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TRANSFORMING TRANSACTIONS: THE ROLE OF DIGITAL PAYMENTS IN BOOSTING ECONOMIC ACTIVITY OF ANDHRA PRADES

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ABSTRACT

The cashless economy helps in restriction black money, depresses tax fudging and eventually lends to reduce funding for illegal trades and activities counting terrorism. The rapid evolution of digital payment systems has become a cornerstone of economic transformation, particularly in emerging economies like India. Andhra Pradesh, with its burgeoning population and a strong focus on digitalization, has positioned itself as a leader in leveraging digital payments to boost economic activity. This abstract examines the pivotal role of digital payment systems in transforming financial transactions, promoting economic growth, and fostering financial inclusion in the state of Andhra Pradesh. Digital payments have simplified financial transactions by offering convenience, speed, and transparency, reducing reliance on cash. The state government's initiatives, such as the implementation of e-Pragati, real-time governance, and partnerships with fintech firms, have created an ecosystem that encourages digital payment adoption. These measures have significantly reduced transaction costs and facilitated a more robust flow of money within the economy, fostering growth in sectors such as agriculture, trade, e-commerce, and services.Furthermore, government schemes like direct benefit transfers (DBTs) and subsidies, delivered through digital platforms, have ensured the timely and efficient distribution of financial aid, reducing corruption and enhancing welfare outcomes.The adoption of technologies like Unified Payments Interface (UPI), mobile wallets, and QR code-based payments has also catalyzed the growth of micro, small, and medium enterprises (MSMEs) in Andhra Pradesh. By enabling seamless digital transactions, these technologies have lowered barriers to market entry, improved operational efficiency, and opened up new revenue streams for businesses. As a result, digital payments have played a crucial role in creating a dynamic entrepreneurial ecosystem, driving innovation and competitiveness in the state.

INTRODUCTION

A cashless economy is an economy in which all types of transactions are carried out through digital means. It includes e-banking (mobile banking or computers), debit and credit cards, card-swipe or point of sales (POS)

machines and digital wallets. The RBI and the government are making several efforts to reduce the use of cash in the economy by promoting the digital or payment devices including prepaid instruments and cards. RBI'S effort to encourage this new variety of payment and settlement facilities aims to achieve the goal of a 'less cash' society. A very important factor in the running of such an economy is the assurance that the people's money is safe in banks. Also, going cashless is much more appropriate but, it is not just the earliest way to manage, but also brings about lot more photograph in financial system.

Cashless transaction helps in restriction black money, depresses tax avoidance and eventually lends to reduce funding for illegal trades and activities counting terrorism. Thus, because of this growing effect of the benefits, many developing economies are accepting the cashless method and are going to digital methods. A digital society becomes a popular alternative to tackle the cash usage liability. Digital transaction economy does not mean the shortage of cash rather it indicates a culture of people settling transactions digitally. Hence, the spread of digital payment culture along with the expansion of infrastructure facilities is needed to achieve the goal.

In recent years, the global economy has witnessed a paradigm shift toward the adoption of digital technologies, reshaping how businesses and individuals interact financially. Digital payments have emerged as a cornerstone of this transformation, facilitating faster, safer, and more efficient monetary transactions. In India, where rapid digitization has become a national priority, digital payments have assumed a critical role in promoting financial inclusion, fostering economic growth, and enhancing overall productivity. Among the states leading this digital revolution, Andhra Pradesh has been at the forefront, leveraging digital payment systems to drive economic activity, foster innovation, and improve governance.

Andhra Pradesh, one of India's most progressive states, has a rich history of embracing technological advancements. Known for its proactive governance, the state has made significant strides in creating a robust digital infrastructure. Through initiatives like e-Pragati, real-time governance, and extensive outreach efforts to promote digital literacy, Andhra Pradesh has set an example of how technology can be harnessed to achieve socio-economic development. In this context, digital payments have played a transformative role by simplifying financial transactions, improving transparency, and fostering entrepreneurship.

