

Future Of Digital Payment System in India: An Overview

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Introduction

Digital payments have quickly become an important part of our everyday lives. In India, digital payments are even more prevalent, with a huge leap towards the future. In the near future, many people in the country will rely on digital payment platforms to access and manage their finances, as it eliminates manual interventions when making or receiving payments. Consequently, it is essential to understand how digital payment systems work to interact with them successfully and use them as efficiently as possible. This article will explore potential use cases in India and analyze how current trends are likely to evolve over time.

The future of digital payment systems in India appears to be looking up. With the expansion of the internet and mobile phones, India has been leading the world into a cashless economy. As digital payments become commonplace, it is hard to imagine life without them. With the introduction of new technologies like UPI and Bharat QR, it has become easier for customers to make payments digitally. This will not only help them save time but also reduce their manual paperwork costs. The government is also taking initiative in promoting digital payments by introducing several benefits such as cashbacks and discounts on digital payments. All these initiatives are making digital payments more accessible and secure in India, thus paving the way for its future growth.

Rise of Digital Payments in India

With the rise of digital payment methods, India is quickly becoming a cashless society. This shift will bring a wide range of benefits to the Indian consumer, from increased convenience to greater security protecting users from fraud. The future of digital payment systems in India looks bright as more and more services come online. Already, some of the leading banks and companies have launched their own digital payment solutions integrated with their current offerings. Digital payments offer numerous advantages such as faster processing times, reduced costs, more efficient operations and improved customer experience. Moreover, they also support environmental sustainability since they help reduce paper consumption. With these advantages in mind, it's no wonder that digital payment systems are being embraced by consumers all over India at an astonishing rate.

India's digital payment volume has climbed at an average annual rate of about 50 percent over the past five years. That itself is one of the world's fastest growth rates, but its expansion has been even more rapid—about 160 percent annually—in India's unique, real-time, mobile-enabled system, the Unified Payments Interface (UPI).

Transactions more than doubled, to 5.86 billion, in June from a year earlier as the number of participating banks jumped 44 percent, to 330. Values nearly doubled in the same period. In addition, the RBI in March introduced a UPI for feature phones (older devices with buttons instead of touchscreens) that can potentially connect 400 million users in distant rural areas.

The UPI system was introduced in 2016. The shock of the demonetization initiative followed near the end of that same year, when high-denomination banknotes were withdrawn from circulation was a response to the nation's patchwork of rules and paperwork for payments. The goal was to make transfers easier and safer by allowing multiple bank accounts on the same mobile platform for individual and business use alike. It rapidly came of age. The UPI network's genesis traces back even further, to 2006, when the RBI and Indian Banks' Association jointly formed the National Payments Corporation of India (NPCI). The goal

was to be an umbrella institution for digitalization of retail payments, and it was incorporated as a nonprofit company intended to provide India's people a public good.

Main Payment Gateways In India

There are various payment gateways in India that allow customers to make payments online. Some of the popular ones are:

Cashfree Payments

Cashfree Payments is a renowned payment and API banking firm in India. It accepts over 120 payment modes including debit cards, credit cards, Paytm, net banking (65+ banks), EMI options, and UPI. In addition to this, Cashfree Payments supports PayPal, NEFT, and IMPS.

Bill Desk

Bill Desk is a popular payment gateway that allows people to pay and receive all their bills at one place. A lot of Indian banks relate to Bill Desk to make the payment process simple, quick and safe. Using Bill Desk, customers can decide how and when to make payments and they can also set payment reminders or alerts.

PayU

PayU is one of the top payment gateways in India, which supports 150+ modes of payment including UPI, net banking, debit and credit cards, and static and dynamic QR. The payment gateway allows businesses to accept payments in multiple currencies. It also provides a variety of payment solutions such as EMI and BNPL, Native OTP, and Pay with Rewards for loyalty programs. It simplifies the process of managing payments for businesses through its user-friendly merchant dashboard.

CCAvenue Payment Gateway

CCAvenue is another a popular payment gateway, which offers multiple payment options. It supports six credit cards, namely, JCB, MasterCard, Visa, American Express, Diners Club and eZeClick. CC Avenues payment page can be viewed in 18 different languages (Indian as well as international) and it accepts payments in 27 foreign currencies. Some of these currencies are Euro, Singapore Dollar, Indian Rupees, Japanese Yen, American Dollar, UAE Dirham, Pound Sterling, Hong Kong Dollar, Qatari Riyal, Bahraini Dinar, Baht, Sri Lankan Rupee, Malaysian Ringgit, Taka, New Zealand Dollar, Canadian Dollar, Nepalese Rupee, Australian Dollar, Omani Rial, Swiss Franc, Kuwaiti Dinar, Chinese Yuan Renminbi, etc.

