

**A  
Research Project  
On**

**“A STUDY ON DIGITAL PAYMENT SYSTEM WITH REFERENCE TO NPCI”**

Submitted to

**G.S. College of Commerce and Economics (Autonomous), Nagpur**

Affiliated to

**Rashtrasant Tukadoji Maharaj Nagpur University**

In partial fulfilment for the award of the Degree of

**Bachelor of Business Administration**

Submitted by

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Under the Guidance of

**Dr. Afsar Sheikh**

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**G.S. College of Commerce and Economics, Nagpur**



**Academic Year 2023-24**

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**G.S. College of Commerce and Economics, Nagpur**

**Academic Year 2023-24**

**CERTIFICATE**

This is to be certify that the project entitled “**A Study on Digital Payment System with reference to NPCI**” prepared by “**Aniket Manoj Gupta**” submitted in partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination, has not been submitted for any other examination and does not form part of any other course undergone by the candidate. It is further certified that he has completed her project as prescribed by BBA Department, G.S.College Of Commerce & Economics (Autonomous), Nagpur. Affiliated To Rashtasant Tukadoji Maharaj Nagpur University, Nagpur.

**Dr. Afsar Sheikh  
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**Place: Nagpur**

**Date:**



**G.S College of Commerce and Economics, Nagpur.**

**Academic Year 2023-24**

**DECLARATION**

I here-by declare that the project with title “**A Study on Digital Payment System with Reference to NPCI**” has been completed by me in partial fulfilment of **BACHELOR OF BUSINESS ADMINISTRATION (BBA)** degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

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**G.S College of Commerce and Economics, Nagpur.**

**Academic Year 2023-24**

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# **CHAPTER – 1**

## **INTRODUCTION**

## INTRODUCTION

Digital payment is a way of payment which is made through digital modes. In digital payments, payer and payee both use digital modes to send and receive money. It is also called electronic payment. No hard cash (currency notes) is involved in the digital payments. All the transactions in digital payments are completed through online. It is an instant and convenient way to make payments.

Currently available digital payment systems include Banking cards, Digital wallets, Unified Payment Interface (UPI), Unstructured Supplementary Service Data (USSD), Immediate Payment Service (IMPS), Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), Aadhar Enabled Payment System (AEPS) and Mobile banking. With recent advances in technologies, digital payments are having an impact on our daily lives and beginning to offer interesting and advantageous new services. According to RBI Bulletin, cashless transactions in India are increasing day by day. The statistics in the report show that in Nov. 2016 and Dec. 2016 the total value of transactions done using E-Wallet was 50.74 Billion and 97.70 Billion respectively and in Jan. 2017 it increased up to 108.69 Billion. According to the survey conducted by Cash-Karo India, E-Wallet payment method is more preferred by customers than other payment methods. The users of Smart phones have been increasing rapidly, this has also paved the way for digital transactions. In 2015-2016, a total of Rs. 4018 billion transacted through mobile banking as compared to Rs. 60 Billion in 2012-2013.

An e-commerce payment system (or an electronic payment system) facilitates the acceptance of electronic payment for offline transfer, also known as a subcomponent of electronic data interchange (EDI), e-commerce payment systems have become increasingly popular due to the widespread use of the internet-based shopping and banking. Credit cards remain the most common forms of payment for e-commerce transactions. As of 2008, in North America almost 90% of online retail transactions were made with this payment type. It is difficult for an online retailer to operate without supporting

credit and debit cards due to their widespread use. Online merchants must comply with stringent rules stipulated by the credit and debit card issuers (e.g. Visa and Mastercard) in accordance with bank and financial regulation in the countries where the debit/credit service conducts business. For the vast majority of payment systems accessible on the public Internet, baseline authentication (of the financial institution on the receiving end), data integrity, and confidentiality of the electronic information exchanged over the public network involves obtaining a certificate from an authorized certificate authority (CA) who provides public-key infrastructure (PKI). Even with transport layer security (TLS) in place to safeguard the portion of the transaction conducted over public networks—especially with payment systems—the customer-facing website itself must be coded with great care, so as not to leak credentials and expose customers to subsequent identity theft.

As a part of Digital India movement, government of India also emphasized on digital payment system. To give boost and better settlement of digital payment system government initiated number of new modes of digital payment under National Payments Corporation of India (NPCI). It is an umbrella organization for all retail payments system in India. NPCI was set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks' Association (IBA) in December 2008 and the Certificate of Commencement of Business was issued in April 2009.

It was aimed to operate for the benefit of all the member banks and their customers. NPCI has ten promoter banks namely, 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. Board for Regulation and Supervision of Payment and Settlement Systems (BPSS) at its meeting held on September 24, 2009 had given an in-principle approval to issue authorization to NPCI for operating various retail payment systems in the country and granted Certificate of Authorization for operation of National Financial Switch (NFS) ATM Network with effect from October 15, 2009 and it taken over NFS operations on December 14, 2009. Membership regulations and rules had been framed for enrolling all banks in the country as members.



This was done so that when the nation-wide payment systems are launched, all would get included on a standardized platform. NPCI took various initiatives to improve digital payment systems. In this regard it launched various product and services. Such products are services are Bharat Interface for Money (BHIM), Unified Payment Interface (UPI), Immediate Payment Services (IMPS), National Automated Clearing House (NACH), Cheque Truncation System (CTS), Aadhaar Enabled Payment System (AEPS), Repay, Bharat Bill Payment System (BBPS), Bharat QR (BQR) and National Electronic Toll Collection (NETC). NACH has implemented for Banks, Financial Institutions, Corporate and Government a web based solution to facilitate interbank, high volume, electronic transactions which are repetitive and periodic in nature. It can be used for making bulk transactions towards distribution of subsidies, dividends, interest, salary, pension etc. and also for bulk transactions towards collection of payments pertaining to telephone, electricity, water, loans, investments in mutual funds, insurance premium etc.



RuPay is a new card payment scheme that has been conceived to fulfill RBI's vision to offer a domestic, open-loop, multilateral system which will allow all Indian banks and financial institutions in India to participate in electronic payments. AEPS is a bank led model which allows online interoperable financial inclusion transaction at PoS (MicroATM) through the Business correspondent of any bank using the Aadhaar authentication. BBPS is a one-stop payment platform for all bills providing an interoperable and accessible "Anytime Anywhere" bill payment service to all customers across India with certainty, reliability and safety of transactions. The payment modes options

facilitated under BBPS are Cards (Credit, Debit and Prepaid), Account transfer, IMPS, Internet Banking, UPI, Wallets, AEPS and Cash. It also provides instant confirmation of payment via an SMS or receipt. UPI is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the “Peer to Peer” collect request which can be scheduled and paid as per requirement and convenience.



BHIM is an app that lets you make simple, easy and quick payment transactions using Unified Payments Interface (UPI). You can make instant bank-to-bank payments and Pay and collect money using just Mobile number or Virtual Payment Address (VPA). \*99# service works on Unstructured Supplementary Service Data (USSD) channel launched by the Honorable Prime Minister of India Shri Narendra Modi on 28th August 2014 as part of Pradhan Mantri Jan Dhan Yojana (PMJDY).

Bharat Interface for Money (BHIM) is an app that lets you make simple, easy and quick payment transactions using Unified Payments Interface (UPI). You can easily make direct bank to bank payments instantly and collect money using just Mobile number or Payment address. Bharat Interface for Money (BHIM) is an initiative to enable fast, secure, reliable cashless payments through your mobile phone. BHIM is based on Unified Payment Interface (UPI) to facilitate e-payments directly through bank. It is interoperable with other Unified Payment Interface (UPI) applications, and bank accounts.

Unified Payment Interface (UPI) is an instant payment system built over the IMPS infrastructure and allows you to instantly transfer money between any two parties' bank accounts. BHIM is developed by the National Payment Corporation of India (NPCT).

You can send money using the BHIM Money app from your UPI enabled bank account. If your beneficiary's bank account is also linked to UPI, you can simply use their mobile number or Payment Address to transfer. If not, you can use IFSC code, Bank account or MMID, Mobile number to send money. Once you complete a transaction, you should see a success status on the Bharat Interface for Money screen and receive an SMS from your bank.

Banking customers can avail this service by dialing \*99# and transact through an interactive menu displayed on the mobile screen. Key services offered under this service include, interbank account to account fund transfer, balance enquiry, mini statement besides host of other services. BQR is Person to Merchant (P2M) Mobile payment solution. Merchants need to display QR codes in their premises. User can scan these QR via BQR enabled mobile banking app and pay using Card linked account / VPA / IFSC + Account / Aadhaar. NETC is national wide cashless payments of toll fee with nationwide inter-operable network Thus, all these product and services are great initiatives of government towards development of digital payment system in India. Following literature study help me in better understanding of current state of annotations in digital payment system in India.

Despite widespread use in North America, there are still many countries such as China and India that have some problems to overcome in regard to credit card security. Increased security measures include use of the card verification number (CVN) which detects fraud by comparing the verification number printed on the signature strip on the back of the card with the information on file with the cardholder's issuing bank. There are companies that specialize in financial transaction over the Internet, such as Stripe for credit cards processing, Smartpay for direct online bank payments and PayPal for alternative payment methods at checkout. Many of the mediaries permit consumers to establish an

account quickly, and to transfer funds between their on-line accounts and traditional bank accounts, typically via automated clearing house (ACH) transactions.

