

A Unique Opportunity for Cashless Revolution in India

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Introduction

Demonetization of high value currency notes as on 8th November, 2016 of 8.00 pm has impacted the Indian economy many ways. The notes of denomination of Rs. 1000/- and Rs. 500/- were immediately withdrawn from circulation by Government of India. Sudden announcement of demonetization caused down trend in economic activities in the country.

Unorganized sector, service sector, transport and real estate sectors are worst affected. Service sector contracted for 3rd consecutive month in Jan, 2016 due to cash crunch. It is also proved by a monthly survey of Nikkei India Services that service sector was affected badly. The purchasing Manger Index of Nikkei India Services tracks services sector companies of India on monthly basis. In the same way farmers, street vendors, daily wages, small tractors, cottage and small industry sectors are also badly affected.

Many financial rating agencies downgraded the G.D.P. growth estimates of India for 2016-17 financial years. Following Table No. 1 shows the reversal trend in G.D.P. growth of India by some national and international rating agencies.

Table No. 1: Revised GDP Growth Estimates in India for year 2016-17 by Rating Agencies¹

Name of Agency	New Estimates	Earlier Estimates
RBI	7.1%	7.6%
World Bank	7.0%	7.6%
IMF	6.6%	7.6%
Fitch	6.9%	7.4%
BofA – ML	6.9%	7.4%
Crisil	6.9%	7.9%

The President of India Sh. Pranab Mukherjee also expressed his opinion about the hardships presently facing by lower class due to demonetization in a video address to Governors of States and Lt. Governors of Union Territories on the occasion of New Year address as on 5th Jan, 2017. He viewed that we all will have to be extra careful to alleviate the sufferings of the poor, which might become unavoidable for the expected progress in long term. He further said that help appreciate the thrust of transition from an entitlement approach to an entrepreneurial one for poverty alleviation, he was not too sure that the poor can wait that long. They need to get succour here and now, so that they can also participate actively in the national march towards future devoid of hunger, unemployment and exploitation.

Another major impact of domestication is on rise of cash less transactions or says digital transactions. Shortage of cash opened flood gates for emergence of a digital economy and provides an opportunity for big push for cashless transactions in India.

Cashless Transactions or Digital Payments

Shortage of cash liquidity in country due to demonetization forced people to shift towards cashless transactions. Even small vendors are opting for digital payment modes. Now vegetable vendors, milkman, small shopkeepers, children, woman, old and young ones are using digital mode of payment. Demonetization has paved the way for cashless transaction which was usually people reluctant to use even though they have options with them.

Cashless transaction is done by making payment through cheque, draft, bank transfer, credit or debit cards, mobile banking or by computers through net banking. Neither the payer pays in cash nor the payee receives the cash. The transactions are done in between the bank accounts of payer and payee by adopting anyone of above mentioned modes.

Definition of Cashless Transactions

As per Collins Dictionary, "Cashless functioning, operated or performed without using coins or banknotes for money transactions but using credit cards or electronic transfer of funds."

Cashless transaction is done by the means of credit cards or electronic transfer of funds by payer to receiver and no coins or bank notes paid as per above mentioned definition.

English Oxford living Dictionaries defines cash less transaction as under:

"Characterized by the exchange of funds by cheque, debit or credit card or electronic methods rather than the use of cash."

Under above definition, cashless transaction is done by the exchange of funds through cheques, debit or credit card or through electronic methods instead of using cash.

Cambridge dictionary defines the word cashless transaction, "Using or operating with credit and debit cards and electronic systems, not money in the form of coins or notes."

Under cashless transaction currency in the form of cash or coins is not used. Payments are paid by means of using credit cards or debit cards or by electronic systems.

Digital Payments

Digital payment mode is a used electronic device both by payer and payee for making and recognized by payments for goods and services or for any other reason. It is also called electronic payment system. Definition of digital payment is given as under.

"Digital payment is a way of payment which is made through digital mode. In digital payments, payers and payee both use digital modes to send and receive money. It is also called electronic payment. No hard cash is involved in the digital payments. All transactions in digital payments are completed on line electronic payment system. It is instant and convenient way to make payments².

