Vidyavardhaka First Grade College
Sheshadri Iyer Road, Mysuru, Karnataka

DIGITAL FINANCIAL LITERACY AND ITS RELEVANCE FOR SOCIO- ECONOMIC DEVELOPMENT

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DIGITAL FINANCIAL LITERACY AND ITS RELEVANCE FOR SOCIO- ECONOMIC DEVELOPMENT

NATIONAL CONFERENCE 2023

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Foreword

Robert Kiyosaki rightly quotes: "Money is one form of power. But what is more powerful is financial education".

Financial literacy has been the center of discussion world over. Financial literacy is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with a clear understanding of financial resources. It is the ability to make informed judgments and take effective decisions regarding the use and management of money. Now the trend has changed, with limited knowledge of financial literacy the people are moving towards digital financial literacy. The interesting side of digital financial literacy are digital payments, internet banking, use of debit & credit cards, mobile banking etc,. Indian Government is also promoting Digital India, by launching many schemes like Pradhan Mantri Jan Dhan Yojna, Jeevan Jyoti Bima Yojna, Suraksha Bima, MUDRA Bank Yojna, BHIM and Pradhan Mantri Gramin Digital Saksharta Abhiyaan (PMGDISHA) etc,. The Vittiya Saksharta Abhiyan (VISAKA) has also been launched by the Ministry of Human Resource. Despite the extended digital communications, a significant proportion of the people cannot transact financially especially in rural areas. Effective financial transactions could be made possible through skills, awareness, and attitudes to use digital transaction tools and applications. Therefore, digital financial literacy has become more significant nowadays and is considered to have prerequisites and preliminary steps for people's inclusion in the financial system. **According to the Global Financial Literacy Excellence Centre report, only 24% of the Indian adult population is financially literate; this is due to lack of formal training and awareness.** In this regard the Department of Studies in Commerce of Vidyavardhaka First Grade College, PG Centre, in association with Vidyavardhaka Research Foundation and IQAC is taking an initiative to provide a platform to deliberate on **"DIGITAL FINANCIAL LITERACY AND ITS RELEVANCE FOR SOCIO-ECONOMIC DEVELOPMENT".**

Dr. S. MariGowda

Principal

VVFGC, Mysuru

Preface

We are delight to present the Proceedings of the One Day National Level Conference on **"Digital Financial Literacy and Its Relevance for Socio-Economic Development" (Hybrid Mode)** organized by Post Graduate Centre, Department of Studies in Commerce, Vidyavardhaka Research Foundation and IQAC of Vidyavaridhaka First Grade College, Mysuru.

The Conference was successfully held at **Sri P. M. Chikkaboraiah Hall,** Vidyavardhaka First Grade College, Mysuru on April 29th, 2023.

The main objective of the conference was to create awareness about various digital financial products available in the modern world and to provide an ideal platform to discuss about strengthening the decision making ability among the people to be financially stable and independent. The conference allows the exchange of knowledge between different researches from different states.

The papers on the following Theme and sub themes were invited and most of them have been covered.

- Financial literacy
- Fintech
- Digital payment modes
- Government schemes to promote financial literacy
- Review of literature on financial literacy, digital financial services and women financial literacy
- Role of AI in financial literacy

We are happy to bring this edited volume, the research papers in this volume contains valuable inputs for researcher, executives and policy makers. The editorial committee after a thorough editorial review cycle selected 38 papers including invited papers for inclusion in conference volume. We thank all authors and their respective institutions for contributing research papers to the conference proceedings.

We are extremely thankful to Sri. Gundappa Gowda, Hon. President of VV Sangha, Er. P. Vishwanath, Hon. Secretary of VV Sangha, Sri ShreeShaila Rammannavar, Hon. Treasure of

VV Sangha, and Sri T. Nagaraju, Chairman, CMC, VVFG, Mysuru for their support and encouragement in successfully organizing this conference.

We are highly indebted our Principal Dr. S. MariGowda for his support and he is the main source of inspiration for the success of this conference.

We would like to thank Key note speaker Dr. M. Sumathy, Professor and Head, Department of Commerce, Bharthiar University, Coimbatore, Tamilnadu for accepting our invitation.

We express our thanks to all the Chair person, resources person and rapporteur of the conference Viz., Dr. B. Mahadevappa, Professor Dos In Commerce, UoM, Mysuru, Sri. Sreekanth K, Manger Sales, LIC, Mysuru Division, Mysuru, Dr. Ashwini, Assistant Professor and HoD, Government First Grade College, Talakadu, Dr. S.J. Manjunath, Professor, DoS in Business Administration, BIMS, UoM, Mysuru, Dr. Rajeshwari G.M., Associate Professor, REVA Business School, REVA University, Bengaluru and Dr. Vasanthi ReenaWillams, Professor and Head, Department of Management Studies, Vidya Vikas Insititute of Engineering and Technology, Mysuru for accepting our invitation.

Finally we would like to mention our gratitude to members of organizing committee, students, technical team for making this conference a grand success.

Editors

Dr. S. Poornima and
Smt. Anusha M. C

(Keynote Address)

Dr. M SUMATHY

Professor and Head DoS in Commerce
Bharathiar University, Coimbatore, Tamilnadu

"Live as if you were to die tomorrow; learn as if you were to live forever"
- **Mahatma Gandhi.**

- I stand before you today to discuss a topic that is increasingly becoming relevant in today's digital age - digital financial literacy and its relevance for socio-economic development.
- As the world continues to evolve and digital technology continues to advance, it is essential that we keep pace with these changes. One of the areas that requires our attention is financial literacy. With the increasing prevalence of digital financial services, it has become more important than ever for individuals to understand how to manage their finances in a digital world.
- The relevance of digital financial literacy for socio-economic development cannot be overstated. In developing countries, where traditional financial systems may not be accessible to all, digital financial services provide a means of financial inclusion, allowing individuals to participate in the formal financial sector, build credit histories, and access loans and other financial products.
- In addition to promoting financial inclusion, digital financial literacy has the potential to improve financial health and well-being, particularly for vulnerable populations such as women and youth. It can also promote entrepreneurship and small business development, creating opportunities for economic growth and job creation.
- Furthermore, digital financial literacy can contribute to financial stability and consumer protection. It enables individuals to recognize and avoid fraudulent schemes and to make informed decisions about financial products and services.
- So, how can digital financial literacy contribute to socio-economic development? There are several ways:
- Firstly, digital financial literacy can help promote financial inclusion, which is essential for socio-economic development. Financial inclusion refers to the availability and accessibility of financial services and products to all individuals, regardless of their income level or location. Digital financial services can provide access to financial services to individuals who were previously excluded from the

traditional financial system, such as those living in rural areas or low-income households.

- Secondly, digital financial literacy can help individuals manage their money more effectively. With digital financial tools, individuals can track their spending, monitor their savings, and make informed financial decisions. This can lead to better financial management and help individuals achieve their financial goals.
- Thirdly, digital financial literacy can promote entrepreneurship
- and small business growth. With access to digital financial services, entrepreneurs and small business owners can access the capital they need to start or grow their businesses. This can lead to job creation, economic growth, and poverty reduction.
- To achieve these benefits, it is crucial that we prioritize digital financial literacy in our education and training programs. Governments, the private sector, and civil society organizations must work together to ensure that individuals have access to the knowledge, skills, and resources they need to use digital financial services effectively.
- In conclusion, digital financial literacy is an essential component of socio-economic development in today's digital age. It has the potential to promote financial inclusion, improve financial health and well-being, promote entrepreneurship and small business development, and contribute to financial stability and consumer protection. Let us all work together to ensure that digital financial literacy becomes a priority in our education and training programs, and that all individuals have the tools they need to succeed in today's digital economy.

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(Technical Session-1)

Theme: Financial Technology-A Need of the Hour

Dr. M SUMATHY

Professor and Head DoS in Commerce
Bharathiar University, Coimbatore, Tamilnadu

Financial Technology, commonly referred to as FinTech, is the application of technology in the financial services industry to improve efficiency, accessibility, and innovation. Nowadays fintech has a wide range of scope because of fintech the physical presence of human beings are not required to access the financial services provided by the financial institutions. Anything can be accessed from anywhere in the world with the help of technological devices like a mobile phone or the internet. It encompasses a wide range of activities, including payment systems, digital banking, lending platforms, cryptocurrency, investment management, and more. FinTech companies leverage technology, data analytics, artificial intelligence, blockchain, and mobile applications to provide financial services in new and innovative ways.

Recent Trends in Financial Technology:

The shift from cash-based transactions to digital payments continues to accelerate. Mobile payment apps, such as Apple Pay, Google Pay, and various digital wallets, have gained popularity. Cryptocurrencies like Bitcoin have also emerged as alternative payment options. Then the Open banking initiatives have been implemented in many countries, requiring financial institutions to share customer data securely with authorized third-party providers. This enables consumers to have greater control over their financial information and allows FinTech companies to offer personalized services.

Robo-advisors are another recent innovation in financial technology and they use algorithms and automation to provide low-cost investment advice and portfolio management. They have gained traction due to their accessibility, affordability, and ability to cater to individual investment preferences. The insurance sector is also influenced by financial technology because the insurance industry has seen the emergence of various FinTech innovations like Insurtech companies leverage data analytics, artificial intelligence, and IoT devices to

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streamline insurance processes, offer personalized policies, and improve risk assessment. Then the technology behind cryptocurrencies has expanded beyond its initial application. It offers secure and transparent record-keeping capabilities, enabling efficient and secure transactions, smart contracts, supply chain management, and identity verifications.

Whatever the developments or contributions in the field of finance, various issues and challenges are there in the adoption of these innovations in the field of finance. The lack of awareness among the people, complexity involved in the use of technology, trust and security issues, resistance to change, and access to infrastructural facilities to adopt the technology can be considered as the challenges faced in the adoption of financial technology.

As FinTech disrupts traditional financial services, regulators face the challenge of ensuring consumer protection, data privacy, and maintaining financial stability. Striking the right balance between innovation and regulation is crucial. For the adoption of fintech, the increased reliance on technology and digital transactions exposes financial institutions and consumers to cybersecurity risks. Protecting sensitive financial data, preventing fraud, and maintaining customer privacy are ongoing challenges. While FinTech offers new opportunities, there is a risk of excluding certain segments of the population who may not have access to technology or digital literacy skills. Ensuring equitable access and addressing the digital divide is a significant challenge. Because certain segments are there who doesn't have access to formal financial services and they are the financially excluded peoples. So it may not be possible to ensure the adoption of fintech by all.

Then another challenge is that FinTech relies heavily on data collection and analysis. There are concerns about the ethical use of customer data, potential biases in algorithms, and maintaining transparency in data practices. Then to utilize the fintech for the financial transaction it is necessary to have a sufficient infrastructural facility. So developing robust technological infrastructure to support the growing demand for FinTech services is a challenge. Reliable networks, seamless integration with legacy systems, and scalable platforms are essential for sustainable growth. Then building and maintaining consumer trust is crucial for the success of FinTech. Demonstrating security, reliability, and transparency in financial services is essential to overcome skepticism and encourage adoption.

Overall, while FinTech presents immense opportunities for financial services, addressing these challenges and issues is vital to ensure the long-term success and sustainable growth of the industry. Addressing these challenges requires a collaborative effort from fintech

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providers, regulators, financial institutions, and other stakeholders. Striking a balance between innovation and regulation, increasing awareness and education, improving cyber security measures, and enhancing the user experience can help foster greater adoption of fintech in the future.

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DGITAL PAYMENTS IS THE GATEWAY TO TECHNOLOGICAL ADVANCEMENT

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Abstract: *Digital Payments Propelled by recent policy initiatives and is the gateway to technological advancement. In the present scenario India's digital payment system is promising success story. The country has seen a tremendous increase in the usage of digital payments. A digital payment, also known as an electronic payment, is the transfer of value from one payment account to another using a digital device such as a mobile phone. Mode of digital payment commonly used by the citizens of the country are bank transfers, mobile money, and payment through credit, debit, Paytm, Phonepe, Google Pay, Amazon pay, JioMoney, Freecharge, Mobikwik, PayUMoney, digital wallets, UPI, BHIM and prepaid cards etc. This transformation towards digital payments methods benefits in more transparency in transactions which empowers the country's economy. Since the launch of IMPS by NPCI in 2010 until the release of UPI in 2016, the digital payment system has evolved several times. The study is an attempt to analyze how the various forms of digital payment evolved in the past and how COVID-19 impacted the digital payment systems in India. The study concludes that digital payments in India recorded a robust growth of 26.2 per cent in terms of volume during 2020-21 on top of the expansion of 44.2 per cent in the previous year. Lastly, it has been observed that after COVID-19 pandemic, people were concerned about health regulations and were afraid of cash transactions which made them switch to this mode, resulting in a rise in the usage of different modes of digital payment systems. The objective of this research paper is to study the positive impact that Digitalization of payment system. The present paper focuses on the analysis of the adoption level of these digital payment systems by customers. Primary data was collected from 50 respondents in Mysore. The collected data through the questionnaire were analyzed statistically by using percentage technique.*

Keywords: *Digital Payment System, Mobile wallet, Mode of digital payments, POS*

1 INTRODUCTION

Digital payments are transactions that take place through online modes, with no physical exchange of money involved. This means that both parties, the payer and the payee, use electronic method to exchange money. The Government of India has been undertaking several measures to promote and encourage digital payments in the country. As part of the 'Digital

India' campaign, the government has an aim to create a 'digitally empowered' economy that is 'Faceless, Paperless, and Cashless'. There are various types and methods of digital payments. As part of its Digital India initiative, the Government of India has been pushing to create a cashless economy. The government has introduced digital payments in India. Digital payments occur via online medium and require no physical exchange of money. These payment systems have gained mainstream popularity, leading to the emergence of various modes of financial transactions. As a business owner, you should be well-informed about the different types of digital payment systems and use them to your advantage while conducting business.

1.1 Modes of Digital Payment:

a) **PhonePe** is another Indian-based payment service app that was released in 2015 as a privately owned multilingual mobile and PC software. PhonePe is a unified payment interface (UPI)-based software that requires a user to link their bank account and generate a UPI ID in order to complete any transaction.
b) **Paytm** is a third-party mobile and computer-based digital payment service with Indian origins. Paytm was founded in 2010 as a private business operating company. Aside from providing the ability to send and receive payments, the app also caters to a variety of client demands through its Paytm Money, Paytm Smart Retail, and Paytm Payments bank services. As of now, the application has over 350 million active users.
c) **BHIM** Bharat Interface for Money (BHIM) is a payment app that lets you make simple, easy, and quick transactions using the Unified Payments Interface (UPI). You can make direct bank payments to anyone on UPI by using their UPI ID or scanning their QR code with the BHIM app.
d) Google Pay is the most widely used digital payment app, and it's available on both Android and IOS devices. A person can either transfer money or pay their utility bills immediately from their bank account after installing the Google Pay application.
e) **Amazon Pay** offers a simple way to check out from your favorite online stores, and manage your payment methods on Amazon.com.
f) **PayUMoney** is a popular payment gateway that provides payment solutions for merchants and individuals. Founded in the year 2002

2 REVIEW OF LITERATURE

Roy & Sinha (2014), stated that E- payment system in India, has shown tremendous growth, but still there has lot to be done to increase its usage. **Slozko & Pello, (2015),** E-payment systems are important mechanisms used by individual and organizations as a

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secured and convenient way of making payments over the internet and at the same time a gateway to technological advancement in the field of world economy. **Joshi & Kumar (2020)** investigated the impact of digital India on the Indian economy in order to assess the challenges associated with digital India. **Ghosh (2021)** digital payment is far more convenient and time-saving as compared to traditional means of paper currency. He also emphasized that such payment transactions can be done round-the-clock by any individual.

3 OBJECTIVES OF THE STUDY

a) To study Digital Payment system and the Status Quo among population in the present scenario.
b) To know the perception of digital payment methods among the population.

4 SIGNIFICANCE OF THE STUDY

This study is significant in various aspects. Firstly, on the basis of the findings of the study, the study is focusing on some conclusions and identifies the current perception of respondents towards the digital payment and this might be signal to the up gradation of technology which empowers the country economy order to minimize the paper currency.

5 RESEARCH METHODOLOGY

The study Plans to apply Descriptive research study to investigate the demographic profile of the population and descriptive survey design for data collection. This design is considered the most appropriate and helpful in determining the perception and attitude of the respondents. However, the eligible population of the study included all the people who use the digital payments in the different areas. This study use to analyze the data by using simple percentage method.

6 DATA ANALYSIS

6.1 Personal information

SL. NO.	PARTICULARS	CLASSIFICATION	F	%
1.	GENDER	Male	33	66%
		Female	17	34%
2.	AGE	16-25	6	12%
		26-35	12	24%

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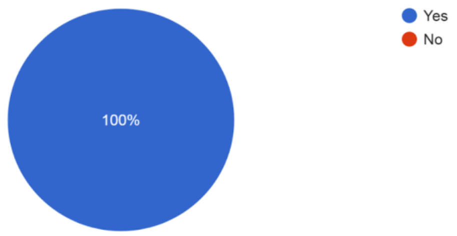
		36-45	12	24%
		45-Above	20	40%

Interpretation: The above table gives clear information about Gender says 66% male and 34% female respondents. The age of respondents between 16-25years are 12%, 26-45 ages are 24% and above 45 which is highest which is 40%.

6.2 Smart Phone

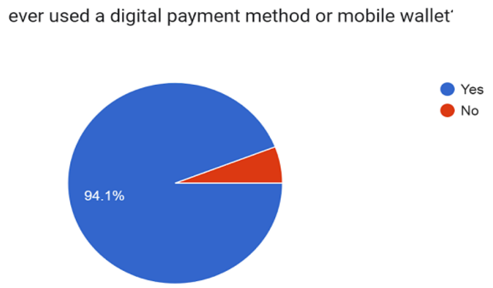
Sl.No.	Statement		Yes	No
1.	Have a smart phone	F	50	0
		%	100%	0%



Interpretation: From the above table and graph it shows that overall population have smart phone.

6.3 Using digital payment method

Sl.No.	Statement		Yes	No
1.	Ever used a digital payment method or mobile wallet	F	47	3
		%	94%	6%



Interpretation: From the above table and graph it shows that 94% of the respondents uses digital payment method or mobile wallet.

6.4 Digital payments method have used at least once

Sl.No.	Statement	F	%
1.	Paytm	6	11.8 %
2	Phonepe	32	64.7 %
3	Amazon pay	0	0
4	JioMoney	0	0
5	Freecharge	0	0
6	Mobikwik	0	0

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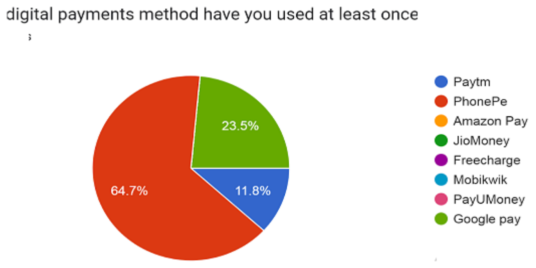
7	PayUMoney	0	0
8	Google Pay	12	23.5%

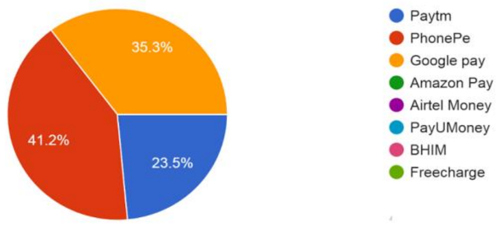


Interpretation: The above table and graph interpret that 64.7 % PhonePe, 23.5% Google Pay and 11.8 % Paytm used digital payment method.

6.5 Digital payment method is accepted by most merchants

Sl.No.	Statement	F	%
1.	Paytm	12	23.5 %
2	Phonepe	21	41.2%
3	Amazon pay	0	0
4	JioMoney	0	0
5	Freecharge	0	0
6	BHIM	0	0
7	PayUMoney	0	0
8	Google Pay	17	35.3%

Digital payment method is accepted by most merchants



Interpretation: The above table and graph interpret that 41.2% PhonePe, 35.3% Google Pay and 23.5 % Paytm most merchants accepted digital payment method.

