Digital Payment Transactions in India - An Overview

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Abstract- Digital payments in India have been experiencing an exponential growth. Digital payment methods rapidly gained popularity in recent years due to its convenience, time saving, speed in the service delivery and ease of use. Consumers tend to prefer digital payments due to variety of reasons, including security, speed, and accessibility. However digital illiteracy, digital payment frauds, lack of privacy protection, non-acceptance of digital payment methods are major hindrances in the growth of digital payments. The objectives of the study are to give an overview of digital payment transactions in India and to understand how far the access and usage of technology and banking facilities influence the digital payments. Access to and usage of technology and banking facilities influence the preference of digital payment methods. Majority of the people prefer both cash and digital payment methods for spending. Due to various digital payment frauds people argues that it is less safe and not protecting the privacy, these leads the people not to completely depending on the digital payment methods for making transactions. Despite the many benefits of digital payments, there are also real security concerns that must be addressed. From data breaches to phishing scams to fraudulent activities and malware attacks, these security issues of digital payments pose a significant risk to individuals and businesses alike. As we increasingly rely on digital payments to handle our financial transactions, we must take steps to ensure that these transactions are secure.

Key Words: Digital payments, Financial Services

1.0. INTRODUCTION

The economic development of any country depends upon the existence of a well organized and efficient financial system. Now, the digital sectors of financial system are making financial services more efficient because it has the potential to lower costs by maximizing economies of scale, to increase the speed, security and transparency of transactions and allow for more tailored financial services that serve the poor. Digital payments are transactions that take place via digital or online modes, with no physical exchange of money involved. This means that both parties, the payer and payee, use electronic mediums to exchange money. A digital payment sometimes called an electronic payment, is the transfer of value from one payment account to another using a digital device such as mobile phone, POS (Point of Sale) or computer. The digital finance promotes the nation's economy by providing convenient access to a wide range of financial products and services to individuals, small, medium and large businesses. Digital technologies have advanced more rapidly than any innovation in our history. By enhancing connectivity, financial inclusion, access to trade and public services, technology can be great equalizer

The Digital India programme of government of India lead to growth of digital payments in the country. Digital India is a flagship programme of government of India with a vision to transform India into a digitally empowered society and knowledge economy. The program was launched on July 7, 2015 by Hon' Prime Minister Shri Narendra Modi. Digital payment transactions have been consistently increasing over the past few years, as a part of the government of India's strategy to digitalize the financial sector and economy. Further, concerted efforts have been made to promote financial inclusion as one of the important national objectives of the country.

1.1.Digital Financial Services (DFS)

All financial transactions done using a digital device are called digital financial services. There is a range of such services offered by banks and other institutions. Digital Financial Services (DFS) is the set of financial services accessed and delivered through digital pathways. In other words, the broad range of financial services accessed and delivered through digital channels, including payments, credit, savings, remittances and insurances are known as digital financial services. Digital finance allows individuals and business to make seamless transaction across all parties. Types of Digital Financial Services includes cards-debit, credit and prepaid cards, Automatic Teller Machine (ATM), Unified Payments Interface (UPI),E-

Wallets, PoS Terminals, Internet and Mobile Banking etc.

In developing economies the share of adults making or receiving digital payments grew from 35 percent in 2014 to 57 percent in 2021- an increase that outpaces growth in account ownership over the same period. 84 percent of account owners or 64 percent of adults around the world- made or received at least one digital payment. In high- income economies, 98 percent of account owners (95 percent of adults) did so, compared with 80 percent of account owners (57 percent of adults) in developing economies. As defined, digital payments include the use of a mobile money account, a debit or credit card, or a mobile phone or the internet to make a payment from an account, or the use of a mobile phone or the internet to send money to relatives or friends or to pay bills. Digital payments also include in-store or online merchant payment; paying utility bills; sending or receiving domestic remittances; receiving payments for agricultural products; or receiving wages, government transfers, or a public pension directly from or into an account. In developing economies, the share of adults making or receiving digital payments has grown rapidly in recent years and rose by 13 percentage points between 2017 and 2021, from 44 percent to 57 percent. In 2014, the share was 35 percent. Indeed, growth in the use of digital payments outpaced growth in account ownership in developing economies: the share of account owners making or receiving a digital payment increased to 80 percent in 2021, up from 69 percent in 2017 and 63 percent in 2014