The significance of digital payments in boosting economic activity lies in their ability to create an ecosystem that empowers individuals, small businesses, and corporations alike. By facilitating seamless transactions, digital payment systems reduce dependency on cash, minimize transaction costs, and increase efficiency. In Andhra Pradesh, where a significant portion of the population resides in rural areas, digital

payments have become a crucial tool for enhancing financial inclusion. Digital wallets, Unified Payments Interface (UPI), and Aadhaar-enabled payment systems have brought financial services to the fingertips of millions, enabling them to participate actively in the economy.

Furthermore, digital payments have a multiplier effect on economic activity. They encourage the growth of e-commerce, enable small and medium enterprises (SMEs) to expand their customer base, and foster innovation in the fintech sector. In Andhra Pradesh, the rise of digital payments has led to the emergence of new business models, creating opportunities for start-ups and enabling traditional businesses to modernize their operations. The government's focus on promoting cashless transactions, coupled with private sector innovations, has created a dynamic ecosystem that drives growth and attracts investment.

The role of digital payments in improving governance and reducing corruption cannot be overstated. Andhra Pradesh has effectively utilized digital payment systems to streamline welfare schemes, ensuring that benefits reach the intended beneficiaries without leakages. Direct Benefit Transfer (DBT) programs, powered by digital payments, have revolutionized the delivery of subsidies, pensions, and other social welfare measures. By eliminating intermediaries and ensuring transparency, these systems have strengthened trust between citizens and the government while enhancing the overall efficiency of public service delivery.

Another critical aspect of digital payments in Andhra Pradesh is their contribution to financial literacy and digital empowerment. The state government, in collaboration with financial institutions and tech companies, has conducted extensive awareness campaigns and training programs to familiarize citizens with digital payment platforms. By equipping individuals with the knowledge and tools to navigate the digital economy, Andhra Pradesh has laid the groundwork for sustainable economic growth.

Despite these advancements, the journey toward a fully digitized economy is not without challenges. Issues such as cyber-security threats, inadequate digital infrastructure in remote areas, and resistance to change among certain segments of the population remain significant hurdles. Addressing these challenges requires a collaborative approach involving government, industry stakeholders, and civil society. Investments in technology, regulatory frameworks to safeguard digital transactions, and targeted efforts to bridge the digital divide are critical to realizing the full potential of digital payments in Andhra Pradesh.

The National Payments Corporation of India(NPCI), together with the RBI, has launched UPI, which powers multiple accounts from participating banks, and offers several banking services all in a single mobile applications. A step in the right direction certainly, but not one without its problems. Although India has around

502.2 million smartphone users as of December, 2019, there is still a long way to go until per cent of population has mobile internet access. On November 8th, 2016 government withdrawn INR 500 and INR 1000 notes-two highest denominations in circulation. Main objectives were to fight counterfeit money and black money. The action has given tremendous boost to digital transactions has cards based digital payments were not hindered when all high denominations cash transactions suffered because of absence of high denomination currencies. A cashless society describes an economic state whereby financial transactions are not conducted with money in the form of physical bank notes or coins.

REVIEW OF LITERATURE NATIONAL AND INTERNATIONAL

Swati Kulkarni, Dr. Aparna J Varma, (2021), attempted to identify the thinking of consumers with respect to online payments and the safety of these payments. This study aims to understand the frequency of digital payments and factors affecting or challenges faced by consumers while using digital payment modes that may affect consumer perception.

Pankajzala, Jayprakashlamboria, Jaydeepsantoki (2022), India's digital payment system is a promising success storey in the making thanks to recent policy initiatives and technological advancements. The statistics, on the other hand, shows that cash use is growing. While data collected at the nation level may give us an idea of individuals' preferences in general, we're using a new online survey dataset to figure out how things like Consumers' payment habits are influenced by their "perception" and "trust" in digital payments, as well as their own experience with online scams.