The definition of an electronic payment system is a way of paying for a goods or services electronically, instead of causing cash or a cheque, in person or by mail³.

Classification of Cashless Transfer of Funds

The RBI classifications every mode of cashless fund transfers or transaction using cards or mobile phone as 'prepaid payment instrument'⁴.

These can be issued as smart cards, magnetic strip cards, Net accounts, Net Wallets, mobile accounts, mobile Wallets or paper vouchers. These are classified into three types.

1. **Closed:** Issued by an entity for purchasing goods and services only from it, these cards do not allow cash withdrawal or redemption.
2. **Semi-Closed:** These are used to buy or sell goods, services, mutual funds, and insurance products etc. that have a specific contract with the issuer. Such type of payment system also not allow to withdrawal cash. Examples of such type of services are Mobile Wallets like PayTM.
3. **Open:** These can be used to buy goods and services, including fund transfers at merchant locations and also permit cash withdrawals at ATMs. All Visa and Master Cards covered under the classification.

Main modes of cashless payments [digital payments/ electronic transfer] are mobile wallets, plastic money [prepaid, debit or credit cards] and net banking. Net banking transactions are done through computer network or smart phones. Various modes of transfer of funds in net banking are National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) or through Immediate Payment Services (IMPs).

New modes of Digital payment are unified payment Interface (UPI), Unstructured supplementary Data, Aadhaar Enabled payment system and Bharat Interface for Money (BHIM).

Cashless Economy

Most of the countries shifted their payment system through cash less modes. People of the developed countries are rarely keeping cash with them. They are making payments or receiving payments through debit or credit cards, e-wallets or through e-banking.

Physical form of currency i.e. notes or coins are not used in financial transactions in cash less economy. Only few percentages of transactions are done through cash mode. Such type of economy is called cashless economy. With the popularity of electronic banking, non-cash transactions were performed during 1990s by most the MNC companies. Digital payment methods were widespread in use in many countries from 2010, with an example including intermediaries such as Paypal, digital wallet system operated by companies like Apple.

Various countries have framed rules, norms and passed information technologies legislations in order to give legal base for transfer of funds electronically. Now most of the countries adopted digital payment framework. It is widely accepted and practiced by the people even in under developed countries. Electronic payment mode is termed as safe, secured and legal way of making payments without any hustle. Some countries have fixed the limit of per transaction payments through cash or coin mode in order to discourage cash transactions.

Belgium, France, Canada and UK are cashless economies in true sense because more than 90% financial transactions are of the total financial transactions of the countries are done through electronic mode.

Digitalization in India

India is far behind in comparison with the advanced countries in the cashless payment systems. Only about 2.5% of total financial transactions are done through electronic modes. Government of India is giving push to digital payment system by improving internet connectivity, providing various options for digital payment, providing incentives in digital payment mode and restricting cash transactions. After the one month of demonetization, Government of India announced a host of schemes as on 8th December 2016 in order to encourage people to adopt digital mode of payment.

Digital India Programme

The Digital India Programme was launched as on 1st July, 2015 by Prime Minister Sh. Narendra Modi. It is very important programme of the Government of India with a vision to push India into digitally empowered society and economy. Digital India programme includes plans to connect rural areas with high speed internet network. Government of India's company Bharat Broadband Network Limited is handling the National Optical Fiber Network project in order provide net connectivity in all most all areas of country.

Digital India campaign consists of following three core components.

- a. Creation of digital infrastructure
- b. Delivery of service
- c. Digital literacy

Methods of Digital Payments

In order to pay through digital mode, there are so many options are available. Followings are the main options of making payments through digital made in India.

1. Banking Cards
2. Banks Pre-paid Cards
3. Points of Sales Machines
4. Micro ATMs
5. Unified Payment Interface (UPI)
6. Internet Banking
7. Mobile Banking
8. Wallets
9. Unstructured Supplementary Service Data (USSD)
10. Aadhaar Enabled Payment System (AEPS)
11. Bharat Interface for Money (BHIM)
12. Bharat QR Code

Working of above mentioned modes are briefly discussed under following paras.

