
SECURING DIGITAL TRANSACTIONS: UNPACKING TRUST IN INDIAN DIGITAL PAYMENT SYSTEMS

Shradha Suman Rath, LLM (Corporate and Commercial Law), Christ (Deemed to be University), Bangalore, Karnataka

Dr. Sivananda Kumar K, Mcom, LLB, LLM, PhD, Associate Professor at Christ (Deemed to be University), Bangalore, Karnataka

ABSTRACT

Cash holds the Crown, but digital payment methods have quickly taken over the outlook. India has now been a leader in this shift. Humans naturally desire convenience and accessibility, making it challenging to maintain adequate cash. Digital payments lead to efficient and sustainable cash flow with efficiency and effortlessness amongst the generating population precisely post-pandemic.

The electronic transfer of value, such as money, between accounts, is what digital payments are all about. These intangible transactions do not involve cash, credit cards, or cheques. Digital payment methods, on the other hand, make use of processing mechanisms on devices such as mobile phones and PCs, easier and flexible whereas the banking sector plays a pivotal role in offering these above-mentioned instruments during the pandemic situations with clarity and security.

In recent decades, there has been a discernible shift towards advancing technology. This movement underscores the increasing significance of digital methods, compelling numerous businesses to embrace digital payment systems, provide safe and secured payments between the two parties, and lower risk, accessibility, and straightforward efficiency of e-cash.

The particular research paper showcases that the paradigm of payments has shifted significantly, with an emphasis on customer convenience, seamless cash flow, and rapid services as pivotal factors. This ensures ease of use and choice, contributing to the holistic success of digital payment systems for individuals and economies alike.

Keywords: E-Commerce, Digital Payments, Internet, Cybercrimes, RTGS, Covid

INTRODUCTION

Understanding the origins and types of ancient currencies has shifted throughout recorded history. Nevertheless, a constant aspect has been the fundamental purpose of money: serving as a facilitator for trade in goods and services, acting as a medium of exchange, and maintaining credibility as a store of value. In the contemporary era, where trade involves substantial and swift payments across vast distances with minimal transaction costs, global trends are increasingly steering toward the digitization of payment systems. Cash, although integral, remains a crucial element in trade discussions. Consequently, the ongoing conversation in today's payment system landscape often centers on the comparison between cash and digital transactions. As e-payments, digital transactions involve the electronic transfer of funds between a payer and a payee, utilizing digital methods to execute the transaction. With its history spanning from barter systems to paper money, India has witnessed a significant evolution in payment methods. In the current decade, especially with the influence of the younger generation, the trend is shifting towards cashless options, marking the rise of digital payment modes as the contemporary phase of financial transactions.

In today's world, technology is transforming the way we exchange currency and conduct financial transactions. Traditional methods are being replaced by digital payment options that offer greater efficiency, convenience, and security. These systems are now widely available and offer a variety of options, including mobile wallets, online banking, and even cryptocurrency transactions. One of the main benefits of digital payments is their ability to overcome the limitations of time and location. With just a few taps on a smartphone or clicks on a computer, individuals and businesses can quickly and easily make transactions without the need for physical presence or complicated traditional banking processes. Mobile wallets are especially popular as they allow users to securely store financial information and make transactions with a simple touch on their screens. This accessibility not only simplifies everyday financial activities but also promotes financial inclusion. Cryptocurrencies, a subset of digital payments, have introduced an additional layer of innovation to the financial ecosystem. Built on decentralized blockchain technology, cryptocurrencies like Bitcoin and Ethereum provide an alternative means of conducting transactions, characterized by transparency, security, and the absence of traditional intermediaries. While still navigating regulatory landscapes, cryptocurrencies have captured the imagination of many as a transformative force in reshaping the future of finance. The widespread adoption of digital

payments represents more than a technological trend; it signifies a paradigm shift in societal attitudes toward financial transactions. The burgeoning reliance on digital payment methods is reshaping consumer expectations, encouraging businesses to adapt to the evolving landscape, and prompting financial institutions to innovate continuously. Moreover, digital payments play a pivotal role in reducing reliance on cash, contributing to a more sustainable and efficient financial ecosystem. Therefore the research paper articulates the profound role of digital payments within the Indian narrative, showcasing how they act as agents of change in promoting financial inclusion, transparency, and economic growth. As the subsequent sections delve into trends, challenges, and prospects, this introduction lays the foundation for a comprehensive exploration of the dynamic landscape of digital payments in India.