Lin W-R et al (2020). talked about the importance of online banking, need to maintain its efficiency and reducing costs so that customers will be happy, and banks can retain them.

Atanda, Akinwande A., and Alimi, Olorunfemi Y (2020)"This study discussed in details the structure, importance, challenges and consequences of the newly adopted cashless policy program in the Nigerian banking sector. The cashless policy is mainly instituted to enhance the effectiveness of flow of financial resources among economic agents in the economy at least cost possible as well as ensuring prompt cash transfers within the system. The Central Bank of Nigeria (CBN) cashless initiative is geared towards eliminating the continuous use of physical cash in most daily transactions at the business unit of the economy, as well as regulating, controlling, and securing the financial system.

OBJECTIVES

The various government initiative and towards the demonetization process has given momentum to the growth of digital transaction activities and it has brought significant change in the behaviour of consumer. In India most of the consumers are heavily dependent only on the digital economy, now the consumers have to switch from cash to cashless electronic transactions. The specific objectives are the following

- To study the importance of digital transformation in the modern economy.
- To assess the opportunities of digital economy in India and Andhra Pradesh.

METHODOLOGY

The paper is based on secondary data have been recovered from internet, magazines and journals research papers and expert opinions on the same subject matter. The concentration is to know additional around the Digital Payments in India Opportunities and Challenges. Consequently, qualitative data have been used in this paper.

Progress and Scope for Digital Banking in India

India's push to assemble a less-cash economy is by all accounts get-together momentum with the central bank recording a extraordinary development in digital transactions till March 2019 and setting a driven objective to push up the volumes by multiple times by 2021. All out digital transactions in volume terms recorded a development pace of 58.8 per cent during 2018-19, over a development of 50.4 per cent during 2017-18, the Reserve Bank of India said in a report. The RBI says digital transactions in esteem terms developed by 19.5 per cent during 2018-19, compared to the development of 22.2 per cent during 2017-18. Despite the fact that the greater part of digital transactions in esteem terms (82.8 per cent) are accounted for by RTGS transactions, retail component of digital transactions (barring RTGS customers and interbank transactions) saw a volume development of 59.3 per cent during 2018-19, as against 50.8 per cent development in the previous year.

Given the current pattern under tight restraints utilization and the push to move to digitized transactions, the RBI's vision document expects the volume of registration payments would be fewer than 2.00 per cent of the retail electronic transactions by 2021. Payment systems like the Unified Payment Interface (UPI) are probably going to enroll normal annualized development of more than 100 for every cent and NEFT at 40 for each cent over the vision time frame. The quantity of digital communication is relied upon to build multiple occasions from Rs. 2,069 crore in December 2018 to Rs. 8,707 crore in December 2021, it says. "In esteem terms, retail transactions developed by 38.2 per cent, over 45.8 per cent development a year ago. They accounted for 99.4 Per cent and 17.2 Per cent of all out digital transactions volume and worth, separately," the RBI said in its report

'Payment and Settlement. The Plumbing in the Architecture of India's Financial System. The central bank report says, throughout the years, the payment and settlement scene has seen unprecedented rushes of advancement. "Versatile wallets have truly made banking services accessible 'on tap'; digital-just banks have discarded the requirement for physical nearness.

Another mechanical wave is being created by the use of man-made consciousness (AI) to financial modernization, or fintech, industry as mechanized information investigation, chat bots and rob advisers. Man-made aptitude is being utilized to distinguish misrepresentation by checking examples of customer conduct. Close to handle communication (NFC) innovation and central bank digital monetary standards (CBDCs) are other way breaking advancements that have developed into the payment and settlement scene, the central bank has said. According to the RBI, volumes under UPI, a moment ongoing payment system, arrived at a pinnacle of 799.5 million in March 2019. For the financial as entire, the all out UPI volume was multiple times bigger than the volume during 2017-18. As far as worth, UPI transactions saw an eight-overlay increment over the previous year. The normal worth per transaction remained at Rs. 1,670 in March 2019, the RBI said. UPI is a quick money transfer system that empowers nonstop interbank support transfer, consistently. Since its commercial dispatch in August 2016, it has seen a mammoth ascent in volumes by a wide margin surpassing the transactions done on the IMPS stage.

