

ISSN - No. 2319-9318

*Peer Reviewed International Research Journal*

UGC Approved

**VIDYAWARTA**

*Special Issue.*

Ashti Taluka Shikshan Prasarak Mandal's

**Arts, Commerce and Science College, Ashti**

Tal. Ashti, Dist. Beed (MS)

Accredited by NAAC B++ Grade with 2.78 CGPA  
ISO 9001:2015, Green Audited College

**Interdisciplinary National Conference on**

**Recent Trends in  
Social Sciences & Commerce**

**27<sup>th</sup> February 2018**

**COMMERCE AND ECONOMICS**

Organizer  
Dr. S. R. Nimbore  
Principal

2018-19



ISSN: 2319 9318

**Publisher:**

Smt. Archana Rajendra Ghodke  
Harshwardhan Publication Pvt.Ltd.  
Limbaganesh, Dist. Beed- 431126  
Cell- 9850203295

© **Dr.S.R. Nimbore**

**Organising Committee:**

Dr. S.G. Gopane (Vice Principal)  
Prof. D.P.Mundhe  
Dr. B. S. Waghmare  
Dr. B.N. Mutkule  
Dr. S.M. Wandhare  
Prof. N.N. Nanwate  
Prof. M.K. Shirsath  
Prof. R.S. Satbhai  
Prof. R.E. Bharudkar

Prof. M.C. Talware  
Prof. J.M. Pathan  
Dr. R.T. Sontakke  
Dr. A.B. Shinde  
Prof. S. A. Mutkule  
Prof.Smt.S.M.Khude  
Dr. S.A. Wangujare

**Printer:**

Shivam Digital, Ashti Dist.Beed  
Ashish Press, Ashti Dist.Beed

**Type Setting:**

Shri. T.K. Redekar  
Shri. S.S. Nikalje

**Edition:**

First Edition - February 2018

## Index Economics

Sl. No.	Title	Author	Page No.
1	Economics of Demonetisation	Muhammed Jamsheer.P	1
2	Advantage and Disadvantage of GST	Dr. Ramnath Baburao Sangule	5
3	मानव विकास निर्देशांक	प्रा. डॉ. वांगर भाग्यनाथ कुडलीकराव	8
4	मराठवाड्यातील मानव विकास निर्देशांक	लक्ष्मण निळकंठ येवले प्रा. डॉ. शिवाजी भ. चार्दव	13
5	आर्गातिकाकरण आणि भारतीय अर्थव्यवस्था	प्रा. डॉ. शिवराज रामराव पाटील	15
6	Skill Development and Its Challenges in India	Ms. Anuja Prabhakar Mudholkar	18
7	विमुद्रीकरण आणि भारतीय अर्थव्यवस्था	किशोर वी. मेंडे	23
8	वरतू व सेवा कर - संरचना व प्रभाव	प्रा. राहुल तपाडे	26
9	GST : An Overview	Asst. Prof. Shelke Madan Laxman	29
10	मानव विकास निर्देशांक	प्रा. वेंद्र बी. एस.	32
11	Goods and Services Tax (GST)	Dr. Malshukare Ashok Bhaurao	35
12	मानव निश्चलनीकरणाचा भारतीय अर्थव्यवस्थेवरील परिणाम	श्रीमती डॉ. जाधव मीनाक्षी भारकर प्रा. शिंदे अमोल राताराम	41
13	वरतू व सेवा कर: स्वरूप आणि वैशिष्ट्ये	डॉ. संजय काळे	44
14	आयमटी - संरचना व प्रभाव, एक विश्लेषण	प्रा. प्रविण पी. राऊत	47
15	एक देश - एक कर 'वरतू व सेवा कर'	डॉ. वायस शानराव भागवान	51
16	एक देशी गुंतवणूक आणि त्याचे भारतीय अर्थव्यवस्थेवरील परिणामांचे अध्ययन	वैशाली लक्ष्मण कोटी	54
17	राज्यातील कररचना आणि वरतू सेवा कर	प्रा. कवंगे शिवाजी बी. डॉ. कोंडरे अशोक मा.	60
18	मराठवाड्यातील विदेशी थेट प्रत्यक्ष गुंतवणूक : एक दृष्टीक्षेप	विजय भुजंगराव माटे	62
19	Study of Human Development of De-notified and Adivasic Tribes in Marathwada Region	Tidke Atish Surangdhar	66