1.1 DIFFERENT MODES OF DIGITAL PAYMENT

Digital transactions refer to financial exchanges conducted through digital or online platforms, bypassing the need for physical money transfers between the payer and the recipient. The Indian government, under the 'Digital India' initiative, is actively encouraging and endorsing digital payments to establish an economically empowered system that is devoid of physical documents and cash transactions.¹ The landscape of digital payments encompasses various types and methodologies which are as follows;

1. **RTGS:** Real-time gross settlements (RTGS) are a method used for inter-bank transactions of high value that require immediate and complete clearing. Typically, the central bank of a nation supervises RTGS, allowing for swift settlements that occur almost instantly throughout the day. Unlike the National Electronic Funds Transfer (NEFT), which conducts settlements in batches, RTGS significantly reduces overall risk. However, customers should note that the immediacy of fund transfers through RTGS may result in higher costs.
2. **NEFT:** NEFT, National Electronic Funds Transfer, was launched in November 2005 as an electronic funds transfer system under the oversight of the Reserve Bank of India. This mechanism streamlines the seamless online movement of funds from one NEFT-enabled bank account to another, operating as a direct one-to-one payment avenue. The execution of NEFT transactions is restricted to banks that provide NEFT-enabled services, guaranteeing

¹VOLUME-1,Patil, A. (2022). STUDY ON DIGITAL PAYMENTS ERA IN INDIA. CONTEMPORARY ISSUES IN BUSINESS AND ECONOMICS 143.

a secure and straightforward process for fund transfers. NEFT transactions are exclusively conducted online, eliminating the need for third-party involvement. The participation of the Reserve Bank of India ensures an additional layer of security, offering reliability to the transactions. Immediate notifications are issued to both the sender and receiver upon successful transaction completion.

3. **UNIFIED PAYMENTS INTERFACE:** The Unified Payments Interface (UPI) is a system designed to link multiple bank accounts through a single mobile application, available from any participating bank. This application merges various banking features, bringing together fund routing and merchant payments. Furthermore, it handles "peer-to-peer" collection requests, enabling users to schedule and make payments at their convenience. Each bank offers its own UPI app compatible with Android, Windows, and iOS mobile platforms.
4. **MONEY WALLETS:** A mobile wallet is a digital way of sending money that allows you to connect your credit or debit card credentials to the app or transfer money online. Instead of using a real card, you may make payments with your smartphone, tablet, or laptop. It is important to link an individual's account to add funds to the digital wallet. Many banks provide digital wallets, and commercial firms like Paytm, Freecharge, Mobikwik, Airtel Money, Jio Money, SBI Buddy Pay, Axis Bank Lime, and ICICI Pockets

2. ATTRIBUTES OF DIGITAL PAYMENTS ON INDIAN CUSTOMERS

- Convenience: The ease of use that digital payments bring is driving their widespread acceptance. Consumers have responded favourably to the ability to complete transactions smoothly from any location and at any time, removing the need to carry real currency or cards. Users may settle debts, buy things, and send money to friends and family with only a few touches on their cell phones or PCs².
- Security: Digital payments have been integrated into our daily routines. Nevertheless, the widespread embrace of digital payment methods varies among different demographics and geographic locations. A significant hindrance to the expansion of digital payments is the

² Angamuthu, B. (2020). Growth of digital payments in India. *NMIS Journal of Economics and Public Policy*.

security concern. With the frequency and scale of cyberattacks and data breaches, individuals naturally harbor reservations about divulging personal and financial information online.³

- Access: Facilitating access to digital payment solutions is essential for boosting adoption rates in both developed and developing nations. Governments and private entities can play a pivotal role in overcoming this divide by making smartphones more affordable, improving internet access in underserved regions, and promoting digital literacy initiatives. For instance, in India, the Digital India initiative by the government aims to provide economical internet access and technology to rural populations. Similarly, initiatives like Google's "Next Billion Users" program concentrate on crafting solutions tailored to the specific needs of users in emerging markets. ⁴Efforts directed at closing the digital gap have the potential to significantly increase the adoption rates of digital payment solutions.
- Awareness: Spreading awareness about digital payments is crucial for their widespread adoption. Despite the growing prevalence of digital transactions, many individuals remain unaware of the numerous benefits and conveniences offered by digital payment methods. To address this gap, targeted educational initiatives and marketing campaigns are essential. Social media platforms, advertisements, and seminars serve as effective channels to disseminate information about the workings of digital payments, emphasizing their security, speed, and reliability. Educational programs should aim to demystify digital payment processes, outlining their advantages and promoting safe usage. Marketers play a pivotal role in highlighting digital payments as a contemporary, secure, and efficient means of conducting transactions.