1. **Banking Cards:** Banking cards are very common mode of performing digital transactions. The cards are of various types like Debit cards, Credit cards and prepaid. Banks issuing cards provide PIN numbers to the client. Debit cards are linked with the saving accounts of the customers of bank. Balance available in saving bank accounts can be transacted through point of sales terminals or online payment gateway. Credit cards are issued through banks on the behalf of credit card companies like Visa, Master Card. As the name denotes, a credit card provide credit limit for specified days. Credit card companies are not charging interest upto specified days, thereafter, interest @2% to 2.75% per month is charged on every credit transaction done on credit card.

Many safety features are added in these cards. Chip is inserted in card. PIN number is allotted which can be changed from time to time. One Time Password (OTP) system is followed on online transactions on registered mobile to complete transaction.

These cards are swapped at ATMs, shops, Wallets, point of sales machines and used in online transactions, and on e-commerce websites.

2. **Bank Prepaid Cards:** Prepaid cards come loaded with funds as per requirements of customers. Access to funds on a prepaid card is protected by a PIN. The theme of prepaid card is to pay now and use as per your convenience. Even if someone it not having bank account he can take prepaid cards from a bank.

The main purpose of issue of prepaid card is not to carry cash as it is risky and require extra care. One can get prepaid card by depositing amount in bank by paying nominal charges. Prepaid cards can also function as gift cards. Name of the some banks that are providing prepaid card facilities are Axis Bank, HDFC Bank, State Bank of India, ICICI Bank and bank of Baroda.

3. **Point of Sales Machines:** Point of sale machines are sold, leased or rented by banks to shopkeepers. Point of sale machine is handhold device with card. It has internet connectivity. A customer who wants to make payment can swap his card [Debit card, credit or prepaid card] and entre his PIN no. on POS machine for financial transaction with a particular amount. It is the most popular and simple mode of digital payment. Presently around 15 Lakh points of sales machines are operated by merchants in India.

Merchant has to pay nominal commission to bank on every financial transaction done through POS machine. Commission is charged by differently by different bank.

Major retail outlets and shopping malls in big cities and towns are already equipped with POS terminals.

Now POS machines are demanded by small cities, towns and even village shopkeepers. Public sector and private sector banks are approaching the POS machine manufactures such as Ingenico and Verifone for procurement of POS machines.

4. **MICRO ATMs:** Micro ATMs are notified point of sales machines. These machines can be operated through debit card. Machines are basically connected with core banking system Technology. These machines are used by business correspondents (retailers or agents who represents bank in far away areas)

Business correspondent feed the transaction of the customers in micro ATM and pay to him from his packet or received cash from customer on behalf of the bank. It is low cost device. Before operating Micro ATM, customer would require to get his identity authenticated. One can deposit or withdraw money for these ATMs. Fund transfer and balance enquiry can also be done through micro ATMs.

5. **Unified Payment Interface (UPI):** Unified payment Interface was launched by National Payment Corporation of India (NPCI) in the month of August 2016. UPI is a payment system that allows money transfer between any two bank accounts by using a smart phone. Under this system, a customer can pay from his bank account to different parties, either by online or offline without furnishing details like credit / debit card numbers IFSC code, or net banking.

UPI apps of banks can be downloaded on smart phone for banking transaction purposes. A log-in is required to be created after registering mobile no with the particular bank. A virtual address is created which is only known to bank for transactions. Thereafter, mobile banking personal identification number [MPin] is generated for doing banking transactions under UPI by a client. Following services can be availed by the client of the bank through UPI.

- Balance Enquiry
- Mini Statement
- Pay Money
- Account No.
- IFSC Code
- Collect Money
- Virtual Address

Virtual address is given to the parties from whose the bank client is receiving the money. No exact account number is needed to be given to payer of the money. When payment is received by bank or virtual address on behalf of the client, the same is transferred to the client's account by the bank. The transaction can also be done by using Aadhaar Number, Account Number and Indian Financial System Code (IFSC), Mobile No. and MMID (Mobile Money Identifier). So UPI is safe and secure system of banking transactions. Around 30 banks are providing the facility of banking transactions through UPI.