The growth of Information and Communication Technology has brought a lot of changes in the lifestyle of the people. ICT and digitalization has brought great advancements in fields of finance, marketing, economics operation, etc. (Slozko & Pelo, 2015). In the period of Digital innovation and ICT there have been a lot of changes in the world where business transactions have shifted from cash to digital once. (Muhamad, Haroon, & Najiran, 2009). The arrival of development in technology in the worldwide business environment had challenged almost all organizations to shift from traditional paper currency to digital payment platforms which is commonly known as digital payment or e-payment system. Digital payment can be defined as platform which is used for making monetary transaction for various goods or services purchased over the internet. (Roy & Sinha, 2014).

With the introduction of Digital payment system the payment system in the world had to shift its method of payment to align with the current or latest payment technology for individuals, organizations, businesses, government, etc. (Odi & Richard, 2013). The digitization has forced to change the payment system around the world from paper, coins, people started to shift towards the digital payment system as it was very fast, convenient, and beneficial for individuals, organization (Premchand & Choudhury, 2015). Digital or E-Payments are very important mode of payments used by the population which is a very secured, fast and convenient mode of making any payment using the internet and it is also an opening for an economy to grow and excel its technological advancement in the world economy (Slozko & Pelo, 2015). Further adding to it it has become a great facilitator to the e-commerce as they are heavily dependent on digital payment.

Digital payment not only provides the e-commerce or e-business with advance money but it brings in efficiency, reduced cheat activities and its adding on to the new innovation in the payment system across the globe (Oladeji, 2014). Furthermore, digital payment system engages many digital

or e-payment system which many financial institutions are able to provide easy services to their customers such as debit cards, credit cards, net banking, etc.(Premchand&Choudhury,2015). The rise of this mode of payment system is having a great increment in adoption in today's time (Balogun,2012).As there is so much of convenience and benefits associated with digital payment, there is still a a lot of concern about the security that the ICT knows and they are working to resolve this fear of security which is the only concern about this payment system mong all users and experts (Khairun & Yasmin,2010).

The PM Narendra Modi started a mission Digital India in 2017 for removing hidden money and black money from the country. The digital payment system is a part of the mission from this cashless transaction will made all over the India and the progress black money or money laundering can be reduce. It is also important that development of techniques influences the traditional system and there also have to face some problems while newly adaption. In India ICICI bank stated the online banking services and Digi bank is also ahead in digitalization of transaction digital services provides to customer. SBI is a public sector bank which is enriched of digitalization. In 2011 SBI launched green Channel to promote digital system and save environment.

The traditional system is replacing by the digital system. The traditional payment systems are Cheques , withdrawals, drafts, money orders, letters of credits, travel cheques etc. why Payment systems also turning into electronic payment system using computer and internet there are several reasons of adaption . The most common reason is that the traditional system has some leakages and inefficiency and that's overcome by the digital payment system. But in India digital system is in emerging trend and not so popular and generalized. Today India is using most common electronic payment systems include Debit Cards, Credit Cards, but the use of Electronic Fund Transfer, Internet Banking, Unified Payment System (UPI), e-commerce payment system, internet banking, and \*99# USSD based payment system etc are not in popular use. Therefore it is important to know the problems of digital payment system and its progress in India.

Banking and Financial Sector has undergone many changes and improvements in the last few years and is in a constant state of development. Digitalization has brought the banking industry new business models, development concepts and areas of improvements, from internet banking to monetary transactions. These New implementations to the Financial Sector require the employees as well as the customers to be aware of the rapidly changing banking environment and the overall state of change in the financial sector. Now, digitalization and change management are one of the major turbulences that are changing the banking business forever and with bad management, the results can be long-lasting. (Ref. Digitalization of the financial sector and change management by Lauri Piirainen)

During the next decades, banking and financial sectors are developing faster than ever and therefore change management and digitalization are at a key position on how to gain market advantage against rivaling banks.

The digital revolution is taking the world by storm and no other area has witnessed a metamorphosis as has been seen in the payment and settlement arena, resulting in a myriad of payment options for the consumer. In the last 10 years, India has witnessed an exponential growth in payment systems and a significant shift in payment preference. 1.9 The shift in payment preference in the last 10 years is evidenced by the fact that the volume of paper clearing, which comprised of 60% of total retail payments in the financial year (FY) 2010-11, shrunk to 3% in the FY 2019-20. This striking shift in payment preference has been due to the creation of robust electronic payment systems such as RTGS, NEFT and ECS that has facilitated seamless real time or near real time fund transfers. In addition, this decade has witnessed introduction of innovative payment systems that provide instant credit to the beneficiary, with the launch of fast payment systems such as IMPS and UPI that are available to consumers round the clock for undertaking fund transfers, and introduction of mobile based payment systems such as Bharat Bill Payment System (BBPS), PPIs to facilitate payment of bills and purchase of goods and services and National Electronic Toll Collection (NETC) to facilitate electronic toll payments.

The convenience of these payment systems ensured rapid acceptance as they provided consumers an alternative to the use of cash and paper for making payments. longer time. In case you have not received your confirmation within an hour please contact our customer support at your bank. This transaction will remain pending until the payment is received. You will be notified when the money is transferred to you. Under the Referral bonus scheme both the existing user who refers BHIM and the new user who adopts BHIM would get a cash bonus credited directly to their account Hence, the bonus will be paid to both the referrer and the new user of BHIM (referee) and the referral will be considered successful only after three successful financial transactions ( to any valid UPI user “valid receiver”).

The need for payments and settlements is as old as the need for goods and services. The earliest known Payment and Settlement System (PSS) was the barter system facilitating exchange through goods and / or services. With the concept of money, people progressed to settling their economic transactions using currency notes and coins. The evolution of the banking system and advent of bank accounts led to an easy and safe method for making payments by transfer of money through bank accounts. This transaction required a payment instrument, and cheque emerged as the primary instrument for payment transactions.

Thus, started the tale of payment systems. An efficient payment system promotes market efficiency and reduces the cost of exchanging goods and services. By the same token, its failure can result in loss of confidence in the financial system and in the very use of money.

- **DEFINATION**

In the past 20 years there has been an evolution of the digital payment which started to get slow attraction from users, researchers as it was bringing change in the modern e-commerce. As it was getting attraction the researcher's started to define it in various ways it focused on various fields namely business, IT, accounts & finance. According to Briggs and Brooks (2011) digital payment is a form of payment which is supported by banks and inter connected between individuals and banks for making monetary transaction digitally. Peter and Babatunde(2012) saw digital payment as a mode of payment ,transaction or transfer of money with the help of internet.

In the same context Adeoti and Osotimehin (2012) referred digital payment as an way of making payment online or in any particular place using the digital mean. Kaur and Pathak(2015) suggested that digital payments are payments which are done for e-commerce purpose where money is exchanged through digital mode. Going by the above definition we can conclude that digital payment is a mode of payment which involves various digital platforms or application to make transaction, using digital means.

In Today's Technology savvy customer base, it is very important for Banks to adapt the latest technology, such that banks can catch up with the pace with which customer preferences changes. Adaption of newer technology is also critical to challenge competitor banks and other institutions in offering products and services in the market place. (Ref. Indian Banking sector in transition). Also with the New age of Digitalization in the banking sector, the daily operations. are becoming faster, economical, and easier for customers to use and therefore every bank is grasping to adjust their own operations to fit the needs of a demanding customer.



- **DIGITAL PAYMENT**

Digital payments are transactions that take place via digital or online modes, with no physical exchange of money involved. This means that both parties, the payer and the payee, use electronic mediums to exchange money.

The Government of India has been undertaking several measures to promote and encourage digital payments in the country. As part of the 'Digital India' campaign, the government has an aim to create a 'digitally empowered' economy that is 'Faceless, Paperless, Cashless'. There are various types and methods of digital payments.

Please note that digital payments can take place on the internet as well as on physical premises. For example, if you buy something from Amazon and pay for it via UPI, it qualifies as a digital payment. Similarly, if you purchase something from your local Kirana store and choose to pay via UPI instead of handing over cash, that also is a digital payment.

- **THE DIFFERENT METHODS OF DIGITAL PAYMENT SYSTEM**

1. Plastic Cards- These are cards issued by banks to their account holder, by using it they can withdraw money from any ATM by using their password. These cards are used for depositing money in banks so that there is less wastage of paper. There are two types of cards issued by banks i.e. debit and credit card. Debit cards are issued to all account holders whereas credit cards are issued to the user according to their interests.
2. UPI -Unified Payment Interface is a payment mode this is used to make fund transfers through the mobile app. One can transfer funds between two accounts

using UPI apps. One should have a registered mobile banking facility to use UPI apps. Currently, this service is only available for android phone users.

3. Mobile Wallet - It's the other way of storing or keeping digital cash and using it for various transactions. A person can download any mobile wallets namely Paytm, GPay, Phone pay, Sbi buddy, Jio money, etc. They just need to link their bank account or their plastics cards number to use the amount required and which is further used for making payments, paying bills etc.
  
4. Internet banking - There are various types of internet banking which are NEFT(National Electronic Fund Transfer), RTGS(Real Time Gross Settlement),ECS(Electronic Clearing System), IMPS(Immediate Payment Service).These are e-banking system which allows individual or organisations to make transfers using the website of their banks.
  