6.6 Digital payment find easiest to use

Sl.No.	Statement	F	%
1.	Paytm	6	11.8 %
2	Phonepe	38	70.6%
3	Amazon pay	0	0
4	JioMoney	0	0
5	Freecharge	0	0
6	Mobikwik	0	0
7	Airtel Money	0	0
8	Google Pay	6	17.6%

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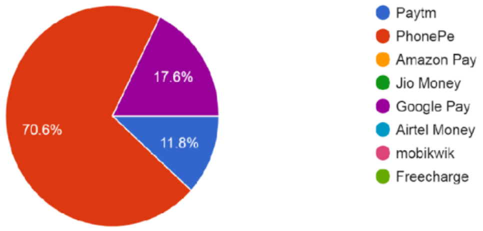
Digital payment find easiest to use

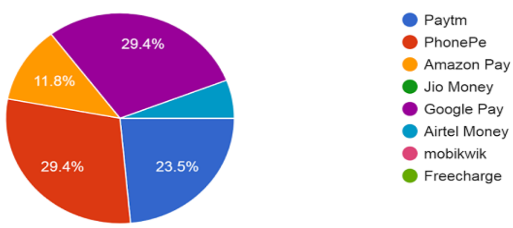


Interpretation: From the above table and graph, the respondents found that 70.6% PhonePe, 17.6% Google Pay and 11.8 % are the easiest method.

6.7 Digital payment is the best in terms of offers and discounts

Sl.No.	Statement	F	%
1.	Paytm	12	23.5 %
2	Phonepe	15	29.4%
3	Amazon pay	6	11.8%
4	JioMoney	0	0
5	Freecharge	0	0
6	Mobikwik	0	0
7	Airtel Money	2	5.9%
8	Google Pay	15	29.4%

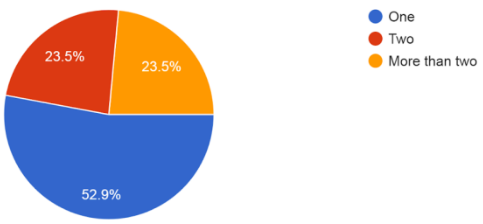
digital payment method is best in terms of offers and discounts



Interpretation: The above table and graph shows that the respondents found that 23.5 % of the Paytm, PhonePe, Google Pay, Amazon pay and Airtel Money are the best in terms of offers and discounts through digital payment.

6.8 Mobile wallet apps used

Sl.No.	Statement	One	Two	More than two
		52.9%	23.5%	23.5%



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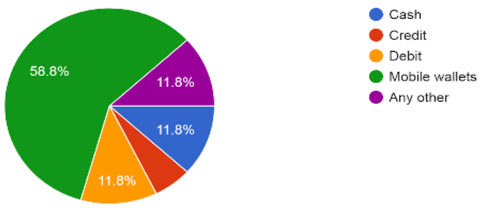
Interpretation: The above table and graph shows that 52.9% of the respondents uses one app, 23.5% of the respondents uses two app and 23.5% of the respondents uses more than two app.

6.9 Method of payment used frequently during online purchase

Sl.No.	Statement	F	%
1.	Cash	6	11.8 %
2	Credit	0	0
3	Debit	6	11.8%
4	Mobile wallet	32	58.8%
5	Any other	6	11.8%

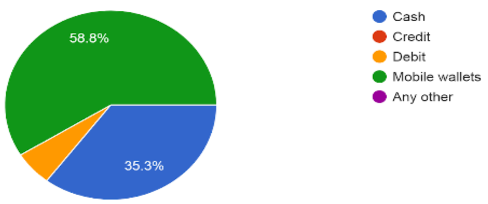
Method of payment used frequently during online purchase



Interpretation: The above table and graph shows that 58.8% of the respondents prefer to use mobile wallet than using cash, credit, and debit or any other method.

6.10 Method of payment used frequently during offline / in store payment

Sl.No.	Statement	F	%
1.	Cash	18	35.3 %
2	Credit	0	0
3	Debit	3	5.9%
4	Mobile wallet	29	58.8%
5	Any other	0	0



Interpretation: The above table and graph shows that 58.8% of the respondents prefer to use mobile wallet frequently during in store payment than any other method.

6.11 Uses of UPI payments

Sl.No.	Statement		Yes	No
1.	Uses of UPI Payments	F	38	12
		%	76.5%	23.5%

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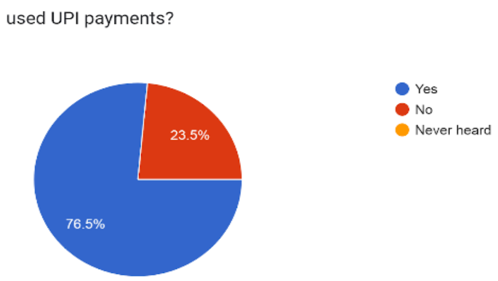
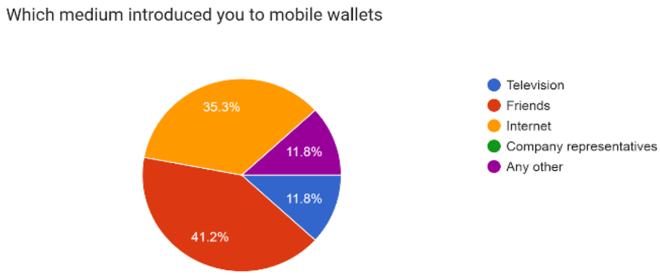


Interpretation: The above table and graph shows that 76.5**%** of the respondents prefer to use UPI payments while 23.5% were not agreed.

6.12 Medium introduced you to mobile wallets

Sl.No.	Statement	F	%
1.	Television	6	11.8 %
2	Friends	21	41.2%
3	Internet	17	35.3%
4	Company representatives	0	0
5	Any other	6	11.8 %



Interpretation: The above table and graph shows that 41.2% of the respondents said mobile wallets introduced by friends, 35.3% through Internet, 11.8 % through television and other sources.

7 FINDINGS

The study reveals that there is a significant and positive response from the respondents on the usage of digital payment by using different modes of mobile wallets. The impact of digital payment among consumers and organization gives an important policy towards enable the country to increase the cashless payment which results to adoption of advanced technology.

8 CONCLUSION

The study concludes the effect of adopting digital payments impact on consumers and the organization sector of India. The result put together gives us an important policy direction towards what can enable the country to increase cashless payments .The results indicate that the adoption of advanced technology for digital payments have improved the performance of banking sector and increase the economy of the country. The study gives emphasis to the percentage of awareness on maximum utilization of technology. Banks should take initiatives of internet connective and effective measures in creating awareness towards the effective usage of technology and security among the citizen.

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ROLE OF DIGITAL FINANCIAL SERVICES IN MUTUAL FUND SECTOR: WITH SPECIAL REFERENCE TO MANDYA DISTRICT

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Abstract: *Digital Financial Services (DFS) encompass a wide range of financial services that are accessed and delivered via digital channels, such as payments, credit, savings, remittances, and insurance. A mutual fund is a pooled collection of assets that invests in stocks, bonds, and other securities. The objective of this paper is to understand the concept of digital financial services in mutual fund investment and to study the level of awareness and satisfaction on digital financial services in mutual fund sector in Mandya district. The sample size is limited to 120 respondents. Both primary and secondary data was used for the study. Primary data was collected through a structured questionnaire and secondary data was collected from books, journals and web sites. For analysing the collected data statistical tools such frequency, percentage, ranking method were used. This study examine that the impact of digital financial services in mutual fund sector. The study concluded that Digital finance services in mutual fund should benefit people and businesses that have formal bank accounts and enough money in them to conduct numerous financial transactions.*

Keywords: *Assets, Credit, Digital Finance, Insurance. Mutual Fund*

1 INTRODUCTION

The spread of the internet and the availability of affordable smartphones have made it easy for many to use various digital services. People can obtain a lot of information from the internet. It is possible to communicate with people across the world at an affordable price. Technology enables people to get entertainment inside their homes without having to go anywhere. But the main benefit of digitalisation comes from digital financial services. One need not go anywhere to make a financial transaction. All one needs is a smartphone and reliable internet services. All financial transactions done using a digital device are called digital financial services. There is a range of such services offered by banks and other

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institutions. The most common service that has become highly popular is shopping. It is possible to buy stuff using your mobile phone and a service provider app. probably the earliest digital instruments were cards and ATMs. Credit and debit cards facilitate payment for various purposes. ATMs are used for the withdrawal of money from bank accounts. Recently they have also been upgraded to accept cash deposits into a bank account.

1.1 The major types of digital financial services are as follows

a) Cards
b) Unstructured Supplementary Service Data.
c) Aadhaar Enable Payment System.
d) Unified Payments Interface.
e) E-Wallet

1.2 Digital platforms empower investors to invest in mutual funds

a) **Easy access to high-quality investment insights:** Most investors have limited access to information about mutual funds and often struggle to start their investment journey. Digital investment platforms have brought relevant information to the investors' mobile phones.

b) **Paperless investment process:** Physical documentation for various investment processes such as KYC, purchase, nomination, etc. has been one of the biggest barriers for individual investors to begin investing. Digital investment platforms have made the entire investment process completely paperless - starting from investor KYC to investing. With this seamless investment process, investors can open their accounts and transact right from their phones in a matter of a few minutes.

c) **Tracking of consolidated investment portfolio:** One of the challenges of making offline investments was the inability to track all the mutual fund investments in one go. With digital investment platforms, investors can track their investments on a realtime basis and get a consolidated view of their investments across mutual fund companies

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d) **Complete Control of Investments:** Using digital investment platforms, investors can access their investments anytime and anywhere giving them complete control. This enables investors to execute their investment decisions at their convenience with just a few clicks. This can be particularly useful during a volatile market environment where investors want to capitalise on investing or portfolio rebalancing opportunities.

e) **Assistance in selecting the right fund:** The process of selecting the right fund can get quite overwhelming for individual investors considering the plethora of choices available. Digital investment platforms have taken a step towards helping investors in this decision-making process. For example, we have built various features such as assisted investment widgets and curated lists of suggested funds with consistent performance across various mutual fund categories to help investors make the right investment choice. With these features, even a first-time mutual fund investor can make an informed decision.

1.3 MUTUAL FUND

Mutual Funds in India are established in the form of a Trust under Indian Trust Act, 1882, in accordance with SEBI (Mutual Funds) Regulations, 1996. A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the mutual fund are known as its portfolio. Investors buy shares in mutual funds. Each share represents an investor's part ownership in the fund and the income it generates. A mutual fund is a collective investment vehicle that collects & pools money from a number of investors and invests the same in equities, bonds, government securities, money market instruments. The money collected in mutual fund scheme is invested by professional fund managers in stocks and bonds etc. in line with a scheme's investment objective. The income / gains generated from this collective investment scheme are distributed proportionately amongst the investors, after deducting applicable expenses and levies, by calculating a scheme's "Net Asset Value" or NAV. In return, mutual fund charges a small fee.

1.4 How to invest in a mutual fund

a) One can invest in mutual funds by submitting a duly completed application form along with a cheque or bank draft at the branch office or designated Investor Service

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Centres (ISC) of mutual Funds or Registrar & Transfer Agents of the respective the mutual funds.

b) One may also choose to invest online through the websites of the respective mutual funds.

c) Further, one may invest with the help of / through a financial intermediary i.e., a Mutual Fund Distributor registered with AMFI OR choose to invest directly i.e., without involving or routing the investment through any distributor.

A Mutual Fund Distributor may be an individual or a non-individual entity, such as bank, brokering house or on-line distribution channel provider.

1.5 Advantages of investing in mutual funds

a) **Professional Management:** Investors may not have the time or the required knowledge and resources to conduct their research and purchase individual stocks or bonds. A mutual fund is managed by full-time, professional money managers who have the expertise, experience and resources to actively buy, sell, and monitor investments. A fund manager continuously monitors investments and rebalances the portfolio accordingly to meet the scheme's objectives. Portfolio management by professional fund managers is one of the most important advantages of a mutual fund.

b) **Risk Diversification:** Buying shares in a mutual fund is an easy way to diversify your investments across many securities and asset categories such as equity, debt and gold, which helps in spreading the risk - so you won't have all your eggs in one basket. This proves to be beneficial when an underlying security of a given mutual fund scheme experiences market headwinds. With diversification, the risk associated with one asset class is countered by the others. Even if one investment in the portfolio decreases in value, other investments may not be impacted and may even increase in value. In other words, you don't lose out on the entire value of your investment if a particular component of your portfolio goes through a turbulent period. Thus, risk diversification is one of the most prominent advantages of investing in mutual funds.

c) **Affordability & Convenience (Invest Small Amounts):** For many investors, it could be more costly to directly purchase all of the individual securities held by a single mutual fund. By contrast, the minimum initial investments for most mutual funds are more affordable

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d) **Low Cost:** an important advantage of mutual funds is their low cost. Due to huge economies of scale, mutual funds schemes have a low expense ratio. Expense ratio represents the annual fund operating expenses of a scheme, expressed as a percentage of the fund's daily net assets. Operating expenses of a scheme are administration, management, advertising related expenses, etc. The limits of expense ratio for various types of schemes have been specified under Regulation 52 of SEBI Mutual Fund Regulations, 1996.

e) **Well-Regulated:** Mutual Funds are regulated by the capital markets regulator, Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996. SEBI has laid down stringent rules and regulations keeping investor protection, transparency with appropriate risk mitigation framework and fair valuation principles.

f) **Tax Benefits:** Investment in ELSS up to ₹1,50,000 qualifies for tax benefit under section 80C of the Income Tax Act, 1961. Mutual Fund investments when held for a longer term are tax efficient.

2 REVIEW OF LITERATURE

Tara Jayalakshmi (2022) has discussed on digital finance and explores the impact of digital finance for financial inclusion and financial system stability. This study founded that awareness of all the digital products, services is very important and it increases the usage level which ultimately contributes towards economic growth. This study concluded that greater supply of digital finance is often predicted to have positive effects for financial inclusion.

Nihanshi Goyal and Deepika Saxena (2022) have studied on digital financial inclusion in India. The objective of this study is to identify various factors that influence the adoption of digital financial services and to identify various challenges faced in rural areas for digital adoption and to understand the role of digital financial inclusion in the economic growth of the country. This study concluded that digital financial inclusion helps to improve economic wellbeing of individuals and businesses. In the coming years, digital transactions in financial operations will be the most preferred.

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Peterson K. Ozili (2022) has made a study on digital financial inclusion. It defines digital financial inclusion and highlights the goal of digital financial inclusion, the components and instruments for digital financial inclusion, and the benefits of digital financial inclusion. This study suggested that to make digital financial inclusion work for the good of all. This study concluded that offering some implications for policy making and practice in the digital finance ecosystem.

Narmadha R (2021) has explained on the impact of digital finance on financial inclusion and provides a detailed discussion on digital finance and explores the impact of digital finance for financial inclusion and financial system stability. This study founded that digital financial inclusion involves utilizing the cost-saving digital means to reach currently financially excluded and underserved populations with a range of formal financial services suited to their needs.

Tabitha Durai (2019) has described on digital finance and its impact on financial inclusion**.** This study found that Usability, Convenience, Accurate timing, and easy interbank account facility has positive impacts on Mobile banking, Low service charge and accurate timing has significant impacts on mobile wallets (apps) even Low service charge has positively impacted on the credit card. This study concluded that the digital finance Internet banking, mobile banking, mobile wallets (apps), credit card and debit card has a significant impact on financial inclusion.

3 OBJECTIVES OF THE STUDY

a) To understand the concept of digital financial services in mutual fund investment.
b) To study the level of awareness and satisfaction on digital services in mutual fund.

4 RESEARCH METHODOLOGY

a) **Sample Design:**
   Sample size: The sample size is limited to 120 respondents.
   Sampling technique: For the study, simple random sampling techniques were used.
b) **Data Collection:** Both primary and secondary data was used for the study. Primary data was collected through a structured questionnaire and secondary data was collected from books, journals and web sites.
c) **Tools for Analysis:** For analysing the collected data statistical tools such frequency, percentage, ranking method was used.

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5 DATA ANALYSIS AND INTRPRETATION

5.1 Table No. 1: Demographic Profile of the Respondents

Sl. No.	Particulars	No. of respondents	Percentage
1.	Age		
	a) Below 20 years	30	25.00
	b) Between 20 to 40 years	50	41.67
	c) Above 40 years	40	33.33
2.	Gender		
	a) Male	75	62.50
	b) Female	45	37.50
3.	Educational qualification		
	a) Post graduate	52	43.33
	b) Graduate	48	40.00
	c) Matriculation	20	16.67
4.	Occupation		
	a) Student	20	16.67
	b) Employees	35	29.17
	c) Businessman	55	45.83
	d) Others	10	8.33

Table No. 1. Represents the demographic profile of respondents, 75 male respondents and 45 female respondents are using digital financial services in mutual fund sector, it represents that compared to female respondents; highest number of male respondents are using digital financial services in mutual fund investment, Based on age pattern of respondents 30 respondents are below 20 years and 50 respondents are between 20 to 40 years, 40 respondents are above 40 years are using digital financial services in mutual fund investment, and 52 respondents educational qualification is post-graduation and 48 respondents belongs to graduates and 20 respondents belongs to matriculation. The higher number of post graduates respondents have using digital financial services in mutual fund investment. In the context of occupation 20 respondents are belongs to students, 35

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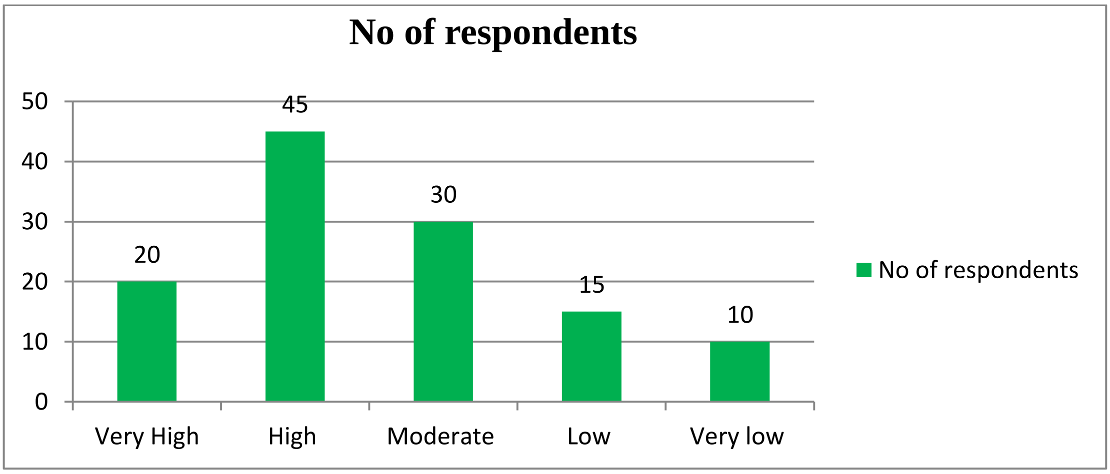
respondents are belongs to employees, 55 respondents are belongs to businessman and 10 respondents are belongs to others.

5.2 Table No. 2: Awareness level of digital financial services in mutual fund investment

Awareness level	No of respondents	Percentage
Very High	**20**	**16.67**
High	**45**	**37.50**
Moderate	**30**	**25.00**
Low	**15**	**12.50**
Very low	**10**	**8.33**
Total	**120**	**100**

Table No. 2. Represents the awareness level of digital financial services in mutual fund investment, 45 respondents are highly aware about digital services in mutual fund investment, followed by 20 respondents are very high, 30 respondents are moderate, 15 respondents are low, 10 respondents are very low aware in digital services.

Majority of respondents are having highly aware about digital services in mutual fund investment in Mandya city.



5.3 Table No. 3: Digital application used by Mutual Fund investors

Application	No of respondents	Percentage
Groww	40	33.33
Angel one	30	25.00

Paytm money	20	16.67
Zerodha	25	20.83
Kuvera	05	4.17
Total	**120**	**100**

Table No. 3. Represents the digital application used by mutual fund investors, 40 respondents are used Groww application, followed by 30 respondents are used Angel one application, 20 respondents are used Paytm money application, 25 respondents are used Zerodha application, 5 respondents are used Kuvera application

Majority of respondents are used Groww application of digital services in mutual fund investment in Mandya city.

5.4 Table No. 4: Digital financial services provided to Mutual Fund investors

Services	**No of respondents**	**Percentage**	**Rank**
Internet banking	38	31.67	**II**
Mobile wallets (Apps)	52	43.33	**I**
Credit card	16	13.33	**III**
Debit card	14	11.67	**IV**
Total	**120**	**100**	

Table No. 4. Represents the digital financial services provided to mutual fund investors, 52 respondents are used Mobile wallets (Apps) facility to invest in mutual fund, followed by 38 respondents are used Internet banking, 16 respondents are used Credit card, 14 respondents are used Debit card services.