The volume of cards in put on the market location transactions became 30.1 per cent during 2018-19 (36.2 per cent a year ago) and in esteem terms, by 30.2 per cent (39.6 per cent a year ago). During 2018-19, check cards developed by 19.5 per cent and 16.3 per cent in volume and worth terms, the RBI says. Nonetheless, charge cards saw higher development of 25.4 per cent and 31.4 per cent in volume and worth, individually, during 2018-19 (29.2 per cent and 39.7 per cent a year prior). "in the face of the fact that ATM use accounted for significant segment of charge card transactions (69.1 per cent in volume and 84.8 per cent in esteem), there is proof of increment in utilization of check cards at POS consistently, from 4 for every cent in 2011-12 to 15 for each cent in 2018-19 in esteem terms," it said. During 2018-19, check card POS exploitation developed by 32 for every cent and 29 for each cent for volume and worth, separately (39.3 per cent and 39.5 per cent a year prior). The Reserve Bank is at this time approaching for a 34 for each cent increment in POS terminals to 50 lakh in vendor establishments, predominantly including 44 for every cent of complete platinum card transactions, in the following two years while focusing on "cash-light economy" and digital modes for e-commerce.

THE LANDSCAPE OF DIGITAL PAYMENTS

Understanding Digital Payments

Definition and types (mobile wallets, UPI, NEFT, IMPS, etc.).Key technologies driving digital payments (block-chain, AI, and mobile applications). Benefits: Convenience, speed, transparency, and security.

Growth of Digital Payments in India

- Policy initiatives: Demonetization, Digital India campaign, and GST.
- UPI as a game-changer in the Indian payments ecosystem.
- Statistics showing the increase in digital payment adoption in India.

Adoption in Andhra Pradesh

- Key digital payment platforms and services used in the state.
- Growth trends: Urban vs. rural adoption.
- Government and private initiatives encouraging adoption.

Boosting Economic Activity through Digital Payments

Impact on Local Businesses

Empowering MSMEs: Streamlining payments and increasing operational efficiency. The Access to a broader customer base through e-commerce platforms. Case studies: Success stories of small businesses leveraging digital payments.

Agriculture Sector

Role of digital payments in ensuring timely payments to farmers.Direct Benefit Transfers (DBTs) and subsidies for farmers. Market linkages: How digital payments facilitate access to agri-markets.

Financial Inclusion

The Reducing the urban-rural divide through digital banking. And empowering under banked and unbanked communities.The role of Fin-Tech in providing microloans and credit access.

Employment Generation

Rise of e-commerce and delivery platforms creating job opportunities. Digital payments enabling the gig economy. Training and up-skilling initiatives related to digital literacy.

ROLE OF THE GOVERNMENT IN DRIVING DIGITAL PAYMENT ADOPTION

Policy Framework

- Andhra Pradesh's vision for digital transformation.
- Initiatives like Andhra Pradesh State Fiber-Net Limited (APSFL) for digital connectivity.
- Implementation of cashless payment systems in public services.

Incentives for Adoption

- Subsidies for merchants adopting digital payments.
- Awareness campaigns promoting cashless transactions.
- Public-private partnerships (PPPs) for financial technology solutions.

E-Governance

- Digital payments in public services (e.g., tax collection, utility payments, and subsidies).
- Efficiency and transparency in government schemes.
- Citizen-centric services enabled by digital payments.

