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TRENDS IN THE GROWTH PATTERN OF DIGITAL PAYMENT MODES IN INDIA AFTER DEMONITIZATION

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ABSTRACT

A phenomenal growth can be observed in digital payments in India in the past few years. The purpose of this study is to analyze the growth pattern of different modes of digital payments in India for the past four years estimating the key factors or restrains responsible for trends in digital payments. Descriptive statistics has been used as the methodology for this research by doing a trend analysis of transition in digital payment modes in India. Quantitative data collection is undertaken for 4 years from 2015-16 to 2018-19 and analysis is done through bar graphs and trend line. Mobile phones, internet explosion and new bank accounts are estimated to be the main digital payments enablers. The findings of the research would provide practical insight into the Fintech, Banks, economists, and decision-makers in this sector regarding the adoption and growth of digital payments in India.

1. Introduction

The landmark move of demonetization which occurred in December 2016 taken by the government of India became the major catalyst for the acceleration of digital payments in the nation (Gangawane, 2016). Digital payments are introduced as payments that are conducted over the mobile

channels and internet and therefore any payment which is done through mobile and over the network of the internet can be called digital payment.

Increased awareness, government policies, quick onboarding and ease of use, smartphone proliferation, and internet expansion are some key factors responsible for the rising adoption of digital payments in India (Board et al., 2018). Remarkably, in the current COVID-19 situation, which is also affecting India to an extreme level, contactless payments are becoming popular even in Tier 2 cities owing to serious health risks in transacting through cash. Segments like utilities, online donations, entertainment have witnessed a huge spike in the adoption rate of digital payments.

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 that is 'Faceless, Paperless, Cashless'. Amongst the various initiative taken by the government if India for creating awareness about digital payments, some of them are launching an application called BHIM app which is Adhaar Identity based, a 24 hours TV channel named "Digishala" to educate millions of citizens about digital payments and various other measures in collaboration with telecom operators (National Payment Corporation of India, 2019).

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 (Road, 2015).

The rationale behind this research study is to understand what factors or restrainers are responsible for the growth or decline of different digital payment modes in India. Section 2 focuses on the review of the literature describing various payment systems prevailing in India. Section 3 describes the objectives of the research paper. Section 4 provides a brief overview of the research methodology used to analyze the growth pattern trends of online payments. Section 5 conducts trend analysis and provides key factors and restrainers responsible for such a trend in each payment system. Section 6 presents discussion and findings based on research and analysis. This study is concluded in section 7.

2. Literature review

2.1 The payment system in Indian Banking

Indian Banking system has gone through various developments in the past years and technology has been the arc of it. Technology is the enabler of the interaction of customers with banks more efficiently and describes how they utilize various services offered by the banks and non-banking institutions (Singh, 2012). Traditional channels were more prevalent in the Indian banking system. (Pay, 2014).

Online Banking is a traditional method of the payment system in India. It was first started in the 1980s where it was mostly used for bill payment if gas,

telephone, and electricity. Internet Banking is defined as the way of banking in which transactions are done through the mode of the internet. (Nelson, 2016). The paper (Road, 2015) 'The electronic payments revolution in India' studies the role of the central bank in promoting electronics payment in India by setting an independent body to govern retail electronics payment in India in 2009. The establishment of National Payments Corporation (NPCI) has set the stage for retail electronic payment growth that provides tremendous opportunities to move towards a less-cash society. The efforts made by RBI for migration to digital payments can be seen in high volume growth of 49.5% and value growth of 9.1% in the year 2015-16 in comparison to the previous year. (Board et al., 2016)

2.2 Effect of demonetization on payment system in India

The most important reason behind taking the bold step of Demonetization by the government in 2016 was to curb black money and fake currency rackets. Not only this, but demonetization's main motto was also to withdraw cash from the economy and encourage the cashless/digital economy (Meena, n.d.). Hence, cashless or electronic payments systems like E-wallets, Debit, and credit cards, UPI became more prevalent after demonetization to be used as alternative of physical cash. (Sciences et al., 2019). Cards were the most used digital payment method used during those days.

The digital payment mode was a new process and many people were not aware of its method and usage. Amidst that, shopkeepers started Paytm and PoS facilities for the consumers (Rani, 2016). After various schemes undertaken by the government to educate merchants and customers about digital payments and initiatives taken by some private players, digital wallets like Airtel money, Paytm, Mobiwik became very prominent (Gangawane, 2016). The major factors of rising digital transactions were due to improvement in smartphone penetration, good internet connectivity, and support from the central bank towards digitization. (Parameshwar et al., 2020)

In the paper, ' Effect of Demonetization On Payment System: A Review' (Sciences et al., 2019), the study focused on the acceptance and implementation of demonetization in India. The conclusions made were that more and more people especially in Tier 1 cities have started adopting an online payment system and have become less doubtful of technology. The government and private payment service providers gave big discounts on online bill payments and purchase transactions to motivate people to increase the usage of digital payments.

2.3 Prevalent payment systems in India

2.3.1 UPI

UPI was launched in mid-2016 as a next-generation application that enables real-time bank payments (Tungare, 2019). UPI is used for payment methods where a person can transact using its unique UPI ID on his smartphone. To receive payments through UPI, a merchant must register with the banks (Mohapatra, 2017).

UPI has witnessed rapid growth since its inception because of its ease of use and affordability (Gochhwal, 2017) (Philip, n.d.). However, the study (S. Boke, 2018) explains that UPI is not free from challenges due to digital literacy is less in India. Many people are apprehensive about online payment like UPI because of fraudulent activities, lack of security, and technological barriers such as the Internet.