6. **Internet Banking:** There are many ways of performing financial transactions through internet banking. Internet banking is also known as e-banking or online banking. Important ways of net banking are Electronic Clearing System (ECS), National Electronic Fund Transfer (NEFT) and Real Time Gross Settlement (RTGS). Electronic Clearing System (ECS) is method of transfer of funds from one bank account to another bank account. It is used for distribution of salary, payment of dividend, payment of refund of Income Tax directly to the receiver account. This facility can also be availed for making payments of bills and monthly installments of loans. So ECS can be used for both credit and debit in the bank account. The transaction can be performed only through bank employees during banking hours. National Electronic Fund Transfer (NEFT) is a facility given to bank customer who has opted for internet banking to enable them to transfer funds easily, securely and timely. RBI explains this scheme as "National Electronic Fund Transfer (NEFT) is a nation-wide payment facilitating one-to-one transfer. Under this scheme, individuals, firms and corporate can

electronically transfer funds from any bank branch to any individuals, firms and corporate having an account with any other bank branch in the country participating in the scheme.”

Real Time Gross Settlement (RTGS) system is used for transfer of high value amount from one bank account to another bank account. It is done through Reserve Bank of India. When transactions are processed under the system, payments are done finally and such payments are irrevocable. Real time means the process of instructions that are executed at the time they are received from the customer. Gross settlement means the settlements of funds transfer instructions occurs individually through RBI as on by instruction basis.

The customer can visit the banks website which is linked with internet banking Major banking transaction which can be done through net banking are given as under :

1. Checking of Balance
2. Payment of Bills
3. Recharge of Mobile / DTH Connection
4. Card Payments
5. Transfer of amount from one account to another account within same bank
6. Transfer of amount from one bank to another bank of any customer.
7. Purchase and Redemption of Mutual Funds.
8. Creating Fixed Deposits
9. Withdrawal of Fixed Deposits
10. Buying and renewal of various types of Insurance Policies

7. **Mobile Banking:** Now mobile banking apps are developed and provided to bank clients various services through mobile banking apps. Earlier only SMS alert services were provided about banking transactions by the banks. Following types of banking services can be done through mobile banking.
- a. Accounting information about various transactions, term deposits, mutual funds and Insurance policy management.
 - b. Fund transfer, paying third party including bill payments.
 - c. Demat account services based on shares market transactions.

Mobile banking services can be availed anytime, anywhere in 24 hours. Every bank provides its own mobile banking application for Android, windows and IOS mobile platform.

8. **E-Wallets:** An individual bank account, debit card or credit card is linked with digital or e-wallet. It is used to make payments through electronic mode. E-wallet or mobile wallet is virtual mobile based wallet where one can store cash for making mobile, online or even offline payments.

An individual's account is required to be linked to the digital wallet to load money through internet from bank account, debit card, credit card or from merchant banker. Following services can be availed through e-wallet by paying nominal transaction charges.

- Balance Enquiry
- Mini statement
- Add Money

- Pay Money
- Accept Money
- Manage Profile

Some of the important companies dealing with e-wallets are Pay TM, Momoe, Pay U Money, Mobikwik, State Bank Buddy and ICICI pockets.

9. **Unstructured Supplementary Service Data (USSD):** This mode of digital payment is available on every type of phone either feature phone or smart phone. Under this system only up to Rs. 5000 can be transferred from payer to payee. Basically it is called National United USSD plat form (NUUP). USSD means to unstructured supplementary service data. This technology is an additional channel for banking and a key catalyst for expanding financial inclusion as low income groups with no smart phones can also easily be used this service.

In order to avail USSD service, mobile number of bank client is required to be linked with bank account. Link will be established after dialing from its mobile phone. Option of fund transfer will come on screen i.e. Fund Transfer – MMID option (Mobile Money Identifier). Payee's mobile number and MMID will be entered. At the last payer will entre amount and his MPIN (Mobile PIN) and leave the space then entre the last 4 digits of accounts number of payee. Thereafter, money will be transferred.

Main services provided under USSD are, mini statement, balance enquiry and fund transfer. Currently about 50 banks are providing this service.