Majority of respondents are used Mobile wallets (Apps) digital services in mutual fund investment.

5.5 Table No. 5: Level of satisfaction on digital financial services in mutual fund investment

Particulars	**No of respondents**	**Percentage**
Highly satisfied	32	26.67
Satisfied	62	51.67
Neutral	10	8.33

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Dissatisfied	12	10.00
Highly Dissatisfied	4	3.33
Total	**120**	**100**

Table No. 5. Represents the level of satisfaction on digital financial services in mutual fund investment **,** 62 respondents are satisfied with digital financial services, followed by 32 respondents are highly satisfied, 10 respondents are neutral, 12 respondents are dissatisfied
4 respondents are highly dissatisfied.

Majority of respondents are satisfied with digital financial services in mutual fund investment.

6 FINDINGS

a) Highest numbers of male respondents are using digital financial services in mutual fund investment.
b) Most of respondents are highly aware about digital financial services in mutual fund investment.
c) Majority of respondents are used Groww application for digital financial services.
d) Most of respondents are used Mobile wallets (Apps) digital services in mutual fund investment.
e) Majority of respondents are satisfied with digital financial services in mutual fund investment.

7 SUGGESTION

a) To provide more investment schemes to female investors
b) To create more awareness about digital financial services in mutual fund investment.
c) To provide security for mutual fund investors through digital financial services application.
d) To provide more digital financial services to mutual fund investors.

8 CONCLUSION

The study concluded that digital financial services play an important role in mutual fund investment. This study is limited on Mandya city only. Digital transactional platforms enable customers to make or receive payments and transfers and to store value electronically through the use of devices that transmit and receive transaction data and connect to a bank or non-bank permitted to store electronic value. This study is help to know the awareness of digital financial services on mutual fund investment and to find the level of satisfaction on providing digital financial services by financial application and company. The digital financial services provide positive effect on investors mind and create good opportunity to invest in mutual fund through digital application.

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CUSTOMERS CENTRIC AND EXPERIENCE IN DIGITAL PAYMENT MODES: A STUDY REFERENCE TO SBI CLIENTS IN MYSORE CITY

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Abstract: *Mobile wallet services is essential cash wallet can be used for instant payments and other transactions through a mobile application and with the help of Smartphone one can do all the financial transactions nowadays. Therefore, it has become extremely convenient for a person to do cashless transactions. With this evidence the present study has been collected from primary data was collected by on the basis issue of questionnaire, the population or sample size for study was only 100 mobile wallet users in Mysore city. The main aim of this study is to understand the theoretical background and current trends of mobile wallets in India and examine the demographic profile of mobile banking users in Mysore city and also analyzes different categories of mobile wallets. Finally this study assesses the customer's insights towards M-wallet services and major problems faced by customers towards the Mobile wallet services. For the purpose of analysis of data based on normality test applied for non-parametric tests such as, mean, standard deviation, Garrett Ranking and multiple regression analysis etc. Finally this study results Majority of the customers are fully aware Paytm and Google Pay and also Mobikiwik mobile wallets services. In the context of perception analysis majority of the customers are happy with easy to operate and download mobile wallets services. In the other phase poor internet facilities and delay in generation of OTP to complete the transactions these are the major problem faced by the customers towards mobile wallet services.*

KEY WORDS: UPI BHIM, M-Payments, Regression Analysis, Smart Phones etc.

1. INTRODUCTION

The development of technology and technological advancement as made Smartphone to become essential part of daily life of people .Smartphone are used as a source of communication device, socialized tool, entertainment, internet and even payment tool. Mobile wallet with the support of mobile technology as allowed the owners of Smartphone to carry out many financial transaction and identification implements. In the India of 1.3 Billion

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people, mobile phone subscriptions in India have already reached 1 Billion mark, according to the latest data by TRAI. The low cost of mobile data and free accessibility to the internet via Wi-Fi in many areas, is fascinating Smartphone users like never before. In addition, expansion of 3G and 4G network coverage is further expected to boost Smartphone sales in the country. According to our analysis, the Smartphone shipment has grown at a CAGR of around 76% during the period 2010-2017. should take certain steps to change the trend of COD in the country. According to industry experts, nearly 60-65% of the total e-commerce sales are being generated by mobile devices and tablets in India, which is approximately 50% increase as compared to the corresponding figure in 2014, and the same trend is expected to follow in future. The value of e-commerce industry in India was US$ 23 Billion in 2017, and is estimated to reach US$ 38 Billion by the end of 2018.

Mobile wallet is virtual wallet service provided by certain service providers, here in people can load certain amount of money. The digital payment service works as a cashless payment service, where people do not have to pay cash or swipe their debit or credit card at offline merchant with this connection at present A vast majority of the populations are used mobile wallets services. It propels the payment platform to enhance point of sales at anytime and anywhere. The main focus of e wallet companies is to enchant their consumers with easy money transfer solutions and transaction facilities. Mobile Wallet service is estimated to contribute 30% share in the mobile payment volume transactions in FY 2018, its share has increased in the last couple of years due to increasing awareness among the consumers and increasing merchant tie-ups especially at very small terminals, such as Taxi, Bus, Auto, vegetable sellers etc. It is observed that the demonetization is a lucrative opportunity for m-wallet players and share of mobile wallet in the total mobile payment volume transactions is expected to rise from 20% in FY 2017 to 57% by FY 2022.

Therefore the following table shows that number of M-wallets users in India.

Table No.1
Number of Mobile wallets Users in India

SI.No	Mobile Wallets	Number of Download	SI.No	Mobile Wallets	Number of Download
1	Paytm	50 million	12	Citrus Pay	2 million
2	Freecharge	10 million	13	Free charge	5 million
3	Mobikwik	10 million	14	Ezetap	3 million
4	Phone Pe	10 million	15	Jio Money	6 million
5	UPI BHIM	10 million	16	Juspay	4 million
6	Google's Tez	10 million	17	Lime	5 million
7	SBI Buddy	10 million	18	Momo express	5 million
8	ICICI Pockets	5 million	19	Mswipe	3.8 million

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9	HDFC PayZapp	5 million	20	Ola money	7 million
10	Oxigen	5 million	21	Google Pay	26 million
11	Airtel Money	3 million	22	Pay U money	8 million

Sources: Madhumitha M (2018) International Journal of Advance and Innovative Research

The m-wallet companies are flooded with millions of transactions and double the number of users. The m-wallet market can be segmented into three broad services: Money Transfers, Recharge, and Others. During the period FY 2017, the Money Transfer segment, which includes money transfers from bank to wallet, wallet to wallet and wallet to bank, is estimated as the largest segment of Indian m-wallet market with around 38% share, followed by Recharge and Bills Payments for mobile phones, DTH, landline, etc. with 31% share. The rest of the market (31%) is captured by the services such as online shopping; hotel and movie ticket reservations; bus, train, taxi and flight ticketing; online food ordering; payment of insurance premium; metro card recharge; etc. The m-wallet services are not only restricted to online transactions, but it also caters offline transactions by tie-up with retail merchants, like Big Bazaar or CCD. The Indian m-wallet market is expected to capture many other services in its umbrella, leading to tremendous growth in the next few years.

2. REVIEW OF LITERATURE:

Koenig-Lewis (2014), focused a study on barriers for adopting mobile banking services. This study seeks to build on two widely used models for technology adoption, the Technology Acceptance Model (TAM) and Innovation Diffusion Theory (IDT) and to test a model that is better able to predict consumers' intention to use mobile banking. Finally this study results that compatibility, perceived usefulness and risk are significant indicators for the adoption of m-banking services. Compatibility not only had a strong direct effect but was also identified as an important antecedent for perceived ease of use, perceived usefulness and credibility. Trust and credibility are crucial in reducing the overall perceived risk of m-banking.

Sameer Hayikader (2016), observed a study on issues and security measures of mobile banking apps. In this paper we will examine issues on the architecture, and some security issues of mobile internet banking apps. And then we will explore some security measures to deal with the associated security challenges. These applications can be pre-installed on phones during manufacturing platforms, or delivered as web applications using server-side or client-side processing (e.g. JavaScript) to provide an "application-like" experience within a Web browser.

However there are some cases where the mobile internet banking apps occurred some problems that might cause loss of money.

Sonal Sapra (2015), conducted a study on mobile wallet Market in the India experience. They said that, in the Indian market the competition for mobile will become more aggressive in future. Rising penetration of smart phones along with increasing number of mobile wallet service providers in the Indian market is pushing the growth forward. Finally this study concludes that banks do not focus on enabling excellent mobile wallet services for its customers, they will have to risk losing out to competition. On the other hand mobile operators must widen their services and influence the existing services to attract new customers and maintain their customer base.

Manikandan (2017), focused a study on awareness level of mobile wallets services among management students. Mobile wallet is a virtual cash wallet can be used for instant payments and other transactions through a mobile application. With the help of Smartphone one can do all the financial transactions. This paper outlines the awareness level of mobile wallets services among management students in Alagappa Institute of Management. This paper also gives the reasons for the poor practice of mobile wallet services and there is still a lack of awareness among people about the concept and its utility. Young and relatively affluent customers are surprisingly, more interested in mobile wallets.

Michael Van (2018), undertaken a study on payment models for next-generation mobile service platforms (Next Gen MSPs).In this study starts with the existing set of mobile payment models. we modify and expand on these models, in order to be able to highlight implications for next generation MSPs. In this paper also identify two different types of payment models for mobile environments: carrier centric models and payment service provider (PSP)-centric models. Finally this paper argues that combining different models or introducing intermediaries yields solutions that satisfy the requirements of next generation MSPs for offering a compelling value proposition to their users.

Aiswarya Sivarajan (2020), reveled a study on consumer perception towards mobile banking services of state bank of India: with special reference to Kollam District. Currently banks have adopted wireless services and mobile technology in their operations to provide their customers with upgraded services; from bill payments through mobile phones to receiving marketing updates while they are stuck in a traffic jam. In India, the scope of mobile has been widely used by the SBI. This paper is an effort to study about the customer's preference on the different mobile applications of SBI, their satisfaction

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level towards various applications and also to find out the acceptance of these applications by the customers of SBI.

3. OBJECTIVES OF THE STUDY:

a) To examine the demographic profile of mobile banking users in Mysore city
b) To analysis the different categories of mobile wallets available for customers.
c) To assess the customers insights towards M-wallet services
d) To study the problems faced by customers towards the Mobile wallet services.

4. RESEARCH METHODOLOGY:

The present study has been collected from both primary and secondary sources. The primary data was collected by on the basis issue of questionnaire. The study area has been identified mobile banking users in Mysore city. The questionnaire was designed and contained several questions for collection of data from the customers or mobile banking users. The overall population or sample size for study was only 100 respondents form randomly selected in Mysore City. The secondary data was collected from related research publications in books, journals and periodicals, dailies and annual reports of Reserve Bank of India available on the chosen topic. And also collect information on website to develop theoretical background of customer perception towards mobile banking users. For the purpose data analyze applied test of normality of data. ***A significant test means the sample distribution is not shaped like a normal curve (p >0.05)***. The sample size is small **N=32,** therefore to test the normality of data used **Shapiro-Wilks W test (P=0.001).** Therefore the data is abnormally distributed we applied non parametric test mentioned, mean, standard deviation, chi- Square Test and Multiple Regression Analysis.

4.1 RESEARCH HYPOTHESES.

The study is based on the following hypotheses.

H1: There is a significant difference between demographic profiles of mobile banking users.

H2: There is a significant difference between categories of mobile wallets available for customers

H3: There is a significant relationship between customers observation towards M-wallet services

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H4: There is no significant variation between problems faced by customers towards the Mobile wallet services.

5. RESULTS AND DISCUSSIONS

5.1 Demographic Profile of the M-wallet Users:

Table No.1 visualizes the demographic profile of M-wallet users in Mysore City. The overall respondents were numbering, 100 customers out of that 70 respondents are belongs to male category and 30 respondents are belongs female category. In the context of age pattern, majority of the respondents numbering, 40 and 35 customers are belongs to age group of between 25-35 years and up to 25 years respectively. Further the educational background of the respondents majority numbering, 45 and 30 customers were post graduates and graduation respectively In the context of occupation of the customers, majority numbering, 50 and 30 respondents were belongs to business and government employees respectively. Further the monthly income, A vast majority of the customers numbering, 50 respondents were earn above 30000 per month. The awareness of M-wallet among the customers, majority of the respondents numbering, 90 were fully aware of different M –wallet services provided by the various banks.

Table No.1
Demographic Profile of the M-wallet Users

Personal Factors	Classification	Frequency	Personal Factors	Classification	Frequency
Gender	Male	70	***Occupation***	Private Employees	20
	Female	30		Government Employees	30
Age Pattern	Up to 25 years	35		Business and others	50
	25-35Years	40	***Monthly Income***	Below Rs 20000	25
	Above 35Years	25		Rs.20000-30000	25
Educational Background	Graduation	30		Above Rs.30000	50
	Post-Graduation	45	***Awareness of M-wallets***	Fully Aware	90
	Professionals	25		Partly Aware	10

Source: Field Survey.
Significant level 0.05

To calculate, chi-square test for data of gender profile, age pattern and awareness of M-wallets, the P value (Sig 2-tailed) is 0.000, 0.001 and 0.000 which is less than the Alpha value of 0.05, it was found to be significant. Therefore the results indicate that the stated null hypothesis to be rejected and alternative hypothesis is accepted. Further the data of educational background, occupation pattern and monthly income of the respondents the P value (Sig 2-tailed) is 0.652, 0.715 and 0.505, which is more than the Alpha value of 0.05, it was found to be insignificant. Therefore the results indicate that the stated null hypothesis to be accepted and alternative hypothesis is rejected.

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Table No.1 (a)
Demographic Profile of the M-wallet Users (Chi-Square Test)

Attributes	X^2Value	D.F	P-Value	Sig 2-tail Hypothesis(H0)
Gender Profile	3.785	01	0.000	***Significant***
Age Pattern	4.521	02	0.001	***Significant***
Educational Background	3.256	02	0.652	***Not Significant***
Occupation pattern	2.789	02	0.715	***Not Significant***
Monthly Income	4.326	02	0.505	***Not Significant***
Awareness of M-wallets	5.743	01	0.000	***Significant***

Source: Field Survey.
Significant level 0.05

5.2 Different Categories of Mobile wallets available for customers:

Table No.2 shows that different different categories of Mobile wallets available for customers. Majority of the customers mean rank of 8.95 **(*Rank I)*** and 8.01 ***(Rank II)*** respondents opinioned that Paytm and Google pay M-wallet services are more number of customers used to transfer the money. This was followed, around mean rank of 7.50 ***(Rank III)*** and 7.01***(Rank IV)*** customers are used mobikiwik and BHIM UPI payments are used frequently compared to the other M-wallet services respectively.

Table No.2
Different Categories of Mobile wallets (Garrett Ranking Technique)

Mobile wallets	***Mean Rank***	***Standard Deviation***	***Variance***	***Garret Score***	***Garrett Rank***
Google Pay(Tez)	8.01	2.21	1.68	58.21	**II**
Pay tm	8.95	2.08	1.54	60.83	**I**
Mobiki wik	7.50	1.82	1.38	56.81	**III**
BHIM UPI Payments	7.01	3.31	1.11	55.84	**IV**
Phone Pe	6.12	1.23	1.03	48.77	**VI**
SBI Buddy	4.82	2.88	2.88	42.16	**VIII**
ICICI Pockets	5.38	2.37	1.07	45.37	**VII**
HDFC Pay Zapp	6.52	2.84	2.08	50.33	**V**
Citi Master Pass	3.28	3.33	1.63	40.88	**IX**
Money Tap	2.77	1.72	2.73	36.04	**X**

Source: Field Survey.

According to the ***Garret Score***, A vast majority of the customers are assigned values 60.83 (Rank I) and 58.21 (Rank II) compulsorily used pay tm and Google pay M-wallet services. Among 36.01 (Rank X) this garret scores expressed that very few customers are used money tap M-wallet services compared to the other M-wallet services in Mysore city.

5.3 Customers insights towards M-wallet services:

Table No.3 highlights customer perception/insights towards M-wallet services. Majority of the respondents or the employees has been strongly agreed and positive opinions about all

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the below statements. The highest mean values was recorded 4.555 and 4.035.This assigned values indicates that, majority of the respondents they strongly agree with easy to download M-wallet applications and easy to book railways/bus ticket using M-wallets respectively. As against the lowest mean values was recorded 2.950and 2.625.This assigned values indicates that, majority of the respondents they disagree and not much happy with no need to carry debit or credit card and easy refund to M-wallet respectively.

Table No.3
Customer insights towards M-wallet services

Indicators	***Models***	***Mean***	***Un standardized Coefficients***		***standardized Coefficients***	***T-value***	***Sig. Value***
			B	***Std. Error***	***Beta***		
Ease to operate M-wallets	***M1***	3.050	0.911	1.697	0.011	12.33	.000
Easy to download M-wallet applications	***M2***	4.035	0.720	1.257	0.018	10.22	.004
Less Transaction Time	***M3***	3.750	0.938	1.346	0.345	7.82	.000
No need to carry debit or credit card	***M4***	2.950	0.009	1.495	0.087	11.01	.009
Easy Refund to M-wallet	***M5***	2.625	0.321	1.152	0.418	14.87	.000
Cash back and discounts offers	***M6***	3.075	0.669	1.505	0.127	13.11	.000
Easy railways/bus ticket booking	***M7***	4.555	0.057	1.471	0.309	10.96	0.512
Easy to track small expenses	***M8***	3.285	1.097	1.176	0.332	9.76	0.000
Easy Recharge Mobile or DTH	***M9***	3.640	1.003	1.533	0.315	8.64	0.627
Direct money transfer to the account	***M10***	4.023	1.044	1.234	0.218	13.47	0.716
Security and privacy	***M11***	3.925	0.337	1.741	0.368	12.22	0.534

Source: Field Survey.
Significant level 0.05

According to the ***regression analysis*** one can note from the above table that, it was found that the independent variables ***(M1,M2, M3,M5 and M6),*** $p<0.05$ which shows the p-value less than 0.05 thereby rejecting the null hypothesis and stating that there is significant relationship between the stated variables with dependent variable. In the case of Independent variables (***M4,M7, M9,M10,M11)*** $p>0.05$ which shows the p-value more than 0.05 thereby accepting the null hypothesis and stating that there no significant relationship between the stated variables with dependent variable.

Table No.3 (a)
Model Summary of Multiple Regression Analysis

Models	**R**	**R**	**Adjusted R**	**Std. Error of**	**Collinearity Statistics**

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		Square	Square	the Estimate		
					Tolerance	VIF
Constant	.416a	0.173	0.138	12.17781	.838	**1.932**
Dependent variables	0.216	0.000	0.112	13.71556	.838	1.932
Predictors: (Constant), Dependent Variable: Weighted Least Squares Regression (100 Customers) Significant Level 0.05, confidence Level 95%						

The model summary of ***Multiple Regression Analysis***. The **R** value **(0.416a)** indicates a ***positive correlation*** with moderate association between the select variables of customer insight towards M-wallet services. In the model. ***Square value (0.173*)** that means the linear regression explains **17.3%** of the **variance** in the Dependents variables**.** Based on the coefficients output – collinearity statistics, obtained **VIF [*Variance Inflation Factor]*** value of **1.132**, meaning that the VIF value is between 1 to 10, it can be concluded that there is no Multicollinearity symptoms between the independent variables therefore customers are satisfied with M-wallets services provided by the banks in Mysore City .

5.4 Problems faced by customers towards the Mobile wallet services:

Table No.4 indicates that problems faced by the customer towards the mobile wallet services. Majority of the respondents or the employees has been strongly agreed and partially positive opinions about all the below statements. The highest mean values was recorded 4.665 and 4.357.This assigned values indicates that, majority of the respondents they strongly agree with poor availability of internet services and delay in generating OTP these are the major problem faced by the customers towards M-wallet services. As against the lowest mean values was recorded 2.995 and 2.330.This assigned values indicates that, majority of the respondents they disagree less problem faced lack of consistency in transactions and failure in payment gateway in M-wallet services respectively.