5. Mobile banking - It is provided by all banks to their customers where the customers need to download the application of the bank and they cause it for making transactions. For using such application on should have a smartphone. There are many more types of digital payment available in our country and across the globe we have talked about a few which are known to people.

## • THE BENEFITS OF DIGITAL PAYMENT SYSTEM

In a country like India, where disparities are sometimes poles apart, ensuring financial equality becomes an issue of prime importance. One of the reasons why our government started vocalizing Cashless Economy and Digital India was to improve access to financial resources. There are multiple benefits that digital payments bring to the table.

1. Ease and convenience - One of the most significant advantages of digital payment is the seamless experience they provide to customers. Reduced dependency on cash, fast transfer speed, and the ease of transacting make online payments a preferred option. Traditional payment methods like cash and cheques add to factors like risk, steps, and physical presence. With digital payment, you can send and receive funds from anywhere in the world at the click of a button.
2. Economic progress - Customers transact more online when they see the ease, convenience, and security of online payments. This means that more and more people feel comfortable buying online, investing digitally, and transferring funds via electronic mediums. The increase in money movement and online business contributes to the progress of the economy. This is why online ventures are being launched every day and even more are making profits daily.
3. Safety and efficient tracking - Handling and dealing in cash is a cumbersome and tedious task. Along with the risk of losing money, there is the hassle of carrying cash everywhere you go and keeping it safe. With digital payments, one can keep their funds secured in online format effortlessly. Nowadays, your mobile phone alone is enough to make and receive payments – thanks to UPI, netbanking, and mobile wallets. Additionally, most digital payment channels provide regular updates, notifications, and statements for a customer to track his funds.

# **CHAPTER -2**

## **COMPANY PROFILE**

## COMPANY PROFILE



### **National Payments Corporation of India (NPCI)**

National Payments Corporation of India is an organisation created for operating various retail payments and settlement systems in India. NPCI is an initiative of the Reserve Bank of India (RBI) and Indian Banks' Association (IBA) under the provisions of Payment and Settlement Systems Act, 2007. Through diverse FinTech innovations, the NPCI has contributed to India's existing payment ecosystem tremendously.

Founded in December 2008, the NPCI is a not-for-profit organisation registered under Section 8 of the Companies Act 2013, established by the Reserve Bank of India and Indian Banks' Association.

The organisation is owned by a consortium of major banks,[7] and has been promoted by the country's central bank, the Reserve Bank of India. The NPCI was incorporated in December 2008 and the Certificate of Commencement of Business was issued in April 2009. The authorised capital has been pegged at ₹3 billion (US\$40 million) and paid-up capital is ₹1 billion (US\$13 million). Initially, there were ten promoter banks viz. 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. In 2016,

the shareholding was diluted to include 13 additional public sector banks, 15 additional private sector banks, 1 additional foreign bank, 10 multi-state co-operative banks and 7 regional rural banks. The Board consists of Biswamohan Mahapatra as the Non Executive Chairman, Nominees from the Reserve Bank of India and Nominees from ten core promoter banks.[8] Dilip Asbe is the current managing director and chief executive officer of the NPCI after A. P. Hota, who retired from the post on 10 August 2017.

- **VISION AND MISSION**

The long-term vision of NPCI is to increase fund transfer options and to evolve as the best payments network internationally. And the mission of NPCI is to reach every Indian with either one or the other payment services be it in-person or through electronic methods.

- **VALUES OF NPCI**

NPCI firmly believe that their values have eventually shaped their culture, work ethics and decisions. NPCI has also stated that their values have assisted in extending their limits and striving for a better today. So that a foundation is laid for a successful tomorrow.

The core values fostered by NPCI includes:

- Passion for Excellence
- Integrity
- Customer Centricity
- Respect
- Collaboration

- **OBJECTIVES OF NPCI**

1. The organisation aims to create a robust payment and settlement infrastructure in India.
2. NPCI has been implemented as a 'Not for Profit' company under the provisions of Section 8 of Companies Act, 2013.
3. This was accomplished with an intention to provide infrastructure to the entire Banking system in India for in-person as well as digital payment and settlement processes.
4. The corporation is primarily focused on bringing innovations amidst the retail payment systems through various technological updates for ensuring higher operational efficiency rate and to strengthen the payment procedures.
5. NPCI is striving hard to transform India into a 'cashless society' by reaching every citizen with several payment services.
6. This corporation was initiated by our former President Pranab Mukherjee, endorsed by the honourable Prime Minister Narendra Modi and later framed into a card of choice for the Pradhan Mantri Jan Dhan Yojana (PMJDY)
7. Thus, throughout its journey of seven years, NPCI has created a significant impact on retail payment services in the country.

- **FORMATION OF NPCI**

1. Department of Payment and Settlement Systems (DPSS) provided the initial approval to issue an authorization to NPCI for operating diverse retail payment systems in the country.
2. NPCI was also granted the Certificate of Authorization for operation of National Financial Switch(NFS) and the ATM Networks since 15th of October, 2009.

3. The corporation has also deputed its officials to Institute of Development and Research in Banking Technology(IDRBT) Hyderabad and has taken over NFS Operations from 14th of December, 2009.
4. The membership rules and regulations were framed for enrolling all banks in the country as members.
5. The technical advisory committee of NPCI consists of two eminent professors namely, Prof.N.L. Sarda, the Chairman and Prof.G.Sivakumar, the Co-Chairman.
6. Members in these committees are employees of various banks and are present at the level of Assistant General Manager or Deputy General Manager in their cadre.

- **PROMOTERS BANKS**

The NPCI comprises of ten core promoter banks which significantly eases the transaction processes initiated through NPCI. They are enlisted as follows:

1. State Bank of India
2. Punjab National Bank
3. Canara Bank
4. Bank of Baroda
5. Union Bank of India
6. Bank of India
7. ICICI Bank
8. HDFC Bank
9. Citibank
10. HDFC Bank



- **SERVICES OFFERED**

The below-mentioned amenities are being offered under NPCI for providing the customers with better payment and settlement options.

- 1. Unified Payments Interface (UPI)**

It is a system which powers multiple bank accounts within a single mobile application, interlinking several bank features and assisting merchant payments under one roof. On account of this, NPCI conducted a pilot launch with its member banks. As a result, the banks have started to upload their UPI enabled applications on Google Play Store from 25th of August, 2016. To know more about BHIM UPI Brand Guidelines.

- **RuPay**

This is a new card payment scheme launched by the NPCI and has been initiated to offer an open-loop, multilateral, domestic system for its users. It will allow all Indian banks and financial institutions to participate in electronic payments frequently. The merits of using RuPay are mentioned as follows,

- 1.Lower Cost and Affordability.
2. Customised Product Offering
- 3.Protection of information related to Indian Consumers
- 4.Provide electronic product options to not intervened consumer segments
- 5.Inter-operability
6. Earn Cashback frequently
- 7.Insurance cover
- 8.Exclusive Merchant offers.

In addition to the information stated above to acknowledge the RuPay Brand guidelines.

- **Bharat Interface for Money (BHIM)**

It is an application that allows consumers to make quick and straightforward transactions through UPI. This feature also permits its users to make instant bank-to-bank payments and pay or collect money using their unique mobile number or the Virtual Payment Address. BHIM allows the user to Send money, Request money, Scan & Pay, Set privacy limits and to split bills.

- **Immediate Payment Service (IMPS)**

This feature offered by the NPCI was launched in 2010. It provides robust, real-time fund transfer which extends 24\*7\*365 inter-bank electronic fund transfer services. This can be executed on multiple channels like Mobile, Internet, ATM and SMS. Procedural Guideline of IMPS can be accessed .

- **National Electronic Toll Collection (NETC)**

NPCI has initiated this program to meet the electronic tolling requirements of the Indian market. NETC provides an inter-operable, secure framework to its users. The benefits of NETC includes,

1. Transparency in processing transactions
2. Electronification of retail payments
3. Reduce air pollution by reducing congestion
4. Reduce fuel consumption.

- **Bharat BillPay (BBP)**

The BBP system is a one-stop ecosystem for payment of all bills providing a flexible ‘anytime anywhere’ bill payment service to all customers across India to ensure reliability and safety of transactions. Payment Channels accepted by BBP are Internet Banking, Mobile Banking, POS, Mobile Wallets, ATM, Kiosk and through Bank Branch.

Payment Modes available in BBP are Cards (Credit, Prepaid and Debit), NEFT Internet Banking, UPI, Wallets, Aadhar based Payments and Cash. The BHIM Bill-Pay process is explained in the official website along with the links required to download the application. Similarly Bharat QR Code is a mobile payment solution through a unique square grid displayed on the mobile screen and can be read by any imaging device such as camera.

- **\*99# or USSD Services**

NPCI’s \*99# services run on USSD, which stands for Unstructured Supplementary Service Data. This service has been practiced to extend banking opportunities to every layman across the country. The customers can avail this service by dialing \*99# a common number across all the Telecom Service Providers (TSP) using their mobile phones and transact through the interactive menu displayed on the screen. The primary services offered by \*99# includes sending and receiving funds, balance enquiry, changing UPI PIN besides hosting other services.

- **National Automated Clearing House (NACH)**

NPCI has introduced NACH, a web-based solution to promote inter-bank and high volume electronic transactions for banks, corporates and financial institutes. This system is used for making bulk transactions ranging from subsidies and salary till payments pertaining to electricity, telephone and

insurance premium. The procedural Guidelines to be followed to access NACH is elaborated here.