3. COMPARATIVE ANALYSIS: PRE AND POST-PANDEMIC SCENARIO

The pre-pandemic era depicted a financial landscape where digital payments were steadily gaining popularity, primarily driven by convenience and technological advancements. However, the shift towards digital transactions was more evolutionary than revolutionary.

³ Hasan, Aslam, *et al.* "Cashless Economy in India: Challenges Ahead." *Shanlax* 8(1), *International Journal of Commerce* 21–30 (2020).

⁴ Sharma, M., 2021. Digital Payments in India: Impact of Emerging Technologies. In *Industry 4.0 Technologies for Business Excellence* (pp. 191-204). CRC Press.

Digital payments were viewed as a choice for those seeking efficiency, and contactless options were on the rise but had not yet become a widespread norm.

The post-pandemic scenario starkly contrasts with the pre-pandemic world, marked by a dramatic acceleration in the adoption of digital payments. The COVID-19 pandemic served as a catalyst, transforming digital payments from a matter of convenience to a critical tool for public health and safety. Contactless transactions, once an option, became a necessity to minimize physical contact and curb the spread of infectious diseases. This urgency fueled a rapid and widespread acceptance of digital payment methods, making them an integral part of everyday transactions.

One of the notable shifts in the post-pandemic landscape is the heightened importance of robust and secure digital payment infrastructures. As the urgency for secure, contactless transactions increased, there was a corresponding emphasis on advancing technologies such as blockchain and secure authentication methods⁵. The post-pandemic world demands more resilient digital payment systems to address the evolving challenges posed by changing consumer behaviour and heightened cybersecurity concerns.

Consumer behaviour underwent a profound transformation post-pandemic. The experience of lockdowns and restrictions accelerated the preference for the efficiency and accessibility of digital payment platforms. In contrast to the diverse payment methods prevalent in the pre-pandemic era, the post-pandemic world witnesses a more pronounced shift toward digital transactions as the default option. This shift is prompting businesses to recalibrate their strategies, prioritizing seamless digital payment options and fortifying cybersecurity measures to build and maintain consumer trust.

Despite the acceleration in digital payment adoption, challenges persist in achieving universal access. Disparities in digital literacy, technological infrastructure, and financial inclusion have been underscored and exacerbated by the pandemic. The post-pandemic era calls for collaborative efforts between governments, financial institutions, and technology providers to bridge these gaps, ensuring that the benefits of digital payments are accessible to all segments of society. In essence, the post-pandemic scenario signifies a transformative shift in the role

⁵SINGH, D.M., FROM CASH TO CASHLESS: TRANSFORMING PAYMENTS SYSTEM IN INDIA. *Stochastic Modeling*.

and acceptance of digital payments, reshaping the dynamics of finance for a more connected and inclusive world.

In conclusion, the evolution of digital payments from the pre-pandemic era to the post-pandemic landscape reflects a profound and accelerated transformation. What was once a gradual shift enlightened by convenience and technological advancements became an urgent and widespread adoption driven by the imperative for public health and safety. Contactless transactions, once a preference, are now an essential component of everyday financial transactions. The post-pandemic scenario places an increased emphasis on the necessity for robust and secure digital payment infrastructures. This reflects a broader acknowledgment of the pivotal role played by digital payments, not only in enhancing convenience but in addressing critical challenges posed by global events such as the pandemic. The recalibration of consumer behaviour, with digital transactions becoming the default option, indicates a lasting impact that extends beyond temporary disruptions.

However, amid this accelerated adoption, challenges persist, notably in achieving universal access and addressing disparities in digital literacy and financial inclusion. Collaborative efforts are essential to ensure that the benefits of digital payments are accessible to all segments of society. As we navigate this post-pandemic financial landscape, the trajectory of digital payments signifies not just a technological evolution but a fundamental shift in the way we perceive and conduct financial transactions—a shift toward a more connected, inclusive, and resilient future.

4. OVERCOMING HURDLES IN THE DYNAMIC LANDSCAPE OF DIGITAL PAYMENTS

The ascent of digital payments is accompanied by a spectrum of challenges that impede their smooth assimilation and widespread embrace. Chief among these challenges is the matter of digital literacy, particularly pronounced in developing regions where a significant number of individuals may lack the necessary skills to navigate digital payment platforms proficiently. Closing this gap in digital literacy becomes imperative to ensure a more extensive segment of the population can actively engage in digital transactions with confidence. The following are some of the major hurdles or obstacles found in the way of digital payments.