Instamojo Payment Gateway

Instamojo is one of the best payment gateways for purchase of digital files, tickets, services, goods, music, videos, etc. The payment process is quick and secured with bank level security. Merchants can use this payment gateway to collect payments on Facebook, Whatsapp and Instagram among others. This gateways also allows merchants to collect their payments via SMS, Email and instamojo username.

Direcpay Payment Gateway

Direcpay is a payment gateway that supports different types of credit cards and debit cards. Using Direcpay merchants can accept mobile payments and payments made via net banking as well. It is a solution for merchants and companies who deal with ecommerce and online transactions. Payments using Direcpay can be made using different types of foreign currencies. This payment gateway is secure and easy to use.

JusPay

This secure payment gateway is popular for offering the express checkout feature and Secure 1-Click experience for Mobile Payments. It auto processes OTP from SMS and optimizes network efficiently to reduce the loading time of a page.

Digital Payment System and Government Initiatives

In India, digital payment systems are becoming increasingly accepted and used by the public. The Indian government has been proactive in introducing policies and initiatives to further push adoption of digital payments throughout the country. With increased access to mobile phones and internet-enabled

devices, more people are using digital payment solutions for a variety of purposes. This level of adoption is encouraging as it paves the way for an even more connected and empowered India. As the use of these systems continues to grow, our economy will benefit from enhanced efficiency, better customer experience, and reduced transaction costs. Digital payment methods not only make payments easier but also secure transactions in a safe environment. Therefore, digital payment systems are set to become even more dominant in years to come as it offers many benefits for both users and businesses alike.

With the emergence of advanced technologies, digital payment systems are becoming an integral part of daily life in India. With a rapidly expanding mobile internet population and an ever-growing e-commerce industry, digital payments have become a preferred means for transactions for both individuals and businesses. Digital payment systems offer more convenience, security, and speed than traditional methods, enabling more efficient financial transactions at lower costs. As such, it has become increasingly clear that digital payment systems are here to stay and will likely play a major role in the future of financial operations in India.

Digital payments are transforming the way people transact in India. With more and more Indians embracing digital payment methods, the future of digital payment system looks really promising. Not only will it make our transactions much easier, but it also ensures that everyone's money is secure. In addition to that, there are many advantages for businesses as well - reduced costs associated with managing physical cash and faster checkout times amongst others. The government of India is also doing their part by introducing various policies and incentives to further promote use of digital payments. So overall, with the right strategies in place, the future of digital payment systems in India looks very promising!

The emergence of digital payment systems in India has transformed the way people interact and make payments, providing users with unprecedented convenience and efficiency. On one hand, digital payment systems have simplified financial transactions, making them secure and immediate. On the other hand, it has helped streamline financial processes for businesses by providing real-time analytics and insights. With government initiatives such as the Unified Payments Interface (UPI) in place to further empower this relatively new space, the future of digital payment systems in India is promising. Indians will heavily rely on digital payments for their daily transactions as they continue to benefit from its convenience while also leveraging its security features that help protect against fraud.

Conclusion

In India, digital payment systems are gaining popularity at a rapid pace. As the government is becoming increasingly pro-digital, more and more people are adopting digital payment methods to make payments for their everyday activities. This has enabled businesses to expand their customer base beyond the traditional brick and mortar stores. Not only has it reduced operational costs and increased efficiency but also provided customers with greater convenience and security in conducting financial transactions. We can expect digital payment systems to become even more efficient and secure in the future with better options for individuals, businesses, and governments to transact online through various platforms such as mobile wallets, net banking, UPI Apps etc.

The digital payments industry in India is at the forefront of rapid innovation, with AI-enabled technologies targeting to replace paper currency and other traditional modes of payment. With an estimated 400 million app users and 14 million merchants already on board, digital payments are becoming the most convenient way for citizens to make transactions. Consumer needs such as speed, safety, convenience, and choice will contribute towards an increasingly user-friendly experience when it comes to choosing the right digital payment method. The use cases of AI writing tools being integrated in the future digital payment system point towards a surge in automation and advanced analytics that will help overcome customer service challenges as well as create more secure payment options.

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