



# A study of Cashless transaction in India (The Digital India programme Government of India)

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## **Abstract:**

The government has promoted the Digital transaction by enabling the various facilitators or the business organization to start the Digital banking services including mobile apps etc. the main purpose of Cashless transaction is to transform India into a digitally empowered society and knowledge economy. Cashless Program facilitate fast, secure, reliable medium to make digital payments through various methods of payment which has been discussed in the present paper.

*Keywords: Digital transaction, Digital banking, Cashless transaction, Cashless Program, methods of payment*

## **Introduction:**

The government of India has started the Digital India program in which all the financial and non financial transaction will be taken place through online mode only. This will facilitate the paperless transaction throughout out the country and will promote the protection and conservation of environment. In the same line the government of India has also started the cashless India programme in which all the financial transaction will be taken place digital, it means there is no use of money in physical for neither currency notes nor coins.

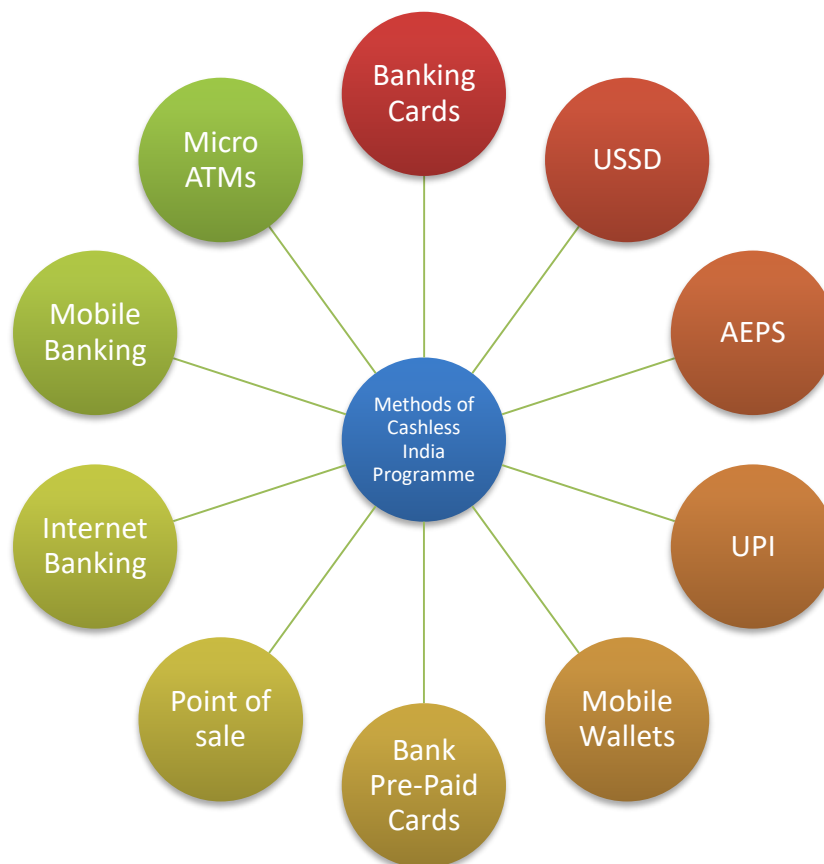
In order to facilitate cashless India program the government has promoted the Digital transaction by enabling the various facilitator or the business organization to start the Digital banking services including mobile apps etc. the main purpose of Cashless transaction is to transform India into a digitally empowered society and knowledge economy. The cashless transaction are increasing in India with more than 140 Banks are sharing the interface and more than 800 millions monthly transaction taking place.

**Objectives:**

1. To study the Digital India Program of Government of India
2. To study the Cashless India program and Digital Payment Methods in India

**Research Methodology:**

The present paper is based on the secondary data. the secondary data has been collected various sources like websites of Digital India, and cashless India, websites of various service providers of cashless India programs, Articles published on various websites, books and journals. These data has been observed for the purpose of fulfilling the objectives of the present paper and has presented in the research paper.

**Methods of Cashless India Programme:**

**Banking Cards:** this card also called as also called as Debit/ Credit card. RuPay, Visa, MasterCard are the popular example of Banking cards. It is widely used card for almost all banking transaction.

**USSD:** The term USSD also called as a Unstructured Supplementary Service Data is an innovative payment service channel through all mobile banking transactions can be done with the help of mobile phones.

**AEPS:** The term AEPS referred as Adhar Enabled payment system in which financial transaction at PoS takes place through Business Correspondent. It is used in various banking transaction in remote area.