REASONS FOR BANKS ADOPTING DIGITALIZATION

There are various reasons which could give a few clarifications for this conduct, yet probably the most significant and touching elements, causing a profound effect on the digital revolution of financial services are the complementary patterns. The Development of New Technologies The quick development of new advancements, Internet, cell phones and tablets, in under 10 years, alongside the challenge of new entrants (working digital-just products and services) and new models, adds another dimension to the changing job of banking. Modernization companies and new companies quickly grow their exercises to financial services, consistently developing and competing or working together with banks and other financial establishments in different segments of the financial markets or in movements that don't explicitly require a banking permit. This adds to pushing banks to re-examine the approach in which they work.

THE CHANGE OF CUSTOMER EXPECTATIONS

Their desires towards products and services have changed in only a couple of years. Digital buyers have a place with the digital local age, brought up with Internet the age conceived anywhere in the range of 1977 and 1994 thought about significant innovation savvy, presented to modernization since early youth and tightly packed to most long-established marketing and the age conceived in the mid-90s to mid '2000s, accustomed to a media and online environment in which alternatives are practically boundless.

The two ages are incredibly associated and depend intensely on cell phones/applications and even wearable to appreciate the best customer-experience or advantage from the most well known content. They adjust quickly to new changes in the again and again look for data or guidance on the Internet or social networks. These digital shoppers demand more decisions, quick accessibility and direct access to organized to-utilize data and services. They look forward to quick, sheltered and straight forward banking products and services. They need

banks to provide more than simple transactional ser-indecencies and anticipate that they should comprehend their needs and to go about as trusted advisers.

Few Trends and Opportunities Changing Consumer Behaviour in Favour of Digitalization

India's demographic dividend is well suited to switch to digital behavior, with the median age of an Indian expected to be 29 years by 2020 and 900 million populations falling in the age group of 15-60 years by 2025. People have started to rely on technology to do banking transactions because they would like more convenience.

Un penetrate areas and Government Initiatives

India is progressing towards the goal of financial inclusion and almost 1600 million accounts have been opened under PMJDY (PradhanMantri Jan Dhan Yojana) with Rs. 500 billion being targeted to be transferred directly under DBT (Direct Benefit Transfer).

Increased Smartphone Usage and Mobile Penetration

Mobile penetration of around 90 per cent is likely to drive financial inclusion. Youth in India prefer to use smart phones rather than to stand in long queues to benefit banking services. The current and expected well-known reach of smart phones in the country provides a disruptive and low cost medium, to expand the reach of banking and payments services. Benefits for Government of India were promoting digital transactions. The launch of United Payments Interface (UPI) and Bharath Interface for Money (BHIM) by National Payments Corporation of India (NPCI) are important steps for modernization in the Payment Systems sphere of influence. UPI has witnessed over 1 million communications as of January 10, even as 10 million people downloaded the app. As per the RBI Survey 2016 digital wallets accounted for just Rs. 95 billion in transactions and UPI only for Rs. 7 billion, compared to Rs 314 billion for debit and Rs. 270 billion for credit cards.

According to RBI Report in 2016-2017 there are 2,22,475Automated Teller Machines(ATMs) and 25,29,141 Point of Sale devices (PoS).Major landmarks in the digital revolution in the banking sector include implementation of Electronic Payment system such as NEFT(National Electronic Fund Transfer) RTGS (Real Time Gross Settlement), IMPS (Immediate Payment Service), Debit and Credit cards, Mobile banking. Projects such as Make in India and Digital India are now the buzzwords to a bright and sustainable industrial and financial progress of our nation. As part of Digital Transformation in India, Government also encourages the adoption of new technology or up gradation while providing connectivity with high speed bandwidth to every corner and corner of the country. RBI statistics indicate that the total number of PoS machines in the country increased from 15, 12, 608 at the end of October 2016 to 22, 24, 977at the end of February 2017. A study conducted in 2015

revealed that 47 per cent of bankers see digital banking as means to improve customer relationship, 44 per cent to generate competitive advantage, 32 per cent as a channel for new customer acquisition, and 16 per cent for cost saving.