Table No.4
Problems faced by customers towards the Mobile wallet services

Problems	***Models***	***Mean***	***Un standardized Coefficients***		***standardized Coefficients***	***T-value***	***Sig. Value***
			B	***Std. Error***	***Beta***		
Lack of operating knowledge of M-wallet	***M1***	3.100	0.981	1.3956	0.629	12.33	0.861
Non-availability of smart phones	***M***	3.675	1.292	1.4133	0.236	14.80	0.541
Lack of awareness on wallet services	***M3***	3.300	0.036	1.2789	1.026	15.64	0.632
Failure in payment gateway	***M4***	2.995	1.502	1.5563	0.349	11.28	0.000

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Poor availability of internet services	***M5***	4.665	0.257	1.1515	1.049	13.74	0.003
Lack of consistency in transactions	***M6***	2.330	0.841	1.0864	1.138	14.02	0.001
Lack of time to visit website or application	***M7***	3.100	0.933	1.0223	1.423	13.36	0.000
Problem of generation of UPI	***M8***	4.115	0.476	1.0147	1.384	14.86	0.687
Lack of privacy and security	***M9***	1.965	1.423	1.5673	1.234	16.77	0.745
Delay in generating OTP	***M10***	4.357	1.745	1.8743	1.748	12.44	0.002

Source: Field Survey.
Significant level 0.05

According to the ***regression analysis*** one can note from the above table that, it was found that the independent variables ***(M4,M5, M6,M7 and M10),*** $p<0.05$ which shows the p-value less than 0.05 thereby rejecting the null hypothesis and stating that there is significant relationship between the stated variables with dependent variable. In the case of Independent variables (***M1, M2, M3, M8, M9)*** $p>0.05$ which shows the p-value more than 0.05 thereby accepting the null hypothesis and stating that there no significant relationship between the stated variables with dependent variables.

Table No.4 (a)
Model Summary of Multiple Regression Analysis

Models	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Collinearity Statistics**	
					Tolerance	**VIF**
Constant	.477a	0.189	0.156	25.17781	.731	**3.115**
Dependent variables	0.016	0.003	0.177	22.71556	.731	3.115
Predictors: (Constant), Dependent Variable: Weighted Least Squares Regression (50 Customers) Significant Level 0.05, confidence Level 95%						

The model summary of ***Multiple Regression Analysis***. The **R** value **(0.477a)** indicates a ***positive correlation*** with moderate association between the select variables of problems faced by the customers towards M-wallet services. In the model of ***Square value (0.189)*** that means the linear regression explains **18.9%** of the **variance** in the Dependents variables**.** Based on the coefficients output – collinearity statistics, obtained **VIF [*Variance Inflation Factor]*** value of **3.115**, meaning that the VIF value is between 1 to 10, it can be concluded that there is no Multicollinearity symptoms between the independent variables therefore customers are partially faced problems towards M-wallets services provided by the banks in Mysore City .

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6. FINDINGS OF THE STUDY:

The following are the major findings of the study:

a) The overall respondents were numbering, 100 customers out of that 70 respondents are belongs to male category and 30 respondents are belongs female category.

b) In the context of age pattern, majority of the respondents numbering, 40 and 35 customers are belongs to age group of between 25-35 years and up to 25 years respectively.

c) The awareness of M-wallet among the customers, majority of the respondents numbering, 90 were fully aware of different M –wallet services provided by the various banks.

d) Majority of the customers are used Paytm (**8.95 *Rank I)*** and Google pay (8.01 ***Rank II)*** M-wallet services respectively.

e) Majority of the respondents, 4.555 and 4.035 they strongly agree with easy to download M-wallet applications and easy to book railways/bus ticket using M-wallets respectively.

f) Majority of the respondents 4.665 and 4.357 they strongly agree with poor availability of internet services and delay in generating OTP these are the major problem faced by the customers towards M-wallet services.

7. SUGGESTIONS FOR THE STUDY:

The following are the suggestions for the study:

a) Discount and cash back offers is the advertisement tool should be made in the social media networks which will capture young people to get into the usage.

b) Mobile wallet should be made as one of the payment gateway in most of the e-commerce website and thereby the companies and banks can increase the customers.

c) The M-wallets and digital payment system has to take necessary steps to overcome delay in processing of payments.

d) Customers should be more accurate about refunding their amount directly to their wallet if any delay in payment. People should update their pay tm or pay u money applications from time to time in order to safeguard.

e) Ensure that your mobile device has remote wipe installed or enabled. This is so that if you lose your phone, you can delete all information you had stored on your phone. Notify your bank so that no texts or mails will be sent to your mobile device.

f) Banking applications will prompt for a login password each time you log in. If you find any unusual behavior, report it to your bank immediately. The app might have a bug when installed in your smart phones etc.

8. CONCLUSION

The current study focused on customer perception towards mobile wallets services. Majority are the male and younger generation and business class respondents are more used Paytm and Google Pay mobile wallet services in Mysore city. From the above overall analysis majority of the respondents they were satisfied with the easy to download M-wallet applications and easy to book railways/bus ticket using M-wallets and also using mobile wallet services direct money has been transfer to the beneficiary account respectively. Therefore present study concludes that the usage of mobile wallet services is satisfactory level. In the context of customers face problems in delay in OTP generation and lack of safety and security etc.The security issues are tighten and risk factors are reduced will automatically increase the adoption of mobile wallet .Apart from these issues the convenience and ease of use as gained an credit to mobile wallet and it can be concluded that they will be a tremendous growth in adoption of mobile wallet in the forthcoming years.

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AN EMPIRICAL ANALYSIS ON THE AWARENESS OF DIGITAL PAYMENTS AMONG STUDENTS WITH SPECIAL REFERENCE TO G.M. UNIVERSITY, SAMBALPUR, ODISHA

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Abstract: *The advent concept of E- commerce has necessitates reduce the physical mode of payments i.e., paperless transaction. In spite of using cash as a medium for the exchange of goods and services, e- payment has been a convenient mode of exchange of goods and services in recent day for both safe and secure purposes for a customer. Various modes of payment include mobile wallet, banking cards such as debit and credit card, UPI, mobile banking etc. used as a convenient method of payment for people. Digital payment system works effectively because they are linked to user's bank account. The study has been made on the awareness of digital payments among students with special reference to G.M University, Sambalpur and to understand the reachability of online payments among students and its satisfaction level. The youth is the future, therefore choices they make today affects tomorrow. The paper emphasized how the online payments found a way in to the world of youths. The main objective of the study is to examine the various categories and potential users of e- payment mechanisms and the attitude of student's perception towards digital payment. The study is based on descriptive as well as analytical in nature. Hence, primary data are collected from various respondents through questionnaires. The sample size of the study is based upon 200 respondents collected through convenient sampling structured questionnaires. Percentage and comparative analysis have also been used for the study. The major findings reveal that while people are getting comfortable with cashless payments, some kinds of negative perception are holding back many from adopting new system. The negative perception such as security problem, poor internet connectivity and high transaction costs, defunct POS machines and delayed reimbursed in case of failed transaction. Convenient in use of cashless transactions and incentive systems are the positive sign for the progress of cashless payments in the country.*

Keywords*: E-commerce, Digital Payments, Customers, Cashless*

1 INTRODUCTION

Modern era has technologically well-developed because of E-commerce. E- Commerce is doing business electronically where there is no scope for physical or traditional system of transaction. More and more people opt for e commerce mechanism because it ensures accuracy of transaction. When people are engaging in purchase and sale of goods and services there is need for medium of payment. Paper transactions are losing its importance as people want to go cashless. Digital payment system is a way of dealing through electronically equipped medium which helps in making transaction and ensures the safety of the transactions. Urgency of a man and shortage of a time makes this system important. In digital payment both payer and payee use digital modes to send and receive money. Generally, no hard cash involved in digital system. Making cash payment is a time-consuming process and to avoid this digital payment system came into existence. Varies modes of digital payment includes mobile wallet, banking cards such as debit and credit cards, UPI, mobile banking etc. digital payment system works effectively because they are linked to users' bank account. Whenever the payment is made user will be identified through notification and similarly if can credit is made to users account he will get an intimation. Mobile wallets are popular among youths as it gives attractive rewards such coupons, cash back, discount etc. In spite of the use of cash as a medium for the exchange of goods and services, E-payment has been a convenient mode of exchanging goods and services. E-payment systems were not introduced to replace cash but as an alternative to cash. There are numerous methods available for making online payment and students are also making payment through e-payment rather than cash payments as it's easy to carry out transactions online. Students usually make mobile payments for e-payment as majority of them are carrying their mobile phones frequently and it is the most suitable mode for them to make payment. The education system is also moving towards online payment and each transaction is being carried out online. There are numerous online payment modes are available which enables simple and fast payments. This payment method is available for all devices (smart phones and computer). More companies are now coming with digital payment applications for better access such as Google pay, PhonePe, Amazon pay, Paytm etc. Users of electronic payment are increasing year after year. Most of the people are satisfied with digital mode as it is convenient to them. Digital payment considerably reduced the work of a man as most of the banks we see digital modes of depositing and receiving cash.

2 REVIEW OF LITERATURE

Digital Investments include mobile trading, social trading, online brokerage, and online trading in the B2C area and high-frequency and algorithmic trading in the B2B context (Gomber & Siering, 2017). It was discovered in his article despite its huge potential, the use of mobile technology for carrying out payment transactions and replicating monetary features, has only taken off in a limited number of countries. The main contribution of this study is to provide a clear account of the knowledge that exists on mobile payments (de Albuquerque et al., 2016). It was found that the payment market has been stable for a number of decades with well-defined roles (acquirers and issuers), profitable business models (the card schemes) and a dominant design in which the merchants absorb the costs associated with payments. This article investigates the various factors that determine the success of a given solution. To this end, we build a framework to analyse the entry and expansion strategies of the digital payment solutions (Staykova & Damsgaard, 2015). It was argued about how digital eco system plays an important role in digital payments. In digital ecosystems, the fusion relation between business and technology means that the decision of technical compatibility of the offering is also the decision of how to position the firm relative to the cooperative relations that characterize business ecosystems. (Henningsson & Hedman, 2014). It was conducted to view the promising growth of e-payment in Malaysia. The use of e-payment by the majority of respondents confirms that there is a great potential for future expansion of such payment devices. The challenge is to ensure that it continues to meet consumers' expectations which will subsequently lead to its increased adoption and use (Teoh et al., 2013). It is identified commonly believed that good security improves trust, and that the perceptions of good security and trust will ultimately increase the use of electronic commerce (Kim et al., 2010). The given economy on payment play vital role in the payment system as mean electronic payment instruments. Electronic payment system supports the e-commerce activities in general (Abdullai, 2009). It was based payment system came into existence. It was first electronic based payment system, which does not depend on a central processing intermediary. An electronic fund transfer is a financial application of Electronic Data Interchange (EDI), which sends credit card numbers or electronic cheques via secured private networks between banks and major corporations. As such, digital currency payment systems have the same advantages as paper currency payment, namely anonymity and convenience(Sumanjeet, 2009). It was indicated that as the importance of digital content to business and society grows it is important seek a holistic perspective on the definition and nature of digital content marketing (DCM). The conclusion summarizes the unique characteristics of digital content, and associated consequences for digital content marketing. It focuses on the impact of the difficulty in developing a notion of 'value' in the context of digital content, and its consequences for value chain structures, pricing strategies, marketing communications and branding, and licensing and digital rights management (Rowley, 2008). In any given transaction, a consumer will have any number of options as to how to pay for the purchase. Consumers will choose their transactional medium according to the relative costs and benefits of using one method over another. Consumer payment choice is influenced by various factors. Previous research has highlighted three important sets of factors such as consumer characteristics, payment method attributes, and transaction characteristics. Other attributes, such as transaction time, security, ease of use, control spending, and so on, also vary by payment methods (Ching, 2008).

3 STATEMENT OF THE PROBLEM

Youth is moving towards enthusiasm, energy, education, enjoyment. They should not choose enjoyment as first and rest of the things as last. Now a day's majority of the students consider essential things as first and enjoyment as last due to awareness, Technology up-date, Education and Socio-Cultural gatherings. This study has been conducted in order to understand how the online payments have found a way in to the world of youth. The youth is the future, therefore the choices they make today affects tomorrow.

4 SCOPE OF THE STUDY

The study is focused on use of online payment modes among G.M. University students. It is highly relevant topic in current scenario. Students with e-payment applications set up on their smart phones will present the phones to near field communication enabled readers on campus to complete transactions. This study mainly emphasized on college students, their use, acceptance and satisfaction.

5 SIGNIFICANCE OF THE STUDY

The traditional methods of payment have now been replaced by digital payment system because of its wide use. It is used in many areas like shopping, movie ticket booking, fee payment, bill payment, mobile recharging etc. All these uses of e -payment tools attract students as their day to day activities get more improved and a lot easier. A lot of technological advancements have been taking place in the field of payment. So, it is very useful to know about the new trends and advancements in payment mechanism. It is also important that the young generation are aware about these new trends. It is also necessary to study about different available methods of E-payment so that we can have overview about E-payment system.

6 OBJECTIVES OF THE STUDY

a) To examine the various categories and potential uses of e-payment mechanism.
b) To understand the usage, acceptance and satisfaction level of e-payment among students.
c) To analyse the attitude of students towards e-payment mechanism.

7 RESEARCH DESIGN

The study is descriptive as well as analytical in nature. Both primary and secondary data are collected for the purpose of the study. Primary Data: It is the original data collected from the respondents. This was collected through questionnaire. Secondary Data: It includes both internal and external sources. Internal data are not included in this project as it is the data that are available from the organization, while external were magazines, textbooks from websites etc. The sample size of the study is 200 respondents. Convenience sampling-structured questionnaire is used for data collection. Percentage and comparative analysis have been used. Tables, charts and diagrams are used for presentations.

8 DATA ANALYSIS AND INTERPRETATION

Data analysis is a process for obtaining raw data and converting it into information useful for decision making by user.

8.1 Table: Showing Respondent's Gender

Gender	No. of Respondents	Percentage
Male	110	55%
Female	90	45%

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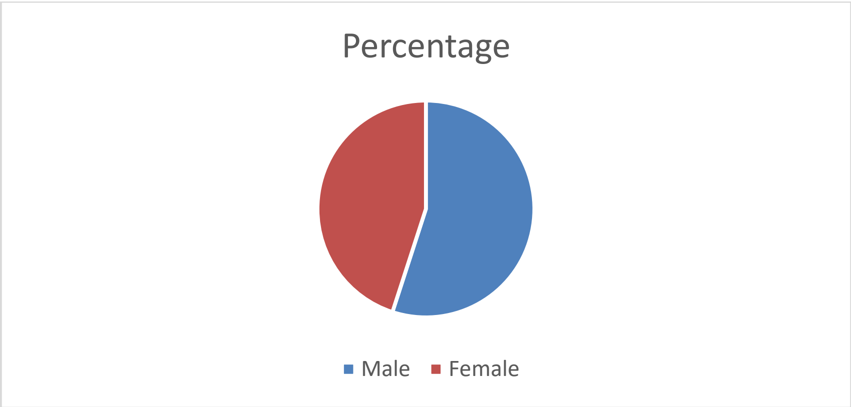
Total	**200**	**100%**

Source: Primary data

The table and graph show the gender classification of respondent 55% of respondents are male and also seen that 45% of respondents are female.

Chart 8.1: Chart showing Respondent's Gender.



8.2 Table: Table Showing Awareness about Functionality of E-wallets.

Rate of Awareness	No. of Respondents	Percentage
Aware	63	31.5%
Partially Aware	42	21%
Fully Aware	83	41.5%
Not Aware	12	6%
Total	200	**100%**

Source: Primary data

From the table and data, it shows the awareness level about the functionality of E-wallets. Here 31.5% of the persons are aware about its functionality and 21% of them are partially aware, 41.5% of them are fully aware, at last 6% are not at all aware about E-wallets functionality.

Chart 8.2: Chart showing Rate of Awareness about Functionality ofE-wallets.

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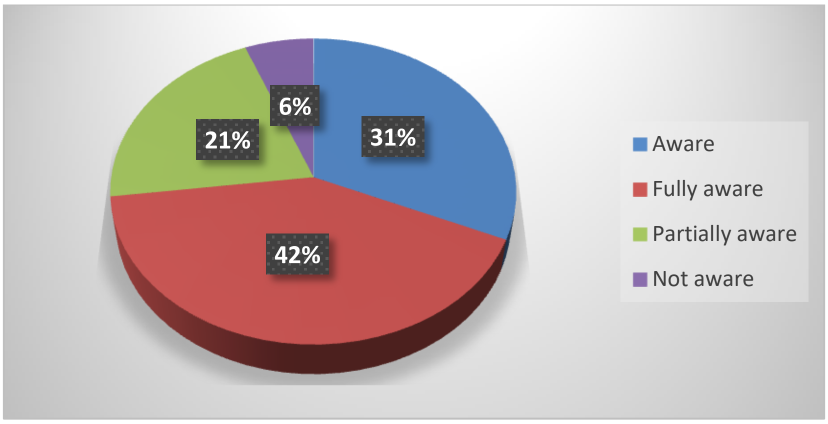


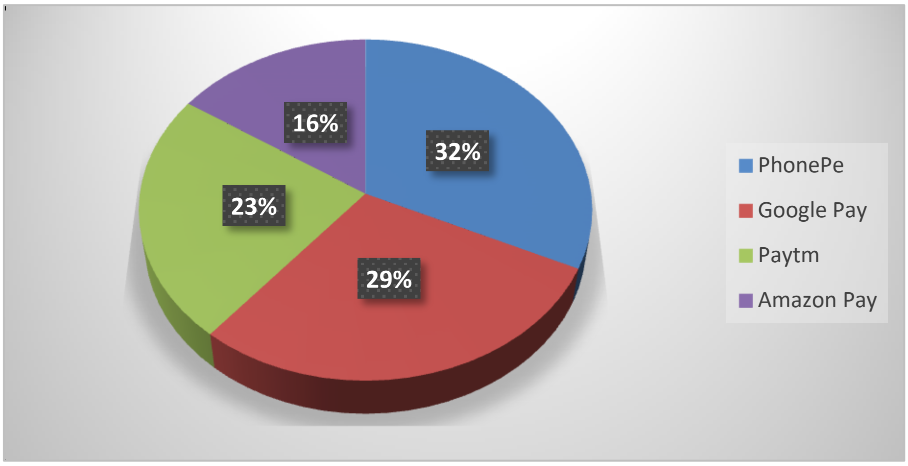
8.3 Table: Table Showing Preference among E-wallets.

Sl no.	E-wallets	No. of Respondents	Percentage
1	PhonePe	64	32%
2	Google pay	58	29%
3	Paytm	47	23.5%
4	Amazon Pay	31	15.5%
	Total	**200**	**100%**

Source: Primary data

In the Table and Figure it is understandable that 32% of respondents prefer PhonePe, 29% prefer Google pay, 23.5% prefer Paytm and the least preferred app is Amazon Pay with 15.5%.

Chart 8.3: Chart Showing Preference among E-wallets.



8.4 Table: Table showing reason for use of E-wallets over other mode of payment.

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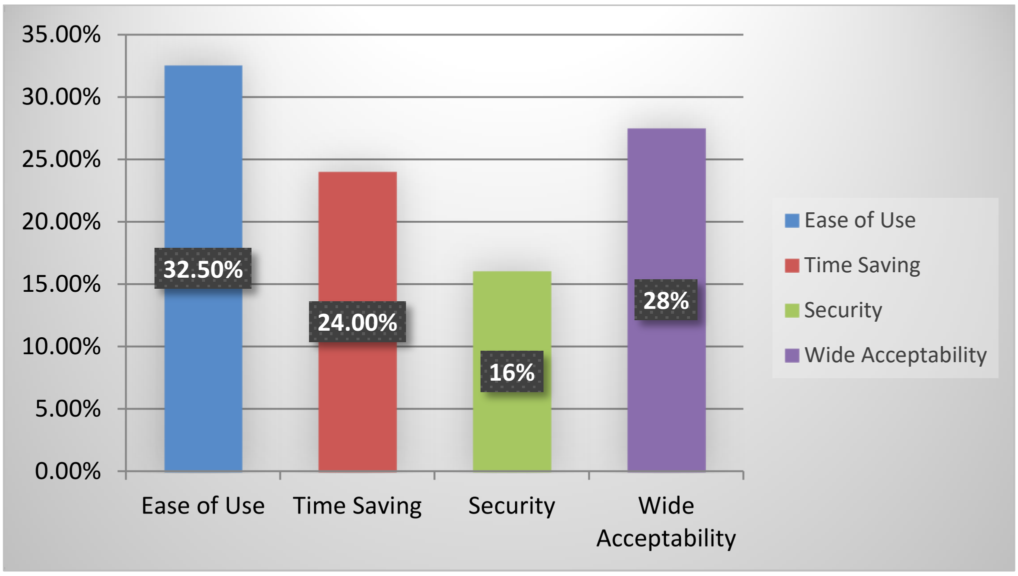
Reasons	No. of Respondents	Percentage
Ease of use	65	32.5%
Time saving	48	24%
Security	32	16%
Wide acceptability	55	27.5%
Total	200	**100%**

Source: Primary data

From the above data it is clear that people prefer something which is ease of use which is 32.5%. The data shows 24% looks for time saving, 16% looks for security and 27.5% for wide acceptability respectively.