The recent development in the UPI is seen where NPCI has come out with an upgraded version of UPI called UPI 2.0 which has open new cases for businesses and expanded the UPI ecosystem through enhancements in security and ease of use for the customers.

2.3.2. Prepaid Payment Instruments (PPI)/ Digital Wallets

PPIs come in various formats like mobile wallets or digital wallets, some brand-specific gift cards like Amazon pay, paper vouchers, or other instruments of similar nature. These are those payment instruments that facilitate the transfer of money from a friend to another friend or any member and also purchase of goods or services using the already stored amount in the instrument. It carries a stored amount of value which can be used at a later date to make payments. (Ayog, 2017)

Digital wallets carry digital money for later use by the user (Goel et al., 2019). Some of the services that can be availed through digital wallets are shopping, ticketing, money transfers, recharging, and bill payments from apps like Airtel Money, Oxigen, Freecharge, Paytm, etc. Amongst these, Paytm has a larger user base in India followed by Freecharge and Mobiwik. (Jauhari, 2018) (Alaeddin et al., 2018)

"Digital wallets have seen rapid growth in India after demonetization and helped in the transition from a cash-based economy to a cashless economy". After IMPS, the value of digital wallet transactions showed the highest growth of 123% during the 1st quarter of 2016 showing its growing popularity among Indian citizens (Bagla, 2020).

2.3.3. Internet Banking

Internet banking is the electronic method of banking where customers can directly transact or utilize the banking service through the website (Goel et al., 2019). NEFT and RTGS are suitable for high-value transactions while IMPS is suitable for instant transfer (P. Chawla, A. Singhal, 2019). RTGS and NEFT are those payment systems that facilitate electronic payment of transactions between banks directly. The funds are transferred through these modes in near real-time and they are more cost-effective. IMPS is faster than RTGS and NEFT and it provides 24*7 service to the customers which helps them transact securely and economically via ATMs or mobile internet. It has an edge over other banking systems as the funds can be transferred through this method even on non-bank hours including the public holidays. (Bagla, 2020)

In the study conducted in a rural area about 'Awareness of digital payments in India', (Gadge & Rai, 2019), the majority 32% of the respondents prefer cash

over digital payments while only 2% of respondents use NEFT as the mode of Internet banking.

Another study on Internet banking, (On et al., 2017) seeks to know the satisfaction level of customers for RTGS and NEFT services. The study concludes that the private sector is more technologically advance than public sector banks that way improves the technology. Customers value the quality of service most followed by trust than followed by technology, location, and type of bank. Most of the consumers like and satisfied with the RTGS/NEFT facility because customers have to pay the minimum amount for any transactions through NEFT and RTGS services and also a large amount of money can easily be transferred.

2.3.4 Debit Cards and Credit Cards

These plastic cards act as an alternative to the traditional cheque system. (Linda & Simon, 2012). Customers do not have to go bank to withdraw money to the banks or ATMs and carry cash all the time with them. For banks, it's an easy way to give these services to its customer just offer a single product called Debit card. And for customers increasing the use of debit cards transforms the economy into a cashless economy. Debit and credit cards can be used to do online transactions apart from withdrawing cash from ATMs. They are used at PoS and for e-commerce transactions for online payments of goods and services which makes this method more convenient. (Lall et al., 2015)

3. Objectives

- i. To overview the different Digital Payments system prevalent currently in India
- ii. To study the growth pattern of following digital payment modes in India:
- iii. NEFT, RTGS, Digital Wallets, IMPS, UPI, cards
- iv. To assess the key factors or restrainers responsible for the adoption and usage of each mode of digital payments
- v. To critically evaluate trigger events for booting and retarding payment modes:
 - a. Demonetization
 - b. COVID-19

