

Payment Systems in India

- Electronic methods to transfer money from one bank account to another.
- Regulated by RBI & NPCI.

1. NEFT (National Electronic Funds Transfer)

- Full Form: National Electronic Funds Transfer.
- Process: Transfers are done in 'batches' (not real-time).
- Timing: Available 24x7, 365 days.
- Limit: No minimum or maximum limit for online transfer.
(Cash limit ₹50,000 at branch).
- Speed: Can take a few hours depending on batch settlement.
- Use Case: Salaries, vendor payments, non-urgent transfers.
↳ Batch: Groups of transactions processed together.

2. RTGS (Real-Time Gross Settlement)

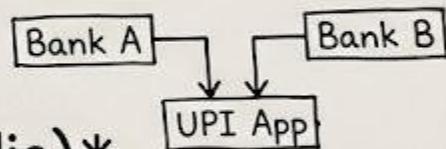
- Full Form: Real-Time Gross Settlement.
- Process: Transactions are settled individually in real-time.
- Speed: Instant.
- Limit: Minimum amount is ₹2 Lakh. No maximum limit.
- Use Case: High-value, urgent business transactions.
↳ Real-time: No waiting period.

3. IMPS (Immediate Payment Service)

- Full Form: Immediate Payment Service.
- Process: Instant interbank fund transfer.
- Platform: Available via Mobile Banking, Internet Banking, ATMs.
- Timing: 24x7, 365 days.
- Limit: Max limit per transaction is usually around ₹5 Lakh (varies by bank).
- Use Case: Instant, small to medium value transfers.

4. UPI (Unified Payments Interface)

- Full Form: Unified Payments Interface.
- Process: Instant, real-time payment system developed by NPCI.
- Key Feature: Links multiple bank accounts to a single mobile app.
- Identifier: Uses a unique UPI ID (e.g., name@bank) or QR code.
- Limit: Per transaction limit is ₹1 Lakh (can vary by bank/app).
- Cost: Currently zero charges for users.



Role of NPCI (National Payments Corporation of India)

- Full Form: National Payments Corporation of India.
- What it is: Umbrella organisation for all retail payments in India.
- Setup By: Initiative of RBI and Indian Banks' Association (IBA).
- Key Products: Developed & manages UPI, IMPS, RuPay, FASTag, etc.
- Goal: To create a robust & secure payment infrastructure.
↳ Mission: Cashless India.

Comparison Table: NEFT vs. RTGS vs. IMPS vs. UPI

Feature	NEFT	RTGS	IMPS	UPI
Settlement Type	Batches	Real-time	Real-time	Real-time
Min. Limit	₹1	₹2 Lakh	₹1	₹1
Max. Limit	No limit	No limit	~ ₹5 Lakh	~ ₹1 Lakh
Timing	24x7	24x7	24x7	24x7
Managed By	RBI	RBI	NPCI	NPCI
Primary Use	Salary, etc.	High Value	Instant Transfer	Daily Payments

*Note: Limits and charges may vary from bank to bank.