- **Cheque Truncation System (CTS)**

This service offered by NPCI reduces the time required for the acceptance of customer cheques by banks. It also ensures convenient retrieval of the required information and minimizes the timeline stated by banks for clearing cheques. The operational benefit of CTS is that there are no cases of cheques lost or tampered. Economic benefits of CTS includes the elimination of cost involved in paper movement. The Notified Documents required to avail CTS are enlisted.

- **Aadhar Enabled Payment System (AePS)**

It is a bank-led system which allows online financial inclusion transaction through the business correspondent of any bank on checking the Aadhar authentication. The various services availed under AePS are Cash Withdrawal, Cash Deposit, Balance Enquiry, Aadhar to Aadhar Fund Transfer, Finger Detection, and printing the Mini statement. To know more in details about NPCI and the services offered under it, kindly check the official website. For further queries, clarifications required or complaints to be filed on the transactions done, the customers can reach out to the Toll-Free helpline number 18001201740 or 022-45414740

- **Other Related Guides**

BHIM App BHIM App Bharat Interface for Money (BHIM) is a payment app that facilitates simple, easy and quick transactions using Unified Payment Interface (UPI). Unified Payments Interface (UPI) NEFT, RTGS and IMPS were popular payment systems that were used in India for online fund transfers until the introduction.

# **CHAPTER – 3**

## **LITERATURE REVIEW**

## LITERATURE REVIEW

There have been a lot of studies conducted in the field customer awareness towards digital payment system both at national and international level. Some of the previous related research studies are given below.

- **Kevin Foster, Scott Schuh, and Hanbing Zhang (2010)** they examined the consumer payment methods with respect to cash holdings and withdrawals which was decreasing since 2010. There was an increase in card payment system with respect to 2009 in the year 2010, which resulted in less usage of paper currency. Since 2010 there was an increase in usage of debit and credit card compare to cash transaction which slowly took a decline giving rise to prepaid payments.
- **Singh.A et.al (2012)** in their study discussed how secure the internet network should be to make smooth transaction for all the parties and the merchants. The systems are made in such a way so that there is no fraudulent activity takes place people can use their card for transaction in a secure way so that no data is shared. People mostly do digital transactions for e-commerce but they find internet I not secure to do so. Therefore some strict protocol should be followed and managed to make transaction secure and the data is also protected.
- **Oladejo, Morufu et.al (2012)** in their study examined the improvement of e-payment system in Nigeria. They explored what initiated the people to adopt the e-payment system. A structured questionnaire and some financial statements were collected to analyse the data. The results were such that when bank adopted e-payment system there was a change in the performance level of the banks. With the advent of e-payment system there was a rise in usage of ATMs.
- **Nitsure (2014)** in his study highlighted the issues that were being faced or observed in developing country like India in using the e-payment system which was due to the low spread of internet and technology. The paper focused on major issues such as security, rules, etc. IN a country like India there is a high risk where the poor's are given a chance to be informed about such facilities neither they are given any such information.

- **Rakesh H M & Ramya T J (2014)**, in their study analysed the factors that which was resulting in the adoption of internet banking in our country. It was found out that perceived reliability, Perceived ease of use and Perceived usefulness were the main reason for the adoption or usage of internet banking.
- **Sanghita Roy, Dr. Indrajit Sinha (2014)**, discussed in their paper that in India there has been a sudden surge in the usage of digitalised payment. But still there is almost 90% transactions which are done through paper currency. They had used the TAM (Technology Acceptance Model) in this study to find out the factors which are strengthening the e-payment system the factors are innovation, incentives, and legal frame work and customer convenience.
- **Dennehy & Sammon (2015)** has analyzed how in the 21st century the usage of digital payment has increased over the years. The main focus here was to find out how where will in the digital payment system in future stand. Many papers have been examined to find out what are the views regarding the digital payment system. With the passage of time the technology has been shifting very fast so with the innovation of technology the aim was to make people familiar with digital payment. The merchants also got a new platform to invest so as to cater the customers. Data was collected by following empirical method i.e. survey, interviews, etc. Lastly the study was only focused on Google data base that was a limitation about the study.
- **Sanaz Zarrin Kafsh (2015)** made a study on “Developing Consumer Adoption Model on Mobile wallets in Canada”,in her study she did convenience sampling from were 530 respondents were selected and there after the Partial least square model was used to test the data.As per the analysis the result perceived usage, perceived ease of use and perceived security is related to each for forecasting the adoption of digital payment.
- **Ravi (2017)**, has examined that India’s two third population are residing rural areas so they play a very important role in the development of the economy, with the emergence of IT and Communication it is predicted that rural areas will have 50% of India’s Internet users by 2020. Digital wallets should be used in rural places so that the people know the

significance of using it and what benefit they will be getting by using it. The Government of India has also taken up the initiative of making rural people aware about Digitization. Adoption of technology has always been low in India compare to other countries but in case of Digital wallet our country is going with the pace of other countries to become a cashless economy. As the two third population of India is in rural part so if the rural people with time adopt the digital payment system then in the coming years India will become a cashless economy. The government of India has taken up various initiatives to make the rural people become familiar with digital wallet. The urban people have adopted the digital system of payment, now it's time for the rural people too. If the rural people are made aware about digitalization soon it will roll out all over India. The best step that the National Payments Corporation of India has taken is that digital wallet will work on all mobiles with or without internet.

- **Singh (2017)** in his study showed that how digital payment and digital wallet in India was get popularized due to demonetization. As there was a tremendous growth in the usage of internet and the no. of smart phone users were also increasing so people found it convenient to use as an alternative for cash. In this study he also pointed out that how different digital wallet companies were having competition to enter and expand the Indian market as it was the best opportunity for them to establish their company. It was also predicted that in future India will become a cashless economy and with digitalization people will surely adopt the digital mode of payment. ANOVA was used in this study to show that there is no significant variance in the consumer perception with respect to its demographic factors.
- **Baghla . A (2018)** in his study identified the trends for adopting the digital payment system India. Further the paper talks about how after demonetization people started to use the digital platforms for transactions. How the government initiative to make our economy a cashless one and how consumer will be adopting such system are further discussed. A structured questionnaire was used to collect data and find out the future of digital payment system in india.



# **CHAPTER – 4**

## **RESEARCH STUDY**

## **4. RESEARCH STUDY**

### **4.1 RESEARCH DEFINITION**

Research is a careful investigation or inquiry specifically through search for new facts in any branch of knowledge. It is an original contribution to the existing stock of knowledge making for its advancement. Research can simply be defined a task of searching from available data to modify a certain result or theory.

It is a careful consideration of study regarding a particular concern or problem using scientific methods. According to the American sociologist Earl Robert Babbie, “Research is a systematic inquiry to describe, explain, predict, and control the observed phenomenon. Research involves inductive and deductive methods.” Inductive research methods are used to analyse an observed event. Deductive methods are used to verify the observed event. Inductive approaches are associated with qualitative research and deductive methods are more commonly associated with quantitative research.

Research may be defined as a systematic and objective analysis and recording of controlled observations that may lead to the development of generalization of principles or theories resulting in predicting and possibly ultimate control of events.

• The procedures involved in the concept of research methodology are:

- 1) Selection of subject.
- 2) Selection of project title.
- 3) Selection of time period.
- 4) Collection of data.
- 5) Reliability of data.

6) Analysis of data.

7) Reporting.

## **4.2 NEED OF STUDY**

- To determining growth direction of Digital payments system.
- Promoting digital payment in day to day payment transactions.
- Customer perception will be taken taken into consideration about the digital payment.

## **4.3 OBJECTIVS OF STUDY**

- To measure the extent of operations of digital payments while dealing with online transactions.
- To analysis the impact of customers education on usage of digital payments.
- To analysis the impact of customers income status on usage of digital payments.

## **4.4 HYPOTHESIS**

### **HYPOTHESIS 1**

- H0: There is no minor issue related to operations while measuring online transactions.
- H1: There Is a issue related to operations while measuring online tranactions.

### **HYPOTHESIS 2**

- HO: There is no significant impact of customers Education on usage of digital payments.
- H1: There is a significant impact of customers Education on usage of digital payments.

### **HYPOTHESIS 3**

- HO: There is no significant impact of customers income on usage of digital payments.
- H1: There is a significant impact of customers income on usage of digital payments.

## 4.5 IMPORTANCE

As the nation moves towards a credit only climate after demonetization, the underlying frenzy and disarray have offered approach to whirlwind of concerns. The Digital India program is a leader plan of the Government of India with a dream to change India into a digitally engaged society and information economy. Anonymous, paperless and credit only is one of the purported functions of Digital India. The advantages of a digital payment system are not limited to an individual. This has a major impact on the economy of the country as the reduction in the use of cash will help reduce the grey economy and also prevents money laundering. This also increases the tax compliance which will at the end benefit the customer in the long run.

In a country like India, where disparities are sometimes poles apart, ensuring financial equality becomes an issue of prime importance. One of the reasons why our government started vocalizing Cashless Economy and Digital India was to improve access to financial resources.

Finance—perhaps more than anything else—keeps the wheels of the global economy running. For a long time now, however, large financial institutions that drive the capital markets, have made little effort to extend financial services to those at the margins of society.