10. **Aadhaar Enabled Payment Systems (AEPS):** It is another novel way of doing digital transactions through bank. A bank customer to link its aadhaar number with his bank account. Transactions can be done through Business Correspondents or Bank Mitra at Micro ATM or Point of Sales Machines. Business correspondent will check aadhaar authentication of client at the time of financial transaction. Following types of transactions can be done through AEPs.

1. Balance Enquiry
2. Cash Withdrawal
3. Cash Deposit
4. Aadhaar to Aadhaar Fund Transfer

In order to perform above mentioned functions a bank client has required aadhaar number, Bank IIN or Name and fingerprints. More than 100 banks are providing the facility of payment through AEPs.

11. **Bharat Interface for Money (BHIM):** New aadhaar enabled payment system, BHIM was launched by Prime Minister Sh. Narandera Modi as an 31st Dec, 2016. It is named BHIM (Bharat Interface for Money) and dedicated to freedom fighter and national leader Sh. Bala Sahib Bhim Rao Ambedkar.

It is most popular UPI as it is the easiest way of money transfer. BHIM application is available for android. The BHIM application can be used both on feature phone and smart phone. This application is available in nine different languages. It can be downloaded easily. Passcode (PIN) is required to set to open this application. It would be a four digit PIN. Bank account is then linked by entering bank account on mobile application.

There is a need to generate UPI PIN for final authentication of transaction. Bank account number is selected in order to get UPI PIN. The UPI PIN is the same PIN which is called MPIN in other UPI application. It can be operated by thumb impression. This is stored in aadhaar card software. Following are main transactions can be done through BHIM application.

1. Making of payments
2. Transfer of funds
3. Current balance check
4. Money can be transferred to a virtual payment address.
5. There is a scan and pay facility for fast transfer.
6. Fingerprints can be used for authentication of transaction if someone not remembers UPI PIN.

Around 32 banks are providing the service of banking transactions through BHIM application. A 1.2 version of BHIM application is launched as on 25/1/2017 with added features. It is available on Google Play.

12. **Bharat QR Code:** Bharat QR is the world's first interoperable Quick Response (QR) code acceptance solution developed by Master Card, National Payments Corporation of India (NPCI) and VISA. It is launched by RBI Deputy Governor R Gandhi as on 20th Feb, 2017. It is low cost mode of digital payment. Bharat QR makes payments simple and easy for customers by using smart phone. Transactions can be done through debit, credit and prepaid cards using a QR code common across all banks and card networks. It does not require a point of sales machine.

The customer on purchasing the goods can just open his bank's mobile banking application on his smart phone which will have his debit card details and scan the merchant's QR code, put in the amount and process the payment.

Banks will have to integrate the debit card details of the customer into mobile application and also on board maximum number of merchants to accept such payments so that the scheme is successful.

Efforts of Governments for Cashless Push

After the demonetization of high value currency notes, the Government's efforts are mainly on cashless transactions for making payments or transfer of funds. Government of India has started campaign for digital payment mode from 8th Dec, 2016. In the same way payment solution companies banks, card companies, wallet companies providing host of opportunity to common people for cashless payments. Credit card and debit cards are commonly used cash less payment systems in India from the last 10 years. While use of cash as an alternatives such as internet banks, e-wallets and cards increased in Nov, 2016 from previous month. Following Table No. 2 shows the various modes of digital payment options used by individuals for making payments.

Table 2 : Digital Payment Transaction Statistics⁵

MODE	VOLUME		VALUE	
	(Lakh)	(Rs. Cr.)	(Lakh)	(Rs. Cr.)
	Oct – 2016	Nov – 2016	Oct – 2016	Nov – 2016
Mobile Banking	781	723	1,13,564	1,24,490
E-Wallets	1269	590	6022	1,320
Debit/Credit Card	10,321	2055	3,06,965	35,240
USSD	N.A.	70	N.A.	7,30,260
UPI	N.A.	3	N.A.	90

From above table it is indicated that individuals are using USSD mode option for doing financial transactions. A national wide survey of micro, small and medium enterprises (MSMEs) conducted by Crisil shows a substantial shift from cash transaction to other modes following the demonetization of bank notes. As many as 41% of MSMEs said their clients have shifted to cheques or electronic payment mode since demonetization.