20	Human Development Index and BRICS Countries	Shobha Prabhakar Salve	74
21	भारतातील कृषी अन्नधान्यांच्या वाढत्या किंमती: कारणे, परिणाम आणि उपाय	प्रा. डॉ. शिवाजी नामदेव झांडुगे	78
22	वस्तु व सेवा कराची रचना आणि भविष्यातील परिणाम : एक अभ्यास	वाकोडे चांदू शंकर	85
23	जीएसटी: सुरुवात एका नव्या युगाची	प्रा. प्रणसा महेंद्र पाटील	90
24	GST and Its Impact on Indian Economy	Kamble Krushna Shivaji	95
25	भारताच्या अर्थव्यवस्थेमध्ये जी.एस.टी. ची वाटचाल आणि परिणाम	प्रा.डॉ. भोसले एम.व्ही.	99
26	Human Development Index (HDI): An analytical study	Dr. V. S. PHULARI	103
27	Impact of Goods and Service Tax on Various Sectors in India	Rajratna Bhimrao Pohekar Dr. Suresh B. Dhake	108
28	A Review of GST and Its Relevance	Kale Vishnu Trimbakrao Savant Sandip Bhanudasrao	112
29	भारतातील कृषी क्षेत्राचा विकास – एक अभ्यास	अरुना ज्ञानेश्वर पाटील	115
30	मानव विकास निर्देशांक व त्यांच्या संकल्पना	गोरे आशु पांडुरंग प्रा. डॉ. लोमपूर मारोती विरभद्र	118
31	पंचवार्षिक योजना आणि कृषि विकास	सहा.प्रा. मुसळे नवनाथ पंढरीनाथ	122
32	Skill Development In India	Dr. Sasane Ashok Namdev	125
33	Goods and Service Tax	Niwritti Nanwate	130
<b>Commerce</b>			
34	Cashless Economy in India: Benefits & Challenges	Dr. Ghanshyam Agrawal Dr. Ashok Varma	135
35	Women Empowerment through Self Help Group With Reference to Indore: A Study	Dr. Krishna Bhuriya	138
36	Self Help Group an Effective Approach to Women Empowerment	Dr. Vijay Dawar	143
37	Banking Sector Reforms And Economic Growth	Dr. K. B. Laghane	149
38	Trend and Development of E-Banking	Prin, Dr. H. G. Vidhate	153
39	Invention in E-Payment System in India	Dr. S. B. Chandanshiv	158

39	Electronic Fraud (Cyber Fraud) Risk in the Banking Industry in India	Dr. Vilas G. Dapke	160
41	Emerging Trends in Banking	Dr. Rajesh Bhausaheb Lahaane	165
42	E-Business Challenges of Business	Dr. Ganesh Kathar	171
45	Performance of Rural Entrepreneurship Development Programs	Dr. S. N. Waghule	176
44	Recent New Trends Impact on Indian Banking Sector	Dr. Amurath Chandre	180
45	Challenges in Digital Payment System in India	Dr. Rajendra L. Kable	187
46	Innovations and Challenges in Banking Sector	Dr. Laxminarayan Kurpatwar Prof. Yogesh B. puri	194
47	Innovations in Indian Banking Sector	Dr. B. N. Mutkule	199
48	"To Study of Mobile Banking and Its Services and benefits"	Dr. Sanjay B. Shinde	206
47	A Robust and Resilient Banking Sector: Critical For Strong Economic Growth	Dr. Gursal Vijaya Nitin	210
50	Recent Trends in E-Banking	Dr. Agale Sudhir Vasantao	215
51	Comparative Study between Traditional and Online Consumer Behaviour	Dr. Mahesh B. Thorat	218
52	Challenges by E-commerce Businesses	Dr. D.B. Borade	223
53	"Digital Reform in Banking Sector of India"	Dr. Suhas Ganpat Gopane	227
54	Problems of Cooperative Sectors in India	Ms. Chitnis P. L.	230
57	Challenges before Cooperative Farming in India	Dr. Vanjari Sandip Bhausaheb	234
57	Recent Trends in E-banking	Asst. Prof. Adate Nagnath Mahadeo	238
61	Study of Recent trends in banking and its impact on digital payment system	Dr. Jagtap B. S.	242
61	Customer Relationship Management in Banking Services and Problems of Agriculture Credit in	Dr. Vinit Vishnu Rokade	246
61	Recent Tread in banking	Asst. Prof. Suresh G. Sonawane	253
61	Trends of Digital Payment in India	Dr. M. P. Dhere,	256