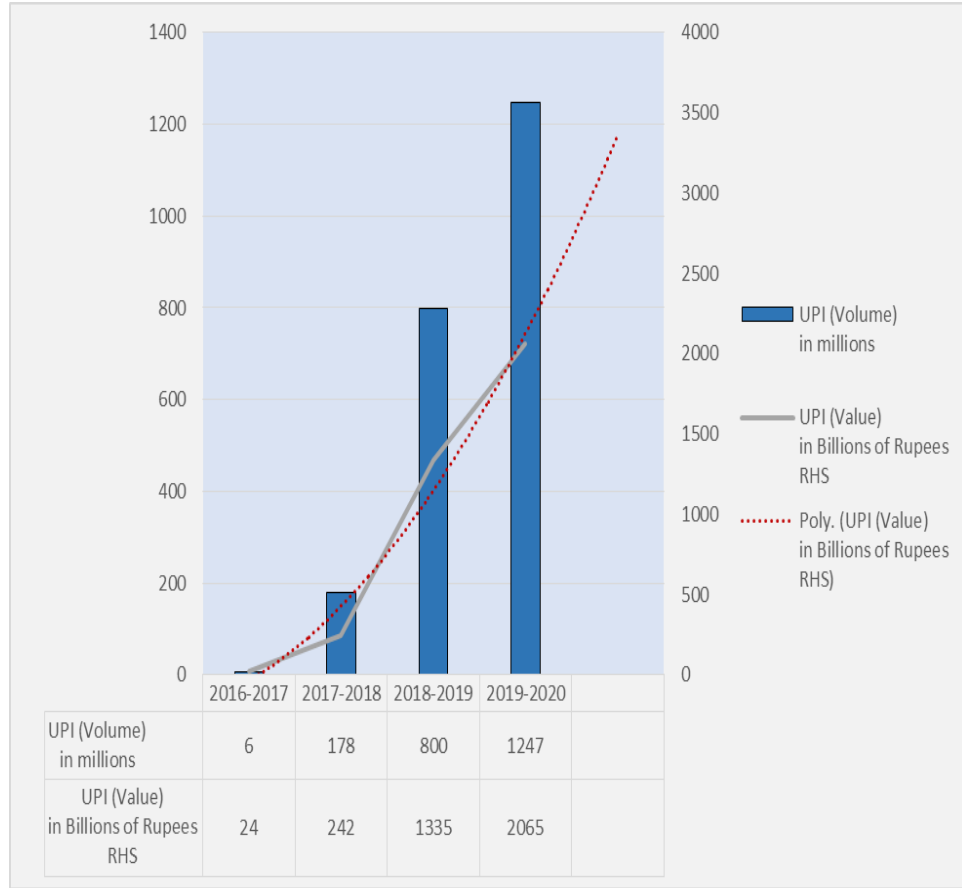
4. Research methodology

Descriptive statistics methodology has been used for this research to find out the growth pattern in different digital payment modes in India. The secondary method is used to collect data from official regulatory publications of India Longitudinal data is presented through the bar graph and trend line and trend factors used for analysis are valued, volume, key drivers, and restrainers. Quantitative data collection is undertaken for 4 years from 2015-16 to 2018-19

5. Findings and analysis

Facts and figures are taken from RBI reports from the year 2015 to 2019 (Board et al., 2015), (Board et al., 2016), (Board et al., 2017), (Board et al., 2018), (Board et al., 2019)

5.1 UPI



Years

2016-17

Key Drivers

No. of banks adopting UPI increased from 21 to 44 in March 2017
 A rapid rise in smartphone and internet explosion
 The factors like easy to use the platform, government initiatives, emergence of fintech and evolving technology has been the reason for the upsurge

Restrainers

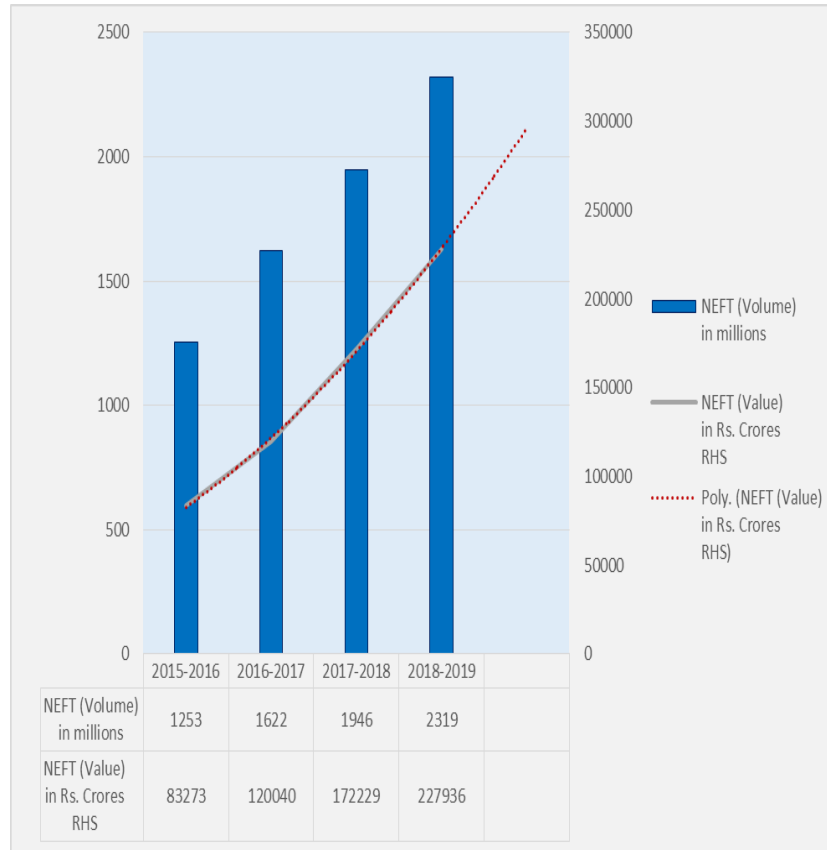
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	in UPI	
	UPI payments have seen surge due to the emergence of catalysts like Paytm, Bhim Pay, Google Pay, etc.	-
2017-18	Transaction volumes increased exponentially as consumers and merchant's trust in UPI rose.	-
	No store of value and KYC requirement in case of UPI as compared to e-wallets.	-
	Apart from already existing banks, the emergence of fintech in the sector of digital payments has given a boost to UPI this year.	-
2018-19	Enabling low-value, High-frequency transactions.	Merchant Discount Rate fee acts as a barrier in encouraging merchant on-boarding leaving merchants and banks less incentivized to promote digital payments.

2019-20

Google Pay (59 %), PhonePe (26 %) and Paytm (7 %) were the dominant payment networks for UPI transactions. Clever marketing strategies of PSP digital payment apps like Google Pay and Phone Pe which successfully attracted many new customers through referral coupons. Increasing efforts of the government to push digital literacy as well as boost consumer confidence through security features has led to widespread acceptance of these apps. The implementation of unified QR codes across all kinds of shops in the country has further increased the convenience of doing transactions, especially with the youth.