Chart 8.4: Chart showing reason for use of E-wallet over other modes of payment.



8.5 Table: Table showing obstacles faced while using E-wallets.

Obstacles	No. of Respondents	Percentage
Security of mobile payment	77	38.5%
Too much time consuming to set up	31	15.5%
Involves danger of losing money	53	26.5%
Cannot be used for international transaction	39	19.5%
Total	**200**	**100%**

Source: Primary data

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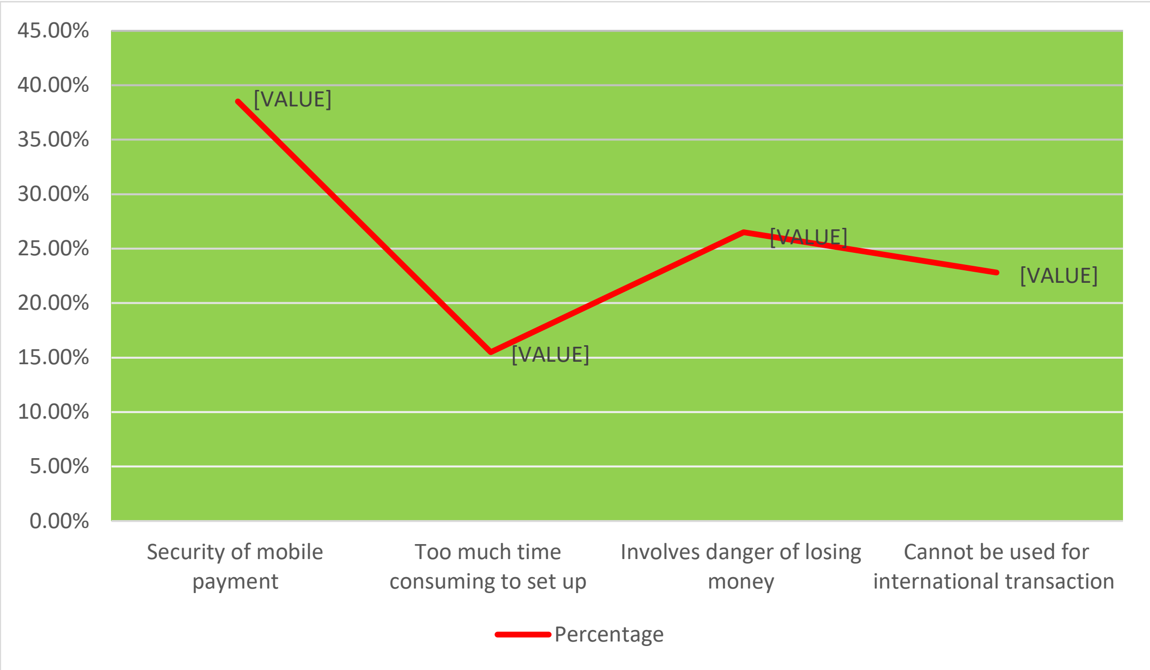
The data shows us that 19.5% of the people sees that it cannot be used for international transaction, 38.5% is confused with the security of mobile payment, 26.5% fear of losing money and 15.5% sees the setting up of E-wallets is time consuming.

Chart 8.5: Chart showing obstacles faced while using E-wallets.



9 FINDINGS

It is found that the gender wise classification of respondents revealed that majority are male as compared to the opposite gender. All the respondents are students and therefore general questions are avoided. On the rate of awareness about the functionality of E-wallets only a small portion of them are not aware, majority are aware and the remaining portion are partially and fully aware. From the study it is understandable that PhonePe have wide acceptability from the others three E-wallets. Most of the respondents got the information about E-wallets from their friends, then only social media, advertising and television/magazines also have a role. Each and every person who uses E-wallets has done financial transactions. In terms of E-wallets over other modes of payment some prefer E-wallets because of its ease of use, some finds it is time saving and others prefer E-wallets because of its security and wide acceptability. The study shows us that the best device for using E-wallets is smartphone about three-fourth of them prefer smartphones and others prefer both smartphone and personal computer. Therefore, the best device is smartphone. Another finding is that some people consider E-wallets because of its quick transfer and uses it for money transfer, recharge and utility and bill payment. It is understandable that majority of them uses it monthly and weekly and only a few of them uses it daily and once in a year. Some of them finds it not safe to financial transaction even though they find it safer than other payment modes. Some of them are afraid of losing money through hackers, others say that it cannot be used for international transactions and some say that too much time is taken to set up. It is clear from the study that only a few of them has rated E-wallets below neutral that means most of them are satisfied with the E-wallets services. People find E-wallets as a very useful mode of payment since half of the respondents are attracted to all of the strategic weapons introduced by E-wallets to attract users.

10 CONCLUSION

Technology has arguably made our lives easier. One of the technological innovations in banking, finance and commerce is the Digital Payments. Digital Payments refers to the technological breakthrough that enables us to perform financial transactions online, thus avoiding hindrances and other hassles. Due to the developments in digital world each and every activities of human being had changed. As a part of policy change cash is no longer becoming a mode of transaction. The country needs to move away from the cash-based towards a cashless (digital) payment system. This will provide multiple advantages like, reduce currency management cost, track transactions, check tax avoidance or fraud etc., enhance financial inclusion and gradually integrate the parallel economy with the main stream. The findings reveal that while people are getting comfortable with cashless payments, some kind of negative perceptions are holding back many from adopting the new system. The negative perceptions are like security problems, poor network coverage and lack of merchant willingness, high transaction costs, lack of users' knowledge on technology, defunct POS machines, delayed reimbursement in case of failed transactions, procedures and financial limits. Convenience in use of cashless transactions and incentive system are the positive signs for the progress of cashless payments in India.

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NCFE, NSFE AND FINANCIAL LITERACY IN INDIA

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***Abstract**: Financial literacy implies a set of skills that a person must possess in order to enable him to take intelligent financial decisions. Financial education refers to the various processes through which a person acquires financial literacy. The financial literacy rate in India, which stands at 27% as per the Financial Literacy and Inclusion Survey (FLIS) 2018-19, is low, when compared with the financial literacy rates of developed countries. Conscious of the peculiar circumstances prevailing in India, the Central Government in consultation with the financial regulatory bodies like the Reserve Bank of India (RBI), Securities Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), and Pension Fund Regulatory and Development Authority (PFRDA) created the National Centre for Financial Education (NCFE) in 2012. The primary function of NCFE is to create financial education related material and disseminate the same across the country. NCFE has also implemented several schemes like the Money Smart School Programme (MSSP), Financial Awareness and Consumer Training (FACT), National Financial Literacy Aptitude Test (NFLAT), Financial Education Programme for Adults (FEPA), Financial Education Training Programme (FETP), etc. NCFE was also responsible for the successful conduct of two nationwide Financial Literacy and Inclusion Surveys in 2013-14 and 2018-19 respectively. NSFE has also been responsible for the development and implementation of two national strategies on Financial Education of 2013-18 and 2020-25. The National Strategy on Financial Education (NSFE) seeks to improve the financial literacy standard of Indians through various intervention methods. In particular, the second NSFE recommends the adoption of a '5C' approach to disseminate financial literacy with the 5C's being Content, Capacity, Community, Communication and Collaboration.*

***Keywords**: National Centre for Financial Education (NCFE); National Strategy for Financial Education (NSFE); Financial Literacy and Inclusion Survey (FLIS); Money Smart School Programme (MSSP); National Financial Literacy Aptitude Test (NFLAT).*

1 INTRODUCTION

Financial literacy refers to a combination of qualities that must be possessed by a person that will enable him to take wise financial decisions and ultimately achieve financial well-being. These qualities/factors include financial awareness, knowledge, skills, attitude and behaviour (OECD, 2018). Financial education, on the other hand, is the process through which a person acquires financial literacy (NCFE, 2020). Financial education, on the one hand, helps an individual improve his understanding of financial products, concepts and risk and on the other hand, provides him with necessary information, instruction and/or objective help which will help him make more informed choices, know where to go for help and to take other effective actions necessary to improve his financial well-being (OECD, 2005).

India has a large population of more than 1.4 billion. The literacy rate in India is average and large sections of the population are excluded from the formal financial system (Arya, 2018). Consequently, providing financial education to the said population is very essential for the long-time stability of the Indian financial system. However, making every citizen financially literate is a daunting task. The Central Government and its agencies having been working in this direction for nearly two decades (Hridhya & Reddy, 2020). One of the most important steps taken in this direction is the establishment of the National Centre for Financial Education (NCFE) in 2012. The NCFE among other things facilitated the conduct of two national surveys on Financial Literacy and Inclusion (FLIS) in 2013-14 and 2018-19 respectively. NCFE also played a role in the development of two National Strategies for Financial Education (NSFE) namely 2013-18 and 2020-25. This article briefly analyses the role and functions of NSFE. It also studies the scope and ambit of NSFE 2020-25.

2 NATIONAL CENTRE FOR FINANCIAL EDUCATION (NCFE)

NCFE has been established as a specialised institute for financial education under the aegis of the National Institute of Securities Market (NISM) (NSFE, 2013). It is established as a not-for-profit company promoted by the Reserve Bank of India (RBI), Insurance Regulatory and Development Authority of India (IRDAI), Securities and Exchange Board of India (SEBI) and Pension Fund Regulatory and Development Authority (PFRDA). It functions under the control of the Financial Stability and Development Council (FSDC), Ministry of Finance, Government of India. The representative from each of the financial regulators mentioned above along with the representative of the Forwards Market Commission is represented in the NCFE (NCFE-FLIS, 2019).

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The main function of NCFE is to create financial education material. The NCFE also maintains a website exclusively for financial education. The website acts a one stop repository for all financial education activities/materials (NSFE, 2013). NCFE has developed a number of handbooks for spreading financial literacy among MSME's, farmers, school children, self-help groups, senior citizens, etc. NCFE has also, over the years, implemented a number of schemes for facilitating financial education and financial literacy. The most prominent ones are outlined below:

a) **Money Smart School Program (MSSP)**

Money Smart School Program is an initiative of NCFE to improve financial literacy among school children in class VI to X. Schools are voluntary encouraged to introduce financial literacy as part of their existing curriculum for students of class VI to X. For this purpose, NCFE has in association with Central Board of Secondary Education (CBSE) developed a flexible financial literacy curriculum which would easily integrate with the existing curriculum of schools. Schools implementing the program will be certified as Money Smart Schools (NCFE, 2015a)

b) Financial Awareness and Consumer Training (FACT)

Financial Awareness and Consumer Training is a program implemented by NCFE to provide financial education to graduate and postgraduate students. The purpose of the program is to make the graduate/postgraduate students be aware of their rights and responsibilities as future financial consumers. The program seeks to educate these students on relevant topics which would positively impact their financial well-being. (NCFE, 2015b).

c) National Financial Literacy Aptitude Test (NFLAT)

National Financial Literacy Aptitude Test (NFLAT) is an examination scheme devised by NCFE to test the financial literacy of students in the classes VI to XII standards. The purpose of the test is to encourage students of class VI to XII to acquire basic financial skills necessary to make informed and effective financial decisions throughout each stage of their life. NFLAT is one of the largest free annual financial literacy tests conducted for students (NCFE, 2015c). The first test was conducted in the year 2013-14 (Murarka & Oates, 2020).

d) Financial Education Programme for Adults (FEPA)

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Financial Education Programme for Adults is an initiative launched by NCFE in 2019 to spread financial awareness among the financially excluded adult population like employees of various organisations, farmers, Asha workers, Anganavadi workers, rural folk, self-help group members, etc. The objective of the programme is to provide financial education among the financially excluded sections of the society so as to empower them to use financial services and products more effectively. (NCFE, 2015d).

e) Financial Education Training Programme (FETP)

Financial Education Training Programme is a scheme implemented by NCFE for training the trainers. NCFE has been regularly conducting FETP for school teachers across India who are teaching students in classes VI to X. These teachers, who would be certified as Money Smart Teachers, would in turn conduct financial education classes in schools and encourage students to obtain basic financial skills (NCFE, 2015e).

3 FINANCIAL LITERACY AND INCLUSION SURVEY (FLIS)

In order to understand the extent of financial literacy and financial inclusion in India, the Central Government has decided to conduct a national-wide Financial Literacy and Inclusion Survey (FLIS) once every five years. These surveys are expected to help the government understand the impact of the various financial literacy schemes and programmes implemented across India. The first two surveys have been conduced in 2013-14 and 2018-19 through NCFE.

The first FLIS was conducted by a global management and development consultancy firm Mott MacDonald in 2013-14 (NISM, 2014). The survey among other things studied the various components of financial literacy like financial attitude, financial behaviour and financial knowledge as well as the various components of financial inclusion like banking products (savings and non-saving), insurance products, capital market products, pension related products and commodity market products.

The second FLIS was conducted by Development and Research Services Pvt. Ltd. (DRS) on behalf of NCFE in 2018-19. The survey instruments and methodological approach followed in 2018-19 survey are broadly comparable with those of 2013-14 survey (NCFE-FLIS, 2019). The Financial Literacy (FL) measures and Financial Inclusion (FI) measures used in analysing the survey result are based on OECD guidelines. Accordingly, a person is regarded financial literate if he has a combined score of at least 15 out of 22 with a minimum of 3 out of 5 in financial attitude, 6 out of 9 in financial behaviour and 6 out of 8 in financial knowledge. Similarly, since financial inclusion relates to the access, usage and knowledge of banking and non-banking products and services, a person is considered financially included if he/she has a combined score of at least 8 out of 22 with a minimum score of 2 out 3 in savings related banking products and 6 out of 14 from non-banking products and services (NCFE, 2019).

The 2018-19 survey showed that the financial literacy in India stood at 27% which is an increase of 7% over the first survey results (TNN, 2020). Further, as per the 2018-19 survey, financial inclusion in India stands at 15% (NCFE, 2019).

4 NATIONAL STRATEGY FOR FINANCIAL EDUCATION (NSFE)

In 2011, SEBI proposed the drafting of a national strategy on financial education at the first meeting of the technical group of the sub-committee of the Financial Stability and Development Council (FSDC) on financial inclusion and literacy. This eventually resulted in the Central Government approving the first NSFE for the five-year period 2013-18. The first NSFE seeks to impart basic financial education, sector focused financial education and product education. The first NSFE also proposed to deliver financial education through various channels like school curriculum, social marketing, resource persons, adult education, self-help groups, micro finance institutions, integrated communication channels, helplines, etc. (NSFE, 2013).

The Second NSFE (2020-25) was developed by NCFE after a review of the progress made under the first NSFE between 2013 to 2018. The new strategy focuses on empowering various sections of the population to develop adequate knowledge, skills, attitude, and behaviour which are needed to manage their money better. The strategy also proposes a multi-stakeholder approach to achieve financial well-being of Indians. The strategy highlights nine objectives namely.

a) Achieve financial literacy through financial education.
b) Encourage active savings behaviour.
c) Encourage participation in financial markets.
d) Develop credit discipline and encourage availing credit from formal financial institutions.
e) Improve usage of digital financial services in a safe/secure manner.
f) Manage risk at various life stages through suitable insurance cover.

g) Plan for old age/retirement through coverage of suitable pension products.
h) Provide knowledge about rights, duties, and avenues for grievance redressal.
i) Improve research/evaluation methods to assess the progress in financial education.

In order to achieve the strategic objectives, the strategy recommends the adoption of a '5C' approach for disseminating financial literacy. These 5C's are: (a) content, (b) capacity, (c) community, (d) communication and (e) collaboration.

The strategy focuses on the development of relevant **content** for school children, teachers, young adults, new entrants at workplace, new entrepreneurs (MSME), senior citizens, illiterate people, persons with disabilities, etc. The strategy also focuses on developing **capacity** of various intermediaries (financial education providers) who are involved in providing financial literacy to others. The attempt of the second NSFE is to also evolve **community** led approaches for disseminating financial literacy in a sustainable manner. The strategy also focuses on using a wide variety of **communication** channels for disseminating financial education messages. Finally, the strategy focuses on enhancing **collaboration** among various stakeholders by adopting several measures like developing an information dashboard, integrating financial education content into the existing curriculum and on-going programmes, etc.

5 CONCLUSION

The NCFE was created by the Central Government and the various regulatory bodies for the purpose of disseminating financial education among the people of India. In the last decade NCFE has played a very crucial role in planning and implementing various financial education measures in India. It has through different agencies conducted two nationwide Financial Literacy and Inclusion Surveys. It has also developed and implemented two National Strategy for Financial Education for the whole country.

The two successive five-year National Strategy for Financial Education have been adopted by the Central Government for the purpose of improving the financial literacy and financial well-being of Indians. The first NSFE which was implemented during the period 2013-14 served as the basis for developing the NSFE for the period 2020-25. The second NSFE has recommended several flexible methods for empowering the citizens of India to manage their money in a better manner and to eventually achieve financial well-being. If those strategies are properly implemented, it will go a long way in improving the financial literacy rates in India.

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REGULATION OF CRYPTO CURRENCY IN INDIA: LEGAL ISSUES AND CHALLENGES

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***Abstract**: The current technological revolution has revolutionized money too. This has given rise to a new medium of exchange which is popularly known as 'crypto currency'. It is a mode of exchange which is available only in digital or in electronic form. They are also called as virtual currency which has been widely used these days due to increased privacy and lo transaction costs. In the light of its usage and considering the interest of its users around the globe and in India specifically, there is a need to deal with virtual currencies within the country and also globally. Their decentralized system of operation and its anonymous nature has given rise to the problem of legal regulation. It has also accelerated other menaces like money laundering, terrorist funding and tax evasion, which is required to be addressed at the earliest in order to prevent the risk. This paper analyses the legal issues and challenges faced in regulating crypto currency and also brings out few suggestions for its regulation in India.*

***Keywords**: Crypto Currency, Virtual, Regulation, decentralized, block chain*

1. INTRODUCTION

The financial industry and business have been remarkably disrupted by today's 'Digital World'. The wide use of internet has created a platform for doing business in a new way. The introduction of information technology has created entirely new and effective ways for doing business. The firms are using new methods of financial technology (Fintech) to provide their financial services. Artificial Intelligence, block chain, cloud computing and big data are the four key areas of fin-tech. Crypto currencies are designed to make financial services more accessible to general public. They are the medium of exchange that relies on a decentralized network that facilitates a peer- to- peer exchange of transaction which is secured by public key cryptography. Bit coins were introduced in 2009 by Santoshi Nakamoto. He described it as peer- to- peer electronic cash system. It is completely decentralized, meaning there are no servers involved and no central controlling authority. Crypto currencies like bit coins can be and is being used in number of ways like to buy goods, as an investment, mining, business transactions etc. With the level of growth that has occurred in the industry, greater attention is now being paid by Governments and other

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stakeholders around the world. Are becoming more and more mainstream. Law enforcement authorities, tax bodies and legal regulators worldwide are trying to understand the very concept of crypto currencies and where exactly do they fit in existing regulations and legal frameworks. Decentralised and anonymous nature of crypto currencies has also attracted various illegal activities. The authorities all over the world are worried about the use of crypto currencies in money laundering, terrorist funding and tax evasion schemes. Crypto currency is also used in controversial settings in the form of online black markets, such as Silk Road. Crypto currencies such as Bitcoin completely banned in countries such as Bangladesh, Bolivia, Ecuador, Kyrgyzstan and Vietnam. Countries like Japan and Sweden have taken steps to regulate crypto currency by declaring Bitcoin as a legal tender. As USA has the highest number of Bitcoin ATMs and also the highest Bitcoin trading volumes globally, the usage of crypto currencies is not illegal as of yet, but the laws and regulations can vary drastically depending on the state or the country. A lot of challenges are going to come up with the emerging trends in the field of digital currencies at an extensive rate. The legal fraternity should be well prepared with the possible issues and try to foresee most of them coming and also build capabilities to resolve most of them. It is vital that the legal issues are addressed by the legislators before the judiciary is bombarded with numerous lawsuits involving crypto currencies.