## Trends of Digital Payment in India

Dr. M. P. Dhere,  
Assit. Prof. in Commerce,  
Ankushrao Tope College, Jalna.

### Introduction:

Digital payment is a way of payment which is made through digital modes. In digital payments, payer 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 the transactions in digital payments are completed online. It is an instant and convenient way to make payments. If we talk about cash payments, you have to first withdraw cash from your account. Then you use this cash to pay at shops. Shopkeeper goes to the bank to deposit the cash which he got from you. This process is time-consuming for you and also for the shopkeeper. But in digital payments, the money transfers from your account to the shopkeeper's account immediately. This process is automatic and neither you nor the shopkeeper is required to visit the bank. Digital payments save you from long queues of ATMs and banks.

### Digital Payments –Definition:

In order to measure Digital Payments, it is necessary to define it in precise terms. The Payment and Settlement Act, 2007 has defined Digital Payments. As per this any "electronic funds transfer" means any transfer of funds which is initiated by a person by way of instruction, authorisation or order to a bank to debit or credit an account maintained with that bank through electronic means and includes point of sale transfers; automated teller machine transactions, direct deposits or withdrawal of funds, transfers initiated by telephone, internet and, card payment.

### Objectives of the Study:

1. To understand the concept of digital payment system
2. To know the current status of digital payments in India as compare to other country.
3. To realise the trends of digital payment system in India

### Research Methodology:

This study is based on the secondary data. The secondary data were collected from various journals, magazines, annual reports and websites. Statistical tools and tables have also been used.

### Technologies of Digital Payments

As per the definition under the Act, measurement of Digital Payments is dependent on the underlined technologies. The various technologies used for electronic transfer of funds are as follows:

**USSD banking or \*99#:** USSD banking or \*99# Banking is a mobile banking based digital payment mode. You do not need to have a smart phone or internet connection to use USSD banking. You can easily use it with any normal feature phone. USSD banking is as easy as

checking your mobile balance. You can use this service for many financial and non-financial operations such as checking balance, sending money, changing MPIN and getting MMID.

**IMPS:** It is available on Basic mobile phones, Smart phones, via Internet and at ATMs

**NEFT:** Individuals, firms or corporate maintaining accounts with a bank branch can transfer funds using NEFT. Even such individuals who do not have a bank account (walk-in customers) can also deposit cash at the NEFT-enabled branches with instructions to transfer funds using NEFT. However, such cash remittances will be restricted to a maximum of Rs.50,000/-per transaction.

**Real Time Gross Settlement (RTGS):** The RTGS system is primarily meant for large value transactions. The minimum amount to be remitted through RTGS is 2 lakh. However, for inter-bank funds transfer there is a floor. This facility can also be used by individuals and corporate. Under normal circumstances the beneficiary branches are expected to receive the funds in real time as soon as funds are transferred by the remitting bank. The beneficiary bank has to credit the account of beneficiary within 30 minutes of receiving the funds transfer message.