1.2. Demonetisation and Digital Transactions

In an affidavit submitted to the Supreme Court in November 2022, Government of India (GOI) said the policy initiated in November 8, 2016-sudden cancelling of all Rs.500 and Rs.1000- banknotes resulted in an increase in digital payments, enabled income- tax authorities to detect unaccounted income. After the withdrawal of two currency notes, the affidavit stated, the volume of digital payment increased many fold. From 1.09 lakh digital transactions of value Rs 6,952 crore in 2016, the volume shot up to more than 730 crore. Transactions worth Rs12 Lakh crore were done in a single month during October 2022. Demonetisation led to an acute shortage of cash in the economy which in turn led to an increased acceptance of dealing in digital money. According to the reports released by RBI, total credit card outstanding surged by 39 percent from September 2016 to September 2017. Prior to demonetization, digital payments accounted for about 10 percent of all transactions in India. Demonetization adversely affected the performance of various industries in January- March 2017 but for some industries, it had positive implications. All payment systems such as RTGS (Real Time Gross Settlement), NEFT (National Electronic Funds Transfer), NACH (National Automated Clearing House), IMPS (Immediate Payment service), PPIs (Prepaid Instruments), and Mobile banking have seen showing an upward growth from November 2016 to December 2016 when prevailing currency was taken back by the government in November 2016. The growth rates for the same period are 12.18%, 35.16%, 30.30%, 45.92%, 54.46% and 29.48% respectively.

The growth of digital ecosystem in India has been driven by a number of factors, including the government's push towards digitalization, an increase in internet and smartphone penetration, and the rise of e-commerce. The Indian government has been actively promoting the use of digital technologies through various initiatives such as Digital India, Make in India, and Startup India. These initiatives aim to increase the use of digital technologies in various sectors such as health care, education and agriculture, and also to create a conducive environment for startup to flourish. The increase in internet and smartphone penetration in India has also played a major role in the growth of the digital ecosystem. According to a report by the Internet and Mobile Association of India, the number of internet users in India is expected to reach 800 million by 2023. This increase in internet users has also led to an increase in the number of mobile Wallet users in India, which is expected to reach 900 million by 2025.

1.3. Covid-19 pandemic and Digital Transactions

Covid-19 pandemic has also led to an increased use of digital payments. In the pandemic situation, individuals are forced to maintain a physical distance, digital payments are actually being adopted. Many business shattered completely after the arrival of the coronavirus. Small merchants further closed their shops. Many people across the globe have lost their sources of income. Digital payments in India have

risen during the pandemic period. The outbreak of the COVID-19 pandemic has disrupted various economies around the world in many ways. It has affected the Medical, Education, Manufacturing, Tourism, IT communication and Banking sectors. The digital financial services can be harnessed to respond to the COVID-19 shock, and the crisis has the potential to accelerate their development and use. The existing modalities for digital payments (debit/credit cards, internet banking, mobile-wallets, digital payment apps, etc.) have been increasingly used by households around the world. Hence, there has been a huge increase in the use of digital financial services after COVID-19.

1.4. Government Initiatives to Promote Digital Payments

The digital India programme is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. Promotion of digital payments has been accorded the highest priority by the government of India to extend digital payment services to every segment in the country. The vision is to provide digital payments facilities to all citizens in a convenient, easy, affordable, quick and secured manner. Ministry of Electronics & Information Technology, Digital Economy & Digital Payment Division has been entrusted with the responsibility of leading this initiative on 'Promotion of Digital Transactions including Digital Payments' Some of the initiatives taken by the government to promote digital payments are,