The global financial system has made little endeavour to bank millions who continue to remain without access to even basic financial services. But all of this is changing rapidly, thanks in no small part to advances in technology. Several “non-traditional” financial services players and technology companies are shaking up the financial services sector and playing an important role in helping bank the unbanked, at least through the provision of basic financial services such as microinsurance, transfers of money and payments. Hundreds of start-ups around the world continue to push the boundaries of what is possible in this space, and with a growing degree of success.

# **CHAPTER – 5**

## **RESEARCH**

## **METHODOLOGY**

# **RESEAECH METHODOLOGY**

## **5.1 TOOLS FOR DATA COLLECTION**

Empirical / Qualitative: Qualitative

Data Collection Method: The research is both primary & secondary in nature.

- **PRIMARY DATA**

Primary data is collected from 70 respondents signifying various demographic factors from Nagpur.

Sample Size: Sample size is 70

Respondents: The respondents of the study would be the students and professors of my college and other customers of banks retailers and users of digital payment system.

- **SECONDARY DATA**

Secondary data is collected from various researches conducted previously. Books, Magazine, Jounals, Newspapers as well as from the different Banks website and information present over the internet. The project requires a brief understanding of working of banks in India, their digital banking & payments products, and the major changes which have taken place in banking sector after digitalization.

The data is collected from Articles, Journrals, Internet.

## 5.2 LIMITATION OF THE STUDY

- The research was carried based on primary and secondary data.
- The primary data for research objectives was collected from the samples based in Nagpur city only. As most of the responses will be collected from the students, which are young and tech-sarvey, the outcomes of the research may not be applicable to all set of banking customers and banks.
- Though Nagpur is one of the most significant cities of the country and a commercial hub of India. with only 70 samples selected from the city cannot be considered as a complete representation of the population of the country.
- However, the objective of the survey was to verify the customers perceptions on digital payments with regard to the concept of general banking. Thus, this may not create obstruction in achieving the desired objective even if nagpur city cannot replicate other major banking hubs of the country. For primary data, non response error cannot be ruled out.

# **CHAPTER – 6**

## **DATA ANALYSIS AND INTERPRETATION**



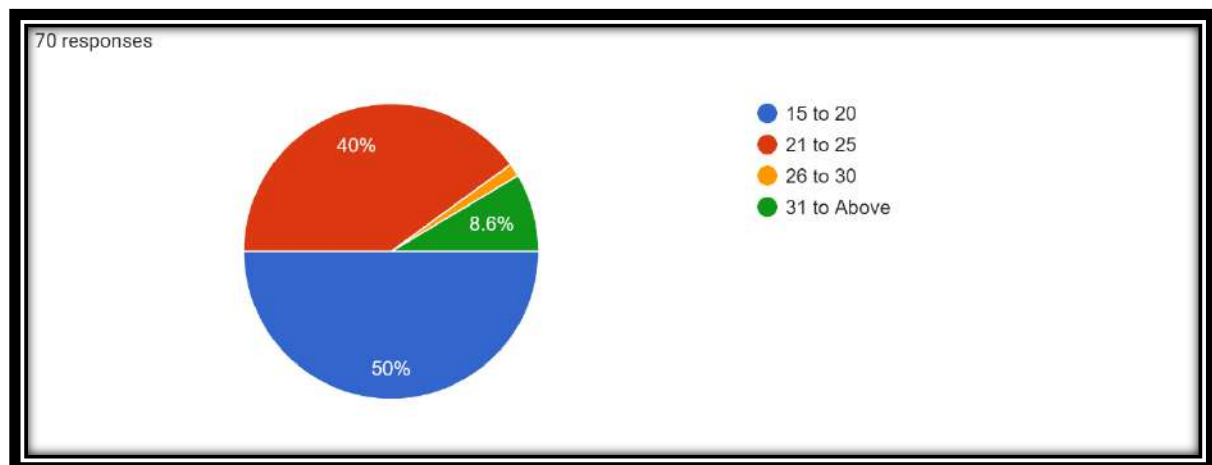
## 6.1 Age Classification

**Table 6.1**

AGE	NO. OF RESPONDENT	PERCENTAGE
15 to 20	50	50%
21 to 25	28	40%
26 to 30	1	1.4%
31 to Above	6	8.6%
Total	70	100%

(Source Primary Data)

**Chart 6.1**



### INTERPRETATION:

- The above data has shown that 50%(50) of people belongs to 15 to 20 age group.
- The above data has shown that 40%(28) of people belongs to 21 to 25 age group.
- The above data has shown that 1.4%(1) of people belongs to 26 to 30 age group.
- The above data has shown that 8.6%(6) of people belongs to 31 to Above age group.

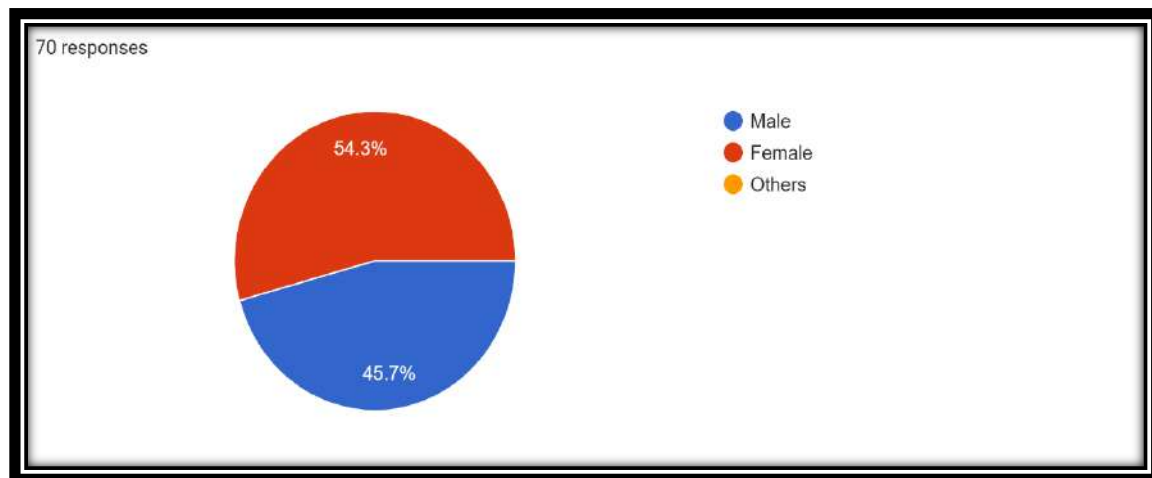
## 6.2 Gender Classification

**Table 6.2**

GENDER	NO. OF RESPONDENT	PERCENTAGE
Male	32	45.7%
Female	38	54.3%
Others	-	-
Total	70	100%

(source primary data)

**Chart 6.2**



### **INTERPRETATION:**

- The above data show that 54.3%(38) responses by female.
- The above data show that 45.7% (32)responses by male.
- The above data show that 0% responses by others.

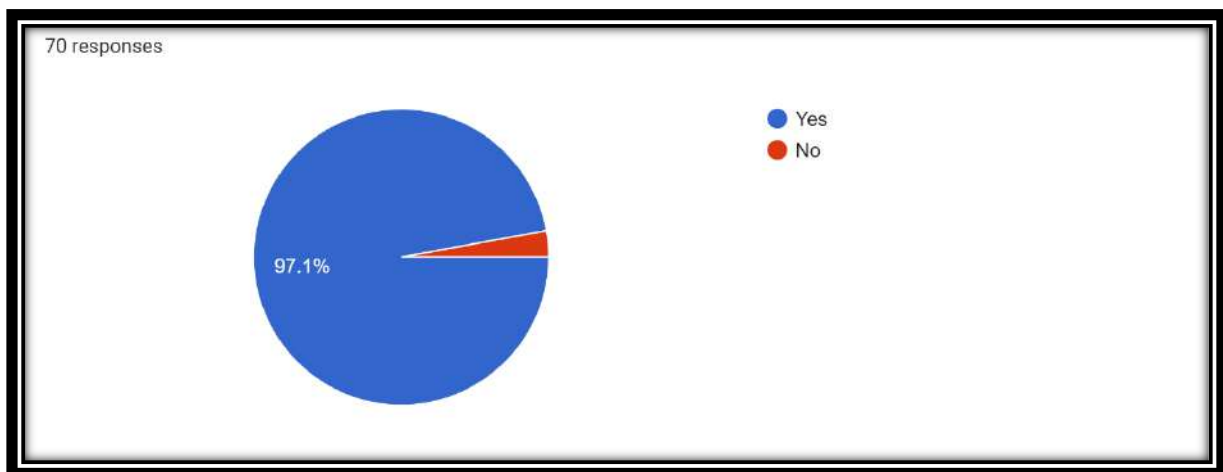
### 6.3 Do you use digital payment system?

**Table 6.3**

PARTICULAR	NO OF RESPONDENT	PERCENTAGE
Yes	68	97.1%
No	2	2.9%
Total	70	100%

(Source Primary Data)

**Chart 6.3**



#### **INTERPRETATION:**

- 97.1%(68) People are using Digital Payment system.
- 2.9%(2) People are using digital payment system.