**PPI:** Individuals/ Organizations are permitted to hold pre-paid payment instruments for purchase of goods and services, including financial services. The pre-paid payment instrument issuers shall put in place adequate information and data security infrastructure and systems for prevention and detection of frauds. It is necessary to have a centralized database/ MIS by the issuer to prevent multiple purchases of payment instruments at different locations, leading to circumvention of limits, if any, prescribed for such payment instruments.

**Mobile Banking:** The services shall be restricted only to customers of banks and/or holders of debit/credit cards issued as per the extant Reserve Bank of India guidelines. Information Security is most critical to the business of mobile banking services and its underlying operations. Therefore, technology used for mobile banking must be secure and should ensure confidentiality, integrity, authenticity and non-reputability. Transactions up to Rs 5000/-can be facilitated by banks without end-to-end encryption. The risk aspects involved in such transactions may be addressed by the banks through adequate security measures. For mobile banking facilities which do not contain the phone number as identity, a separate login ID and password is desirable to ensure proper authentication.

**Current Status of Digital Payments in India:**

India remains a largely cash based economy with cash accounting for more than 78 percent of all retail payments compared to some other countries like China, Mexico, South Africa, Brazil, UK and Singapore. Digital payments and per capita transactions in India are one of the lowest as compared to similar countries as indicated in the following table:

**Table 1.**  
**Current Status of Digital Payments in India**

Country	Non-cash Payments Transactions by non-banks per capita per annum	N. of pay points per million people
India	11	1080
China	26	16602
Mexico	32	7189
South Africa	70	7267
Brazil	142	25241
U.K.	355	30078
Singapore	728	31096

Source: Interim Report of the Committee of Chief Ministers on Digital Payments, NITI Aayog, Govt. of India, Jan. 2017.

The table 1 shows status of digital payments and per capita transactions in India and some other countries like china Mexico, South Africa, Brazil, UK and Singapore. Out of the above show countries in the table, India ranks very low relating to non-cash transactions by non-banks per capita per annum as well as number of pay points (for digital payments) per million people.

#### Digital Payment System in India

The payment system could be bifurcated into Systemically Important Financial Market Infrastructure (SIFMIs) and the retail payments segment. SIFMIs covers the RTGS and financial market clearing (CBLO, Government securities clearing and forex clearing) while the retail segment covers paper clearing (CTS, MICR and non-MICR), retail electronic clearing (BES, NEFT, IMPS and NACH) and card payments.

**Table – 2.**  
**Trends of Digital Payment System in India (Volume base)**

Item	Payment System Indicator- Annual Turnover						CAGR (2011-16)
	Volume(Million)						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
<b>Systematically Important Financial Market Infrastructures (SIFMIs)</b>							
1. RTGS	55	68.5	81.1	92.8	98.3	107.8	15.6
<b>Total Financial Markets Clearing (2+3+4)</b>	1.9	2.3	2.6	3	3.1	3.6	13
2. CBLO	0.1	0.2	0.2	0.2	0.2	0.2	18.9
3. Govt. Securities Clearing	0.4	0.7	0.9	1	1	1.4	25.7
4. Forex Clearing	1.3	1.4	1.5	1.8	1.9	1.9	10
<b>Total SIFMIs (1 to 4)</b>	56.8	70.8	83.7	95.8	101.4	111.3	15.5



