

## IMPACT OF CASHLESS POLICY ON SMALL SCALE BUSINESSES IN RURAL TAMIL NADU

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### *Abstract*

A cashless exchange in India is a push to move towards a cashless economy by limiting the utilization of physical money. The principle goal of the investigation is to show the present status of India in utilization of advanced money in contrast with other created Cities and discover the difficulties and openings which are related with the cashless exchange in India. Information is assembled by utilizing both essential and auxiliary information gathering strategy and after that graphical portrayal is being utilized. The examination uncovered that the presentation of cashless economy in India can be viewed as a positive development of economy development and advancement. It has been led to unwind the difficulties and chances of cashless economy by advancing electronic cash instruments, creating electronic budgetary frameworks and spreading computerized exchange propensities among individuals. Demonetisation declaration (2016) is a progressive move towards the cashless economy in India. The investigation suggests that more individuals should begin utilizing computerized installment techniques which will serve a cashless economy or less money economy

**Key words:** Cashless Economy, Digital Currency, Global Economy, GDP(Gross Domestic Product), Economic , Rural , Small Scale Business.

### **1. INTRODUCTION**

Cashless exchanges have changed the money related standpoint of India. Using cell phones to make spending as opposed to choosing the conventional methods of installment has expanded massively since demonetisation. At the point when the business activity of most SMEs went to an inert during demonetisation, the organizations that had moved to cashless exchanges figured out how to control misfortunes. The accommodation and security related with these installment modes is a significant factor in the flood. With the ongoing presentation of a few computerized methods of installment in India, entrepreneurs are gradually adjusting to the move. In cashless exchanges, installments are made or acknowledged without the utilization of hard money. This incorporates installments made by means of credit/charge cards, checks, DD, NEFT, RTGS or some other type of online installment that expels the requirement for money.

By and large, this is on the grounds that the installment choices you've offered are more advantageous for you than your clients. Offering an assortment of installment choices will enable clients to pick their favored strategy for installment, which will get you paid quicker. Adding on the web installments to your choices gives your clients the adaptability to pay through the choice that is most advantageous for them. Entrepreneurs and buyers can both profit by computerized installment modes in different manners.

**Comfort:** The plausibility of making and getting installments is the key factor for organizing computerized installments. Online installments standard out the need to convey money, and they additionally spare time, as entrepreneurs and clients never again need to line up for ATM administrations.

Installment applications additionally help you monitor your approaching and active assets, which proves to be useful while documenting returns.

**Security:** Digital installment modes are made secure with shifting degrees of encryption and information validation. Most installment modes have empowered two-factor verification (TFA) to include an additional layer of security. Likewise, it's constantly simpler and more secure to convey a cell phone instead of conveying wads of money. **Limits:** To support the move towards a cashless economy, the legislature has chosen to offer motivating forces and limits for making on the web installments. The administration is presently giving waivers on cashless exchanges used for administration charge installments, acquisition of fuel, train tickets, interstate toll tickets, and protection plans.

**E-wallets:** E-wallets are a prominent method of online installment, with PayTM and MobiKwik being the most generally utilized suppliers. The client should enroll their versatile number with the application and connection their credit or charge card(s) to make installments. Clients ought to likewise give their KYC subtleties to make installments through the computerized wallets. KYC is a check procedure set up by the Reserve Bank of India, which expects firms to gather data from their clients including their recognizable proof subtleties and biometrics. E-wallets can be utilized in spots that charge/Mastercards can't, as not a great deal of independent ventures put resources into card machines.

**Portable financial applications:** Most of the bigger banks offer banking applications, with which entrepreneurs can move assets between ledgers quickly. They can likewise see their record equalization and exchange history whenever.

**Aadhar installment application:** This application was propelled in 2016 with the essential point of boosting on the web installments in the nation. It enables clients to make disconnected installments and reserve moves between banks, utilizing their biometrics and Aadhar card subtleties for verification. With the expansion in online installments, we've seen a reduction in the long lines to make service charge installments and the should be physically present at showrooms and administration focuses to pay or energize DTH and portable administrations. Entrepreneurs and clients have taken to advanced installment techniques for a wide range of exchanges. Since a noteworthy piece of the Indian populace isn't yet knowledgeable in advanced installment modes, there's a sure measure of hesitance in using them. Nonetheless, in spite of the constrained accessibility of web and learning of such installment modes, the move towards online installment is unavoidable.

Demonetisation gave a much-expected push to cashless exchanges. In spite of the fact that computerized installments have decreased a tiny bit after demonetisation, despite everything they're up by half contrasted with their levels during the pre-demonetisation days. Now, the two clients and entrepreneurs are genuinely thinking about advanced installment modes. Some entrepreneurs have just embraced computerized installment modes, and others are approaching to demonstrate their enthusiasm for moving towards a cashless economy. Despite the fact that the development is slow, advanced methods of installment are setting down deep roots in the Indian economy.