5.2 NEFT



*Year
2015-
2016*

Key Drivers
Digitization of retail payment system and reduction in cash usage
In the value segment, the key driver of digital payments are NEFT and RTGS

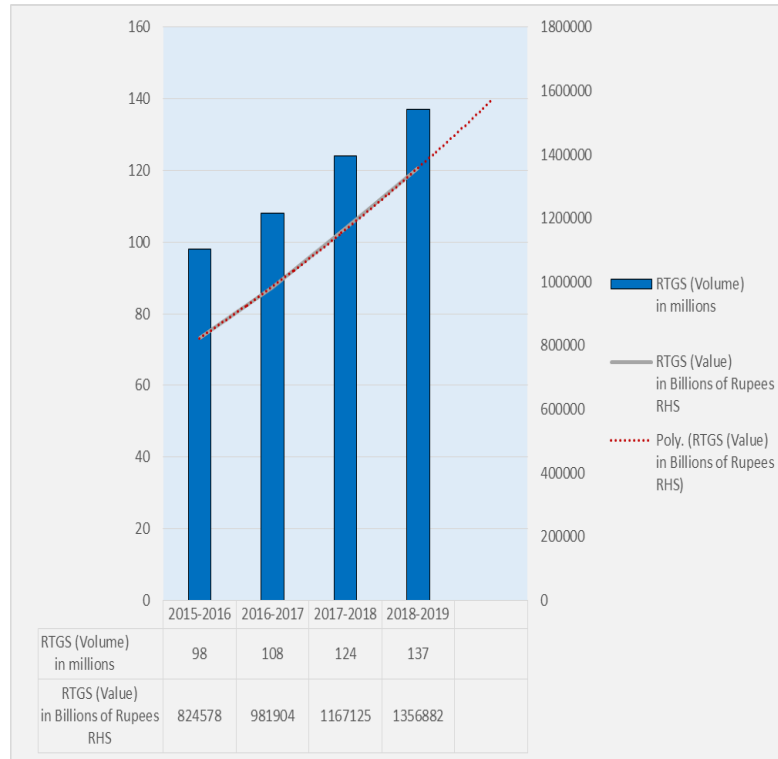
Restrainers
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Due to the lack of digital payment infrastructure, the government departments and agencies in many small towns and rural areas are not well equipped to have NEFT facilities.

	Major achievement through pan India coverage enabled by NEFT infrastructure	-
<i>2016-2017</i>	Impressive increase in terms of value is seen in the year 2016-17	-
<i>2017-2018</i>	To promote low-cost digital payments mode in India, the finance minister has done away with the Merchant Discount Rate (MDR) fee imposed on customers and merchants. Due to the introduction of GST, the GST taxpayers can transfer the tax directly to government through NEFT or RTGS to facilitate better management of cash for the governments	NEFT in terms of value and volume continues to grow this year albeit a slower pace
	Application software for NEFT was introduced to accommodate additional	-

	settlements and accelerate the funds' transfer process and improve customer's convenience	
<i>2018- 2019</i>	The charges levied by RBI on transactions through NEFT and RTGS have been abolished in this year	-
	To enhance the use of payment systems and the convenience of customers, RBI examines NEFT availability on daily 24*7 basis to enable the transfer of funds outside the banking	-

5.3 RTGS



Year
2015-2016

Key Drivers

In the value segment, the key driver of digital payments is RTGS and NEFT. This segment alone contributes half of the digital payments.

A project on virtualization technology was initiated in 2016 for up-gradation of RTGS system infrastructure

RTGS time window was modified to be operational for a full day on working Saturdays

2016-2017

RTGS handled 108 million

Restrainers

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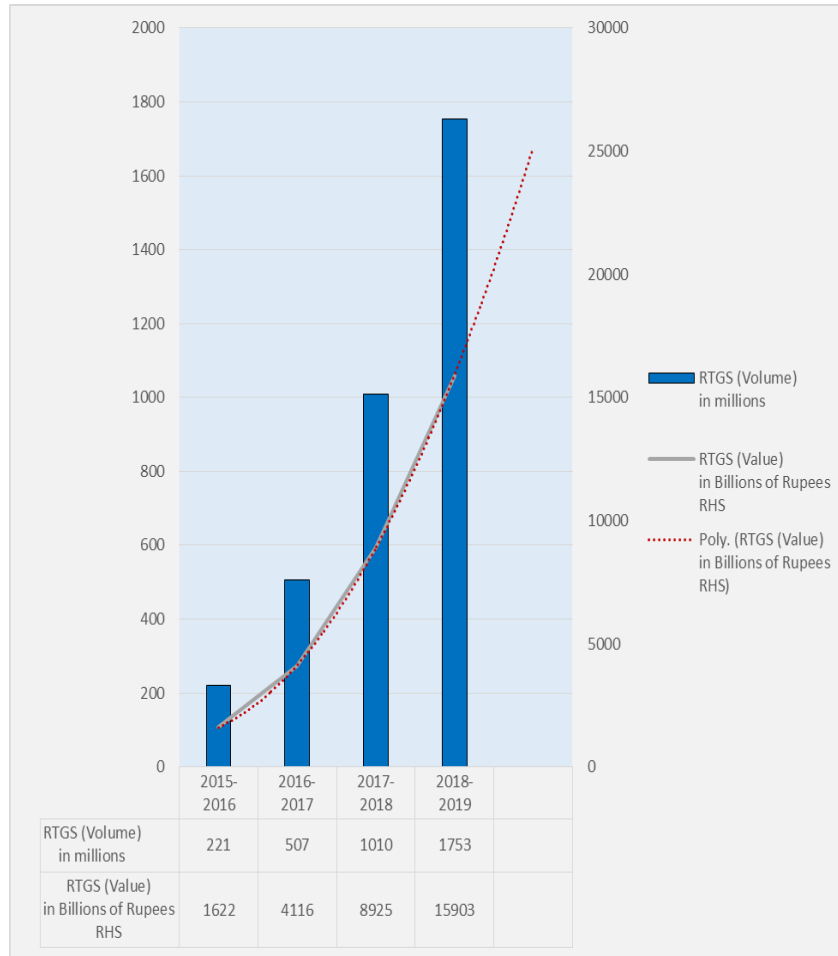
	<p>transactions up from 98 million transactions in the past year</p> <p>The implementation of AMRMS (Audit Management and Risk Monitoring System) of Next Generation Real-Time Gross Payment (NG-RTGS) is in an advanced stage</p>	-
<p>2017-2018</p>	<p>The system of RTGS handled 124 million transactions in 2017-18, which is up from 108 million transactions in the previous year</p> <p>During the year, the infrastructure related to the RTGS payment system was improved so that even the non-RTGS members can also transact through RTGS payment mode.</p>	-
<p>2018-2019</p>	<p>The charges levied by RBI on transactions though NEFT and RTGS have been abolished in this year</p> <p>The RTGS facility was accessible through approximately</p>	-