Following are the efforts done by Government of India in order to encourage digital payment mode to common people of India.

a) Special Incentives

Government of India had announced incentives on 8th Dec, 2016 for encouragement of payments through specified digital mode of payments. The incentives were in the form of discounts.

b) Cash Back Prize

For the use of digital payment mode, government has announced cash back price as an incentive to buyers and retailers. Lucky Grahak Yojna and Digi Dhan Uyapar Yojna scheme was started through Lucky draw. The scheme is continued for 100 days from 8th Dec, 2016. Buyers and sellers using digital payment options are eligible for cash back rewards of Rs. 1000 to Rs. 15000 through draw under the cash back scheme.

c) Digi-Dhan Melas

Government of India is organizing Digi Dhan Melas in various districts of different part of country. Peoples are awakened about use and benefits of digital payment methods. These melas are organized with the help of Digital India, NITI Ayog and Department of Electronics and IT, Government of India.

d) Panel of Chief Ministers on Digital Payments

The panel of Chief Ministers on digital payments headed by Andhra Pradesh Chief Minister Sh. Chandra Babu Naidu is also submitted host of recommendations for promoting cashless economy of India.

e) Bills Passed to Encourage Digital India

Lok Sabha voted for a massive digital push by passing to two important bills as on 7th Feb, 2017. The first Payment of Wages Act Amendment Bill 2017 will allow industry to make wage payments to workers through cheque or electronic mode. The second – The Specified Bank Notes Bill – 2017 with end the liability of RBI in respect of the recently demonetized high demonization notes of Rs. 1000 and Rs. 500 making holding of such notes (except in exempt cases) punishable offence.

f) Digital Push in Budget 2017-18

Finance Minister Sh. Arun Jaitely proposed about cash transaction above Rs. 3 Lakh will not be permitted. Further, a proposal to mandate all the government receipts through digital means, beyond a prescribed limit is under consideration. Finance Minister also proposed an amendment to the Income Tax Act. He proposed limiting the cash expenditure allowable as deduction both for revenue as well as capital expenditure upto Rs. 10,000.

Advantages of Cashless Payments

The main advantages of cashless payments are mentioned as under:

1. Easy and convenient
2. Incentives and discounts from various Government agencies
3. Written record
4. Transaction can be done from anywhere and at anytime.
5. Less risk due to non-carry of cash.
6. Black money is curtailed
7. Chances of receipt of counterfeit currency are reduced to nil.
8. There is no need to go to bank.
9. Corruption is minimized due to transparency in transactions.
10. Exact record of financial transaction at macro level helps government to chalk out future planning and policies for betterment of country.

Hindrances in the Way of Cashless Economy

India is lagging behind even from developing countries for use of digital mode of financial transactions. There is a lack of basic infrastructure to promote digital economy. Followings are some of the hindrances in the way of digital payments.

1. India has around 107 crore mobile phone subscriber only about 30 crore are smart phones. Smartphone provides direct connectivity to banks through net banking.
2. Internet density of India is around 27% and only 3% population is using plastic money i.e. through debit card / credit card and on line payment.⁶
3. Internet density is around 13% in rural India. So it is difficult to perform cashless transactions in rural area.
4. In spite of Jan Dhan Yojna of Government of India for opening of bank accounts, 40% population still not has opened their bank accounts.
5. Around 30% population of India is illiterate. India has highest illiterate population in the world. It is not possible to perform digital transaction for a person who is illiterate.
6. There are more than 6 lakh villages in India. There is lack of ATM, bank branches in villages. Around 75000 villages are not connected with electricity.
7. The speed of Broad Band is very slow in comparison to developed countries. Appropriate speed of Broad Bank is must for financial transactions through electronic devices.
8. Every digital transaction is charged by way of commission by financial intermediaries. It becomes costly affair for common man. Indians are very cost continuously by nature.

