

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:832
ANSWERED ON:12.11.2010
INDIA PAY CARD
Lagadapati Shri Rajagopal

Will the Minister of FINANCE be pleased to state:

- (a) whether the National Payments Corporation of India has undertaken a project at the behest of Reserve Bank of India (RBI) for preparing India Pay Cards to compete with Visa and Master Cards;
- (b) if so, the details thereof alongwith its benefits to the consumers; and
- (c) the time by which the said project is likely to be completed?

Answer

The Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

- (a): National Payments Corporation of India (NPCI) has been set-up as an umbrella organisation by the banking community to take over the retail payment system activities in the country. NPCI will be authorized for all the systems set-up by it / taken over by it. Reserve Bank of India (RBI) is encouraging NPCI to commence India Card, indigenous card payment systems of India.
- (b): The advantages of an indigenous card payment system arise from two major considerations (a) the high cost borne by the Indian Banks for affiliation with international card associations in the absence of a domestic price setter and (b) the connection with international card associations resulting in the need for routing even domestic transactions, which account for more than 90% of the total, through a switch located outside the country.
- (c): The vision of RBI is that the India Card will be launched by NPCI by June 2012.