

## CASHLESS ECONOMY THROUGH DIGITAL INDIA

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### **Abstract**

Digital India, a campaign launched by the Indian government to improve online infrastructure by increasing internet connectivity and offer Indian citizens an easy online government services cashless economy is one in which all the transactions are done using cards or digital means. The circulations of physical currency is minimal with internet usage and penetration, the digital India initiative facilitating a proper payments infrastructure leads to digital economy and advance of digital India on being cashless economy.

**Key words:** Digital India, cashless economy, advantages and challenges;

### **Digital India**

The digital India program is a flagship program of the government of India with the vision to transform India into a digitally empowered society and knowledge economy. It is an aim of ensuring the government services are made available to citizens electronically by reducing paper work. This concept also includes plan to connect rural areas with high speed internet networks.

### **Three core components:**

- The creations of digital infrastructure.
- Delivering services digitally.
- Digital literacy.

Digital India is a campaign launched by the government of India to ensure that government is a platform to share inputs and ideas on matter of police and governance it is a platform.

### **Objectives:**

- To know the concept of cashless economy.
- To identify the advantages of cashless economy.
- To analyse the challenges of cashless economy.

To know the concept of cashless economy

A cashless economy is one in which all the transaction are done using cards or digital means. The circulation of physical currency is minimal. India uses too much cash for transactions. The number of currency notes in circulation is also for higher than in other large economies.

A society in which purchase of goods and services or made by credit cards or electronic funds transformer rather than with cash or cheques expand a society on which consumer pay using debit or credit cards, electronic fund transfer or online shopping instead of paying by cash or bank cheque also called cashless.

### **Importance of cashless economy.**

- The cashless economy needs to be present as the financially year of 2015 experienced the heavy amount of Rs.21000 cores just on the pricing of the cash into the economy.
- The other need for cashless economies that every shed transactions is left unrecorded will now comes into the picture making India one of the growing economies in the world.
- A cashless economy is required to make the transactions more convenient for the layman rather than carrying the book of cashless in the wallet along with plastic money.
- Cashless economy is needed to reduce the taxes that are changed by the government due to the lack of fund in the government bodies.
- Cashless economy is important because it will decrease the tax avoidance and the money lending cases subsequently resulting in benefits for the customers.
- Cashless is needed as 1 out of seven notes present in the economy is take which results into a bad image of the economy.

### **Implementation**

For different medium present in the digital transactions different requirements are necessary to carry out transaction in the economy. But we are go in to shower light on the basic requirements if you want to deviate to a digital transaction medium.

- **Banking card:** Banking cards are available by the bank by providing the KYC (know you costumer) information to the bank apply for a card and getting pin for the same.
- **USSD:** You should be handling a bank account and have your mobile number attached to the same you should register for mobile banking and you will get the MPIN (mobile pin) and MMID (mobile money identifier) for the transaction.
- **AEPS:** You should be having a bank account opened along with your Aadhar card information linked with it.
- **UPI:** For this digital service you need a bank account with your mobile number linked to it, also, the phone should be a smart phone and a debit card to set the MPIN.
- **Mobile wallets:** Option to open a zero KYC or a full KYC wallet along with your mobile number and the application to be down loaded to your smart phones.
- **Banks pre-paid cards:** For this service a bank account should be there will wallet or a pre-paid card and a smart phone to generate MPIN.
- **Point of sale:** A hand-held device with biometric reader a long with a merchant bank account and internet connecting.
- **Internet banking:** for this type of digital service to take benefit of the individual must hold a bank account and option for the online service same.
- **Mobile banking:** A bank account ie required along with a mobile phone application of the bank and internet connecting to take benefits if this digital service.
- **MICRO ATM'S:** This type of digital service can be used by the users of flow costs devices and would be benefits to them.

### **To identify the advantages of cashless economy**

- Ability to pay without having to carry cash and ability to pay extract amount exchange not a problem.
- Recorded transaction so better collection of tax leading to better India.
- Cashless economy leads to digitization which is tech savvy and time saving.

- We can see our society void of theft and burglary. Illegal activities will also stop over a period of time.
- The cost of printing currency notes and minting of coins can also be saving and fake notes issues can be eliminated from the society.
- The concept of black money can be easily wiped of with introduction of cashless economy.
- Card and electronic gadgets are easy to carry and easy to handle . we cannot easily carry huge amount in our pockets.

**To analyse the challenges in implementing cashless transaction**

- Availability of internet connection and financial literacy.
- Through bank accounts have been opened through JAN DHAN YOJANA, most they are laying un operational. Unless people start operating bank accounts cashless economy is not possible.
- There also vested interest is not moving towards cashless economy.
- India is dominated by small retailers. They don't have enough resources to invest in electronic payment infrastructure.
- The work of banks would change fully and their routine works are going to become complicated.

**Conclusion**

By this we concluding that cashless economy is a greatest step taken by government of India through Jan Dhana Yojana, BHIM app, demonetizing higher denomination of currencies and implementing GST. But necessary challenges are to be taken into consideration to have less cash transactions. So, by this we try to conclude that adapting to cashless economy is little bit difficult but less cash is possible.