9. Lack of appropriate cyber security can led to frauds in digital transactions. Due to complaints of fishing of customers, State Bank of India blocked PayTM, Mobikwik, Airtel and many other e-wallet companies from 4th Jan, 2017.
10. Apps of digital payment modes require continuous maintenance and updates. Out of total 38 unified payment interface apps available on android platform, around 50% of them are not updated.
11. Indians are using hard cash for doing transaction either for smallest payments or bigger payments since centuries. They have touch and feed tendencies. When availability of cash from banks increased after demonetization from 8th Nov, 2017, the people again shifted to cash mode of financial transactions. It can be observed from Table No. 3.

Table 3: Down Trend in Digital Payments.⁷

Period	Total Payments (Rs.)
9-17 November 2016	28,60,25,423
1-8 December 2016	29,64,01,425
1- 8 January 2017	23,27,42,285
9-18 January 2017	20,16,79,741

Electronic and Information Technology Department expressed about 30% downward trends in e-payments in the month of Jan, 2017 in comparison of November, December 2016.

It is not easy to give major push for digital payments in India instantly. Finance Minister Mr. Arun Jaitly also presented his opinion while discussing in Economic Survey before the budget of 2017-18. Sounding a note of caution on government’s digital push, Economic Survey viewed that digitalization is “not a panacea” and cash is not all bad and stressed the need to large a balance between both forms of payments. It is further commented in Economic Survey that transition to digitalization should be gradual after taking full account of the digitally deprived.

Opportunity to Mould Indian Masses Towards Cashless Economy

It is clear that it is not easy to implement cash less concept of payments and transfer of funds in Indian economy. Continuous jumbo efforts are needed in this regard. Most of the developed economies are transacting through digital mode. Following Table No. 4 depicts about world’s top 10 countries where percentage of cashless financial transactions are done against the total financial transaction of that country.

Table No. 4 : Top 10 cashless countries of the world⁸

Name of Country	%age of transactions	Name of Country	%age of transaction
Belgium	93	Australia	86
France	92	Netherland	85
Canada	90	US	80
UK	89	Germany	76
Sweden	89	South Korina	70

In comparison of above country, the positions in India in reverse. About 2.5% transactions are done digitally in India and remaining through cash mode. It is very important to guide train and

motivate people for doing digital transaction in India. It leads to transparency in economic activities of the country which is must to curb black money and to meet challenge of counterfeit notes.

President of India Sh. Parnab Mukherjee spoke about demonetization while he was addressing to the nation on the eve of 68th Republic Day. He further expressed that demonetization might have led to temporary slowdown of economic activity but as more transaction, turned cashless it would improve transparency of the economy. Acknowledging that the systems were not perfect, the President stressed the need for recognizing and rectifying imperfections, while questioning settled complacencies.

India is marching towards new technologies. People of India are accepting changes and adopting accordingly. Even small venders are opting for digital way of transactions. While speaking on the occasion of seventh foundation day lecture on “Digital way forward” at ICFAI University, Hydrabad, Lakshmi Narayanan, Vice Chairman, Cognizant Technology Solutions on 14th Jan, 2017 said that digital technology is expected to be next trigger for global growth and India is well poised to reap the benefits of the digital world. He further said that India blessed with initiative such as Aadhaar, telecom revolution and GST which would help the country in playing a key note in the development and application of digital technology.

After demonetization, common masses of India are listening, thinking and adopting digital way of transactions. Government of India is also making sincere efforts towards use of digital mode of payment by individual, firms of companies. No doubt there is illiteracy, poor network, and lack of compatibility of new technologies in rural and remote areas of India. But still gradually things will come on way as per expectation of policy makers. Digital environment has been created in all over India. Every one now is familiar with digital financial transaction whether he is highly qualified or unqualified, employed or unemployed, executive or labourer, living in urban area or rural area, elite class or lower classes, residing in remote areas or metro city, child or old age person, street vender or shopping mall owner, men or women. Demonetization provides opportunity for digitalization which can be transferred in cashless revolution.

Most of the people heard of digital transaction, some of them think of it and few of them adopting and practicing it. Let us make efforts to reverse the trend and revolutionize for cash less India.

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