The extent of digital assimilation reaching the last mile of customers: The extensive

expansion of digital payments, driven by initiatives from both financial institutions and the government, has encountered mixed reactions. Despite significant progress, the prevailing "Cash is the king" model adhered to by numerous merchants and customers has limited its widespread acceptance. The rapid adoption of digital payments still requires further promotion and encouragement, especially in tier II and III cities, to empower a larger segment of the population to embrace digital literacy.

Prone of fraudulent transactions & and cyber-attacks: We have observed a multitude of news reports and articles detailing the vulnerability of cardholder data and digital applications to cyber-attacks. Instances include the cancellation or penalization of licenses by the RBI for financial players involved in fraud or failure to adhere to regulatory governance. These occurrences contribute to a dynamic instability in the digital payment industry, resulting in a fragmented user experience for customers.

Rise of Transactional failures on Digital Payments: Banks still use outdated technology because they believe that digital payment is not a core part of their business, specifically their Current Account and Savings Account (CASA). Although digital payment is offered as an additional software feature by Core Banking Systems (CBS), banks delegate the responsibility of upgrading it to various partners. This approach leads to a point where the number of transactions eventually reaches a breaking point, resulting in transactional failures due to the sheer volume of transactions. Banks often rely on outdated technology because digital payment is seen as an additional software feature, not a core part of the business such as a Current Account and Savings Account (CASA).

The challenge for the government to cope with the technology⁶: A significant challenge for the government and banks is distinguishing authenticated users from the raw data set, raising questions about whether the widespread adoption of digital payments is advantageous or detrimental. ⁷Amidst the evolving regulatory landscape in India, there exist vulnerabilities that can be exploited for fraudulent activities. However, a substantial number of fintech companies collaborate closely with banks to address and eliminate these challenges.

⁶ Sahila, C., AN ANALYSIS OF PRESENT STATUS, CHALLENGES AND OPPORTUNITIES OF E-COMMERCE IN INDIA.

⁷ The Cashless Society." International Journal of Retail & Distribution Management, vol. 23, no. 7, 1995, pp. 31-40.

Examples include Invoice for KYC (KNOW YOUR CUSTOMER) and Razorpay for Payment Gateway.

Progressing toward a Digital India entails confronting various obstacles that demand collective action from both the government and the citizens. The government can significantly contribute by accelerating procedural processes and fortifying security measures to cultivate trust among the populace. At the same time, citizens play a crucial role in staying informed about and adapting to emerging technologies while using them responsibly and ethically. This collaborative approach can effectively address challenges, solutions are generated, and trust is instilled in the evolving digital landscape.

5. EXISTING LEGAL PROVISIONS GOVERNING THE DIGITAL PAYMENTS

The Government of India launched the Digital India Program in 2015 under the Ministry of Electronics & Information Technology, to turn India into a digitally empowered society and knowledge economy. Led by Prime Minister Narendra Modi, the Cashless India initiative aims to decrease the country's reliance on physical cash and bring untaxed funds into the formal financial system. Demonetization in November 2016 marked a significant step in this direction. Demonetization encouraged individuals and businesses to embrace digital payment solutions, thus facilitating India's shift from a cash-dependent economy to one heavily reliant on digital transactions, including debit/credit cards, net banking, mobile wallets, UPI, and point-of-sale systems. These digital payment options enhance traceability, accessibility, and transparency, thereby addressing corruption linked to unrecorded cash transactions.

India's expansive telecom and internet market, boasting millions of subscribers and broadband users, respectively, provides a strong foundation for expanding digital transactions. Furthermore, government initiatives such as Jan Dhan Yojana, the BHIM App, strategies to reduce leakages in the public distribution system, Direct Benefit Transfer (DBT), and UPI all contribute to advancing financial inclusion efforts. Apart from the above implementations, the following legal provisions are there to regulate the payment systems thoroughly.

- **The Reserve Bank of India (RBI)** is the primary regulator responsible for overseeing electronic payments within the country. While the regulations in this area were initially

broad, they have evolved into comprehensive guidelines in response to the increasing use of electronic payment systems. The RBI demonstrates its adaptability by promptly adjusting its regulations to effectively address market fluctuations. As outlined in the "Vision Statement on Payment and Settlements Systems in India 2019-21," the Reserve Bank of India (RBI) aims to set stricter and more modern guidelines harmoniously with the electronic payment systems' evolving landscape. To foster inclusivity and incorporate public perspectives, the RBI published a discussion paper, inviting recommendations on shaping these guidelines to stay abreast of daily advancements.

