

Impact of Cashless Economy in the development of India: Drives and challenges

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Abstract

This paper examines development and challenges of cashless policy in Indian economy. India made an ardent effort to move towards a cashless economy by minimizing the use of physical cash. The leading advantage of building a cashless economy is eradication of black money. Digitalization of transactions is the best way to move towards cashless economy. Such a cashless economy is realizable by promoting electronic money instruments, developing financial infrastructure and spreading digital transaction practice among people. The objective of the study is to examine its significant benefits and essential elements, and to check the extent to which it can enhance the growth of financial stability in the country. This study examines the cashless economic system so as to evaluate its feasibility in India with regards to timelessness, awareness and adequacy against the backdrop of our level of development both technologically and educationally. To retain this policy of cashless economy in India, the authors recommended that the migration of our payments system towards a cashless society would require some reforms and a lot of effort and sensitization especially for low income group, who are currently deeply rooted in using cash and see it as a convenient and easy way of receiving and making payments

KEYWORDS: *Cashless, Transaction, Backdrop, Feasibility, Digitalization, Sensitization.*