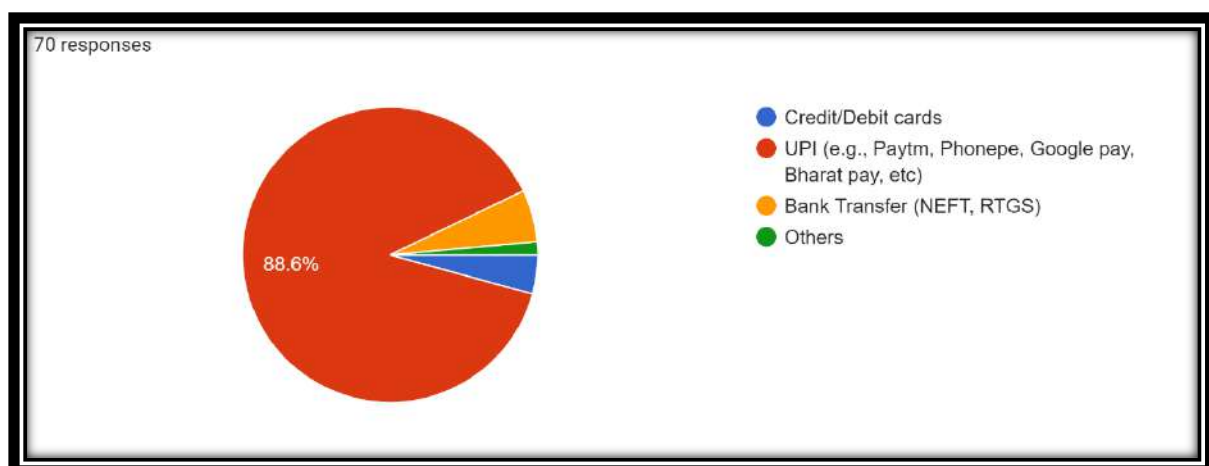
## 6.4 Which Digital payment methods do customers prefer?

**Table 6.4**

PARTICULAR	NO. OF RESPONSE	PERCENTAGE
Credit/Debit Cards	3	4.3%
UPI(eg., Paytm, Phonepe, Google pay, Bharat pay, etc)	62	88.6%
Bank Transfer (NEFT, RTGS)	4	5.7%
Others	1	1.4%
Total	70	100

(source Primary Data)

**Chart 6.4**



### **INTERPRETATION:**

- 88.6%(62) of people are using UPI as a Digital Payment method.
- 4.3%(3) of people are using Credit/Debit card as a digital payment method.
- 5.7%(4) of people are using Bank Transfer as a digital payment method.
- 1.4%(1) of people are using Other modes as a digital Payment method.

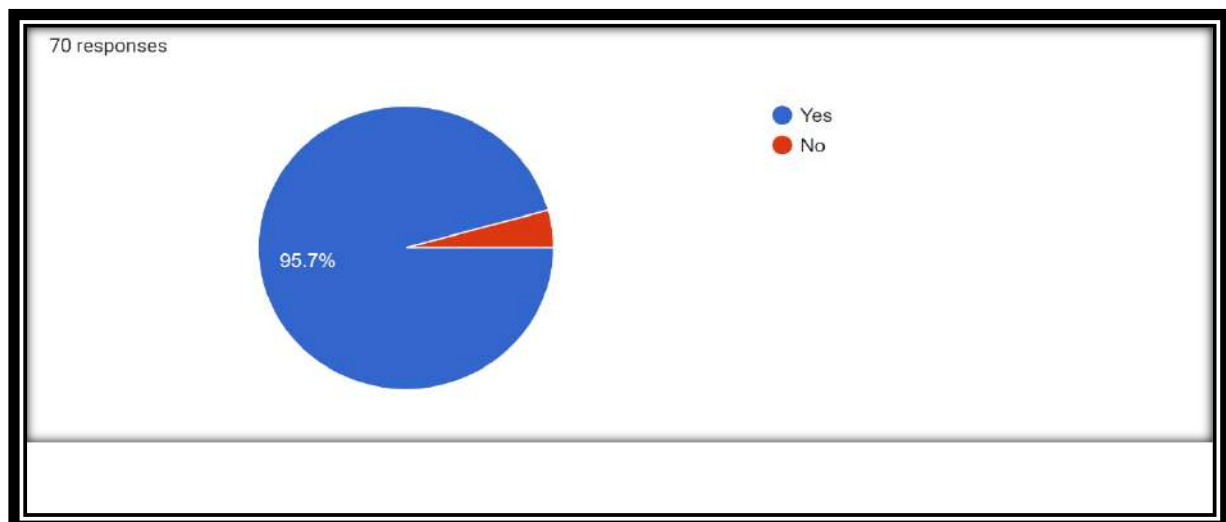
## 6.5 Do you think that digital payments are safe enough ?

**Table 6.5**

PARTICULAR	NO. OF RESPONSE	PERCENTAGE
Yes	67	95.7%
No	3	4.3%
Total	70	100%

(Source Primary Data)

**Chart 6.5**



### INTERPRETATION:

- 95.7%(67) people think that Digital payments are safe.
- 4.3%(3) people think that Digital Payments are unsafe.

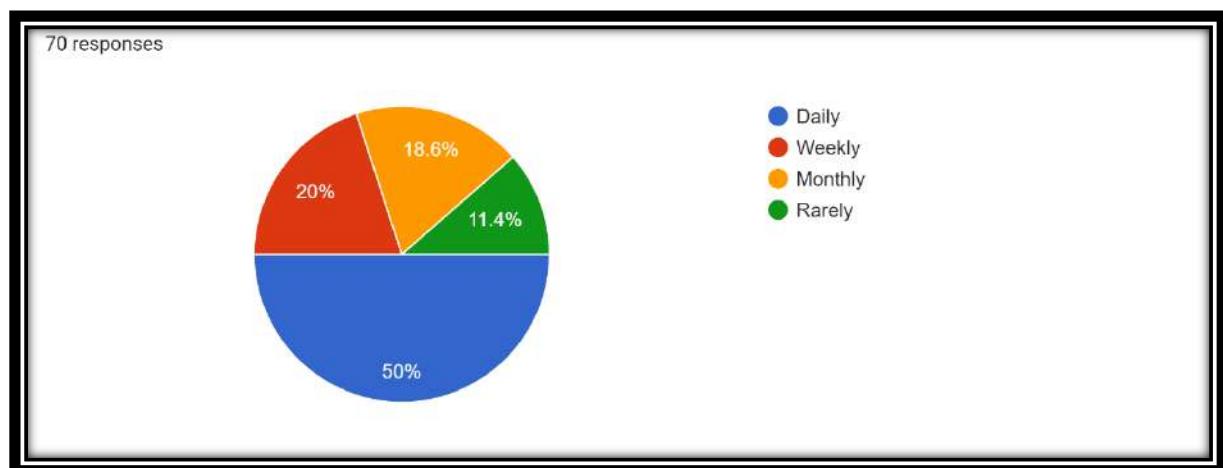
## 6.6 How often do you transact online?

**Table 6.6**

<b>PARTICULAS</b>	<b>NO. OF RESPONSE</b>	<b>PERCENTAGE</b>
Daily	35	50%
Weekly	14	20%
Monthly	13	18.6%
Rarely	8	11.6%
Total	70	100%

(Source Primary Data)

**Chart 6.6**



### **INTERPRETATION:**

- 50%(35) People transact daily.
- 20%(14) people transact weekly.
- 18.6%(13) people transact monthly.
- 11.4%(8) people transact rarely.

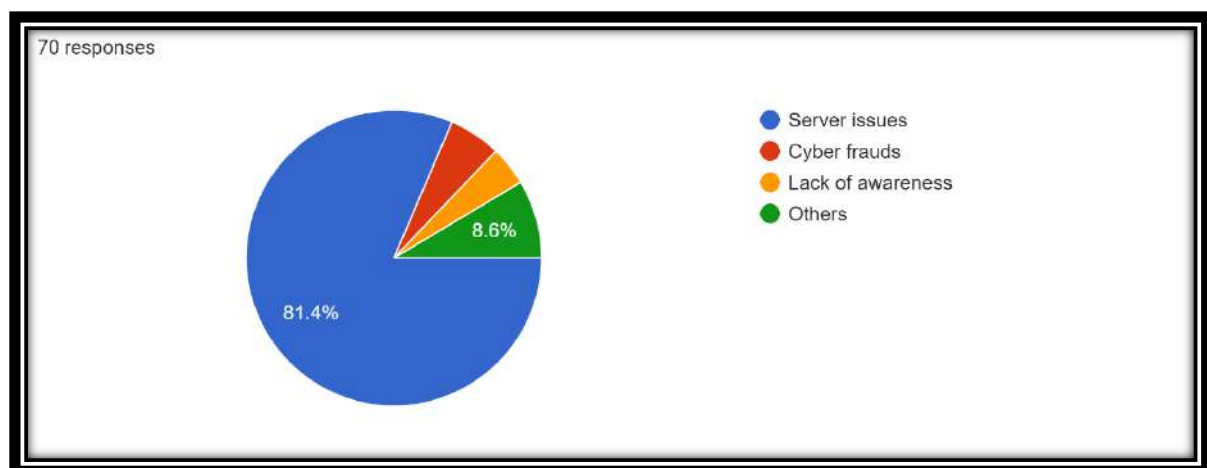
## 6.7 Have you ever encountered any issues or challenge when using digital payments for online transactions?