BANKING CARDS

Cards are among the most widely used payment methods and come with various features and benefits such as security of payments, convenience. The main advantage of debit/credit or prepaid banking cards is that they can be used to make other types of digital payments. For example, customers can store card information in digital payment apps or mobile wallets to make a cashless payment.

USSD

Another type of digital payment method, *99#, can be used to carry out mobile transactions without downloading any app. These types of payments can also be made with no mobile data facility.

AEPS

Expanded as Aadhaar Enabled Payment System, AEPS can be used for all banking transactions such as balance enquiry, cash withdrawal, cash deposit, payment transactions, Aadhaar to Aadhaar fund transfers. All transactions are carried out through a banking correspondent based on Aadhaar verification.

Mobile Wallets

A mobile wallet is a type of virtual wallet service that can be used by downloading an app. The digital or mobile wallet stores bank account or debit/credit card information or bank account information in an encoded format to allow secure payments. One can also add money to a mobile wallet and use the same to make payments and purchase goods and services.

Bank pre-paid cards

A prepaid card is a type of payment instrument on to which you load money to make purchases. The type of card may not be linked to the bank account of the customer. However, a debit card issued by the bank is linked with the bank account of the customer.

PoS terminals

Traditionally, PoS terminals referred to those that were installed at all stores where purchases were made by customers using credit/debit cards. It is usually a hand held device that reads banking cards. However, with digitization, the scope of PoS is expanding and this service is also available on mobile platforms and through internet browsers.

Internet Banking

Internet banking refers to the process of carrying out banking transactions online. These may include many services such as transferring funds, opening a new fixed or recurring deposit, closing an account. Internet banking is also referred to as e-banking or virtual banking. Internet banking is usually used to make online fund transfers via NEFT, RTGS or IMPS.

Mobile Banking

Mobile banking is referred to the process of carrying out financial transactions/banking transactions through a smartphone. The scope of mobile banking is only expanding with the introduction of many mobile wallets, digital payment apps and other services like the UPI.

BENEFITS OF DIGITAL PAYMENTS

- Faster, easier, more convenient.
- Economical and less transaction fee.
- Waivers, discounts and cash backs.
- Digital record of transactions.
- One stop solution for paying bills.
- Helps keep black money under control.

VARIOUS TYPES OF DIGITAL PAYMENT SYSTEMS

Every transaction that is made online are governed, managed and controlled by the central bank, Reserve Bank of India (RBI). Then by 2013, National Payment Corporation of India (NPCI) was incorporated and RBI also encouraged this for making a single window organisation for making the online retail payments. So the various types of digital payment controlled by RBI are: banking cards, internet banking, mobile banking, mobile wallets, point of sale terminals, banks pre-paid cards, prepaid instruments, and digital payment managed by NPCI are Rupay, IMPS, USSD, UPI, Bharat QR code, BHIM, AEPS, BBPS.

Banking Cards (Debit/Credit/Cash/ Travel/Others)

Cards are issued by banks to their customers to perform a number of financial transactions for in-store and online store dealings. Example: MasterCard, Visa, Rupay.

Mobile Wallets

A mobile wallet is a technique to transfer cash in digital mode and a form of virtual wallet service that can be made use of by downloading an app. Users can link their credit card or debit card or bank account information in an encoded format in mobile device. Example Paytm, Pay U Money, Mobikwik.

Point of Sale

Conventionally, PoS terminals signified to those that were mounted in all stores where customers make their payment for purchases using credit/debit cards. With digitization the scope of PoS is enhancing and this service is also offered on mobile platforms and via internet browsers by scanning Bar or QR codes. There are various types of PoS terminals such as:

- Physical PoS terminals are the ones that are available at shops and stores.
- Mobile PoS terminals can work on smartphone. This is advantageous for small time business owners as they do not have to invest in expensive electronic registers.
- Virtual PoS systems practice web-based applications to process payments.