- DIGIDHAN Mission: It was set up in June 2017 for promotion of digital payments with the objectives-Promotion of digital payments through all digital payment modes including UPI, USSD, IMPS, BHIM Aadhar Pay and Debit Cards, Ensuring security of digital payments ecosystem.
- DigiVAARTA: DigiVaarta is launched to spread the awareness of a DIGIDHAN and also on the usage of BHIM app. As part of governments drive towards promotion of digital payments, Ministry of Electronics & Information Technology to promote digital payments the interaction with the citizens through SMS, the mobile app etc. promoted.
- DIGI shala: It is launched on DD channel to promote digital payments. It is a educational TV Channel for digital payments on DD free dish with aim to impart education related to the digital payment ecosystem.
- Vittiya saksharta Abhiyan: It is an initiative by MHRD to engage youth to use a digitally enabled cashless economy. All heads of higher educational institutions should plan for a cash less campus.
- DigiDhan Abhiyan campaign: It is organized to promote cashless transactions and evolving and facilitating appropriate standards for efficient, affordable and secure digital payment services. The campaign will enable every citizen, small trader and merchant to promote digital payment in their everyday financial transactions.
- Lucky Grahak Yojana and DigiDhan Vyapar Yojana: It offer cash awards to consumers and merchants who utilize payment instruments for personal consumption expenditures.
- TDS Deduction at Source: In order to discourage the practice of making business payment in cash, 2% tax deducted at source (TDS) will be levied on cash withdrawals exceeding Rs.1crore in a year from a bank account.
- Use of Low-Cost Digital Modes: Any business entity with annual turnover more than 50crore shall offer low-cost digital modes of payments to their customers and no charges shall be imposed on customers as well as merchants. BHIM UPI, Aadhaar Pay, NEFT and RTGS can be used to promote less cash economy.
- Digital Smart Cards: Government officials made social security pension payments through digital smart cards which led to reduction in bribe.
- Go Digital and get discounts on Insurance, petrol and Diesel: 0.75 percent discount is give on petrol and diesel purchase if digital payment is made by e-wallets or debit cards or credit cards.
- Discount on Rail Tickets: People travelling by train by purchasing monthly tickets will enjoy a discount of 0.5% if tickets are purchased digitally.
- INR 10 lakhs of Insurance: People travelling long distances using Indian Railways will get travel insurance of Rs10 lakhs on unforeseen happening if tickets are purchased digitally.

- Rupay Card from NABARD: Those people who have kisan credit card can get rupay cards from NABARD.
- 10% discounts for highway tolls: It can be availed when payments are made using digital payment mode.

1.5 Online Payment Apps

For making digital payments there exist many digital or online payment apps. Online payment apps are mobile based applications that allow users to make or receive payments digitally without using paper currency. These digital apps facilitate UPI (Unified Payments Interface) based super quick payments, which involves sending or receiving money or scanning a Quick Response (QR) code to pay an individual or a merchant. 10 best online payment apps in India are,

- ❖ BHIM (Bharat Interface for Money): Launched by and managed under the NPCI (National Payments Corporation of India). BHIM is a UPI (Unified Payments Interface) app just like Google pay, phone Pe etc. It is one of the best online transaction apps in India. Features of BHIM are:
- ➢ Send and Request Money: It allows to send money through a Virtual Payment Address (VPA), Account Number & IFSC code, Aadhar Number, or QR code. It also allows to receive money by entering Virtual Payment Address (VPA).
- ➢ Scan & Pay: Can pay by scanning the QR code and can also generate a QR code to receive payments.
- ➢ Transactions: It allows to check transaction history and pending UPI collect requests. Customer can also raise a complaint if a transaction declines by clicking on Report issue.
- ➢ Profile: User can view the static QR code and payment addresses and share the QR code through various messenger applications like WhatsApp, Email, etc.
- ➢ Bank Account: User can see the linked Bank accounts and set or change the UPI PIN. User can change the bank account, check balance, and more.
- ➢ Language: This app is available in regional languages to improve user experience.
- ➢ Block User: You can block users who are frequently sending collect requests.
- ➢ Privacy: If a second UPI ID is created, provide users with the option to disable and enable mobilenumber@upi in the profile (QR for the disabled UPI ID is also disabled).
- ➢ Scan: Use the BHIM app to scan any QR code sticker with the UPI and BHARAT QR logos. To make it simpler for other people to pay you, you may also create a QR code.
- ➢ IPO through BHIM: To apply for an IPO, fill out the IPO application with your BHIM UPI ID, and then continue by approving on the BHIM app.
- ➢ Bill Payments on BHIM: In-app utility bill payments are supported by the BHIM app, which enables users to pay bills while on the go via BHIM BillPay.
- ➢ UPI AUTOPAY: With any UPI-enabled app, user can now enable periodic e-mandates for expenses like mobile bills, power bills, EMI payments, entertainment/OTT subscriptions, insurance, mutual funds, and more.
- ❖ Paytm (Pay through mobile): One of the most successful Indian multinational financial technology company or online payment applications in the Indian fine tech industry. Paytm offers perhaps the widest range of options one could pay to; from mobile recharge to municipal tax, from electricity bills to school fees and much more. After demonetisation, paytm became an everyday thing for almost every Indian, especially among fast food stalls and vendors. . It is an e-commerce shopping website based in Noida, Uttar Pradesh, India. Paytm is a consumer brand of One 97 Communication (mobile internet company). As of January 2017, it has more than 13,000 employees and 3 million offline merchants across India
- ❖ Amazon Pay: Amazon Pay is a payment service offered by Amazon that allows users to pay for purchases on websites and mobile applications using the payment and shipping information stored in their Amazon account. This service provides a convenient and secure way for users to make purchases without the need to re-enter their payment information for every transaction. With Amazon Pay, users can make payments on third-party websites that offer the Amazon Pay option at checkout.
- ❖ BharatPe: BharatPe offers 'Offline' payment solutions for businesses like your local juice shop,