143,000 branches
of 216 banks
RBI extended
timings of RTGS
transactions from
4:30 pm to 6:00
pm with effect
from 1st June
2019 because of
high customer
demands and
industry
preparedness
In order to
develop the
capability of
processing the
transactions of
one payment
system in another
payment system,
Structured
Financial
Messaging System
(SFMS) was
introduced in the
RTGS system

-

-

5.4 IMPS



**Year
2015-
2016**

Key Drivers

IMPS, PPIs and debit cards are the key drivers of the digital payment industry in the volume segment

Mobile banking growth observed 4 fold increment in 2015-16

Mobile transfers using IMPS shows the highest increase in 2016-17 as an early result of demonetization in India

The money transfers through NEFT and

Restrainers

-

-

-

-

RTGS take more time as it happens in the stipulated time, while in IMPS customers get instant payments transactions which makes it a more preferred option for smaller transactions.

**2017-
2018**

-

IMPS which reported a 153% growth in 2016-17, registered a slow growth of just 116% in 2017-18

**2018-
2019**

In terms of value, IMPS attained the number 1 position throughout the year followed by UPI

It on-boarded 165 banks under its ecosystem in 2019 and brought the total number to 559 banks providing IMPS services to the customers by the end of 2019.

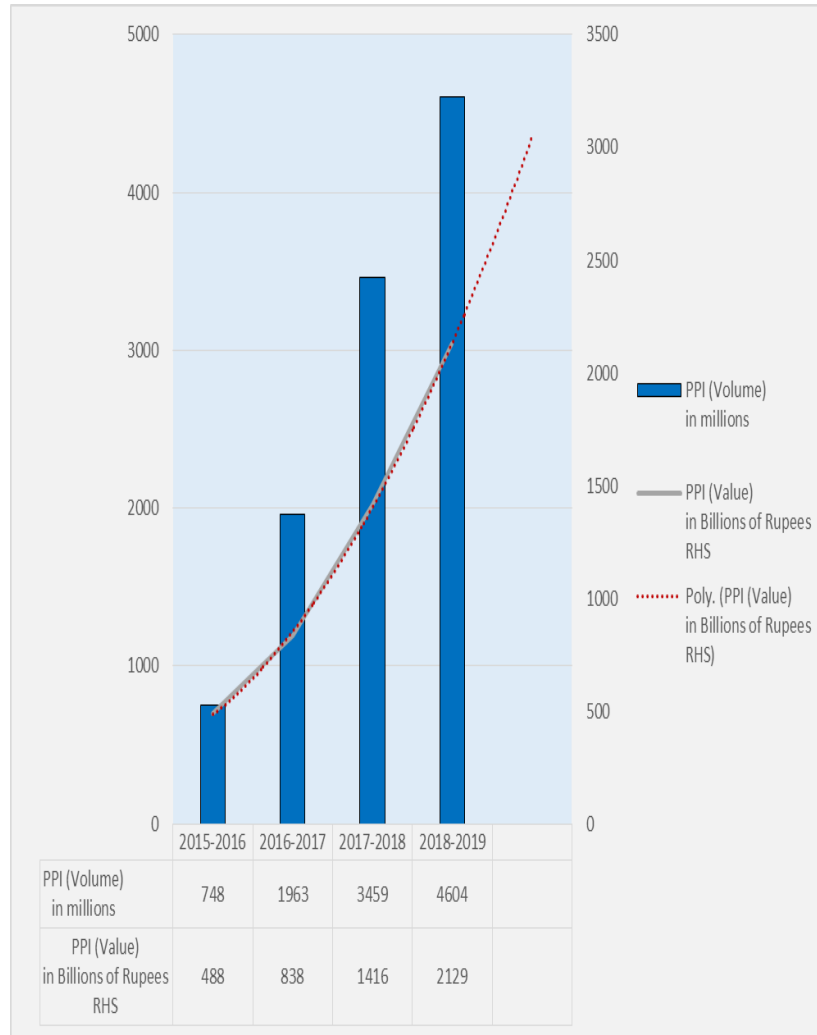
The increased registered customer base for mobile banking

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5.5 Prepaid Payment Instalments



Year
2015
-
2016

Key Drivers
PPIs registered steady growth in both the number of transactions and value when the no. of telecom companies and other private players started providing m-wallets
Major growth in PPIs have been seen in

