

THE GROWTH OF DIGITAL PAYMENTS IN INDIA

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Abstract

Digital India is transforming India into a digitally empowered society a future knowledge economy. The Government of India launched the digital India campaign to government services available to citizens electronically by online infrastructure improvement and also by enhancing internet connectivity. The focus areas of this initiative are to provide the digital infrastructure, the services and governance – reforming through technology, reforming government through technology, e kranti-electronic delivery of services, information for all, electronic manufacture, IT for jobs. The countries digital growth is enhancing productivity efficiency for a economical growth. This paper attempts the growth of initiative programmes conducted under digital India platforms.

Keywords - Digital India, Electronically, Internet, Initiative, Technology.

Introduction

The Digital India Initiative was launched by the government of India to make government services available to the citizens of India electronically through online infrastructure improvement and also establishing and enhancing internet connectivity. The digital India initiative was established to empower the country digital and technology. This initiative was launched on 1st July 2015 by the Ministry of Electronics and Information Technology and Finance Ministry.

The initiative was taken by the government of India to provide high-speed internet networks to remote and rural areas of India. After the launch of the digital India mission, people were also able to enjoy the other benefits of government schemes which included Make in India, Bharatmala, Sagarmala, Start-up India, Bharatnet, and stand-up India. The digital India initiative focused on 3 areas of concern; we include the following points.

- To provide Digital India infrastructure as a source of utility to every citizen.
- Services on demand and governance.
- To take care of the digital empowerment of every citizen in India.

Digital India Initiative: Vision

The perspective of the Digital India Initiative is very broad and it is a huge project for the development of India based on connectivity and technology.

- Broadband highways consist of three components, broadband for all, rural broadband for all urban and National information infrastructures.
- To provide universal access to mobile connectivity which will focus on network dissemination and filling the gaps of connectivity in India?
- To establish public internet access programs, this has two subcontinents common service centers and post office multi-service centers.
- To improve the delivery of public services establishment of e-Kranti or electronic delivery services.

- To disseminate information for all, it insurance transparency and availability of required and reliable data generated by the line ministry for use, distribution, and reuse for the citizen of India.
- To promote electronics manufacturing.
- To provide training for IT jobs for the youth, to make them empowered to get the opportunity in IT sectors.
- Establishes an early harvest program that consists of a group of different short-term projects which will have an immediate effect on the digital ecosystem of India, its platforms for mass messaging, biometric attendance in government offices, etc.

Digital India Initiative: Objectives

The digital India initiative motto is 'power to empower'. Digital India initiative follows three components of digital infrastructure creation digital, delivery of service, and digital literacy. Similarly, it follows a few objectives which are listed below.

- Digital India initiative ensures to provide high-speed internet in all rural areas or gram panchayats of India.
- It strives to provide easy access to the common service center in all the localities of India.
- The initiative combines a large number of ideas and thoughts into a single vision so that each vision is seen as a part of a larger goal.
- It focuses on reconstructing many existing schemes that can be implemented in a much better approach.

Literature Review

Gupta and Arora (2015) studied the impact of digital India project on India's rural sector. The study found that many schemes have been launched in digital India to boost agriculture sector and entrepreneurship development in rural areas. Digital India programme has also set the stage for empowerment of rural Indian women.

Rani (2016) concluded that the digital India project provides a huge opportunity to use the latest technology to redefine India the paradigms of service industry. It also pointed out that many projects may require some transformational process, reengineering, refinements to achieve the desired service level objectives.

Midha (2016) concluded that digital India is a great plan to develop India for knowledge futurebut its improper implementation due to inaccessibility and inflexibility to requisite can lead to its failure. Though digital India programme is facing number of challenges yet if properly implemented it can make the best future of every citizen. So we Indians should work together to shape the knowledge economy.

