and protocols, making it easier for banks, fintech companies, and other payment service providers to integrate with NPCI's systems.

#### **3. Driving Financial Inclusion:**

Expand the reach of digital payments to underserved and unbanked populations through initiatives such as Bharat Bill Payment System (BBPS) and Aadhaar Pay. Partner with government agencies, banks, and micro finance institutions to onboard more merchants and customers onto digital payment platforms, particularly in rural and remote areas. Promote the adoption of simplified and user-friendly payment solutions tailored to the needs of low-income individuals, such as feature phones-based USSD-based payments.

#### **4. Innovation and New Initiatives:**

Encourage innovation in the payments space by launching regulatory sandboxes and fostering collaboration between traditional financial institutions and fintech startups. Introduce new payment products and services that leverage emerging technologies like blockchain, artificial intelligence, and Internet of Things (IoT) to improve efficiency, security, and customer experience. Explore opportunities for cross-border payments and remittances, leveraging NPCI's expertise and networks to offer cost-effective and convenient solutions for individuals and businesses.

#### **5. Data Security and Privacy:**

Strengthen data security measures and compliance with regulations such as the Payment Card Industry Data Security Standard (PCI DSS) to protect sensitive information and prevent data breaches. Implement robust data privacy policies and practices to ensure that customer data is collected, stored, and processed responsibly, with clear consent mechanisms and transparency about how data is used.

#### **6. Merchant Enablement and Support:**

Provide comprehensive support and resources to merchants to help them adopt digital payment acceptance solutions and educate them about the benefits of going cashless. Offer incentives and subsidies for small and medium-sized businesses to invest in point-of-sale (POS) terminals, QR code-based payments, and other digital payment infrastructure. Develop merchant loyalty programs and marketing campaigns to encourage consumers to use digital payment methods and drive adoption among merchants.

#### **7. Consumer Education and Awareness:**

Launch nationwide campaigns to raise awareness about the benefits of digital payments, including convenience, security, and transparency. Educate consumers about safe digital payment practices, including tips for protecting their personal and financial information online and recognising common scams and fraud schemes. Provide training and support for vulnerable populations, such as the elderly and people with limited digital literacy, to help them navigate digital payment platforms with confidence.

**8. Regulatory Compliance and Governance:**

Ensure strict adherence to regulatory requirements and compliance with guidelines issued by the Reserve Bank of India (RBI) and other relevant authorities. Establish robust governance structures and internal controls to oversee NPCI's operations, risk management, and financial integrity. Foster transparency and accountability through regular reporting and disclosure of key performance metrics, financial statements, and audit findings.

**9. International Collaboration and Partnerships:**

Foster collaboration with international payment networks, standards bodies, and organisations to exchange best practices, promote interoperability, and facilitate cross-border payments. Participate in forums and initiatives focused on global payments innovation, such as the Financial Stability Board (FSB), International Organization for Standardisation (ISO), and Better Than Cash Alliance.

**10. Continuous Evaluation and Improvement:**

Establish mechanisms for ongoing monitoring, evaluation, and feedback collection to assess the effectiveness of NPCI's initiatives and identify areas for improvement. Regularly engage with stakeholders, including banks, fintech firms, regulators, and consumer advocacy groups, to solicit input and address concerns proactively. Embrace a culture of continuous learning and innovation, encouraging employees to experiment, take calculated risks, and learn from both successes and failures.

In conclusion, NPCI plays a pivotal role in shaping India's digital payments ecosystem, and by implementing the above suggestions, it can further strengthen its position as a driver of financial inclusion, innovation, and economic growth. By prioritising interoperability, security, inclusivity, and collaboration, NPCI can continue to drive positive change and empower millions of Indians to participate in the digital economy.

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