Internet Banking

Internet banking refers to the process of carrying out banking transactions online. These may include many services such as transferring funds, opening a new fixed or recurring deposit, closing an account. Internet banking is also referred to as e-banking/online/virtual banking. Internet banking is usually used to make online fund transfers via (NEFT, RTGS, and IMPS).

- National Electronic Fund Transfer: Bank customers can transfer funds to other accounts electronically and are maintained by Reserve Bank of India
- Real Time Gross Settlement: Usually for high value online transaction this system is being used and is maintained by Reserve Bank of India.
- Immediate Payment Service: It is a prompt real-time and inter-bank electronic funds transfer system in India and is managed by the National Payments Corporation of India (NPCI)

Mobile Banking

Mobile banking is termed as the process of performing financial/banking transactions with the help of a smartphone. The scope of mobile banking is growing with the launch of many mobile wallets, digital payment apps and other services like the UPI. Most of the banks have their own apps for Android, Windows, iOS mobile platforms and customers can download the same to perform their banking transactions at the click of a button and by a touch of an icon.

Banks Pre-Paid Cards

A prepaid card is a sort of payment instrument on to which users add money to make purchases. The type of card may not be linked to the bank account of the customer. However, a debit card issued by the bank is linked with the bank account of the customer. Almost all leading Banks offer prepaid cards.

Prepaid Payment Instrument (PPI)

Prepaid Payment Instruments (PPIs) has emerged as a convenient auxiliary mode of cash transaction. Purchases of goods and services are facilitated with the help of PPI which stores the value in the instruments. Unlike mobile wallets two factor authentications is not required for PPI. It is suitable for non-tech savvy patrons. Example: smart/magnetic strip cards, mobile wallet.

UNSTRUCTURED SUPPLEMENTARY SERVICE DATA (USSD)

This is a state-of-art payment service. Mobile payments and transactions can be made without mobile data facility and without downloading any app. The basic objective of this type of digital payment service is to build an environment to deliver financial deepening and inclusion among the underserved sections, under-banked society and integrate all of them into typical banking service.

CASH DEPENDENT ECONOMY

92 per cent of the Indian economy is made up of informal workers, who contribute around 50 per cent of the GDP 80-90 per cent of these workers are paid in cash which are often undeclared assets. These figures spell out the importance of cash in the Indian economy Mediums like smartphones and internet connectivity are still unaffordable to a sizeable population thus denying them access to digital forms of transaction. As per the reports, till December 2016 out of 1.324 billion population the smartphone users are 350 million. Awareness about using the digital solutions like smartphone-based transactions, feature phone-based transactions, use of credit/debit cards.

The Digital India program is a very large-scale project of the Indian government. Thus, Indian Government facing many challenges for completes the project. The major challenges are as follows

- Less co-ordination among various departmentsas we know it is a very large project that consists of many departments. So, timely and strong support of departments is very important for properly and timely completion of the projects.
- Implementation Cost is very highas shown above still very high amount is required to implement the Digital India plan.
- Infrastructure Robust and large data centre (used to store large data of entire country) are other supportive infrastructure require for National Optic Fibre Network (NOFN) project. It is planned to build for high-speed broadband highway.
- Excess time Project like NOFN has been delayed several times and taken almost 2 year so it has also delayed other related projects. The project will be successful when it completed on time.

In conclusion, digital payments have emerged as a transformative force in boosting economic activity in Andhra Pradesh. By promoting financial inclusion, enhancing economic efficiency, and fostering innovation, they have laid the foundation for a more dynamic and inclusive economy. The state's continued commitment to digitalization and collaboration with stakeholders will be pivotal in unlocking its full economic potential, making Andhra Pradesh a model for other regions to emulate in their journey toward digital transformation. Despite the evident progress, challenges remain, such as digital literacy gaps, inadequate infrastructure in remote areas, and cyber-security concerns. Addressing these barriers is essential to ensure that the benefits of digital payments are equitably distributed across all demographics. Investments in digital education, improved internet connectivity, and robust cyber-security frameworks are imperative for sustaining growth.

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