

**CASHLESS ECONOMY AND ITS IMPACT IN INDIA*****Dr. C. MANOKARAN******Dr. A.RAJASEKARAN*******Dr. V. BALAMURUGAN¹****ABSTRACT**

The most discussed matter since Nov-8 in the country is cashless economy. There are two different stands about this. One is that it is not possible in a country like ours, where there is less education and its infrastructure facilities. The other stand being this is the only alternative for sudden development. These are largely not based on facts but party related. While cash remains the preferred choice, there has been a big build-up in the payments infrastructure. There are over 1 million point of sale terminals for over 500 million debit and 20 million credit cards. Cash and cheque, which formed 94% of all transactions in 2003, may fall to 13% by the end of this decade.

KEYWORDS: Cashless Economy, India.**INTRODUCTION**

A *cashless economy* is one in which all the transactions are done using cards or digital means. The circulation of physical currency is minimal. India uses too much cash for transactions. So far economic transactions have been held through direct cash payment. Starting from dining at a nearby tea shop to purchase of many lacs worth houses and cars mostly cash is used. The electronic money transfer is very little out of the total economic transition. Is this change possible in a single day? what are the challenges in this? Trials in this before coming into a conclusion whether cash transaction or cashless transaction, the pros and cons both should be carefully analysed. What are the shortcomings in the cash transactions in force so far? Before Nov-8, higher denomination notes of Rs. 500/- and Rs. 1000/- were in use upto 84% of the currency in circulation. This is mainly responsible for black money.

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**STATEMENT OF THE PROBLEM**

It happened in many places after demonitisation many educational institutions have tried to transform their black money into white money through their employees and crores and crores of rupees have been seized. Today not less 50 lacks is got for an M.B.B.S seat by private medical colleges and this is unlawful. All these money is used for unlawful activities, besides causing menace to the economy and society and finally causing inflation. No bill is given from the lacks and lacks of grocery shops on the street points for the groceries purchased. The total sale is not also brought on accounts. This is tax evasion and the money becomes black.

OBJECTIVES OF THE STUDY

1. To increase the banking sector in rural area.
2. To get benefit lower class people.
3. To increase the cashless economy transaction.

LIMITATIONS OF THE STUDY

There are less Educational and infrastructure facilities, Unorganized sector of labourers and Fear about electronic money transactions.

SCOPE OF THE STUDY

Ordinary People affected:

The average public is responsible for black money. Again it is a fact that they are affected by black money manifold. Will those who gave lacks and crores for a seat in private medical colleges and obtained M.B.B.S degree thereby seek to work in rural villages serve the society? They would rather try to earn quickly the money they lost. The result is unnecessary tests for those who come for treatment, surgery, costly medicines and by these ways they could redeem the money they lost on their education. And the average man is affected by this. The other outlet of black money is land and houses. The black money is invested mostly in land and houses. So, own house in something a dream for the average man. The need for sand is high for the very big houses unnecessary built. This paves the way for sand scandal and as a result black money is increasing day by day. This black money is responsible for the plunder of red trees, granite and river sand. Much worried of all these is the black money that is played in the elections. As per law, a legislative candidate can spend no more than 25



lacks. But the fact is that one cannot imagine a win unless he spends Rs.5 crore. Where does this money come from? This is only black money. One cannot draw so many amounts from the bank for this. Because the bank account of a candidate is subject to sanctity by the Election commission. If there is a compulsion for the educational institutions to take to electronic money transfer, the accumulative of black money would be limited to a considerable extent. NEET, the called National Level Eligibility test for medical course will be a right action to control the power of black money in the educational institutions. We club our hands if an actor says in the film to get bills for the things we got from a shop. But is a bitter truth that while we purchase gold we don't demand a bill on the plea the tax would be added to the bill. We ourselves account accumulation of black money.

BANK LOAN FACILITIES

Cash transactions help create black money. Electronic transaction mostly reduces this. There is a doubt whether the benefit goes to the low class people. To wonder, the low class people are definitely going to be benefitted by electronic money transfer. Bank Loans are largely utilized by big institutions, high class and middle class people. It can be said that the low class people do not know what Bank loan is. If one approaches a bank for any kind of loan, the bank will ask of him pay certificate and three months accounts details. In the case of businessmen they have to submit income tax return form. Nothing is available with the unorganised sector of labourers. So they are left to the mercy of the hard money lenders and they have to obtain loan from then on high rate of interest. This in one way reduces their income and on the other it causes for black money. Take for example a tailor running a tailoring shop. It is not easy for him to obtain a bank loan. Because he cannot tender any reliable document in respect of his fitness for a loan, from the time he gets his stretching charge from his customers by way electronic money transfer, the entire amount is brought to his Bank account. From this, the Bank clearly knows what his annual income, expenditure, gross income is and the profit earned by him. This is enough for his creditability for a loan. If he wants to extent his business, it is easy for the banks to give loan. It is true that we cannot avert money as a whole. Money cannot be averted even in a developed country like America. But our move should be towards a lesser monetary economy rather than a fully cashless economy.

