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Cash to Cashless Economy in India**Mrs. Smita D. Dubal**Yashwantrao Chavan Arts And Commerce College,
Islampur**I. Abstract**

Cash may be defined as a legal common way for all kinds of material transaction in an economy. With limited cash in hand and an indefinite crunch in sight, most people are rushing to cashless transaction. After demonetization, India announced concept of cashless economy & digital India.

People can save their time, faster transaction, offer big discounts, most convenient way, no need to worry about change, very low risk, easy way to track spending are some benefits of going cashless. Although it carries the risk of cyber crime.

Government has taken various steps towards Indian people to adopt cashless transaction economy. It will definitely prove beneficial for economy growth & to control problem like money laundering which is highly faced by India.

II. Introduction

Cash is the life blood of any economy. We can't expect any activity without cash. Currency notes in India are issued & controlled by RBI. Cashless transaction doesn't mean shortage of cash rather than it indicates the culture of people settling transactions digitally. After demonetization Indian government introduced cashless transaction economy.

This paper study is to focus on the benefits of cashless transaction economy, means used to settle cashless transactions & impact on Indian economy. Cashless transaction economy is one step towards digital India.

III. Objectives

- i. To find out the process of going cash to cashless
- ii. To flash out the means of cashless transaction economy
- iii. To find out the benefits of going cashless
- iv. To chalk out the effect of demonetization on cashless economy

IV. Research Methodology

Present study is descriptive as well as exploratory in nature. Secondary data from authentic sources like hands of statistics of Indian Economy used. This study also refers government websites for cashless transaction to draw meaningful conclusion about benefits means and impact of cashless transaction economy in India.

V. Modes of Cashless Transaction**1. Banking Cards**

Banking cards like Debit card, Credit cards, Cash cards, Travel cards or other type of cards offer consumers to do easy, secure & convenient transaction. People simply need to apply for cards to their banks & generate pin. These cards can be used at P.O.S. machines, ATMs, Micro ATMs, shops, online transactions, E-Commerce, etc. Master card, VISA, RuPay are some examples of cards.

2. USSD

This is an innovative payment service *99# works on unstructured supplementary service data (USSD) channel. This service allows mobile banking transaction using basic feature mobile phone, there is no

need to have internet connection for using USSD based mobile banking. *99# service has launched to take the banking service to every common man across the country.

3. AEPS (Aadhar Enabled Payment System)

This is bank led model which allows interoperable finance transactions at POS through the business correspondent or bank mitra of any bank using Aadhar authentication. Aadhar number should be linked with the bank account.

4. UPI (Unified Payment Interface)

This is a system that powers multiple bank accounts into a simple mobile application, merging several banking features. Each bank provides its own UPI app for android and Windows like Bank of Maharashtra – MahaUPI, SBI- SBI Anywhere, etc.

5. Mobile Wallet

Mobile wallet is a way to carry cash in digital format. Instead using physical plastic cards to make payment or purchase, one can pay with smartphone or tablet or digital watch, etc. Most of the banks have their E-wallet and some private companies i.e. paytm, Freecharge, mRuppee, Airtel Money, SBI Buddy, Vodafone M-pesa, Axis Banl Lime, ICICI Pocket, etc.

6. Bank Prepaid Card

Prepaid card is a card which is not linked to the account. A card you use for payment, you have already loaded cash on it. many banks like ICICI, Axis, SBI, YES Bank, HDFC and many more banks offer prepaid cards.

7. POS(Point of Sale)

A Point of Sale where sales are made. On a macro level, A POS can found at a mall, a market or a city. On micro level, any retailer where customer complete their transactions or petrol pump, etc.

8. Internet Banking

Internet banking is also known as online banking or E-banking. Instead going bank you can carry out many transactions sitting at home or office. Transactions like fund transfer, payment of bills, balance enquiry, bank statements, etc. NEFT, RTGS, ECG, IMPS are few types of Internet banking transactions. First time login of Internet banking we can operate it from mobile also.

9. Mobile Banking

Mobile banking has same features of internet banking instead having some limitations. This service is provided by bank or financial institutions for making transactions remotely. Every bank provide own software or app for android, window.

10. MicroATMs

Micro ATMs are card swipe machines through which bank can reach to remote areas where bank can not reach. This is also called mini version of ATM. The basic transaction type to be supported like deposit, withdrawal, fund transfer, balance enquiry, etc. Recently government of India announced concept of post ATMs.

VI. Benefits of going cashless

The whole country is witnessing the effect of demonetization which lead to cashless India. Lets look at the benefits of the cashless transaction economy in details –

1. Save Money & time

Companies and government will get efficient and they can reduce the cost as they no longer need to the manual accounting work to be done. The cost associating with accounting will be minimum so it will save money.

2. Offer big discounts

For online & offline shopping sites offer big discounts, also one can get offers for using some debit cards, credit cards for payment like money back offers. Government of India also offered discount on service tax, fuel surcharge, E-IRCTC ticket booking with cashless transaction

3. Convenient way

Cashless transaction is the most convenient way of payment. Plastic money, mobile banking, E-Wallet makes transaction in convenient way. No need to carry bundle of cash when you travel to remote area.

4. No Need to worry about change

While paying cash of small amount of bill one have to have change with them or arrange the change. But by using cashless means like debit card, credit card, E-wallet, mobile banking there is no need to worry about change and easy transaction take place.

5. Low risk

Carrying bulk of amount creates risk of theft. Cashless transaction also has risk of cyber theft but at very low risk. Using some safety precautions one can avoid cyber crimes.

6. Track of spending

Most of the transactions are done using mobile applications or plastic money can track the records of spending in an easy way and at one click. Again it will help while filing income tax returns.

7. Reduce production cost of coins & notes

Since, Indian economy stepping towards cashless transaction economy it helps introducing the cost of production of coins & notes.

VII. Effect of Demonetization on Cashless Transaction

Before demonetization people mostly used to prefer cash transaction. During Demonetization people's fund were blocked in banks they were unable to go for cash transactions. During that period people pushed towards cashless transaction and they were no choice rather going cashless. So demonetization led Indians towards cashless transaction economy.

VIII. Conclusion

The concept of cashless transaction is effective and taking Indian economy towards development. Through e-commerce transactions and digital payment methods will increase transferency in economy which will also increase GDP of India. This step of cashless transaction economy surely helps to attain the vision of 'Digital India'.

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