## 2. LITERATURE REVIEW

Cashless economy isn't the finished absence of money, it is a monetary setting where products and ventures are purchased and paid for through electronic media.

As per Alvares, Clifford (2009) in their reports The issue with respect to counterfeit cash in India. It issaid that the nation's fight against phony cash is not getting simpler and numerous fakes go undetected. It is alsostated that forgers up to this point had confined printingfacilities which made it Easier to find fakes.

Jain, P.M (2006) in the article —E-installments and ebanking opined that e-installments will have the option to check black —An Analysis of Growth Pattern of Cashless Transaction System. Exploiting of

technology, speedy installments and settlements will ensure optimal utilization of accessible assets for banks, financial institutions, business houses and normal resident of India. He likewise called attention to the requirement for e-installments and modes of e-installments and correspondence systems.

Srinivas, N. (2006) in his investigation —An examination of the defaults in Mastercard payments, has attempted to break down the socio-financial profile of the defaulters of charge cards,

The death of money and the rise of a cashless society represent a ton of advantages for the general public (Humphrey, 1996). As per CBN (2011), a viable and present day installment framework is emphatically related with monetary development. In the development of Global economy, computerized cash has a key job for exchange of cash for agents, buyers and governments around the globe. Right around 25 percent of overall purchaser spending was through some type of installment card, up from 16 percent in 2003. The report says, Digital money conveyed an extra \$1.1 trillion to the worldwide economy aggregately in the six years from 2003 through 2008. All things considered, that speaks to a 0.5 percent expansion in all out yearly total national output (GDP). During a similar period, genuine Global GDP developed by a normal of 3.4 percent

Moody's, 2008 Country's monetary wellbeing can be estimated by the assessment of nation's financial development and improvement. Financial development is generally shown by an expansion in the nation's (GDP) which is the all out estimation of any merchandise and enterprises created in the City for the most part it is related with the new advancements and improvement. In other manner monetary advancement is normally demonstrated by an expansion in natives' personal satisfaction which spreads education rate, future and destitution and so forth. (Duggeri Ashley)

Large scale and Bandiera (2004) contended that expanded utilization of cashless financial instruments qualities fiscal approach adequacy and that the present degree of e-use doesn't represent a danger to the dependability of the budgetary framework. Hord (2005) stresses the way that electronic installments lower costs for business. The greater installment that is prepared electronically, the less cash is spent on paper and postage.

Mukhopadhyay and Sambit Rath, 2011). Electronic Payments as contended by (Cobb, 2005) have countless monetary advantages separated from their accommodation and security. The procedure makes more noteworthy straightforwardness and responsibility prompting more prominent effectiveness and better monetary execution (Al Sheik, 2005).

### 3. RESEARCH METHODOLOGY

Information is assembled by utilizing both essential and auxiliary information accumulation strategy. Electronic databases and online libraries are scanned for pertinent writing utilizing an exhaustive arrangement of watchwords and graphical portrayal identifying with cashless innovation of various Cities including India. Data was assembled from online web crawlers, distributed writings. Auxiliary Data: The optional information are gathered through government records, Articles, Journals, Survey reports, Research Data and Websites data.

**Goals OF THE STUDY** The fundamental target of the investigation is to analyze that the significance of cashless strategies in the economy of a City and how it influences to little scale business in rustic Tamil Nadu. Explicitly the goal of this examination incorporates:

- a) To discover the status of provincial India in correlation of Urban as far as cashless economy.
- b) To discover different difficulties and opportunity related with the execution of the cashless arrangements in India.

c) To discover answers for be embraced against difficulties related with the usage of the cashless strategies in India.

#### 4. DATA ANALYSIS & INTERPRETATION

**Table 1:** Knowledge of Cashless Policy to users

		Frequency	Percent
I have heard about India's Cashless Economy?	Strongly Agree	36	41.4
	Agree	41	47.4
	Undecided	3	3.4
	Disagree	6	6.9
	Strongly Disagree	1	1.1
	Total	87	100
Cashless Economy should be introduced in India.	Strongly Agree	25	28.7
	Agree	23	26.4
	Undecided	16	18.4
	Disagree	11	12.6
	Strongly Disagree	9	10.3
	Missing	3	3.4
	Total	87	100

Above Table demonstrates that there is a high level of mindfulness among the populace about 88% of the respondents know about cashless economy in India. The investigation considered scholarly network which implies, by all models they are relied upon to be genuinely mindful of the happenings in the general public. Scarcely any respondents anyway demonstrate a solid aversion for the cashless economy. While 55.1% of the respondents favor that cashless economy ought to be presented in India.