In response to the input received, the RBI released the "Guidelines on Payment Aggregators and Gateways" in March 2020, with a slated implementation date of April 2021.

- **Payment and Settlements Systems Act, 2007** The Payment and Settlements Systems Act (PSS) of 2007 is the governing law for electronic payment systems in India. This law grants the Reserve Bank of India (RBI) the authority to supervise all aspects related to electronic payment systems, their settlement, and associated legalities. According to the PSS Act, no entity, except the RBI, is allowed to operate a payment system without proper authorization from the RBI, unless exempted by the terms of the PSS Act itself. The Act outlines specific provisions for netting and settlement finality, giving the RBI formal oversight over the entire payment and settlement system.

In India, consumer protection laws are deficient for individuals who incur financial losses in digital transactions. This gap persists despite the government's push towards a less cash economy, particularly following the demonetization of Rs 500 and Rs 1,000 currency notes. The surge in digital wallet transactions resulting from the demonetization move has not been met with comprehensive measures to safeguard the cybersecurity aspects of digital payments. Currently, these aspects predominantly fall under the purview of the Information Technology (IT) Act.

6. CONTRIBUTION OF DIGITAL PAYMENTS TO INDIAN ECONOMY

The demonetization policy in India, announced on November 8, 2016, had a profound impact on the economy, leading to a surge in digital payments. Before this move, digital transactions constituted only 10%, but post-demonetization, they escalated to over 20%. The government's

emphasis is on digitalization⁸, coupled with increased internet and smartphone usage, and the flourishing e-commerce sector, propelled the growth of India's digital ecosystem. Modern banking in India has its roots in the late 18th century. Over time, the banking sector has continuously evolved, making it one of the oldest and longest-standing businesses in the country. The promotion of digital India, initiated by Prime Minister Narendra Modi, has introduced digital payments as an empowering system in India. This initiative aims to enhance transparency in the country's cash flow and directly address issues related to black money through tax payments and transparent financial transactions. Digital payment systems offer enhanced security and safety compared to traditional cash transactions and contribute to the advancement of lifestyle through the adoption of cutting-edge technologies, thereby promoting globalization and modernization, ultimately leading to national development. The government of India has been steadfast and proactive in driving digitalization forward, notably through initiatives such as "Digital India" and Demonetization. While these efforts have faced praise and criticism, they have instilled confidence among the populace and are gradually gaining momentum.

Likewise, initiatives like Digital India, Make in India, and Startup India aimed to foster digital technologies across sectors, fostering an environment for startups. Anticipated to reach 800 million by 2023, the growing internet user base is paralleled by an expected surge in mobile wallet users to 900 million by 2025. The government's target of 2,500 crore digital transactions in the 2017-18 Union Budget through various digital payment channels reflects a strategic move to reduce reliance on cash transactions and boost digital payment adoption. Incentivizing merchants and businesses to embrace digital payment methods is a key initiative in this transformative journey. To begin with, in 2017, UPI experienced a remarkable YoY growth of 900%, handling 100 million transactions valued at INR 67 billion. Subsequent years continued this trend: 246% growth in 2018 with transactions exceeding INR 1.5 trillion, 67% growth in 2019 with transactions surpassing INR 2.9 trillion, and a 63% YoY growth in 2020, concluding at over INR 4.3 trillion in transactions by December.⁹ The momentum continued in 2021, witnessing a 72% YoY growth with 1.49 billion transactions amounting to INR 5.6 trillion by June. By the close of 2022, UPI's total transaction value reached INR 125.95 trillion,

⁸https://www.ey.com/en_in/tax/economy-watch/how-digital-transformation-will-help-india-accelerate-its-growth-in-the-coming-years. (n.d.).

⁹ Singh, R. and Malik, G., 2019. Impact of digitalization on Indian rural banking customer: concerning payment systems. *Emerging Economy Studies*, 5(1), pp.31-41.