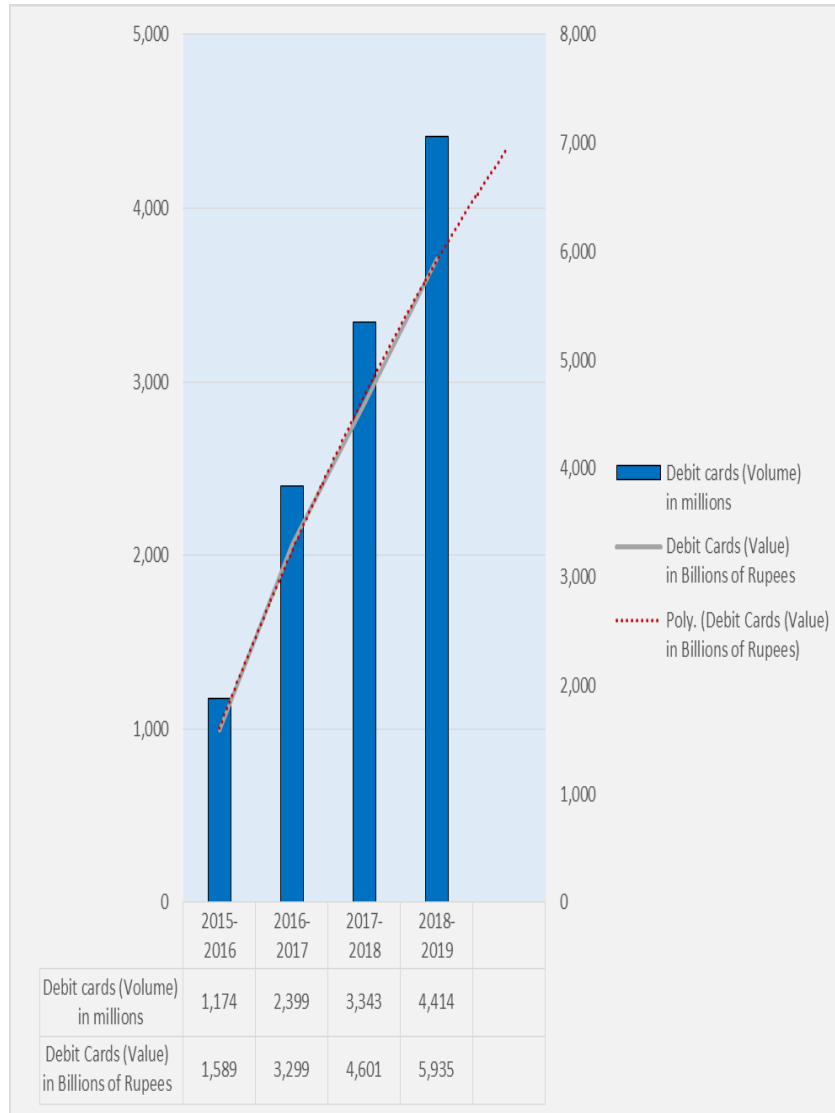
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	<p>them-wallet category and in the year 2015-16 Indian m-wallet market was around Rs. 154 crore</p> <p>Nine organizations were authorized to provide PPI service during 2015-16 and the number increased to approx. 40 organizations</p>	
2016	Before	The growth was
-	demonetization	slow in
2017	, transactions during the seven months of 2016-17 reached around 80% of the previous full year (2015-16) figures	comparison to the previous year
	The cap of semi-closed PPIs issued with minimum information was raised from Rs, 10000 to Rs. 20000 as a special step to incentivize electronic payments	-
2017	There were no.	The number of
-	of complaints which aroused the need to set up a separate	non-bank organizations allowed to operate PPIs
2018		

	<p>ombudsman for digital transactions and steps were taken to set up offices at selected centers</p>	<p>decreased from 55 in 2016-17 to 49 in 2017-18 as a result of their conversion/merger with payment banks and their voluntary</p>
<p>2018 - 2019</p>	<p>In February 2019, the timeline for the completion of the KYC for 'minimum information PPIs' was extended from 12 months to 19 months due to the problems faced in undertaking the Aadhaar based KYC</p> <p>A proper plan was laid to ensure the following:</p> <p>(i) interoperability of PPIs issued in the form of wallets via UPI, (ii) interoperability for PPIs in the form of cards via card networks and (iii) interoperability within bank accounts and wallets via UPI</p>	<p>surrender of license from PPIs</p> <p>Number of non-bank organizations allowed to operate PPIs dropped to 47 from 49 in the previous year as a result of their voluntary surrender to authorization</p>
		<p>-</p>

5.6 Cards at POS/ Ecommerce

5.6.1. Debit Cards



Year
2015-
2016

Key Drivers

The development in the e-commerce sector has been a significant factor for encouraging payments through Debit/Credit cards. The significance of Prime Minister Jan Dhan Yojana has brought an enormous amount