2. DISCUSSION

2.1 Legal Issues on Crypto Currency

2.1.1 Crypto Currency: Currency or Commodity-

Money is considered as a medium of exchange and it is not considered as goods. It serves three main distinct functions like it is a medium of exchange that facilitate the exchange of goods. It is a unit of account where we compare the costs and services over time and between merchants. In this regard money is the yardstick against which prices are measured; it is a store of value that stays stable over time. Money has to be able to be stored and spent on a later period in time, while retaining its value. For it to retain its value it is important that the value does not fluctuate heavily. Likewise crypto currency score high on the function medium of exchange. They exist in a purely digital form; therefore they are by definition non-perishable. Crypto currencies are highly divisible and fungible. There are no transport costs as opposed to gold and cash, since transactions happen on the internet. Finally are they unable to be counterfeited due to the technical architecture and use of cryptography. Unlike money the value of crypto currencies is highly volatile at the moment making it unsuitable as a unit of account at the moment. Crypto currencies can be stored very well and do not perish due to their digital nature.

Thus, from the point of view of economics, a thing capable of fulfilling all these three functions would be regarded as money, no matter what its legal nature. However, a crypto currency like Bit coins faces a structural economic problem. If such crypto currencies becomes successful and displaces sovereign fiat currencies, it would exert a deflationary force on the economy since the money supply would not increase in concert with economic growth. Bit coin shares many similarities with gold. First of all, neither is overseen by a single government. Second, Bit coins and gold both have limited supply, whereas currencies can always be printed by their respective governments. Finally, with respect to the concerns over fluctuation, the price of gold fluctuates much more than the price of currencies, as demand against the finite supply fluctuates, just like crypto currencies. From a legal perspective, a crypto currency fulfils the requisites of definition of a commodity according to U.S. law. Also, crypto currencies are tangible, even if they are not physical coins nor in the actual possession of the investors. In sum, the classification of Bit coin remains a contentious subject. In light of the foregoing, there could be as many classifications as there are uses of Bitcoin. Government regulators should provide guidelines on exactly how each regulatory framework will apply and co-exist without hindering the promising growth potential of this innovative financial platform.

2.1.2 Impact on Tax Regime-

Legal characterization of crypto currencies is the key in determining its tax consequences. The main distinction is whether crypto currency is a commodity, in which case capital gains rules apply or a currency. Crypto currency transactions are subject to tax like any other asset or currency. Crypto currency transaction may attract capital gain tax, income tax, transaction tax etc. Even if crypto currency transaction is void and illegal, the tax law is empowered to charge taxes on such transactions. In March 2014, the Internal Revenue Service in the United States ruled that Bitcoin will be treated as property for tax purposes as opposed to currency despite knowing that Bitcoin functions as a medium of exchange, a unit of account, and store of value and operates like real currency in some environments. This means Bit coin will be subject to capital gains tax. Globally, some countries have focused on which category Bitcoin should fall under. Canada came to the conclusion that, in the absence of a legal tender, Bitcoins cannot be considered as currency and should be treated as commodity for tax purpose. Countries like Germany and U.K have decided to adapt their tax system based on economic viability. Germany recognizes Bitcoin as an equivalent to private money and thus gives tax regulation of a currency. Thus, cryptocurrencies may be considered as a medium of exchange, a negotiable instrument, a property or a subject of the contract. Thus may depend upon the nature of transaction and the power of legislation to tax such transaction.

2.1.3 Crypto Currency and Consumer Protection-

The crypto currency transactions are based on trust on peers, promoters and the system. Bit coin transactions are risky due to the absence of basic consumer protection, such as the provision of refunds arising from disputes between merchants and customers. In case of any breach, the victim may not be able to produce acceptable legal evidences for recovery of the damages. Most of the information related to crypto currencies focus on the shortcomings of the system. The crypto currency uses principles of information technology and hence most of the possible disputes involve IT related offences such as hacking, digital licenses etc.

Apart from this, other legislations that may be relevant are consumer protection law, contract law, laws related to money laundering, intellectual property law and banking laws. Various estimates show crypto currency crime is on the rise, keeping pace with the market's rapid growth. It forces investigators to focus on high-profile cases, security professionals and officials say, effectively leaving small investors to their own devices. People are encouraged to report crypto currency theft to local police like any other crime, saying failing to do so only emboldens criminals. Yet because many victims simply do not see the point, crypto currency theft is far more common than any published estimates suggest, according to the security professionals.

Currently, crypto currencies are operating in a sort of regulatory vacuum. Many newspapers articles have attempted to highlight the various consumer risks pertaining to crypto currencies. Japan witnessed such risks with loss of $6 billion worth of Bit coin due to the hack of Mt. Gox. Also, in case of any crypto currency fraud, the victim is clueless as there are no remedies available. Due to anonymity, it is difficult to figure out the perpetrator. Thus, suspect as well as the jurisdiction is unknown because of the absence of any dedicated legislation or regulation. If consumers need for protection, it stems from the informational inequity; it seems more than relevant to provide them with guidance on the strengths and weaknesses that accompany crypto currencies, and to warn them of the risks associated with it.

2.1.4 Crypto currency driven illegal activities-

Crypto currencies are used for money laundering, tax evasion, terrorist funding and political funding. It appears that crypto currencies are better suited for this objective than cash. Crypto currencies such as bit coins generally lack legal tender status and their broad acceptance does not require any obligation on any government or country. Due to lack of regulations and oversight, crypto currencies lack consumer protection. Crypto currencies are being used for money laundering because they provide considerable anonymity, especially when used together with the TOR system. Further to that, they are global, easy to store and at the same time very difficult to be accessed to by unauthorized persons, since it is possible to use sophisticated encryption methods, the so called "wallets". Bit coins are a favorable means of payment for hackers. On the black market, they are used to pay for drugs, pornography, counterfeited documents as well as weapons and ammunition.

From this perspective crypto currencies are like a super tax haven; no taxation and complete anonymity, but also the added benefit of not being dependent on a bank. Crypto currencies possess the two most important characteristics of a traditional tax haven. First, because there is no jurisdiction in which they operate, they are not subject to taxation at source. Second, crypto currency accounts are anonymous. Users can start as many online wallets as they want to buy or mine Bit coins and trade them without ever providing any identifying information. Significantly, Bit coin offer one additional major advantage to tax-evaders that traditional tax havens do not: the operation of Bit coin is not dependent on the existence of financial intermediaries such as banks. Bit coin is exchangeable peer-to-peer by definition. Bit coin thus seems immune to the developing international anti-evasion regimes. In cyberspace, financial institutions the emerging agents of tax collection are taken out of the picture. Thus, crypto currencies have the potential to become super tax havens.

Given their transaction anonymity and user-friendliness, crypto currencies appeal to extremist groups as they offer a viable alternative to the mainstream financial system and fiat money. Bit coins and similar crypto currencies have become attractive to terrorists who see them as a means to solicit donations, purchase or sell weapons in the dark web and move funds globally to boost their financial capacities. Anti-terrorism activist Ghost Security Group had previously disclosed that the 2015 Charlie Hebdo attack in Paris was funded by Al Qaeda in the Arabian Peninsula (AQAP) through Bit coin financing. The group has uncovered several

Bit coin funding sites exploited by IS supporters on the dark web with a digital wallet containing $3 million in Bit coin value believed to have been used to finance the terror operation.

As crypto currencies such as Bit coins are finding greater acceptance in the commercial world, an increasing regulatory oversight and enhanced law enforcement scrutiny of its usage is incumbent. Authorities need to harness the potential of crypto currencies and understand its mechanism to facilitate earlier detection of terror financing, tax evasion and money laundering. Failure to do so would allow the unconstrained development of a potentially major financial apparatus waiting to be fully exploited by cyber-driven terrorism and corruption.

2.2 Legal Regime on Crypto Currency

In India the usage of crypto currencies is not barred but there is no right to seek readressal or remedies for matters involving crypto currency. Crypto currencies have not been recognized as currencies by the RBI, and no specific laws or laws related to crypto currencies have been introduced in India till date. Due to the lack of a clear legal definition of crypto currencies, crypto currencies are currently regulated by various requirements of applicable law. Crypto currencies may fall under the definition of "computer program" under the Indian Copyright Act of 1957. This is a set of instructions expressed in other formats, including computer-readable media, including words, codes, schemas, or a computer that completes a specific task or achieve particular results. In addition, crypto currencies can almost certainly be classified as intangible "goods" under the Sale of Goods Act of 1930.

However, crypto currency taxation is still in the grey area, and there is even more uncertainty about the crypto currency regulatory environment. From the point of view of currency control law, the purchase of crypto currencies by Indian residents can be regarded as importing software or computer programmes into India. This requires compliance with applicable exchange control laws, including RBI's policies regarding importing goods and services. Regarding substances manufactured in the intangible form in India. RBI also manages "payment systems" and "prepaid equipment" that require RBI pre-approval and compliance with relevant RBI regulations/instructions. However, crypto currencies may not be classified as payment systems as long as they are not recognized as a payment system that can settle payments between payers and beneficiaries and have insight into the constant fluctuations in the value of crypto currencies. However, the use and trading of crypto currencies protect the information sensitive personal data. Each of the crypto currencies requires the use of crypto currencies to comply with the principles required under the protection of information. It can raise privacy concerns, such as knowing how to handle it.

Crypto currency under Indian law can be analysed in accordance with different subject matters as follows-

2.2.1 Payment & Settlement Systems Act, 2007:

This act gives RBI the power to certify any kind of pre-paid payment instrument. The RBI defined 'Pre-paid Payment Instrument' as: "Payment instruments that facilitate purchase of goods and services against the value stored on such instruments. The value stored on such instruments represents the value paid for by the holders by cash, by debit to a bank account, or by credit card." With respect to crypto currency, it is observed that crypto currencies are not stable and fluctuates on a regular basis. Also, they may or may not be accepted as a means to facilitate purchase of goods and services, since it does not fulfil the requisites of a 'Prepaid Payment Instrument'. Hence, it cannot be categorized under the purview of the Payment and Settlement Systems Act, 2007.

2.2.2 Negotiable Instruments Act, 1881:

As per section 13 of this act a negotiable instrument is "a promissory note, bill of exchange or a cheque payable either to order or to bearer." Hence, it is clear that a crypto currency does not have the characteristics to be included within a promissory note, bill of exchange or a cheque. And, thus, its specifications are not sufficient to be included under the scope of this Act.

2.2.3 The Coinage Act, 2011:

According to section 2 (a) of The Coinage Act, 2011 "coin" means any coin made of metal or any other material which is recognized as legal tender and stamped and issued by the Government or any authority empowered by the Government for this purpose which includes one-rupee note issued by Government and a commemorative coin." However, the term "coin" expressly does not include postal orders, credit and debit card and e-money issued by any financial institution, post office or bank. Therefore, Bitcoins are not coins as per Coinage Act, 2011 and hence are not covered by it.

2.2.4 Securities Contracts (Regulation) Act, 1955:

Section 2 (h) of Securities Contracts (Regulation) Act, 1956 defines the term "securities". On critical analysis of this provision, it is observed that cryptocurrencies such as Bitcoins are beyond the ambit of sub-clauses mentioned under this section. The only means by which a cryptocurrency can be included within the term "securities" is by using the sub-clause (ii) (a), which grants the Central Government the authority to declare certain instruments as securities. But, currently, the Central Government does not consider cryptocurrencies as legal tender and neither has it been given any due recognition. Thus, it does not fall under the above Act as well."

2.2.5 Reserve Bank of India Act, 1934 (RBI Act):

The only manner for inclusion of crypto currency within the sphere of the RBI Act, 1934 is upon its scrutiny with respect to the definition of derivative. A crypto currency fulfils the first part of the definition, coming under the term instrument and having its value derived from a change in combination of several factors. But, the factors mentioned in the definition have no bearing upon the value of a crypto currency. Its value, i.e., its price goes higher upon its increasing demand, along with other factors like its recognition or it being declared illegal also affects its value. Thus, if crypto currencies are interpreted under the category of a variable of like nature, then only the RBI Act, 1934 deem to include them within its scope under the definition of a derivative.

2.2.6 Foreign Exchange Management Act, 1999 (FEMA):

None of the Indian statutes interpret or define crypto currencies. Therefore, to evaluate the status of crypto currency, the definition of currency is to be looked under section 2(h) of Foreign Exchange Management Act, 1999. After a close and critical analysis of the given definition, it is observed that cryptocurrencies do not fit within any of the instruments in the given definition, but it does not exclude the possibility of the same being notified as currency by the Reserve Bank. However, until that happens, the situation has to be viewed from the fact that Japan has declared Bitcoin as a legal tender in its country and thus, any currency other than the Indian one will have to be considered as Foreign Currency under the FEMA and will have to comply with the rules and guidelines set under it.

2.2.7 The Indian Copyright Act, 1957:

Cryptocurrencies can be co-related with The Copyright Act, 1957under the definition of "Computer Programme". According to section 2(ffc) of the Copyright Act, 1957, a computer programme is "a set of instructions expressed in words, codes, schemes or in any other form, including a machine readable medium, capable of causing a computer to perform a particular

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task or achieve a particular result”. Hence, if cryptocurrencies are analyzed in a broad manner, then according to the above definition, which includes a set of instructions expressed in codes or any form will be sufficient enough to bring cryptocurrencies within its purview.

2.2.8 Information Technology Act, 2000:

The Information Technology Act, 2000 has a term called asymmetric crypto system within its sphere. Cryptocurrencies functions by the issuance of a private key to each owner and holder of a cryptocurrency. Thus, it is intelligible that cryptocurrencies can be assessed and used as a part of the IT Act, 2000 under the definition of the expression “Asymmetric Crypto System”.

2.2.9 General Clauses Act, 1897:

Section 3 (36) of the General Clauses Act, 1897 defines a movable property as “a property of every description, except immovable property.” Also, immovable property has been defined under section 3(26), i.e. “immovable property shall include land, benefits to arise out of land, and things attached to the earth, or permanently fastened to anything attached to the earth.” Thus, a cryptocurrency fulfils the requirements to fit within the definition of a computer programme, but, the same cannot be categorized under the definition of an immovable property. However, it can easily be included under the definition and be treated as a movable property within the General Clauses Act, 1897.

In the case of The Central Warehousing Corporation v. Central Bank of India Ltd.[1], it was held that “money can be considered as a movable property under section 3(36) of General Clauses Act.” Hence, money can be considered as a movable property and also cryptocurrency fulfils the requisites of movable property as per section 3 (36) of the General Clauses Act, 1897. Thus, upon the usage of mathematical equation, it can be concluded that cryptocurrency is a form of money. However, no Indian laws explicitly address this issue, which leads to ambiguity regarding the legal status of cryptocurrencies.

3 RECENT PROSPECTS ON CRYPTOCURRENCY

The Union Government has recently discussed a ban on private cryptocurrencies in a new bill, "Cryptocurrency and Official Digital Currency Bill Regulations, 2021. The New Bill addresses the challenges of cryptocurrency regulations and proposes a total prohibition on all private cryptocurrencies. With the amendment to companies Act 2013, the Government of India instructed that companies have to disclose profit and loss on transactions involving cryptocurrency, the amount of holding and details about deposits or advances from any

[1] AIR 1974 AP 8

person trading or investing in crypto currency. The holder of any virtual currencies should declare the number of holdings, details of deposits and advances from any person for the purpose of trading or investing in cryptocurrency. Today income transfer of any virtual asset is taxed at the rate of 30%. In addition to it is suggested that transactions involving cryptocurrencies be subject to 1% tax deduction at source.

4 CONCLUSION

Cryptocurrency is catching the new technology wave. Its increasing importance is within the thanks to deal with the upcoming era of the digital revolution. Although there are a variety of risks involved with this digital currency, still billions of dollars invested in it thanks to its permanent transparency, traceability, low transaction cost, no processing fees and status profits. The current draft of the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 ("draft Bill"), among other things, seeks to ban all private cryptocurrencies in India. However, it is pertinent to know that the whole crux of the cryptocurrency ecosystem is that it has decentralized. Many exchanges are managed to remain alive through peer to peer and crypto to crypto trade without the intervention of a middleman. This may include explicit legal provisions regarding the abuse of cryptocurrency mechanisms. Since cryptocurrencies are implemented via the blockchain, their verification methods are also transparent. However, India also faces some challenges related to cryptocurrencies, such as identifying illegal transactions. This information remains sensitive in other cryptocurrencies such as Bitcoin. Currently, the number of trades executed over cryptocurrencies is increasing. With its growing popularity in India, cryptocurrencies can bring many benefits to India with a better legal environment and regulations. . Indian government should take necessary steps to manage such digital currency, which is the way forward for profitable business and productiveness of the economy

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A STUDY ON ROLE OF ARTIFICIAL INTELLIGENCE IN FINANCIAL LITERACY

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Abstract: *Financial literacy is known as the capacity of a person to understand and apply financial skills such as managing money, budgeting, or investing. Only 27% of Indians believe that they're able to make sound financial decisions. The financial structure of a rural area is crucial to its economic success. Since India gained independence, Asian leaders have worked to reduce poverty, transform the country into a dynamic, self-sufficient global economy, and instill financial literacy in every citizen. Indians have a long history of being frugal savers. A growing body of research has looked at how financial literacy affects a person's income, saving habits, and use of different financial products. The most revolutionary technological development in the 21st century is AI. Almost all sectors in the economy have been covered, including manufacturing, transport, health care and banking. It has transformed the monetary transaction landscape in several fields, including personal finance. Artificial intelligence is evolving to shape people's spending habits, and in some cases, it is empowering financial freedom. To serve people better in their financial management, AI may be able to automate time consuming processes, enhance and supplement human intelligence. The users who would like to increase their savings and improve their financial decisions are being assisted by AI powered saving tools and applications. AI systems will analyze customers' purchasing patterns, make cost forecasts and automatically reduce costs. Free budgeting and portfolio management tools are offered on the financial dashboard using artificial intelligence technology. The drawback of reaping the benefits of AI lies in the successful implementation of AI in every part of the country. Rural populations make up 75% of India's -population, which has been a blessing and a curse for the use of AI. Financial literacy among urban households using smartphones to carry out their daily activities, even though they are not financially literate, is a second pressing problem. Financial literacy is an essential condition for India's journey toward financial inclusion, since more than 73% of Indian adults are not proficient in basic financial concepts according to the National Centre for Financial Education.*

According to the National Payments Corporation of India's monthly data, the largest number of transactions was recorded in December 2022, amounting to approximately 7 billion Indian rupees, or more than INR 12 trillion. The citizens are prevented from using artificial intelligence and other technology due to their lack of money literacy. Contrary to popular belief, rural people are not afraid of technology; they perceive language barriers as the devil rather than technological obstacles. The gaps in financial illiteracy and access to financial services can be bridged by Artificial Intelligence applications so they are able to automatically increase financial literacy. By using analysis in a country's particular context, the introduction of finance relevance and artificial intelligence education will aim to develop fundamental knowledge. The increasing gap between the number of FinTech services and rural populations will be addressed by AI applications. The relationship between financial literacy and the awareness and uptake of financial technology (fin-tech) goods, i.e., financial products offered via web-based and mobile-based platforms, has not been studied, though, yet. This study attempts to understand the role of AI- Artificial Intelligence in the Financial Literacy in developing nations like India. And the way artificial intelligence could help India's citizens with financial literacy will be highlighted in this paper.

Keywords: *Financial literacy, Financial illiteracy, Artificial Intelligence, Financial decisions, Financial products*

1. INTRODUCTION

The last few years have seen an explosion in the use and adoption of artificial intelligence (AI), which has nearly impacted every industry from health care to finance manufacturing. It has become a game changer in many industries and has transformed many aspects of everyday life. The most revolutionary technological development in the 21st century is AI. Almost all sectors in the economy have been covered, including manufacturing, transport, health care and banking. It has transformed the monetary transaction landscape in several fields, including personal finance.

The term financial literacy refers to the ability of a person to understand and the ability to make use of variety of financial skills and financial knowledge to make better financial decisions like personal financial management, budgeting, and investing. Going from empirical statistics India contributes to around 17.5% t the world population but nearly 76% of this population does not understand the basic financial concepts. Hence this created a huge market for AI, since AI products and their applications are so easy to use,

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it makes the learning process easier. Finance is a vast domain and the things involved are so complicated making things difficult for a common man to understand.