pharmacy store etc. Its offerings include UPI QR Code, and PoS machines(the card swipe machine). BharatPe charges 0% commission on payments routed through their products, allowing small businesses to have all the revenue they make. This in turn encourages businesses to accept cashless payments, as they're usually hesitant about card payments due to charges linked to them. BharatPe was the first company to launch interoperable zero MDR UPI QR, intending to universalize digital payments in 2018. Today, BharatPe is a full-stack service app for merchants across small and medium businesses, offering loans, investments, insurance and other financial services. At present, it has an extensive network of over 5 million merchants across the country across 35 cities in the country.

- CRED: One of the latest, yet disruptive financial products in the Indian fin tech industry. Cred is a credit card bill payment platform, where one could pay the bills for one or more credit cards at one single point. One of the biggest features of this application is that apart from providing credit card bill payment service, Cred also informs the users about hidden charges associated with credit cards and their bills. This enables the user to be better informed about the charges associated with the card they are using. Cred calls itself a club, hence everyone is not allowed in their fraternity. To sign up on this platform, one compulsorily needs to have a credit score of 750 or above.
- Samsung Pay: Samsung Pay allows user to add your debit or credit card to it, after which user can use Samsung Pay to pay from your credit/debit card at online or offline channels, erasing the need to physically carry your cards with you. This application becomes quite handy for those people who have a lot of cards.
- Airtel Thanks: This is one of the most fascinating and lesser-known products of the Indian fine tech space. It is not an application, but a feature. *99# could also be called BHIM USSD. This means that by calling this number from their phone, anyone could make UPI payments without any need of the internet. This UPI feature was specially introduced for feature phone users. But it could prove to be helpful for smartphone users as well, in places with bad network coverage.
- Google Pay: Google Pay is one of the best payment apps in India considering that it has the highest installation count. Initial release date is 19 September 2011 and developer is GOOGLE. The app allows user to directly execute transactions from your primary bank account without having to maintain a separate wallet. Furthermore, you can pay your utility bills, recharge your mobile phone, and easily transfer money to anyone including service providers, merchants or third parties. In addition, Google Pay also rewards you with coupons and cashback with almost every transaction. It is a mobile payment service developed by Google to power in-app, online, and in person contactless purchases on mobile devices, enabling users to make payments with android phones, tablets, or watches.
- Phone Pe: Phone Pe efficiently allows user to send and receive money, pay bills, and recharge phones. However, it does not end here, it also allows user to invest in gold and mutual funds. Phone Pe was introduced with the motive of providing a one-stop solution to all transactions and application facilities. Therefore, you can avail your favorite applications to book flights, order food, and buy groceries without having to download a separate application. PhonePe is an Indian digital payments and financial services company headquartered in Bengaluru, Karnataka, India. PhonePe was founded in December 2015, by Sameer Nigam, Rahul Chari and Burzin Engineer. The PhonePe app, based on the Unified Payments Interface (UPI), went live in August 2016.
- Free charge: Free charge powered by Axis Bank is one of the most widely used online transaction apps. It allows users to execute transactions including DTH bill payments, metro card recharge and investment in digital gold. Apart from the factors mentioned above, you can also invest in mutual funds, and avail Free charge credit cards to earn rewards and vouchers.

1.6. Overview of Digital Payment in India

Digital payment or online payment is one of the most important system of payment where the customer and buyer makes his payment for the goods or services purchased with the use of the internet connectivity through his or her online accounts with the help of

debit, credit cards and other digital means of payment. Over the last five years, the adoption of digital payments in India has increased at an impressive rate. The Reserve Bank of India's Digital Payment Index (DPI) increased to 349 in March 2022, 15% up from 304 in September 2021, indicating countries growing use of digital payments.