**Table 6.7**

PARTICULAR	NO OF RESPONSE	PERCENTAGE
Server Issues	57	81.4%
Cyber Frauds	4	5.3%
Lack of awareness	3	4.7%
Others	6	8.6%
Total	70	100%

(Source Primary Data)

**Chart 6.7**



### INTERPRETATION:

- 81.4%(57) People think that server issue is the one of the challenge when using digital payment for online transaction.
- 5.3%(4) People think that cyber frauds is one of the issue or challenge when using digital payment for online transaction.
- 4.7%(3) People think that lack of awareness is one of the issue or challenge when using digital payment for online transaction.
- 8.6%(6) People think that other issues or challenge can be there when using digital payment for online transaction.

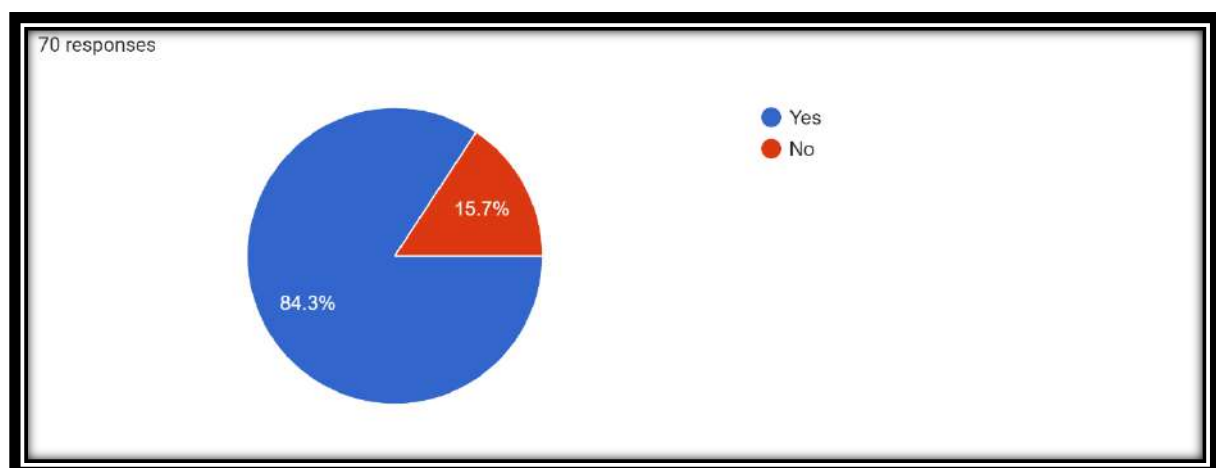
## 6.8 Do you find Digital payments as convenient mode than cash payment?

**Table 6.8**

PARTICULAS	NO. OF RESPONSES	PERCENTAGE
Yes	59	84.3%
No	11	15.7%
Total	70	100%

(Source Primary Data)

**Chart 6.8**



### INTERPRETATION:

- 84.3%(59) People think that Digital payments as convenient mode than cash payment.
- 15.7%(11) People think that Digital payments as convenient mode than cash payment.



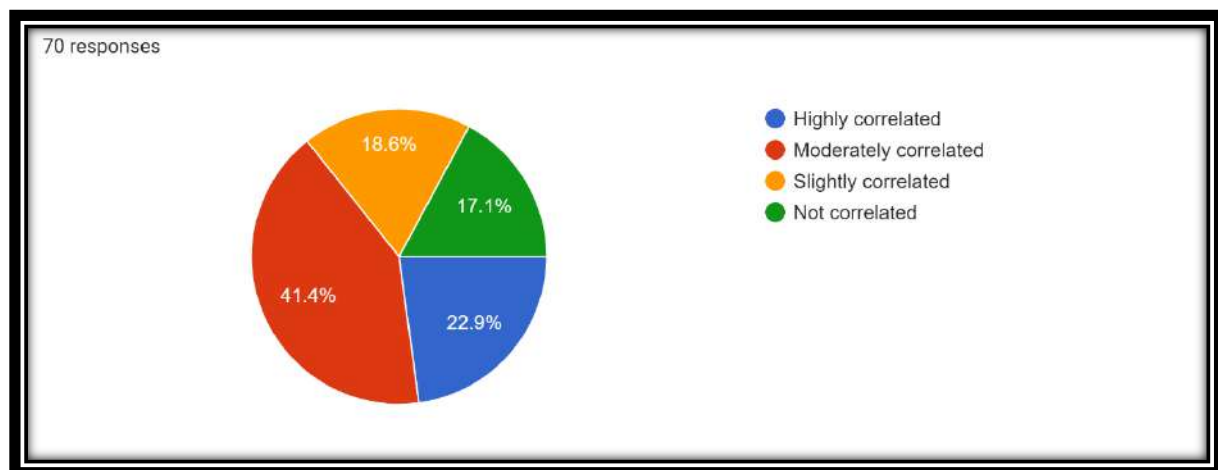
## 6.9 Do you think education level impact digital payment usage?

**Table 6.9**

<b>PARTICULAR</b>	<b>NO. OF RESPONSES</b>	<b>PERCENTAGE</b>
Highly correlated	16	22.9%
Moderately correlated	29	41.4%
Slightly correlated	13	18.6%
No correlated	12	17.1%
Total	70	100%

(Source Primary Data)

**Chart 6.9**



### **INTERPRETATION:**

- 22.9%(16) People think that education level highly correlate with digital payment usage.
- 41.4%(29) People think that education level moderately correlate with digital payment usage.
- 18.6%(13) People think that education level Slightly correlate with digital payment usage.
- 17.1%(12) People think that education level not correlate with digital payment usage.

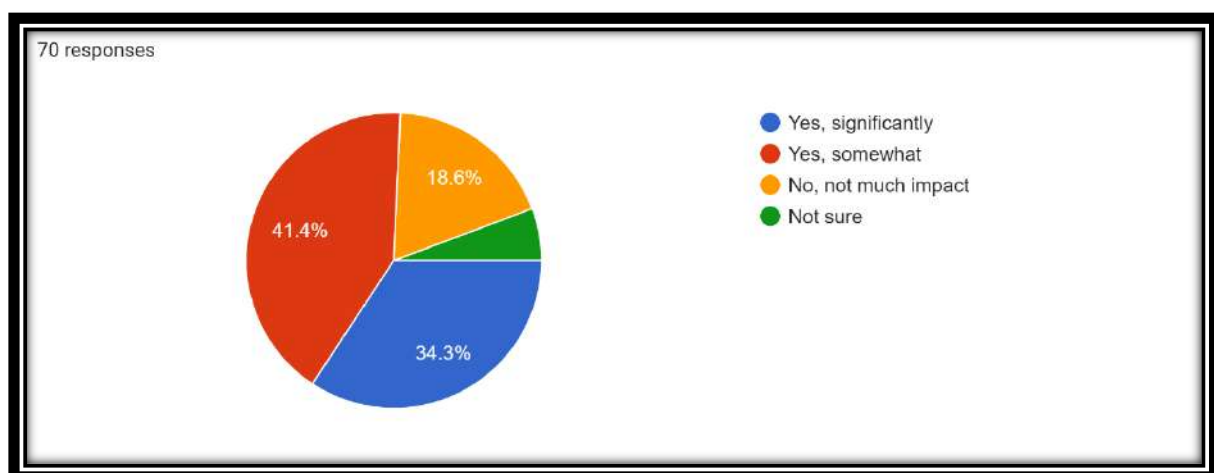
## 6.10 Do you believe your income level get influenced due to adoption of digital payment system.

**Table 6.10**

<b>PARTICULAR</b>	<b>NO. OF RESPONSE</b>	<b>PERCENTAGE</b>
Yes, significantly	24	34.3%
Yes, somewhat	29	41.4%
No, not much impact	13	18.6%
Not sure	4	5.7%
Total	70	100%

(Source Primary Data)

**Chart 6.10**



### **INTERPRETATION:**

- 34.3%(24) People says yes, significantly income level get influenced due to adoption of digital payment system.
- 41.4%(29) People says yes, somewhat income level get influenced due to adoption of digital payment system.
- 18.6%(13) People says No, not much impact income level get influenced due to adoption of digital payment system.
- 5.7%(4) People says, Not sare income level get influenced due to adoption of digital payment system.

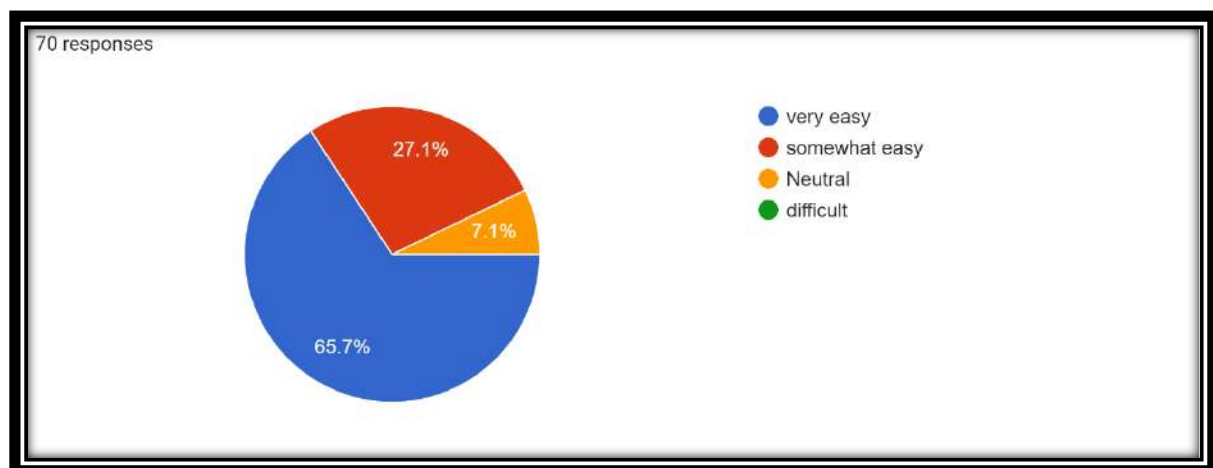
## 6.11 Rate Digital payment platform ease-of-use.