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The gaps in financial illiteracy and access to financial services can be bridged by Artificial Intelligence applications so they are able to automatically increase financial literacy. By using analysis in a country's particular context, the introduction of finance relevance and artificial intelligence education will aim to develop fundamental knowledge. The increasing gap between the number of FinTech services and rural populations will be addressed by AI applications.

2. REVIEW OF LITERATURE

Previous literature findings related to the title is presented here

SI. No	AUTHOR	YEAR	OBJECTIVE	FINDINGS
1.	Annamaria Lusardi	2019	Financial literacy and the need for financial education: evidence and implications	Financial literacy should be seen as a fundamental right and universal need, rather than the privilege of the relatively few consumers who have special access to financial knowledge or financial advice. In today's world, financial literacy should be considered as important as basic literacy, i.e., the ability to read and write. Without it, individuals and societies cannot reach their full potential.
2.	Sudeshna Thavva	2021	A Study on Financial Literacy and Financial Behavior	Financial literacy has been recognized as a key skill for individuals who are embedded in an increasingly complex financial scenario. Financial literacy helps individuals make more assertive and efficient decisions in the monetary context of their lives. This paper measures the level of financial literacy of individuals and analyses the relationship between financial literacy and financial behavior.

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SI. No	AUTHOR	YEAR	OBJECTIVE	FINDINGS
				The results of the research show that individuals have a reasonable level of financial literacy. On analyzing the financial behavior of individuals, it was found most of them exhibited moderately positive financial behavior.
3.	Corbin Hudson	2018	Applications AI in fin-Tech industry	Finance companies which adopt AI will enhance their activities in operations, marketing, sales, customer experience, revenues and overall development.
4.	Anna Jacobson	2017	Highlighting the best fi n-tech podcasts.	Payments move further away from banking. Meet the customer "where they are at". Payments embedded in chat, social media, mobile etc.
5.	Ross Campbell	2016	Importance of fin-tech helps in teaching people about money and finance	Fin-tech programs teach children vital skills that they can continue to hone as their access to money and the marketplace increase. They will grow into financially-sound teens and adults, adding to their financial knowledge as the years go by.

3. OBJECTIVES OF THE STUDY

a) To understand the relation between AI and financial sector.

b) To study how AI is supportive to the financial sector.

c) To understand how AI guides for better investment decisions.

d) To study various AI tools for managing personal finances

e) To identify the ways that financial literacy affects wealth management of an individual

4. RESEARCH METHODLOGY

The research study is conceptual in nature for the most part. The study is mainly based on secondary data. In order to comprehend the role of AI-Artificial Intelligence in the financial sector, which enhances financial literacy, data from numerous research publications, websites, and papers are gathered here. This Study mainly focuses on the importance of financial literacy in relation to AI in the financial sector.

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5. DISCUSSION

Financial literacy

Financial literacy is the capacity to comprehend how the financial system functions and then apply that understanding to participate in it actively and successfully. That entails having knowledge of both routine and significant financial areas of life, such as money management, saving, budgeting, and investing. Financial illiteracy is the absence of these abilities.

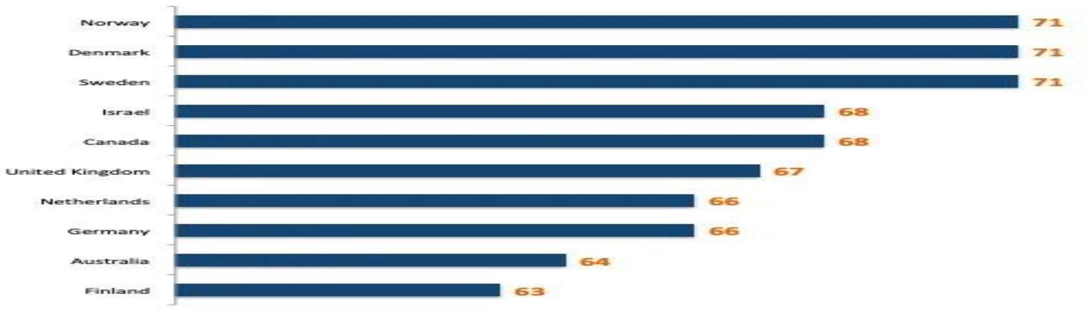
An opportunity to invest, manages debt, get on the housing ladder, and prepare for - and finally enjoy - retirement can easily be lost to someone who lacks financial literacy. Their capacity to pay for healthcare may be affected. Additionally, because they are less aware of the numerous methods that individuals are attempting to swindle them, they may even discover that they are more vulnerable to scams.

Many people are aware of the problem of financial illiteracy. Between 60% and 70% of Americans claim they are aware of the need to improve their financial stability, but they are unsure of how to proceed.

The figures on the present level of financial literacy are sobering.

- In the US, 66% of people are unable to respond to inquiries regarding interest rates, inflation, mortgage rates, and other such topics, and this percentage appears to be rising.
- Nearly two-thirds of individuals in New Zealand claim that it is "too hard" to determine the type of insurance they require.
- Nine out of ten Britons believe they lack basic financial literacy.

Top 10 Countries that are Financially Literate



Pic No -1 showing the financial literacy of 10 countries (Source- Internet)

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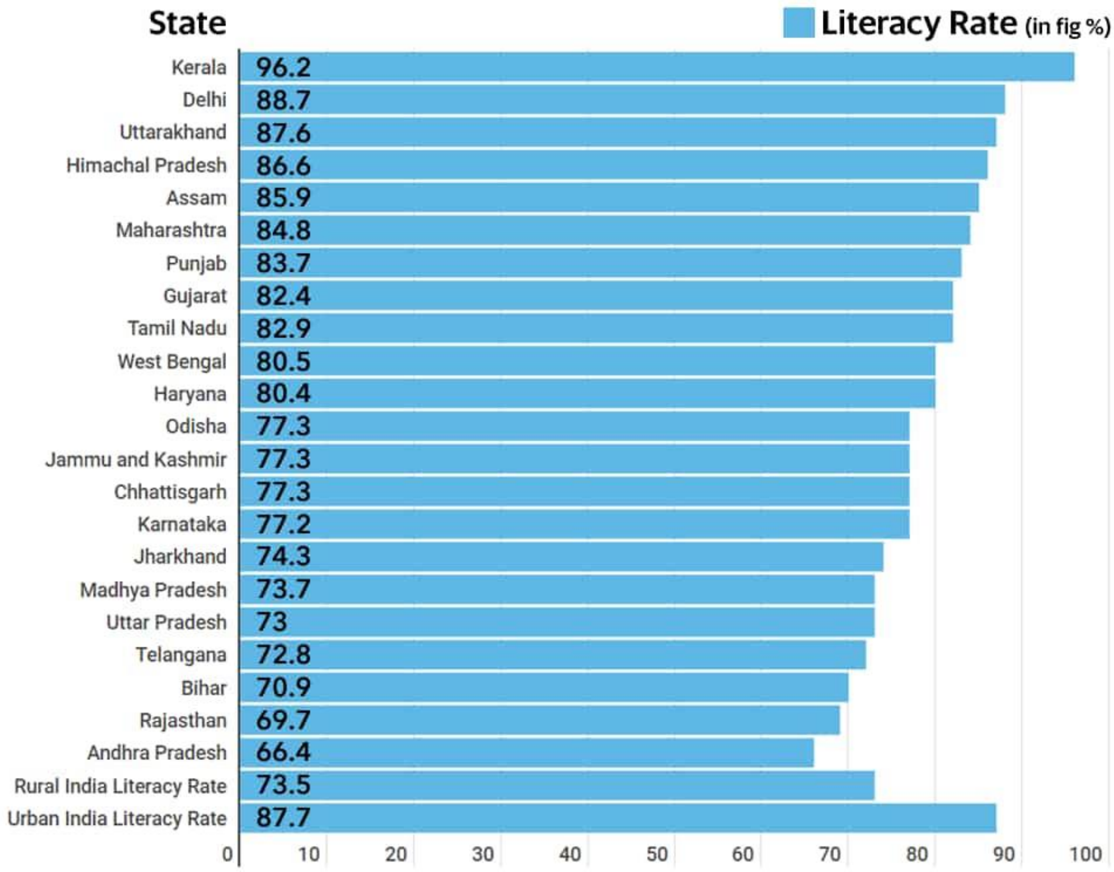
India is ranked 23rd Place for financial Literacy Only 27% of Indian adults – and 24% of women meet the minimum level of financial literacy as defined by the Reserve Bank of India. As per March 2022



Pic No -2 showing the financial literacy of all the states of India (Source- Hindustan Times)

Need For Financial Literacy in India

The importance of financial education will have a long-lasting effect on a population of 1.3 billion people. There is no question that all students in Indian schools need to have a mandated financial education. The government has implemented programs over time to raise the low literacy rates. However, the lack of implementation is the basic issue with all the started programs. Spending by the government on financial education would provide better results. The key to effective human capital building is financial literacy

Financial illiteracy should be developed early in life.

Unfortunately, inadequate financial literacy begins before maturity. It is undoubtedly a challenging issue to resolve since it involves attempting to teach young people skills that

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they perceive to be fairly uninteresting and that they won't actually need until they are independent adults.

Only one-third of US states mandate that high school students take a personal finance course. When people reach adulthood and these things start to matter, they have a lot of catching up to accomplish. The issue is that by the time people reach that age, it is often anticipated that they have a working knowledge of finance. And if they do not, it gets quite challenging to seek for assistance.

Decoding the Importance of Financial Literacy for Students

The significance of financial literacy for students means that having a fundamental knowledge of finances is crucial. Any educational strategy requires to continually expanding upon what children have already learned. The same is true of in the financial situation. Students need to know how money works before they spend any. This calls for patience and meticulous execution. We have learned the value of money too late in life, or what it means to be in debt, for too many of us.

Start early:

According to research, children's views about money are fully formed by the time they are seven. Therefore, add financial education into the curriculm starting in preschool.

Implement what children have learnt.

It has been proven that the most successful learning occurs when in class and experience Learning is combined.

Parents may establish a school savings bank, encourage student organisations to create Bank accounts, or instruct kids in budgeting. Make the most of commonplace events. When paired with anopportunity for the young person to put the information into practise, financial education may be very helpful.Students reaching the age of eleven, for instance, might benefit from more in-depth instruction on banking and saving. Like other subjects of study, financial education offered in schools will be most effective with parent involvement. Encourage students and parents to work together on their learning at home by inviting parents to engage in practical financial education activities.

AI Powered tool that can be used by students – ZuPay

Teenagers may learn about investing using ZuPay. ZuPay makes investing for minors simpler by enabling them to do so in stocks, mutual funds, and more.

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Features of Zupay

- **Simple to Use:** ZuPay is really easy to use, so start saving and investing with us right now. Being an expert may happen quickly.
- **Gamified Learning:** ZuPay uses a hands-on, game-based approach to education that helps student's master complicated material.
- **Safe & Reliable:** ZuPay will handle your data responsibly. ZuPay was created in collaboration with the top security companies, guaranteeing simple trust!

Parents may trust their children with ZuPay thanks to an app that enables them to track their development. Children and parents may work together to accomplish goals and build the most intelligent family that is financially independent.

AI is altering the financial practices of Generation Z

According to a poll conducted by the TIAA Institute and the George Washington University School of Business, Gen Z has the lowest level of financial literacy across all generations. Compared to the norm of 55%, just 43% of Gen Z respondents correctly answered the majority of the questions. There were 3,035 participants in the poll. But compared to earlier generations, Gen Z may be more financially savvy at their age. One in five members of this group is already using automatic savings programs, according to research by Cornerstone.

According to a 4,000-person online Investopedia study conducted in 2022 between January 27 and February 7:54 percent of Gen Z individuals have investments of some form. One in ten Gen Z individuals and over a quarter of those who buy equities and cryptocurrencies also wn NFTs. Gen Z is the generation that is most certain about spending and saving.

More Gen Z people with incomes over $50,000 (57%) than those with incomes under $50,000 (39%) are likely to feel confident in their financial expertise. One-third believe they are only beginning to understand the fundamentals of money management, such as paying taxes and taking on debt.

Long-term investment gains might not be the hook that lures Gen Z into financial literacy just yet because they are still in the early stages of adulthood. However, a lot of fintech companies are enticing this demographic to save by taking a look at short-term lifestyle objectives (like saving for holidays) and then moving backwards with the use of AI and customized tool and service suggestions.

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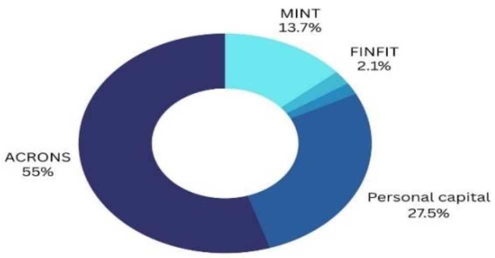
AI tools for managing personal finances

The advancement of financial literacy can benefit from technologies that use artificial intelligence (AI).

- **Budgeting and financial planning:** AI-powered applications may assist people in setting financial objectives, tracking costs, and creating and managing budgets. These programs analyse spending habits and provide suggestions based on previous behaviours using machine learning algorithms. These tools include Personal Capital, Pocket Guard, and Mint, as examples.
- **Investing:** Algorithms are used by AI-powered investing products to analyse market trends and provide investment advice based on user preferences and risk tolerance. Wealthfront, Betterment, and Robinhood are a few examples.
- **Credit score monitoring:** AI-powered credit monitoring solutions can assist people in keeping track of their credit scores and discovering any negative influences. Experian and Credit Karma are two examples.
- **Detection of Frauds:** AI-powered fraud detection systems can assist people in spotting possible fraud or identity theft cases. These technologies analyze activity patterns and look for any red flags using machine learning techniques. LifeLock and ID Shield are two examples.



MINT - 1000000(2.04%)
Fin Fit - 150 000(1.73%)
Kray tech - 127000(1.73%)
Personal capital - 2000000(54.51)
Acrons - 4060000(54.51%)
Total users - 7337000(100)

Pic No 3: Showing the pie chart of users of AI Powered tools

AI is Providing Personalized Guidance to make Smarter Decisions

AI may assist people in managing their personal finances by offering individualized information and advice based on their spending patterns and financial objectives. AI-based solutions are able to keep track of expenditures, recommend places where consumers might save costs, and spot investment prospects. Personal financial management may be made simpler and more effective by using AI to automate chores like paying bills and choosing investments.

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AI may notably aid finance students since it can provide them insights into the state of the market and do real-time data analysis, which can lead to smarter judgements. Edu board fills this need by offering writing assistance on a variety of subjects, including accounting, finance, business, and economics. This enables students to rapidly acquire assistance with their research projects and homework assignments.

Learning experiences that are personalized based on each Individual learning preferences and development are possible with chatbots and educational applications that are AI-powered.

- **Interactive Learning:** By delivering interactive learning experiences that are catered to human requirements, AI-powered chatbots can increase the engagement of financial education.
- **24/7 Access:** People may have 24/7 access to materials for financial education thanks to AI-powered educational tools. This can assist in removing obstacles to and increase accessibility of financial literacy education for everyone.

In general, AI-powered solutions can give people useful information and insights that will enable them to make better financial decisions and increase their financial literacy.

AI: The Personal Finance of the Future?

In the area of personal finance, AI is a technology that is becoming more and more crucial. It may be used to detect fraud, give individualized advice, and automate operations. Additionally, it can aid in budget management and the setting and monitoring of financial objectives. The role of AI in managing personal finances will only increase as the technology advances.

By providing people with a full perspective of their finances and helping them to comprehend how all the moving parts work together, financial technology may also be utilized as a teaching tool. AI can automate time-consuming processes and enhance and augment human intelligence.

How financial literacy is related to Wealth Management?

Wealth management depends heavily on financial literacy since it has a direct impact on people's capacity to make wise financial decisions. Financially literate people are better able to manage their money because they have a better comprehension of financial principles.

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Ways that financial literacy affects wealth management?

- **Better Investment Decisions:** Financially aware people are more likely to choose investments that are in line with their financial objectives. They are aware of the dangers and potential rewards of various investing possibilities and are able to make judgements based on their understanding.
- **Debt management:** People who are financially educated are better aware of how debt functions and how to handle it successfully. They are aware of how to set up a budget, make on-time payments, and stay out of debt.
- **Retirement Planning:** Effective retirement planning is made possible by financial literacy. They are capable of making wise judgements about retirement accounts like 401(k)s and IRAs because they are aware of the value of starting to save and invest early in life.
- **Avoiding Scams:** People who are financially savvy are better able to steer clear of financial fraud and scams. They are able to spot warning indications and take precautions against financial fraud.
- **Financial Confidence:** People who are financially aware are more assured in their capacity to handle their money wisely. They can make wise financial judgements and take measured risks, when necessary, because of their confidence.

Overall, wealth management depends heavily on financial knowledge. It helps people to prepare for the future, make educated decisions, and stay away from financial mistakes that might jeopardize their financial stability.

Personal Finance management is linked to wealth management

Wealth management and personal finance management (PFM) are two significant ideas that are interconnected. PFM stands for personal financial management, which encompasses retirement planning, budgeting, saving, and investing. The process of managing wealth, on the other hand, includes, among other things, managing investments, taxes, and estate planning.

The key to accumulating and preserving money over time is effective PFM. By effectively managing your personal finances, you may increase your savings, invest your money, and stay out of debt, all of which help you accumulate wealth. While wealth management aims to maintain and increase wealth over time. This entails managing investments to maximize profits while lowering risk and making sure those taxes are minimized.

PFM, in a nutshell, serves as the cornerstone for wealth management. You may build up wealth by efficiently managing your personal money, which can then be managed and increased through wealth management tactics. But long-term financial success might be challenging to attain without a strong PFM foundation.

What role does AI play in wealth management?

In the field of wealth management, AI is making a lot of improvements that benefit both customers and businesses. Here are some examples of how AI is helpful in wealth management to put things in perspective:

- **Getting to know customers better:** In wealth management, advisers must consider a variety of aspects and make recommendations in accordance with those considerations. Wealth management using AI enables advisers to better understand their customers rather than just categorizing them as conservative or aggressive investors. Additionally, AI generates pertinent social signals that help advisers understand the present and future requirements of their clients.
- **Personalized recommendations:** These are essential since no customer wants generic goods. AI assists advisors.

Need of Future advancements of Artificial Intelligence:

- Artificial intelligence promise to give the wealth management world a second big bang. The current uses are simply the beginning of the significant disruption that AI will bring to this industry.
- Only a small portion of Indians nowadays are capable of managing their riches. Every investor may manage their fortune, or at least start with it, with AI-based wealth management tools.
- Investors will ultimately become aware of the value of financial planning and wealth management and contact businesses as financial literacy rises in India.
- AI is the only way these businesses can satisfy the increased demand. We should be ready for further applications of AI in the financial sector.

AI Can be the next Financial Guru

By utilizing its capacity to collect and analyze enormous volumes of financial data and offer smart suggestions for investment strategies, AI has the potential to become the new financial guru. Artificial intelligence (AI) has the ability to examine trends, patterns, and other types of data that people would ignore or miss, which can result in more precise forecasts and wiser financial choices.

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AI can also continually improve its recommendations by learning from fresh data. As a result, a financial guru powered by AI may offer investors current information and guidance based on current market patterns and other financial data. It is crucial to remember that while AI can be a useful tool in the financial sector, it cannot take the position of human financial professionals. Combining AI and human expertise

6. FINDINGS OF THE STUDY

- Financial literacy is very essential in every person's life to manage the funds. In India less than 30% are capable of making sound financial decisions
- Financial literacy is an essential towards financial inclusion, AI support required to meet the goal
- India is ranked 23rd Place for financial Literacy Only 27% of Indian adults and 24% of women meet the minimum level of financial literacy as defined by the Reserve Bank of India.
- Gen Z need much support for financial literacy as studies identified that Gen Z has the lowest level of financial literacy across all generations.
- AI is supportive to wealth management it is Providing Personalized Guidance to make Smarter Decisions.
- AI offers investors current information and guidance based on current market patterns and other financial data.