1.7. Types of Digital Payments

1.7.1 Payment cards

Most commonly, a payment card is electronically linked to an account or accounts belonging to the card holder. These accounts may be deposit accounts or loan or credit accounts, and the card is a means of authenticating the cardholder. The most common type of payment cards is credit cards and debit cards.

- Credit cards

Credit card is a payment card that allows cardholders to make online and in-store purchases on credit. Credit cards are issued by financial institutions based on card applicant's credit history and other factors. Card holders can use credit cards to make purchases up to a certain limit. The card limit is capped by the card issuer based on the card holder's credit history, income and other factors. One cannot make transactions beyond this credit limit.

- Debit cards

A debit card is a payment card that deducts money directly from your checking account. Also called "check cards" or "bank cards", debit cards can be used to buy goods or services or to get cash from an ATM. Some debit cards offer rewards, similar to credit card rewards, such as 1% back on purchases. A debit card is a card linked to your checking account. It looks like a credit card, but it works differently. The amount of money you can spend on a debit card is determined by the amount of funds in your account, not by a credit limit such as credit cards carry.

1.7.2. Internet banking

Internet banking is also known as online banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of transactions through the financial institutions website. ICICI bank was the first Indian bank to provide internet banking facility. The services provided by internet banking is,

- National Electronic Fund Transfer (NEFT)

NEFT is a nationwide payment system facilitating one-to-one funds transfer. Under this scheme, individuals, firms, and corporates can electronically transfer funds from any bank branch to any individual, firm or corporate having an account with any other bank branch in the country participating in the scheme.

- Real Time Gross Settlement (RTGS)

RTGS is defined as the continuous (real time) settlement of funds transfers individually on an order by order basis (without netting). 'Real Time' means the processing of instructions at the time they are received rather than at some later time; 'Gross settlement 'means the settlement of funds transfer occurs individually (on an instruction by instruction basis).

- Immediate Payment Service (IMPS)

IMPS offers an instant, 24 X 7, interbank electronic fund transfer service through mobile phones. IMPS is an emphatic tool to transfer money instantly within banks across India through mobile, internet and ATM which is not only safe but also economical both in financial and non- financial perspectives.

- Electronic Clearing System (ECS)

ECS is an alternative method for effecting payment transactions in respect of the utility-bill-payments such as telephone bills, electricity bills, insurance premia, card payments and loan payments, etc., which would obviate the need for issuing and handling paper instruments and thereby facilitate improved customer service by banks/companies/corporations/government departments, etc., collecting /receiving the payments.

1.7.3. Mobile banking

Mobile banking is the act of making financial transactions on a mobile device (cell phone, tablet, etc.). The service is provided by some financial institutions, especially banks. It uses software, usually called an app, provided by the banks or financial institution for the purpose. Each bank provides its own mobile banking app for Android, Windows and ios mobile platforms. Mobile banking enables clients and users to carry out various transactions, which may vary depending on the institution. Currently, mobile banking become easier with the development of cellular mobile applications. Clients are now able to check their balances, view their ba nk statements online, make transfers, and even carry out prepaid service purchases.

1.7.4. Digital wallets

A digital wallet is a way to carry cash in digital format. Credit card or debit card information should be linked to digital wallet application or money can be transferred online to mobile wallet. Instead of using physical plastic card to make purchases, it can be paid through smartphone, tablet or smart watch. The services offered by digital wallets are balance enquiry, passbook/transaction history, add money, accept money, pay money etc. A digital wallet is an online payment tool or software application that serves as an electronic version of a physical wallet. Also known as electronic wallet, e-wallet or mobile wallet.

1.7.5. Aadhar Enabled Payment Service (AEPS)

AEPS is a type of payment system that is based on the Unique Identification Number and allows Aadhaar card holders to seamlessly make financial transactions through Aadhar-based authentication. AEPS is nothing but an Aadhaar enabled payment system through which you can transfer funds, make payments, deposit cash, make withdrawals, make enquiry about bank balance etc. AEPS allows customers to make payments using their Aadhaar number and by providing Aadhaar verification at point of Sale (PoS) or micro ATMs.

1.7.6. UPI

Unified Payments Interface also known as UPI, powers multiple bank accounts (of any participating banks) into a single mobile application that allows several banking features, seamless fund routing, and merchant payments under a single roof. Currently 24 banks are live on the UPI. UPI allows scheduled payments that can be made as per requirement and convenience. A customer has to provide the banking details, such as account number, card number, IFSC, etc. only at the time of registration. The banks do not charge the customer for the UPI transactions. The maximum amount that can be transferred per transactions is Rs 1lakh, recently it is raised to 5 lakhs.