		(24.65)	(18.22)	(14.46)	(5.85)	(9.76)	
<b>Retail Payments</b>							
<b>Total Paper Clearing (5+6+7)</b>	1341.9	1313.6	1257.4	1195.8	1096.4	1206.7	-4.9
5. CTC	180	275	591.4	964.9	958.4	1111.9	51.9
6. MICR Clearing	934.9	823.3	440.1	22.4	0	-	-
7. Non- MICR Clearing	227	215.3	225.9	208.5	138	94.8	-11.7
<b>Total Retail Electronic Clearing (8+9+10+11+12)</b>	512.4	694	1108.3	1687.5	3141.6	4161.8	57.3
8. ECS DR	164.7	176.5	192.9	226	224.8	8.8	8.1
9. ECS CR	121.5	122.2	152.5	115.3	39	10.1	-24.7
10. EFT/ NEFT	226.1	394.1	661	927.6	1252.9	1622.1	53.4
11. Immediate Payment Service (IMPS)	0.1	1.2	15.4	78.4	220.8	506.7	585.5
12. National Automated Clearing House (NACH)	-	-	86.5	340.2	1404.1	2014.1	302.9
<b>Total Card Payments (13+14+15)</b>	678.1	932.6	1261.8	1737.7	2707.2	5448.7	41.4
13. Credit Cards	320	396.6	509.1	615.1	785.7	1085.7	25.2
14. Debit Cards	327.5	469.1	619.1	808.1	1173.5	2399.3	37.6
15. Prepaid Payment Instruments (PPIs)	30.6	66.9	133.6	314.5	748	1963.7	122.4
<b>Total Retail Payments (5 to 15)</b>	2532.4	2940.2 (16.10)	3627.5 (23.38)	4621 (27.39)	6945.2 (50.30)	10817.2 (55.75)	28.7
<b>Grand Total (1 to 15)</b>	2589.2	3011 (16.29)	3711.2 (23.25)	4716.8 (27.10)	7046.6 (49.39)	10928.5 (55.09)	28.4

Source: Booklet on Measurement of Digital Payments- Trends, Issues and Challenges. NITI Aayog, Govt. of India, May 2017.

Note: Bracket figure shows annual growth rate

The table 2 shows volume base trends of Digital Payment System in India during 2011-12 to 2016-17. The volume of overall payments accelerated during the period, recording a compound average annual growth rate (CAGR) of over 28 percent. The annual growth rate of volume of overall payments is positive during 2011-12 to 2016-17. It means that the volume of overall payments is increased year by year. Out of the total volume of overall payments, the retail payments segment accounted near about 99 percent. Out of this, the share of paper clearing which formed over half the total volume in 2011-12, steadily dropped to 15.56 percent in 2015-16 and further to 11.04 percent in 2016-17, with a corresponding increase in the combined share of electronic clearing and cards. Within the latter category, NACH, PPis and to some extent, IMPS have shown impressive increases in their shares in the total volume in recent years. NACH, in fact, accounted for the largest share (nearly 20 percent) of the total volume in 2015-16. The share of NACH dropped to 18.43 percent in the following year, even as that of PPis increased sharply to 17.97 percent while

that of debit cards accounted for the largest share of 21.95 percent. The share of credit cards, however, declined further to below 10 percent of the total volume of payments in 2016-17.

Table – 3.  
Trends of Digital Payment System in India (Value base)