Restrainers

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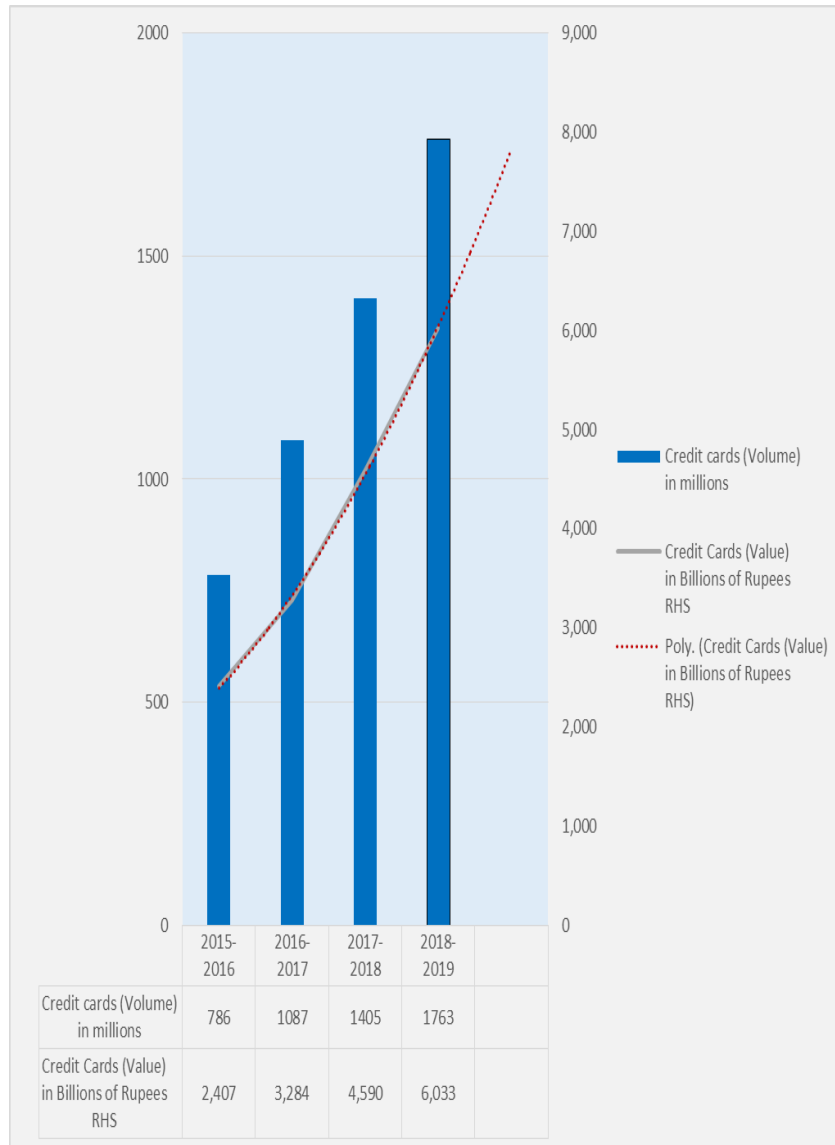
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	of growth in debit card issuance under Rupay in a very short time	
	RBI mandated that if the value of transactions is up to Rs. 2000, MDR charged will be 0.75%. If the value of transactions is above Rs. 2000, MDR charged will be 1%. This is done to encourage merchants to deploy card acceptance infrastructure	-
2016-2017	Increase in issuance and usage of debit cards has also in return facilitated the growth for PoS terminals both online and physical increasing digital transactions	-
2017-2018	Post demonetization, the cash is injected back to the economy with new notes but debit cards still saw steady growth	Debit card issuance recorded the number of 860 million in 2017, but only 30% of the people were found to own a debit card according to a socio-economic survey in India
2018-	RBI decided that	

2019

the government will reimburse the amount of MDR to the merchants for the debit card transactions valued up to Rs. 2000 For the Point of Sale, the debit card usage jumped very steadily to more than 30% in 2018 as compared to 2017

5.6.2 Credit Cards



<i>Year</i>	<i>Key Drivers</i>	<i>Restrainers</i>
2015-2016	Kisan credit cards were issued under Pradhan Mantri Fasal Bima Yojana (PMFBY) for availing Seasonal Agriculture Operational (SAO) loans to the farmers	-
2016-2017	SBI, ICICI Bank and Axis Bank have added the most to the credit card issuance this year Credit card use increased after the demonetization in November 2016 from 38% in comparison to just 28% the previous year	-
2017-2018	Leading credit card players have been focussing on expanding card portfolio to cash in on the increasing demand and expanding their credit-card customer base	In the year 2016-17, most of the banks saw a downturn in credit growth from 10% in the previous year to 8% this year which further resulted in a decrease in the issuance of credit cards An outstanding credit card which is a small component in overall credit has reported decrement due to its high base and sluggish

	<p>Banks became more confident to expand unsecured credit lines such as credit cards with the increasing recourse to Cibil records</p>	<p>demand for durables Education loans decreased about the risky nature of this sector and aversions of banks to invest in it. Due to this, there was a fall in credit cards</p>
<p>2018-2019</p>	<p>The KCC Scheme which originated as a revolutionary credit distribution mechanism has been extended to farmers involved in fishery and animal husbandry to allow them to meet their requirements of working capital</p>	<p>-</p>
	<p>Basic cybersecurity framework has been put in place to safeguard Urban Cooperative Banks from the arising risk of cyber-threats</p>	<p>-</p>

5.7 Summary of Value and Volume Transactions

- i. Year-wise analysis of each payment mode in terms of Volume (in millions)

Payment Modes	2015-16	2016-17	2017-18	2018-19
UPI		6	178	800
NEFT	1253	1622	1946	2319
RTGS	98	108	124	137
IMPS	221	507	1010	8925
PPI	748	1963	3459	4604
Debit Card	1174	2399	3343	4414
Credit Card	786	1087	1405	1763

ii. Year-wise analysis of each payment mode in terms of Value (in billions of Rupees)

Payment Modes	2015-16	2016-17	2017-18	2018-19
UPI		24	242	1335
NEFT	83273	120040	172229	227936
RTGS	824578	981904	1167125	1356882
IMPS	1622	4116	8925	15903
PPI	488	838	1416	2129
Debit Card	1589	3299	4601	5935
Credit Card	2407	3284	4590	6033