**UPI:** The term UPI refers to Unified Payment Interface where multiple bank accounts can be handled with the help of single mobile application. The mobile application need to be downloading for financial transaction. All banks provide this service to the customer.

Mobile Wallets: it is a way of carrying cash in digital format. For example **Paytm** can be used to pay for all type of financial and non-financial transaction.

Banks Pre-paid cards: this card used for Load money (subject to regulatory limits) in which Customer may pay service charges for transaction or fixed fee, upfront + each transaction.

Point of Sale: it is a Handheld Device with card and /or bio-metric reader

And place where sales are made at shop mall, a market checkout counter for making payment for purchase. All debit and credit card can be used for making payment Through POS.

Internet Banking: the term also denoted as online banking, e-banking or virtual banking. It is an electronic payment system including NEFT, RTGS, ECS, IMPS etc. it enables the customer to conduct a range of financial transactions with the help of websites.

Mobile Banking: it is a service provided by every bank to its customer. Mobile devised used for various banking transaction. Presently mobile banking App for Android, Windows and iOS mobile platform(s) offered to customer.

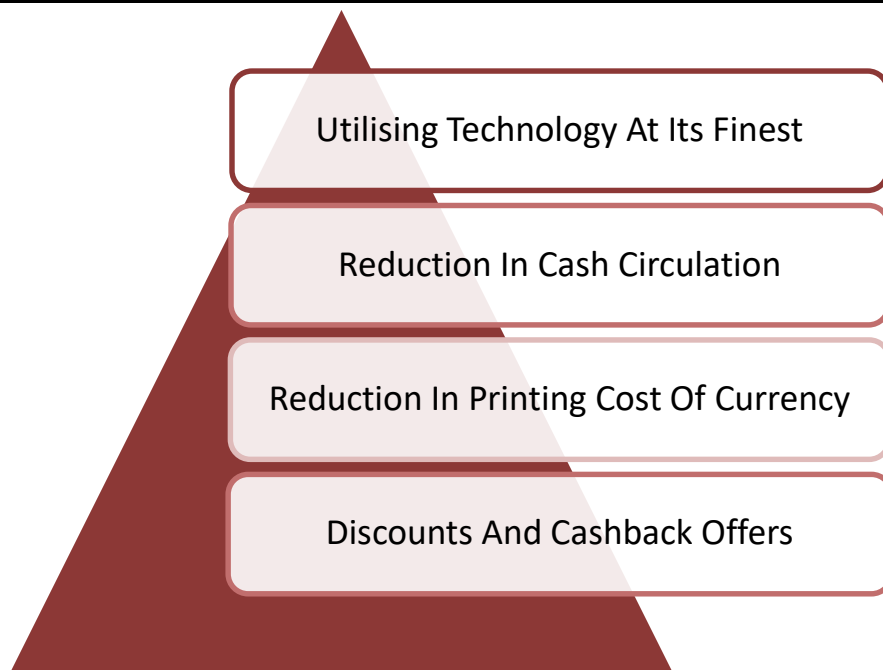
Micro ATM: this type of Micro ATMs used for instant transactions by Business Correspondents to deliver Banking services.

### **Cashless Transaction:**

The cashless transaction are the methods of financial transaction like cashless payment etc. it is also called as a digital transaction which compels the merchant to accept the digital money. The cashless transaction done through prepaid payment instruments like smart card, magnetic strip cards, net wallet, mobile accounts etc. there is Purchasing goods from e-commerce websites, signing of business contracts through online mode, or even buying movie tickets through smartphone applications are all fall under the umbrella of digital transactions or cashless transactions.

### **Benefits of cashless transaction:**

The cashless transaction offers various benefits to not only to the customer but also to the financial service providers and economy as a whole. The cashless transaction helps in the utilizing the technology in a best manners and for right purpose so the usage of smart phones will increase thereby increase in the demand and production of smart phones in India. Along with this it also helps in the reduction in the cash circulation in the economy. Having cash in physical for tenders various loss to the parsons. It also help sin the saving in the cost of printing currency. Recently various payment instrument started offering discount and cash back if they make digital transaction.

**Conclusion:**

The cashless India program is the flagship program under Digital India schemes. It is welcome steps which facilitate the smooth financial transaction with the help of various applications. There are various methods of cashless transaction but the people have less awareness about the working of all these methods. Still most of the people use physical money for the financial and non financial transaction. Further there is a need to provide the cyber security to the transaction and it has to be promoted at wider level so that all people will get the benefit of it. It is recommended that, the government shall come up with proper regulatory system for the cashless economy, including payment systems protection from the cyber-attacks to the electronic system.

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