Item	Payment System Indicator- Annual Turnover						CAGR (2011-16)
	Value (Rs. Billion)						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
<b>Systematically Important Financial Market Infrastructures (SIFMIs)</b>							
1. RTGS	539308	676841	734252	754032	824578	981904	11.2
<b>Total Financial Markets Clearing (2+3+4)</b>	406071	501598	621570	672456	721094	938875	15.4
2. CBLO	111554	120480	175262	167646	178335	229528	12.4
3. Govt. Securities Clearing	72521	119948	161848	179372	183502	287091	26.1
4. Forex Clearing	221996	261170	284460	325438	359257	422256	12.8
<b>Total SIFMIs (1 to 4)</b>	945379	1178439 (24.65)	135582 2 (15.05)	1426488 (5.21)	1545672 (8.36)	1920779 (24.27)	13.1
<b>Retail Payments</b>							
<b>Total Paper Clearing (5+6+7)</b>	99012	100182	93316	85439	81861	80958	-4.9
5. CTC	15104	21780	44691	66770	69889	74035	46.7
6. MICR Clearing	65093	57504	30943	1850	0	-	-
7. Non- MICR Clearing	18815	20898	17682	16819	11972	6923	-10.7
<b>Total Retail Electronic Clearing (8+9+10+11+12)</b>	20576.4	31880.3	47857	65366	91408	131917	45.2
8. ECS DR	834	1083	1268	1740	1652	39	18.6
9. ECS CR	1838	1771	2492	2019	1059	144	-12.9
10. BFT/ NIFT	17904	29022	43786	59804	83273	120040	46.9
11. Immediate Payment Service (IMPS)	0.4	4.3	96	582	1622	4111	698
12. National Automated Clearing House (NACH)	-	-	215	1221	3802	7583	320.5
<b>Total Card Payments (13+14+15)</b>	1562	2052	2576	3324	4484	7416	69.4
13. Credit Cards	966	1230	1540	1899	2407	3279	25.6
14. Debit Cards	534	743	955	1213	1589	3299	31.3
15. Prepaid Payment Instruments (PPIs)	62	79	81	212	488	838	67.5
<b>Total Retail Payments (5 to 15)</b>	121150.4	134114. 3 (10.70)	143749 (7.18)	154129 (7.22)	177753 (15.33)	220291 (23.93)	10.1
<b>Grand Total (1 to 15)</b>	1066529	1312553 (23.07)	149957 1 (14.25)	1580617 (5.40)	1723425 (9.03)	2141070 (24.23)	12.7

Source: Booklet on Measurement of Digital Payments- Trends, Issues and Challenges, NITI Aayog, Govt. of India, May 2017.

Note: Bracket figure shows annual growth rate

The table 3 shows value base trends of Digital Payment System in India during 2011-12 to 2016-17. The nominal value of overall payments also increased every year during the period 2011-12 to 2016-17, though not steadily, recording a CAGR of 12.7 per cent, the components of the payments system exhibited differential growth rates in value terms over this period. The total value of payment was Rs.2141070 billion in the year 2016-17. Out of this, SIFMIs payments segment accounted near about 89 percent, and the retail segment forming the balance of around 11 percent. Within the retail segment, while the share of NEFT showed an increase over the years, those of the remaining components were small, if not negligible, masking the otherwise robust growth in the value of transactions undertaken via debit cards and NACH.

#### Conclusions:

India ranks very low relating to non-cash transactions by non-banks per capita per annum as well as number of pay points (for digital payments) per million people as compare to some other countries. The components of the payments system exhibited differential growth rates in both volume and value terms over this period. The volume of overall payments accelerated over the period 2011-12 to 2016-17, recording a compound average annual growth rate (CAGR) of over 28 per cent. Out of the total volume of overall payments, the retail payments segment accounted near about 99 percent. Volume of Digital Transaction in 2016-17 touched 10928.5 Million registering a growth of about 55.09 percent in 2016-17. The corresponding growth rate in 2015-16 was 49.39 percent. The PPI Segment in volume of transactions registered a spectacular growth of 162.53 percent in 2016-17 as compared to 137.84 percent in 2015-16. In value terms the total Digital Payments touched a value of Rs. 2141070 Billion registering an annual growth of 24.23 percent in 2016-17. The nominal value of overall payments also increased every year during 2011-12 to 2016-17, though not steadily, recording a CAGR of nearly 13 percent. IMPS segment have exhibited robust growth of 153.45 percent in 2016-17 in value terms.

#### References:

1. Interim Report of the Committee of Chief Ministers on Digital Payments, NITI Aayog, Govt. of India, Jan, 2017, page-1.
2. Booklet on Measurement of Digital Payments- Trends, Issues and Challenges, NITI Aayog, Govt. of India, May 2017, Page 14-15.
3. Annual Report, 2016-17, Reserve Bank of India, page-135.
4. Report- Dec, 2016, Medium Term Recommendations to Strengthen Digital Payments Ecosystem, Ministry Of Finance, Government of India.
5. [www.niti.gov.in](http://www.niti.gov.in)