Critical evaluation of trigger events for transitions in digital payments from the time of Demonetization to the time of COVID 19:

Payment Mode

UPI

Demonetization Effect

UPI kicked off operations after demonetization and started gaining momentum from early 2017. Where online money transfer was restricted to

COVID 19 effect

UPI shows a decline for the first time due to fewer PoS transactions owing to the COVID 19 effect. Economic

	<p>mobile banking and internet banking, UPI made a significant number of transactions in its first year</p>	<p>activities and business activities have slowed down due to which UPI has also seen steep downfall both in value and volume.</p>
<p>NEFT/RTGS/IMPS</p>	<p>Demonetization has a significant impact on NEFT, RTGS, and IMPS owing to their nature of the most prevalent electronic system of that time.</p>	<p>Some contributions were made in PM Care Fund through the mode of NEFT, RTGS, and IMPS. Banks have also removed charges on these transactions for their maximum promotion in these times.</p>
<p>PPIs</p>	<p>The use of prepaid payment instruments such as wallets</p>	<p>COVID 19 has positively impacted PPIs.</p>

picked up rapidly after demonetization.

People are reluctant to use cash due to the transfer of the virus on the object and therefore they moved towards payment through wallets. However, Some players increased the charges for the customers, which has created aversion by the merchants to accept these wallets.

Debit Cards/ Credit Cards

These two payment methods gain much popularity after cash was ban during the demonetization phase.

In the COVID-19 times, the rate of impulsive buying has fallen for many Indians.

However, month on month, both the number of transactions and the amount of transactions declined and there has been a drop in the overall value of credit card transactions. The growth trajectory of digital payments is mostly assigned to wallets and UPI than the debit or credit cards.

Cardholders continue to use cards for online shopping of necessary items but, a large part of purchases happens offline for the card industry through PoS terminals. Most banks are reviewing credit card limits and cash limits. While the banks have given the cards mainly to salaried customers, the risk increased multifold due to recession, job losses, and pay

cuts.

6. Discussion

6.1.1 Unified Payment Interface (UPI)

UPI has become one of the most promising online payments in India surpassing the growth of transactions through cards. The factors like easy to use the platform, government initiatives, emergence of fintech and evolving technology have been the reason for the upsurge in UPI. UPI payments have seen surge due to the emergence of catalysts like Paytm, Bhim Pay, Google Pay, etc. UPI 2.0, launched in December 2018 can also be considered to be the main contributor in attracting merchants to this platform by offering various advanced services, low-value and high-frequency transactions.

6.2 NEFT/ RTGS/ IMPS

NEFT and RTGS have been the key driver of digital payments in terms of value. "With a CAGR of almost 26% over the past 5 years, NEFT has led the way of large transactions". "With a CAGR of almost 11% over the period of the last 5 years, RTGS has led the way of large transactions. The use of IMPS has increased mostly due to foreign remittances.

6.3 Prepaid Payment Instrument (PPI)

PPIs registered steady growth in both the number of transactions and value when the no. of telecom companies and other private players started providing m-wallets. The major barrier in its growth was the KYC process which was causing hindrance and therefore minimum KYC was introduced to enable faster verification and quick transactions without any hassle.

6.4 Debit/ Credit Cards

Increasingly it is seen that debit cards are used for merchant transactions more than cash withdrawal at ATMs. It is observed that the MDR waiver for transactions below Rs. 2000 has seen a steep in online shopping through debit cards.

The digital payment market is mostly dominated by debit cards, UPI, and wallets. Issuance of "Kisan credit cards" under "Pradhan Mantri Fasal Bima Yojana" for availing Seasonal Agriculture Operational (SAO) loans to the farmers was seen as a successful step in promoting credit card usage in rural areas.

7. Conclusion

The main aim of the digitalization of the payment system is to make India a digitally educated and aware. The dynamic payment system is expanding and evolving and digital payment channels are continuing to grow robustly. Owing to this fact, this industry has seen lots of transitions in the trends in the past few years that makes India the fastest adopting digital payments country in the world.

UPI has become the top player in the digital payment market in recent years in India and has changed the definition of transactions with the ease of use and making banking services more accessible. The growth is contributed majorly to the mobile phone and internet explosion and technology advancement and

awareness. However, the factors which restrained the growth of digital payments are lack of trust and security, charges levied by the government, and the lack of technical know-how, especially in the rural areas.

It was demonetization which gave rise to many digital payments but the current pandemic situation of COVID-19 has given a boost to the digital payments industry like never before. Most of the people from a vegetable vendor to the common man are skeptical about exchanging cash as payments and adopting the usage of digital wallets in their day to day lives. Digital payment methods are also used for donations and contributions to the government released funds. It can be concluded that in this industry, many fintech companies and financial institutions around the world are innovating the fastest ways of making payments, but the security of payments is more crucial. Hence the security of the payment system will determine its success in the future.

8. Abbreviations

"NEFT"	"National Electronic Fund Transfer"
"RTGS"	"Real-Time Gross Settlement"
"IMPS"	"Immediate Payment Service"
"UPI"	"Unified Payments Interface"
"NPCI"	"National Payments Corporation of India"
"ATM"	"Automatic Teller Machine"
"OTP"	"One-time password"
"PPI"	"Pre-paid Payment Instruments"
"KYC"	"Know Your Customer"
"CAGR"	"Compound annual growth rate"
"PoS"	"Point of Sale"
"RBI"	"Reserve Bank of India"
"MDR"	"Merchant Discount Rate"

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