**WILL THE INCOME DECREASE?**

Most of the people in our country have been brought under Author network. All bank accounts will be linked with author cards by the end of March 2017. Even those who have opened an account through Janthan Yojana can open an account and link it with Author. Electronic money with transfer linked with Author card would be extended soon to a great level when electronic money transfer is possible even without debit and credit cards. A significant feature is that the money paid by way of commission at the rate of 2 to 2.5% to the American companies namely VISA/MASTER neither to will not go out hereafter. Therefore foreign exchange is also saved. For electronic money transfer through Author, as the thumb impression is asserted with the Author number there is no treat of 'cloning', skimming like credit and debit cards.

Many fears are spread out about electronic money transaction. The information Technology security of Indian Banks is not sufficient. It is generally pinned that Hackers may intersect these anytime. But it is surprising, than it is spoken as if it was created only after NOV-8. What we find in the Information Technology Dept is that infrastructure facilities and security features will be increased as and when necessary. When he said Y2K 2000 year came, the problem raised was tackled world level and in that the India's Share is Major. After the problem was solved, it was reviewed whether the corrections were made correctly. We have forgotten that Indian Railway had recorded the problem even before 90 days.

SMART JERKIN

Halan, the American company has manufactured smart jerkin. It has 29 utilities like, lightning warning LET, music control, Air-bear cable. It has facilities like neck pillow, screening of eyes while at sleep.

BEST BRUSH

In the ordinary course of brush use, it is not possible to clean the teeth joints well. This brush is a very small one and it wards off the defect. It will clean the teeth in pin point design. The gums get no harm thanks to its design.



MODERN NOTE

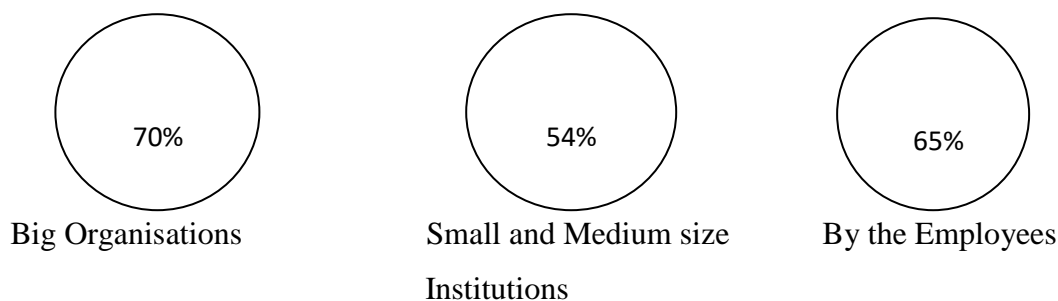
If will not go waste, even if it is drenched; further the note has facility to rub that already writen. We can see through smart phone, laptop what is being written when it is connected with the App “Rocket books”.

CORPORATE SCANDAL

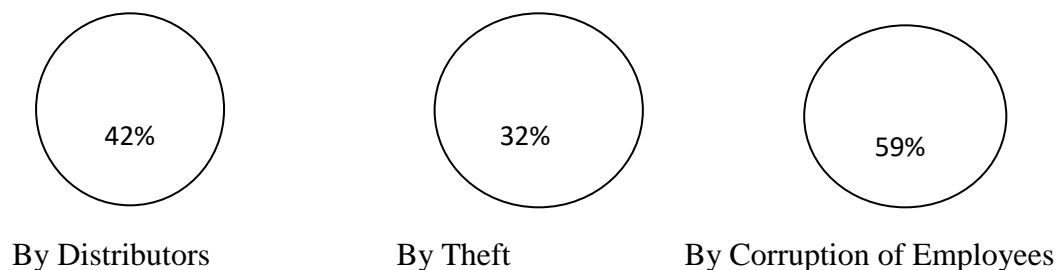
Reason for increase

For the past ten days scandal has been increased in big institutions and they have been pulled back to insolvent state. Because of these scandals, the institutions suffer logs, besides the life of employees is also in question. Recently a study has been made as to how and by whom corporate scandal is made. Further it has also been found out in this study that the number of scandals will be on the increase in another two years.

INCREASE IN CORPORATE SCANDAL



REASON FOR INCREASE OF SCANDAL



**Other Country**

How the electronic money transfer is possible when the Information Technology and Electricity infrastructure are not reached all the areas, in the wake of current technological development money transfer can be made through mobile phones without electricity and worldwide website. Kenya has proved if that money can be transferred through SMS (Short Message Services) on mobile phones.

Even in our country, money transaction is available for some hundreds and thousands only. For this lesser denomination notes Rs.50 and Rs.10 will do. But only when the agriculturists Market their products Money is paid in ten thousands and lacks in some cases. Today all the village have not less than one Bank. Even in the absence of it, if all come under Bank network, the Banks will automatically extend their branches. Many of the farmers have bank account. As already bank said, if all the income is credited to the bank account, it makes it easy to obtain loan from a bank.

CONCLUSION

Cashless economy is not demonitisation on the work. Less denomination notes should be used minimum and the transaction in thousands should be through online and by the way almost all the commercial transactions should be through on line. By this tax revenue raises and reduces the tax rates. If the rate is reduces, it will lessen the tax evasion, But it will end in frustration if we think that all these should happen in one night. In the war against Black Money, electronic Mooney transfer is only a factor and it is not itself all.

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