**Table 2:** Below presents the Perceived Benefits of the cashless economy.

		Frequency	Percent
It would reduce risk of fake currency	Strongly Agree	35	40.2
	Agree	35	40.2
	Undecided	9	10.3
	Disagree	5	5.7
	Strongly Disagree	3	3.4
	<b>Total</b>	<b>87</b>	<b>100</b>
It would prevent money laundering	Strongly Agree	20	23
	Agree	28	32.2
	Undecided	17	19.5
	Disagree	10	11.5
	Strongly Disagree	11	12.6
	missing	1	1.1
<b>Total</b>	<b>87</b>	<b>100</b>	
It can reduce corruption	Strongly Agree	13	14.9
	Agree	23	26.4
	Undecided	19	21.8
	Disagree	19	21.8
	Strongly Disagree	12	13.8
	Missing	1	1.1
<b>Total</b>	<b>87</b>	<b>100</b>	

It can stimulate economic growth	Strongly Agree	18	20.7
	Agree	31	35.6
	Undecided	25	28.7
	Disagree	8	9.2
	Strongly Disagree	3	3.4
	Missing	2	2.3
	<b>Total</b>	<b>87</b>	<b>100</b>

Above Table demonstrates that 80.4% of the respondents accept that the most noteworthy advantage of the cashless economy is diminishing the danger of phony money. In a similar soul, 55.2% of the respondents accept that the cashless economy will battle against tax evasion as the cash moving through the framework can without much of a stretch be followed. 41.3% of the respondents accept that it contribute towards diminishing defilement. Another advantage is that it will invigorate financial development as cash covered up in other ill-conceived territories will currently be opened up. 66.3% accept that effective and present day installment framework is emphatically associated with the monetary advancement and financial development of nation.

**Table 3,** Below present's perceived challenge's of Small Scale in Rural Tamil Nadu with the cashless economy.

		Frequency	Percent
Cyber Crime	Strongly Agree	17	19.5
	Agree	38	43.7
	Undecided	18	20.7
	Disagree	11	12.6
	Strongly Disagree	2	2.3
	Missing	1	1.1
	<b>Total</b>	<b>87</b>	<b>100</b>
The literacy required	Strongly Agree	17	19.5
	Agree	33	37.9
	Undecided	23	26.4
	Disagree	9	10.3
	Strongly Disagree	3	3.4
	Missing	2	2.3
	<b>Total</b>	<b>87</b>	<b>100</b>
Transparency & Efficiency in E payments	Strongly Agree	27	27
	Agree	26	26
	Undecided	15	15
	Disagree	14	14
	Strongly Disagree	5	5
	<b>Total</b>	<b>87</b>	<b>100</b>
Increase in Internet fraud	Strongly Agree	22	25.3
	Agree	30	30
	Undecided	21	21
	Disagree	10	10
	Strongly Disagree	4	4
	<b>Total</b>	<b>87</b>	<b>100</b>

Above Table demonstrates that there are a few issues which respondents are looking to accompany the cashless economy. Increment number of cybercrime, 63.2% accept that cybercrime will frustrate the free execution of cashless economy. 57.4% populace are proficient they effectively work advanced installment framework; work cell phones, which will eventually expand the clients of the computerized installment techniques. 60.9% of the respondents accept that absence of straightforwardness and proficiency in installment framework. Web extortion is the serious issue to be handled in the cashless economy as 59.8% of the respondents consider presentation to be false exercises as a major issue.

## 5. FINDINGS AND SUGGESTIONS

The discoveries of the investigation demonstrate that India as far as utilizing computerized installment strategies is still poor in contrast with different Cities. The same number of Cities are as of now turned up with their electronic installment framework, India is in its underlying stage and a large portion of the populace are reliant on money based exchange as a result of inaccessibility of appropriate web network, absence of mindfulness and learning of monetary exchange, charges on card installments and un operational ledgers.

India needs to think of the new approaches of advanced exchanges. It is prescribed that legislature ought to advance their offices and private segment specialist co-ops to spread monetary education at an incredible expand particularly in country regions. Government ought to give additional advantages on advanced exchange installments and offer additional motivating forces or financing cost on money sparing in ledgers. Simultaneously decrease in charges of computerized exchange or exception totally on advanced banking ought to be offered for few introductory years which can be progressively useful for accelerating the procedure of digitalisation of installments in India.

## CONCLUSIONS:

The target of this investigation is to discover cashless arrangement on little scale organizations in rustic Tamil Nadu of cashless economy. Cashless economy can be accomplished by selection of legitimate techniques for advanced installments. It just requires full demonstrated new budgetary approaches, unified regulatory control, normal monetary consideration on the financiers, government organizations and other private help. Safe and verified administrations like prompt accreditation of installments, clear explanation of their records, no concealed charges, full control on cash, abbreviate procedure of exchange by satisfy of required data. As a general survey, a large portion of the major created urban communities are moving in an amazing method for cashless economy. A background marked by deferred being developed in India is excessively long. Presently the time, India should advance in full steam ahead and make another inheritance. This is an ideal opportunity to grasp the cashless economy like urban areas and we should benefit as much as possible from it.

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