Table 6.11

PARTICULARS	NO. OF RESPONSE	PERCENTAGE
Very easy	46	65.7%
Somewhat easy	19	27.1%
Neutral	5	7.1%
Difficult	-	-
Total	70	100%

(Source Primary Data)

Chart 6.11



### INTERPRETATION:

- 65.7%(46) People says that digital payment is very easy.
- 27.1%(19) People says that digital payment is somewhat easy.
- 7.1%(5) People says that digital payment is neutral.

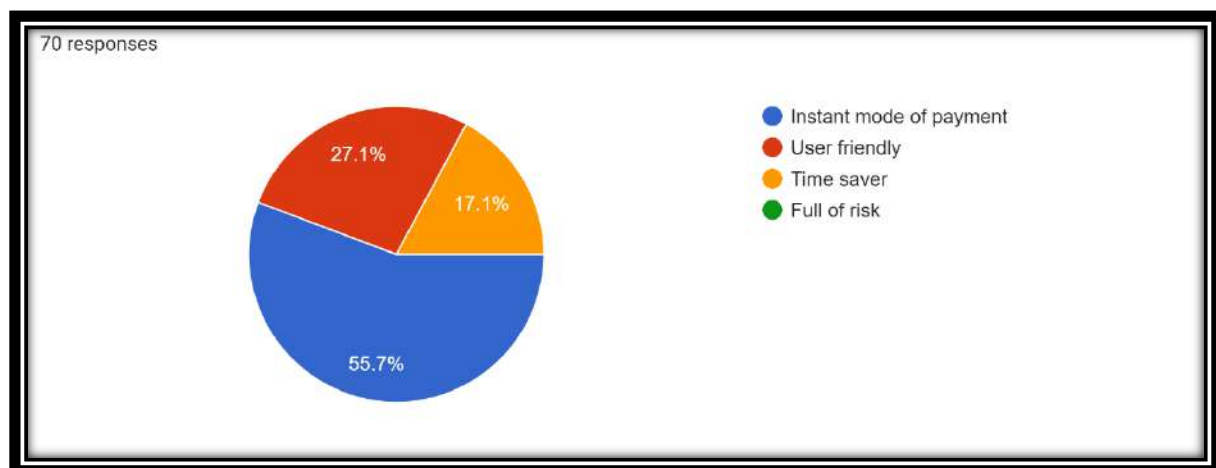
## 6.12 Digital payment system is

**Table 6.12**

<b>PARTICULAR</b>	<b>NO. OF RESPONSES</b>	<b>PERCENTAGE</b>
Instant mode of payment	39	55.7%
User friendly	19	27.1%
Time saver	12	17.1%
Full of risk	-	-
Total	70	100%

(Source Primary Data)

**Chart 6.12**



### **INTERPRETATION:**

- 55.7%(39) People says digital payment is Instant mode of payment
- 27.1%(19) people says digital payment is user friendly.
- 17.1%(12) People says digital payment is time saver.

# **CHAPTER – 7**

# **HYPOTHESIS TESTING**

## **HYPOTHESIS TESTING**

### **HYPOTHESIS 1:**

- H0: There is no issue related to operations while measuring online transactions.
- H1: There Is minor issue related to operations while measuring online tranactions.

From the above research it is found that alternate hypothesis i.e., H1 “There is minor issue related to operations while meauring online transactions" is found to be true and accepted. Whereas Null hypothesis i.e., H0 “There is no issue related to operations while measuring online transactions.” Is rejected.

### **HYPOTHESIS 2:**

- HO: There is No significant impact of customers Education on usage of digital payments.
- H1: There is significant impact of customers Education on usage of digital payments.

From the above research it is found that alternate hypothesis i.e., H1 “there is a significant impact of customers education on usage of digital payments.” Is found to be true and accepted. Whereas Null hypothesis i.e., H0 “There is no significant impact of customers Education on usage of digital payments.” Is rejected.

### **HYPOTHESIS 3:**

- HO: There is No significant impact of customers income on usage of digital payments.
- H1: There is a significant impact of customers income on usage of digital payments.

From the above research it is found that alternate hypothesis i.e., H1 “There is a significant impact of customers income on usage of digital payments.” Is found to be true and accepted.

Whereas Null Hypothesis i.e., H0 “There is no significant impact of customers income on usage of digital payments.” Is rejected

# **CHAPTER – 8**

## **FINDINGS**

## **FINDINGS OF THE STUDY**

- According to the survey most of the people are using digital payment system and they are more aware of it.
- Most of the people are using UPI (Paytm, Phonepe, Google pay, Bharat Pay, etc.) as digital payment method.
- Most of the people thinks digital payment is the safe mode of the payment.
- According to the survey most of the people transit daily.
- According to the survey most of the people think that server issue is the one of the challenge when using digital payment for online transaction
- According to the survey most of the people says digital payment is more convenient than cash payment.
- According to the survey people have mix opinion about the education level impact digital payment usage.
- According to the survey people have mix opinion about the income level get influernced due to adoption of digital payment system.
- According to the survey most of the people says digital payment platforms are very easy as per ease-of-use.
- According to the survey most of the people says digital payment is instant mode of payment.



# **CHAPTER – 9**

## **CONCLUSION**

## CONCLUSION

The move towards cashless economy is definitely a good one but it will take much time to have a completely cashless economy. The efforts are going well by the government as well as the private sector companies having their e-wallets apps such as PayTM, PhonePe etc. The biggest challenge in front of government is the lack of knowledge and awareness among people and fear of loss of money by use of digital payment methods risk of hacking. The government needs to tackle these challenges to have cashless economy and to give a boost to digital payments to provide sustainable economic development to the country in the long run.

In future the digital payments are going to be a must and so the change in the habits of the people to accept the digital payment is also must. The cashless transition is not only safer than the cash transaction but is less time consuming. It also helps in record of the all the transaction done. India has more than 100 crore active mobile connections and more than 22 crore smart phone users as of March 2016. This number is going to increase further with a faster internet speed. The reach of mobile network, Internet and electricity is also expanding Digital payments to remote areas. So, it is without doubt said that future transaction system is cashless transaction.

India is the global leader in digital payments, with 89.5 million transactions in 2022. This includes 46% of all global instant payment transactions through the Unified Payments Interface (UPI) in 2022, with over 300 million monthly active users as of November 2022. This year, 91 billion digital payment transactions have been recorded and today India ranks first in the number of digital payments made globally.

# **CHAPTER – 10**

## **SUGGESTIONS**

## **SUGGESTIONS**

- Government can ensure to the public that the operation of digital payment transaction is free from transactions cost which in turn helps the customers of various transaction to purchase via online mode.
- Training Programmes could be organised by the government to train all the people to make use of the digital payments.
- Government can give continuous media coverage through TV news/ shows, Radio or social networking or newspapers/magazines about the benefits of digital payments to the society and for the individual
- Customers must be able to comply with the terms and conditions of Digital payment methods, notify the issuer of the loss/theft of the Electronic Payment Instrument (EPI) immediately and keep track on the balance, especially after each transactions.
- Offer responsive and accessible customer support channels to assist users promptly in case of any issues or queries related to digital payments.

# **CHAPTER – 11**

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# **CHAPTER – 12**

## **ANNEXURE**

## **ANNEXURE**

### **PROFILE FORM:**

NAME:

AGE:

GENDER:

Q1. Do you use Digital payments methods?

1. YES
2. NO

Q2. Which Digital payment methods do customers prefer?

1. Credit/Debit card
2. UPI (paytm, Phonepe, Google pay, Bharat pay, etc.)
3. Bank transfer (NEFT, RTGS)
4. Others

Q3. Do you think that digital payments are safe enough?

1. Yes
2. No



Q4. How often do you transact online?

1. Daily
2. Weekly
3. Monthly
4. Rarely

Q5. Have you ever encountered any issues or challenge when using digital payments for online transactions?

1. Server issue
2. Cyber froud
3. Lack of awareness
4. Others

Q6. Do you find Digital payments as convenient mode than cash payment?

1. Yes
2. No

Q7. Do you think education level impact digital payment usage?

1. Highly correlated
2. Modirately correlated
3. Slightly correlated
4. Not correlated

Q8. Do you believe your income level get influenced due to adoption of digital payment system?

1. Yes, significantly
2. Yes, somewhat
3. No, not much impact
4. Not sure

Q9. Rate Digital payment platform ease-of-use.

1. Very easy
2. Somewhat easy
3. Neutral
4. Difficult

Q10. Digital payment system is

1. Instant mode of payment
2. User friendly
3. Time saver
4. Full of risk