1.7.7. USSD (Unstructured Supplementary Service Data)

USSD is an innovative payment service that allows customers to make mobile banking transactions using a basic mobile phone without internet facility. Banking customers can avail of this service by dialling *99#, a common number across all the Telecom Service Provider's (TSPs). The service is currently offered by 51 leading banks and all GSM service providers. A customer can access the service in 12 different languages. Customers simply have to register for the USSD with the mobile number they have registered with the bank account.

1.7.8. Bank Pre-paid cards

Bank pre-paid cards are the plastic cards issued by the bank that are pre-loaded with money and can be used like a debit card. However, the main difference is that these cards are not linked to the account and requires to be loaded with money from your bank account either online or by visiting the bank branch. These cards can either be single-use cards or multiple –use cards. These cards are commonly used as corporate gift cards, reward cards, travel cards, etc. Generally bank pre-paid cards are used for specific purchases only. For example, an Amazon Gift card can only be used to make purchases through Amazon.

1.8. Digital Payment Transactions in India

The government of India continues to take a range of steps to facilitate and encourage digital payments in the country. The government aims to build a "digitally driven" economy as part of "Digital India" initiative. Even though the growing pattern of digital transactions is a good sign for the economy, some structural problems impede the development of the country's digital payment system. Although a growing number of vendors, shopkeepers, e-commerce sites are accepting payments through digital payments, consumers still prefer the cash payment alternative. It is noted that digital payments in India face the challenges of trust, perceived security risk, and lack of technology awareness among many consumers.

Government of India is committed to expand digital transactions in the Indian economy, thereby enhance the quality and strength of the financial sector, as well as ease of living for citizens. Digital payment transactions have significantly increased as a result of coordinated efforts of the Government as a whole, along with all stake holders concerned, from 2071 crore transactions in the financial year 2017-18 to 8840 crore transactions in the financial year 2021-22.

1.8.1 Total number of digital transactions

Table 1. Total number of digital transactions in India (in crore)

Financial Year (FY)	Total number of digital transactions (in crore)
2017-18	2071
2018-19	3134
2019-20	4572
2020-21	5554
2021-22	8840
2022-23	9192*

- Data till December 2022 Source: RBI Annual Report

Total number of digital transactions in India has increased from Rs.2071 in 2017-18 to Rs.9192 in 2022-23(till December 2022). In other words, Total number of digital transactions has increased by more than.343 percent.

1.8.2. Total value of digital transactions

Table 2 Value of digital transactions in India (in lakh crore)

Financial Year (FY)	Total digital transactions(in lakh crores)
2017-18	1962
2018-19	2482
2019-20	2953
2020-21	3000
2021-22	3021
2022-23	2050*

- Data till December 2022 Source: RBI Annual Report

Table 2 reveals that total value of digital transactions has increased from Rs.1962 lakh crores in 2017-18 to Rs.2050 lakh crores till December 2022.That is, an increase of 4.5 percent.

1.8.3 NEFT (National Electronic Fund Transfer)

Table 3. Volume of NEFT in India

Year	Volume(in Lakhs)
2017-18	19464
2018-19	23189
2019-20	27445
2020-21	30928
2021-22	40407
2022-23	52847

Source of data: RBI Annual report

Table 3 shows the volume of NEFT From 2017-23. In 2017- 18 the volume of NEFT is 19464 lakhs and that is increased to 23189 lakhs in 2018-19 and to 277445 lakhs in 2019-20. From 2020-21 to 2022-23 there is a sharp increase in NEFT volume from 30928 lakhs to 52847 lakhs. During the period 2017-18 to 2022-23 volume of NEFT in India increase by 171.51 percent..

1.8.4 RTGS (Real Time Gross Settlement)

Table 4 Volume of RTGS in India

Year	Volume(in Lakhs)
2017-18	1244
2018-19	1366
2019-20	1507
2020-21	1592
2021-22	2078
2022-23	2426

Source of data: RBI Annual report

Table 4 shows the volume of RTGS from 2017-23. In 2017-18 the total volume of RTGS is 1244 lakhs which is increased to 1366 lakhs in 2018-19 and to 1507 in 2019-20. From 2019-20 there was only a little increase in RTGS volume but from 2020-23 RTGS volume has increased to 2426 lakhs from 1592 lakhs. During the period 2017-18 to 2022-23 volume of RTGS in India increase by 95.01 percent..