contributing nearly 86% to India's GDP in FY22. As of the end of 2023, UPI's total transaction volume stands at 83.75 billion, underscoring its widespread popularity and adoption as a secure platform for digital transactions in India.¹⁰ The surge in internet and smartphone usage, along with the flourishing e-commerce market, has been pivotal in fostering the growth of India's digital payments ecosystem. Predicted to achieve a 31% CAGR (Compound annual growth rate), the Indian e-commerce market is anticipated to reach \$200 billion by 2026. This growth has resulted in an upswing of online shoppers, projected to reach 220 million by 2025.¹¹ Beyond UPI, the digital payments landscape is supported by various private players offering services like mobile wallets, UPI payments, and QR code-based transactions. Therefore the digital payments landscape in India has witnessed substantial growth in recent times, propelled by government efforts, a surge in internet and smartphone usage, and the flourishing e-commerce sector. The Digital India initiative offers the convenience of a Digital Locker, which allows secure storage and access of all documents from anywhere using the internet, thus saving valuable time. This process can be further streamlined with e-signature, allowing for the digital signing of documents through the Aadhaar e-KYC service.¹²

Additionally, the initiative includes

- laying optical fibre networks in all rural areas,
- providing mobile phones to every village,
- establishing public internet access points,
- implementing e-Governance,
- facilitating electronic service delivery through e-Kranti, and
- ensuring information accessibility through platforms like social media and mygov. in.

¹⁰Aggarwal, B., Badoni, R.P. and Dakpathar, U., Plastic Money: A Study on the Shift from Internet Banking to UPI. *A Message from the Editor-in-Chief/Editors*, p.237.

¹¹ Kakkar, M., Arrawatia, M.A. and Ahmed, M., 2021. Role of digital payment in the growth of MSMEs Sector. *Indian Journal of Economics and Business*, 20(1).

¹² L. T. Khrais, "IoT and blockchain in the development of smart cities," *International Journal of Advanced Computer Science and Applications*, vol. 11, no. 2, 2020

Cash is fundamental to any economy, serving as its lifeblood. It is the legal medium through which transactions occur within an economy. In India, currency notes are issued and regulated by the Reserve Bank of India. The absence of currency notes within the banking system creates opportunities for unrecorded transactions, leading to the accumulation of unaccounted or black money among individuals. This results in disproportionate spending relative to reported income, making it difficult for the government to assess taxable income and collect necessary revenue through direct and indirect taxes. Consequently, deficit financing becomes necessary, involving issuing new currency notes to bridge the revenue shortfall. This process is compounded by the circulation of counterfeit notes within the economy. There is a growing need to transition towards cashless transactions in the economy to address these challenges and promote transparency, efficiency, and the formal circulation of money through banking channels. The development of the financial sector can have a pivotal role in stimulating economic growth. Innovations in payment systems have the potential to influence output, prices, and the transmission of monetary policy. However, there needs to be more research on the influence of payment systems on economic activity, particularly in emerging economies like India. Furthermore, our findings suggest that RTGS transactions and economic growth mutually influence each other positively and significantly, indicating the presence of bidirectional causality between the two variables. A variance decomposition analysis reveals that both RTGS transactions and economic activity substantially contribute to each other's fluctuations. Several sensitivity analyses conducted in the study further support our main conclusions.

CONCLUSION

In India's socio-economic peculiarities, the promotion of a system of digital payments is challenging and provides an ambiguous picture of the cash flow. The preference for digital payments is positive, signalling an evolving trend. To enhance the digital payment system, recommendations include reducing transaction costs with transparent processes, ensuring widespread high-speed internet access, simplifying complex payment systems, improving security with robust regulations, establishing a framework for grievance redressal, and creating an adaptable ecosystem aligned with customer needs.

To sum up, digital payments have emerged as a significant driver in India's economic landscape, propelled by governmental initiatives for a cashless economy and technological

advancements. Adherence to specific standards is imperative for merchants to contribute to the proper functioning of the digital payments industry.

As India undergoes a digital transformation, the prospects for digital payments appear optimistic, marked by anticipated rapid growth. Innovations such as UPI and e-RUPI, coupled with increasing smartphone and internet accessibility, are poised to propel the expansion of digital payment platforms further. This transition to a cashless economy is expected to accelerate in the coming years, offering enhanced convenience and fostering financial inclusion for millions of Indians.

SUGGESTIONS

To promote digital payments in India, a comprehensive strategy is required. This involves raising public awareness through extensive campaigns, providing incentives like cashback and discounts to drive adoption, and developing a robust digital infrastructure for accessibility across regions. Empowering users through financial literacy programs is vital, and ongoing government support, including policies and incentives, remains crucial. Establishing clear regulatory frameworks, integrating with social welfare programs, and facilitating small business adoption are pivotal elements. Ensuring interoperability among platforms, implementing stringent cybersecurity measures, and fostering international collaboration to glean insights from global best practices constitute a holistic approach to advancing digital payments, fostering financial inclusion and economic growth in India.

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