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## DIGITAL PAYMENTS: A STUDY ON POST DEMONETIZATION PERIOD

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### ABSTRACT

Digital payment is the way in which payments are made through different digital methods. The unforeseen move and the non-availability of cash acted as a catalyst and has forced the people to use more digital mode for making transactions. This created an increase in digital payments. The various initiatives by the Government in promoting digital payments like reduction in taxes and incentives helped a lot in including many people who were unaware of and unwilling to use digital mode, into the main stream of digital payment. The different digital payment methods are cards, Bharat Interface for Money, Aadhar enabled payment system, Unified payment interface, internet banking, mobile banking, e-wallet, Point of sale etc. The present study analyses the change in the method of payment after demonetization in Thiruvananthapuram district.

**KEYWORDS:** Digital Payment, Demonetization, Change, Usage, Reasons, Problems

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### INTRODUCTION

Digital payment is the way in which payments are made through different digital methods. The parties involved in the digital payments uses digital methods to send and receive money. No cash is involved in digital payments. On November 8, 2016, the Government of India has announced the demonetization by withdrawing 500 rupee notes and 1000 rupee notes which constituted 86 percent of the notes in circulation. One of the aims of the move was to achieve a cashless economy. The unforeseen move and the non-availability of cash acted as a catalyst and has forced the people to use more digital mode for making transactions. This created an increase in digital payments. India is a cash centric economy and transformation to a cashless economy is a difficult task. The households have a mindset which did not change frequently. They will prefer the method of payment which they consider safe and convenient. The various initiatives by the Government in promoting digital payments like reduction in taxes and incentives helped a lot in including many people who were unaware of and unwilling to use digital mode into the main stream of digital payment. This increasing trend is continuing in post demonetization period also. The different digital payment methods are cards, Bharat Interface for Money, Aadhar enabled payment system, Unified payment interface, internet banking, mobile banking, e-wallet, Point of sale etc. Digital payments will bring transparency and accountability in the transactions and helps to achieve financial inclusion.

Banking cards provide more convenience, security and control over finance than any other payment method to the customers. The banking cards include debit card, credit card and prepaid cards. The unstructured supplementary service data enables the customer to use mobile banking transactions using basic feature mobile phone and another advantage is that the customer need not have an internet facility in the mobile phone. Unified payment interface is a payment system that enables multiple bank accounts to single mobile application which is developed by National Payments Corporation of India which helps to include several banking features. An e-wallet

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