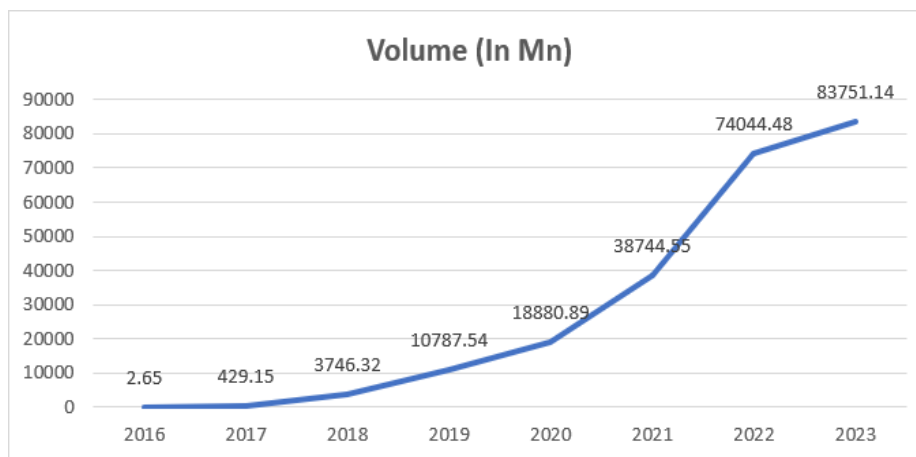
Objectives of the study

- ❖ To know the growth of Digital India Initiatives in payments / Cashless transactions.
- ❖ To analyses the various schemes under Digital India
- ❖ To understand the economic growth of Digital India.

Nine pillars of digital india

1. BROADBAND HIGHWAYS	4. E-GOVERNANCE – REFORMING GOVERNMENT THROUGH TECHNOLOGY	7. ELECTRONICS MANUFACTURING – TARGET NET ZERO IMPORTS
2. UNIVERSAL ACCESS OF PHONES	5. EKRANTI – ELECTRONIC DELIVERY OF SERVICES	8.IT FOR JOBS
3.PUBLIC INTERNET ACCESS PROGRAMME	6. INFORMATION FOR ALL	9.EARLY HARVEST PROGRAMME

UPI (Unified Payments Interface) has seen significant growth in India since its launch in 2016 by National Payments Corporation of India (NPCI). Here are some highlights of the UPI journey in India with YoY (Year-on-Year) growth statistics till Jan 2023.



In 2017, UPI recorded a YoY growth of 900%, processing over 100 million transactions worth INR 67 billion.

- In 2018, the YoY growth was 246% with transactions worth over INR 1.5 trillion processed.
- In 2019, the YoY growth was 67% with transactions worth over INR 2.9 trillion processed.
- In 2020, UPI recorded a YoY growth of 63% with transactions worth over INR 4.3 trillion processed in December 2020.
- In 2021, the YoY growth was 72% with over 1.49 billion transactions worth INR 5.6 trillion processed in June 2021.
- At the end of the calendar year 2022, UPI’s total transaction value stood at INR 125.95 trillion, up 1.75 X year-on-year (YoY), as per the NPCI. Interestingly, the total UPI transaction value accounted for nearly 86% of India’s GDP in FY22.
- At the end of the calendar year 2023, UPI’s total transaction volume stands on 83.75 Billion. These statistics showcase the increasing popularity and adoption of UPI as a convenient and secure platform for digital transactions in India.

The increase in internet and Smartphone penetration in India has also played a major role in the growth of the digital payments ecosystem. E-commerce has also been a major driver of the growth of the digital payments ecosystem in India. The e-commerce market in India is expected to grow at a CAGR of 31% and reach \$200 billion by 2026. The growth of the e-commerce market has led to an increase in the number of online shoppers in India, which is expected to reach 220 million by 2025. The digital payments ecosystem in India is also supported by a number of other private players as well. These players offer a range of digital payment services such as mobile wallets, UPI payments, and QR code-based payments.