1.8.5 Debit cards

Table.5 Volume of debit cards in India

Year	Volume (in Lakhs)
2017-18	33434
2018-19	44143
2019-20	51239
2020-21	40146
2021-22	39384
2022-23	34199

Source of data: RBI Annual report

Table 5 shows the volume of debit cards in the year 2017-23. In 2017-18 the volume of debit cards is 33434 lakhs the n increased to 44143 lakhs in 2018-19 and to 51239 lakhs in 2019-20. But after that there is fall in the debit cards volume from 51239 lakhs to 40146 lakhs from 2019-20 to 2020-21. From 2020-21 to 222-23 there is also a fall in debit cards volume.

1.8.6. Credit cards

Table 6 Volume of credit cards in India

Year	Volume (in Lakhs)

2017-18	14052
2018-19	17626
2019-20	21773
2020-21	17641
2021-22	22399
2022-23	29145

Source of data: RBI Annual report

Table 6 shows the volume of credit cards from 2017-23.In 2017-18 volume of credit cards is 14052 lakhs that raised to 17626 lakhs in 2018-19 and to 21773 lakhs in 2019-20. But after that the credit cards volume has decreased from 21773 lakhs to 17641 lakhs from 2019-20 to 2020-21. Then it was raised to 22399 in 2021-22 and to 29145 in 2022-23.

1.8.7 IMPS (Immediate Payment Service)

Table 3.7 Volume of IMPS in India

Year	Volume (in lakhs)
2017-18	10098
2018-19	17529
2019-20	25792
2020-21	32783
2021-22	46625
2022-23	56533

Source of data: RBI annual Reports

Table 7 shows volume of IMPS from 2017-23. In 2017-18 the volume of IMPS is 10098 lakhs which was increased to 17529 lakhs in 2018-19 and to 25792 lakhs in 2019-20. From 25792 lakhs in 2019 -20 the IMPS volume has raised to 32783 in 2020-21 and to 46625 in 2021-22 and then the rate of growth was less compared to the period 2020-21 to 2021-22.

1.8.8. UPI (Unified Payments Interface)

Table 8 Volume of UPI in India

Year	Volume (in Lakhs)
2017-18	9152
2018-19	53915
2019-20	125186
2020-21	223307
2021-22	459561
2022-23	837144

Source of data: RBI Annual report

Table 8 shows the volume of UPI from 2017-23. In 2017 -18 UPI volume is 9152 lakhs. From 2017-18 to 2018-19 the UPI volume shows a fast growth to 53915 Lakhs and then the growth was less compared to the previous year, that is to 125186 lakhs in 2019-20 from 53915 in 2018-19. From 2020-21 the UPI volume has increased to 223307 lakhs to 459561 lakhs in 2021-22 and to 837144 lakhs in 2022-23. The growth of UPI volume is higher compared to other modes of payments.

The payment and settlement systems recorded a robust growth during 2019-20, growing by 44.1 per cent in terms of volume on top of the expansion by 55.8 per cent in the previous year. In terms of value, it increased by 5.4 per cent on top of 14.2 per cent in the previous year, mainly due to lower growth observed in the large value system, viz., Real Time Gross Settlement (RTGS) system. The share of digital transactions in the total volume of non-cash retail payments increased to 97.0 per cent during 2019-20, up from 95.4 per cent in the previous year. However, the extended period of lockdown arising on account of the COVID-19 pandemic resulted in subdued economic activity and lower discretionary payments, thereby leading to a fall in digital transactions.

1.9. Conclusion

In today's world the use of digital payments by the people are increasing. Digital payments are way to future because it makes all financial transaction more transparent and accountable. It is the simplest and easier way for transferring money all over the world without more time consumption. However lack of awareness on different modes of digital payments, digital illiteracy, lack of acceptance of digital payment systems and also the digital payment frauds etc. are major hindrance on the adoption and usage of the digital payment systems. Despite the many benefits of digital payments, there are also real security concerns that must be addressed. From data breaches to phishing scams to fraudulent activities and malware attacks, these security issues of digital payments pose a significant risk to individuals and businesses alike. As we increasingly rely on digital payments to handle our financial transactions, we must take steps to ensure that these transactions are secure.

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