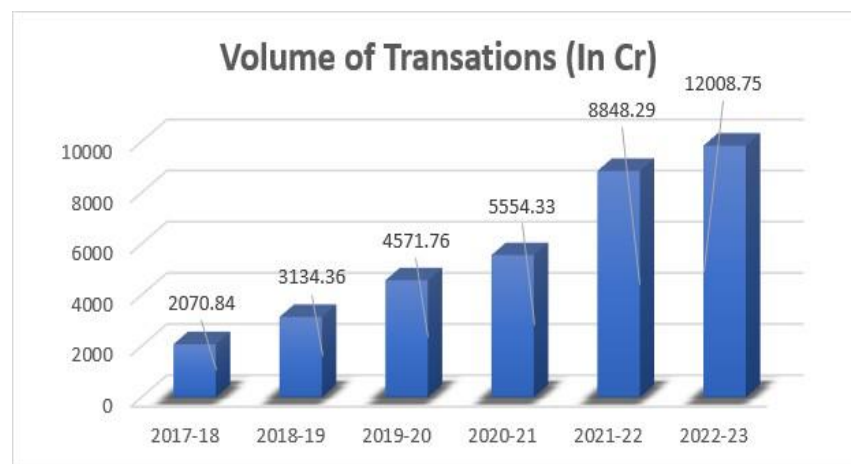
DigiDhan Dashboard

Application is a platform created by the National Informatics Centre, Ministry of Electronics & Information Technology, and Govt. of India to track and monitor the usage of digital payments in the country. The dashboard provides real-time data on the number and value of digital transactions, as well as information on the types of transactions and the platforms being used. Some of its features include:

- Real-time data on digital transactions: The dashboard shows the number and value of digital transactions taking place in the country, broken down by different types of transactions (such as UPI, debit card, credit card, etc.).
- Information on the platforms being used: The dashboard provides data on the various platforms being used for digital transactions, such as BHIM, UPI, and various e-wallets.
- State-wise data: The dashboard shows the number and value of digital transactions taking place in different states of India, allowing users to see the level of digital penetration in different regions.
- Transaction History: The dashboard also provides transaction history of individual users, allowing them to view their past transactions.
- Reports: The Dashboard also provides different types of reports such as transaction, merchants, and user reports.

In conclusion, the digital payments ecosystem in India has grown significantly in recent years, driven by government initiatives, an increase in internet and Smartphone penetration, and the rise of e-commerce. The digital payment ecosystem is supported by private players who offer a range of digital payment services. The future of digital payments in India looks bright with the expected growth in the number of internet users and e-commerce market size.

Year on Year growth for Digital Payments in India has been significant and can be referred below:



Digital Payment Dashboard has been integrated with Integrated with 118 public sector, privatesector, payments, and regional rural and foreign banks. In FY 2021-22, 8,840 Crores Digital Payment Transactions were achieved with 87.20% Current & Savings Accounts seeded with Aadhaar Number, 81.05% Current & Savings Accounts seeded with Mobile Number.

Digital India is an initiative by govt of India to help the country adopt digital initiatives. Initiatives are expected to cut dependency on bureaucratic processes, decrease corruption and help cut downtime in taking public services to the citizens of the country. The impact of Digital India on India’s economic growth is supposed to be long-lasting. As the initiatives in the Digital India Scheme are all driven by technology.

Some of the key Initiatives of Digital India were

- Starting a Digital Locker to help Citizens of India store their important govt ids such as PAN Card, Passport, Voter ID cards and education mark sheets. All the citizens need to use their locker is an Aadhaar Card.
- MyGov Portal to improve good governance with help from citizen engagement.
- ORS portal to help citizens of the country to handle online appointments, and pay online fees of doctors and govt hospitals.
- Design Framework to allow the digital signing of documents.



Digitalization has played a vital role in the flourishing of the Indian economy. The biggest example is the job opportunities created in the country for youth.

In addition to the above, the “make in India” drive has given an immense push to youngsters to start new startups and think of creative ideas to contribute to the digitalization of India.

The government on its end is pushing and encouraging the Indian public to go cashless and reduce reliance on cash transactions. The purpose is to make us adopt digital payments.



Findings

- Digital India as big impact on payments systems
- It's helpful digital marketing
- UPI as dominates the digital era.
- Digital growth is now Economic growth of the country

Conclusion

A digitally connected India can help in improving social and economic condition of people through development of non-agricultural economic activities apart from providing access to education, health and financial services. However, it is important to note that ICT alone cannot directly lead to overall development of the nation. The overall growth and development can be realized through supporting and enhancing elements such as literacy, basic infrastructure, overall business environment, regulatory environment, etc.

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