7. CONCLUSION

Possessing sound financial knowledge will improve living conditions and promote economic development. A combination of our work force and sound financial education might go some way towards reducing poverty. In other words, a financially astute India would be a powerful global player. Before adopting it as the future of personal finance, it is vital to take into account both its capabilities and limits. Although it has the potential to revolutionize personal finance and financial services. AI systems must be open, responsible, and free of prejudice if they are to assist expedite operations, save costs, and boost accuracy and efficiency.

Furthermore, it is essential to keep in mind that AI cannot completely take the role of human judgement in the area of personal finance. Additionally, it is crucial to think about the moral ramifications of employing AI in personal finance and to make sure the technology is applied ethically. AI may become an important tool for managing personal finances as it develops, but it should always be used with caution.

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DIGITAL PAYMENT SYSTEM ACTING AS VIRTUAL TOOL FOR FINANCIAL INCLUSION

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Abstract: *Digital payment system is creating a revolution for financial inclusion in all the countries. Digital Payments have helped countries of the world to integrate into a cashless and seamless economy. The manifold increase of digital payments has led to people, businessmen and service providers a hassle-free environment to do their business. It has revolutionized many economies in such a way that people have stopped taking cash in their wallets. The increase in the use of digital payments is no doubt due to the internet accessibility and the user-friendly mechanism offered by the interfaces of digital payments providers. Only when people are comfortable in digital transactions, financial inclusion can be incorporated at the maximum level thereby bringing overall development of the country. The government and financial institutions, agencies need to create policies in society which will enhance the financial literacy rate of people.*

The study tries to analyse the extent of areas covered by the digital and UPI payment system which is not limited to internet banking activities like fund transfer, loan payment NEFT, etc, but has created an extended platform for non-banking activities and service providers like rent payments, mobile recharge, payment of electricity and water bill, recharge of FAStag, booking a gas cylinder, payment of municipal tax, investment in funds, payment of insurance premium, credit card payments etc.

The paper tries to not only go into the details of the need for increased usage of digital payments but also the role of fintech companies who are the backbone of most of the digital economy.

The paper tries to not only go into the details of the need for increased usage of digital payments but also the role of fintech companies who are the backbone of the digital economy. It tries to highlight the scope of fintech companies who act as a virtual tool in financial inclusion especially in developing and under developed economies. The paper also skims through the probable areas of challenges which might hinder the progress of digital economy Such companies have provided the platform for people to increase their financial inclusions to lead an easy life. People of the digital era are well informed, want to plan for a secured future and are willing to spend for living a comfortable life. But they want everything on their

fingertips hence digital payments through mobile apps will go a long way in financial inclusions of these people. One of the important factors to be considered is the trust of the people in the UPI apps especially the banking apps which has been accepted robustly by them for conducting their financial transactions. The ease at which transactions can be conducted, and the difficulties faced by the people during the pandemic have helped people to accepts digital payments at a faster rate.
A major responsibility of the Government and other agencies is to improve their service and strengthen their transaction securities system by focussing more on building strong customer care system to solve transaction issues of the people within a shorter period. The paper tries to not only go into the details of the need for increased usage of digital payments but also the role of fintech companies who are the backbone of the digital economy. It tries to highlight the scope of fintech companies who act as a virtual tool in financial inclusion especially in developing and under developed economies. The paper also skims through the probable areas of challenges which might hinder the progress of digital economy.

Keywords: *Digital Payments System (DPS), Financial inclusions, Non-Banking Transactions, Cashless, Trust, Fintech, Digital Economy*

1 INTRODUCTION

A payment made for any transaction without using cash is known as Digital Payment. Such payments require a smart phone, UPI Apps & internet connection. The reasons for such growth in digital payment is obviously due to the internet facilities and web technology. All the countries in the world be it developed, developing or under developed have access to the internet technology. Hence digitalisation has led to digital, cashless, and paperless economy.

Internet has also indirectly led to saving of forests and green environment. Most of the information can be stored in the cloud and may be retrieved at the push of a button. A data bank is generally created and it has multiple uses. Moreover, movement and processing of information is very fast. Communication is also quicker and easier. This in turn has helped all industries especially the trading and banking sector.

India has adopted to digital payments at a steady rate due to various reasons namely internet accessibility, adoption of mobile apps and the difficulties of not able to do cash transactions during the pandemic. Also, the population of India is young and willing to adapt to the new technologies. Surveys done on the volume of digital payments in India shows an increase of over 33 % during the year 2020-21. And this trend is still on the increase.

Even businessmen have found it easier to adapt to digital payments mode as the transactions are completed quickly and there is hardly any lag in payment. The explosion of e-Commerce platforms for shopping has also led to the increased usage of digital payments.

1.1 Benefits of Digital Payments

There are many benefits of Digital Payments both to the businessmen and customers.

Reason	Customers	Business
Quicker Transactions	People need not visit the ATM or banks to draw money. They can conduct transactions using mobile apps	Businessmen also find it easier to handle digital payments. They need not wait for clearance of cheques
Time of transactions	These facilities are available 24*7	RTGS and NEFT transactions have reduced default payments
Costs	Many apps do not charge any service charges; hence it is economical	Businessmen can have their own shopping sites to attract customers
Discounts	Many apps provide rewards, discounts, and bonus points for repeated use. This in turn attracts the customers to make use of these apps	Own shopping sites can be used to retain valued customers by offering special offers and combinations
Record of transactions	Customers can keep record of transactions and the balance of money in the account	Businessmen can build a customer profile detailing their preferences and interests
One stop solution	Payment apps become the one stop solution for all payments like rent, electricity, and other monthly expenses. It also encourages saving	Helps in better cash management and better planning. Options of EMI being deducted from the bank account leads to increased

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	like investment in mutual funds, paying insurance premiums etc	credit purchases. Also there are schemes where money can be collected beforehand and purchases made later (Especially for gold ornaments)
Reduction of Black Money	All digital payments are linked to a bank account which in turn are linked to phone number and Aadhar Number. Hence all transactions are recorded.	Most businessmen have registered their business under GST and hence it has led to improvement in the economy.

Source: Author compiled

1.2 Modes of Digital Payments

a) **Unified Payments Interface (UPI)**: It is a system that connects multiple bank accounts to a single mobile number to enable seamless access to funds. It can also be used to schedule payments on a particular date and time.

b) **Bharat Interface for Money (BHIM):** It is a mobile app using UPI to make bank to bank payments for transactions using bank account number, IFSC code etc. It can also be used to receive money. Another added feature is it is available in local Indian languages.

c) **UPI 123PAY**: It is an instant payment system for feature phones where in functions such a calling an IVR (interactive voice response) number, app functionality in feature phones, missed call-based approach and proximity sound-based payments are available.

d) **UPI Lite**: It is a method of providing a wallet in BHIM UPI wherein transactions up to Rs.2000 can be done without bank authorisation.

e) **Cards (including RuPay Debit Cards):** Debit cards have increased the safety of cash transactions while credit cards have increased the purchasing power of the people. The presence of such cards has enabled the people to buy things then and there. This in turn has helped in the growth of business and economy.

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f) **Immediate Payment Services (IMPS)**: It Is a real time immediate interbank electronic transfer that can be done 24*7 through multiple channels like mobile phone, laptops, and systems.

g) **Aadhaar Enabled Payment System (Ae PS**): This facility allows online interoperable financial inclusion transaction at Point of sale (Micro ATM) through the Business correspondent of any bank using the Aadhaar authentication.

h) **BHIM Aadhaar Pay:** enables Merchants to receive digital payments from customers over the counter through Aadhaar Authentication.

i) **Bharat Bill Payment System (BBPS):** is a one-stop platform that provides an interoperable and easily accessible recurring and bill payment service to consumers via multiple channels like Internet Banking, Mobile Banking, Mobile Apps, UPI, etc. Users can make bill payments across various categories including electricity, gas, water bills, telecom, DTH, etc.

2 REVIEW OF EARLIER STUDIES AND LITERATURE GAP

Digital financial inclusion allows the country's financial system to serve a community from all walks of life, particularly the poor or previously financially excluded people. Pro-poor financial goods and services should be customised based on people needs. The government needs to establish a one-to-one financial service agent mentorship programme to target vulnerable groups, to teach them basic abilities for mobile and online engagement and to combat financial fraud and related risks, Both the developing and developed countries are aware of the contribution of digital financial inclusion towards reducing poverty and boosting up country's economy(Tay Tai et al.2022), It suggests that government has a crucial role by creating more awareness and digital literacy among the citizens, facilitate the pace of adoption by greater capacity building and providing supporting infrastructure. This will enable smooth migration from traditional cash-based systems to digital payment systems (Sivathanu.2019), Performance expectancy, effort expectancy, habit and facilitating conditions significantly predict behavioral intention, which in turn significantly predict use behavior to use mobile payment systems. Both social influence and hedonic motivation were weak predictors of behavioral intention (Gupta et al.2020), Young adult consumers in 21st century are regarded as tech-savvy as they were born in the era of smartphone technology. it can be described that the use of e-wallet among young adults is mainly because of its compatibility, flexibility and user-friendly transactions that is done using smart devices.

Distinct features such as trust, cost, and reliability are recommended further to apply in the study on behavioral intention to use electronic wallet. So the future study can be replicated by using the same concept but different context to study the behavioral intention to use e-wallet (Karim et al.2020), The successful implementation of e-payment systems depend on how the risk dimensions perceived by consumers as well as sellers are properly managed, in turn would improve the market confidence in the systems (Ab Hamid et al.2020), The ease of conducting financial transactions is probably the biggest motivator to go digital. You will no longer need to carry wads of cash, plastic cards, or even queue up for ATM withdrawals. It's also a safer and easier spending option when you are travelling. The benefits are enormous if you leave out the low-income group, which will face a huge challenge. The risk to the online payments is theft of payments data, personal data and fraudulent rejection on the part of customers (Sujith et al.2017), The issue of digital currencies and CBDCs are no longer a matter of choice but are becoming a new reality. Therefore, it is necessary for the common public, economy and banking system, especially now carrying out most of payments and transfers of money, to study this field and foresee the possible consequences and risks emerging (Jaric et al.2022), Given the lowest mobile payment products penetration rates of the UAE and the scarcity of literature on this topic, this study aims to contribute to the knowledge by including UTAUT, the IS success model and the impact of COVID-19 as adoption and continuance intention factor in the digital mobile payment case in the UAE (Jegerson, & Hussain,2022), The author finds that low- and lower-middle-income countries had significantly responded to the surged need for digital means of payment during the pandemic compared to the upper-middle-income and high-income countries. The author also finds that government effectiveness and the number of commercial banks were predictors of government policy response, while the full lockdown of countries and the overall digital adoption were not (Mansour 2022), The evolution of payments plays a pivotal role in developing CBDCs. Given the declining role of cash in some jurisdictions, CBDCs as a new form of central bank money may contribute to safeguarding trust in the public currency and improve financial inclusion outcomes. CBDCs have the potential to encourage competition and efficiency in an otherwise oligopolistic market for payment services, increasingly dominated by BigTechs, and increase overall resilience in payment markets of the future. (Van et al.2023)

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3 RESEARCH QUESTIONS

a) Is Digital Payment system preferred only for banking transactions?

b) How do Fintech functions affect digital transactions?

c) What are the issues and challenges of the digital payment system?

4 OBJECTIVES

a) To measure the influence of multi-financial inclusions in the digital payment system
b) To analyze the scope and functions of a Fintech Company
c) To study the issue and challenges in the digital payment system

5 HYPOTHESIS

H1: Multi-financial inclusions influencing digital payment system
H_{01}: Multi-financial inclusions not influencing digital payment system
H2: Functions of Fintech Company effecting financial digital transaction
H_{02} Functions of Fintech Company not effecting financial digital transaction
H3: Issues in the digital payment system can be resolved easily
$H_{03:}$ Issues in the digital payment system can not be resolved easily

6 METHODOLOGY

The methodological aspects of the present study are based on both primary & secondary data. The primary data sources are collected through the structured questionnaire and secondary sources of information are gathered through journal articles, newspapers, books, and magazines. The discussions presented in the paper will focus on listing reasons for increased financial inclusion, adaptation, and challenges in the digital payment system.

7 DISCUSSIONS

Digital payment system affecting the increased ratio of the non-banking transaction to commercial banks. Nowadays people have started to use UPI apps for all their daily and monthly transactions, which in turn is increasing the financial inclusions of banking customers. It is also one of the challenges for banking bodies to handle non-banking issues and problems.

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Referring to the benefits of DPS & UPI's apps, people are more comfortable traveling and shopping on their requirements without holding cash and cards. It is to be agreed and acceptable in a country like India that, doing digital transactions are easy, simple, and comfortable, anyone with smartphone and internet facilities can do digital transactions, even applications are user friendly. National Payment Corporation of India (NPCI) via its official Twitter handle has issued a statement clarifying that there is no charge to customers, there are no charges for the bank account to bank account-based UPI payments i.e. normal UPI payments. "With this addition to UPI, the customers will have the choice of using any bank accounts, Rupay Credit card and prepaid wallets on UPI enabled apps," "UPI is free, fast, secure and seamless. Every month, over **8 billion** transactions are processed free for customers and merchants using bank-accounts," (NPCI's Twitter post). Hence we can see an increased ratio of non-banking transactions which are listed below.

List of digital non-banking Transactions

a) Rent payment
b) Mobile Recharge
c) Electricity bill payment
d) Water bill payment
e) Payment of education fees Booking a gas cylinder
f) Post paid bill payments
g) Payment of Insurance premium
h) FASTag recharge
i) TV cable recharge
j) Payment of donations government funds, hospitals etc
k) Payment of municipal tax
l) Paying for daily petty expenses etc

Once the payment is done for any of the above transactions, people will get frequent remainders for their bill dues, every month. Due to this reminder function of digital payment system, there is a faster adaptation ratio. In the current fast life scenario, people want remainders for their financial commitments, to avoid fine and penalty. Hence UPI system is making jobs easy, so we can see increased financial inclusion in daily schedules without visiting physical banks.

7.1 Fintech Company Acting as supporting platform for non-banking transaction

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Fintech meaning "financial technology" refers to the application of technology to improve the functions of companies providing financial services. It creates new markets for them by offering a bundle of services thereby improving their delivery towards customers. By using automation, fintech works with financial exchanges to make more efficient, reliable, and easy transactions. As there is little interference by humans, the users can manage their finances in a better way. Moreover, all activities of the financial companies are updated on their web pages and apps and this is also enhanced by charts, graphs, diagrams and other statistics. Also, this technology works in real time over internet and various algorithms, cloud-based technology, and extensive backend engineering makes fintech possible. Fintech technology can also be applied to file returns and the customers can track their financial status.

Fintech can be used with anyone having an internet connection. Easy accessibility of fintech makes it appealing to the customers. Businesses have been able to reduce overhead, time, and the problem of cash management. As all financial transactions can be tracked in real time, they are able to plan and organise their business better. Fintech has been able to create a seamless and global economy.

The broad areas of fintech applications can be listed below:

- Crowd funding
- Online Banking
- Versatile Payment Options
- Reaching a Global Economy
- Ease of Payments for Remote Workers
- Lesser Overheads for Business
- Peer to Peer exchanges

7.1.1 Working of Fintech

It works by digital transfer of money. The way this money is transferred depends on the parties of the transactions and the circumstances of the transactions.

According to recent studies and surveys, the trend of transferring money through mobile payments is on a steady incline. The number of mobile payments has more than doubled over the last five years. Mobile payment means transfer of money through a mobile to a third party. Nowadays fintech solutions are diversifying into asset management and portfolio

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management. Robo advising that is using AI technology to help customers invest in financial instruments. Stock trading apps enable independent investors to manage their own portfolio without having to work with the stock exchange itself.

7.1.2 How does fintech help in financial inclusion of the unbanked population?

As this technology uses internet and gives real time solutions, unbanked population can be drawn into the main cash economy. In Latin America, where much of the population does not have a bank account, smart phones are common which in turn has induced them to purchase and sell goods and services. Moreover internet connectivity and non-traditional financial services offered by the fintech solutions have attracted the remote and rural population who were not interested in using the traditional banking system.

If fintech solutions concentrate more on such unbanked population the more the economy will thrive and grow.

7.2 Testing of Hypothesis

To test the research hypothesis, a pilot study was conducted considering the populations from different cities like Mysuru, Bangalore, & Chennai. A structured questionnaire was designed based on research questions and collected data from around 55 samples.

From the study, it has been found that out of the sample collected, responses received from different age groups, 49% are female & 51%were male, so it is understood gender and age factors are not influencing the digital financial inclusions.

It has been observed that 94% of the sample group have used digital payment systems like Phonepay, Googlepay, and PayTm, etc, and only 6% of the group is not aware of such platforms. It can be predicted that 6% may be from the population having qualifications under graduate level. where people are not well educated, and using digital platforms may be quite difficult for them due to a lack of confidence in doing transactions.

Around 70% of people in the study felt secure and safe sharing their banking details in UPI Apps, but 30% of the people do not feel secured in UPI platforms, this may be because of their bad experience while committing any transaction, discussion on this aspect will be continued again in the topic Issues and challenges of DPS.

7.2.1 Testing H1: Multi-financial inclusions influencing digital payment system

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Based on the first Hypothesis, a question raised to the sample, do all use UPI platforms popularly for the non-banking transaction? From the following graph, it can be obsorbed that 54% of the people are using it for recharge of mobile, D2h connections, etc, this has led to their reduction on the dependency on others for simple recharges. 47% have agreed they use DPS for paying for daily petty expenses, as the need to carry a small amount of cash with them for their daily purchase of vegetables, milk, groceries & fruits and doing small shopping can be avoided. So, with the help of DPS platform, economy is moving towards a cashless economy. 43% of people chose the DPS platform to clear their monthly financial commitments like paying monthly electricity and water bills, 37% for booking gas cylinders, and 19% paying rent and municipal taxes. Around 35% of people who are using UPI platforms for all listed non-banking transactions, have agreed that they can save both time and traveling charges by paying or clearing their commitments in UPI platforms.

So, it can be concluded that UPI apps are popularly used for non-banking activities by people

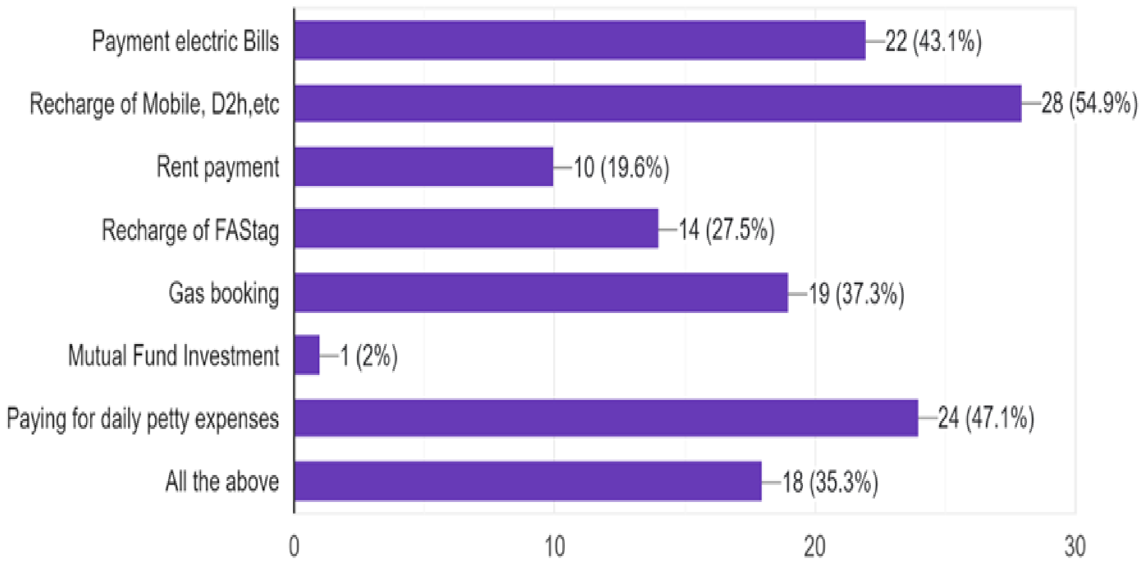

Figure 01

7.2.2 Testing H2: Functions of Fintech Company effecting financial digital transaction

Adaptation of the UPI system in India is Fintech company, due to the multi-transactional platform available to the people, there is a greater increase in financial inclusion in UPI platforms. when the question is raised to the people to rank their preference for choosing the Digital payment platforms, it has been observed that the majority of people give the highest preference to the function of bill payments and self-banking transactions, where they may feel it is easy to pay off all bills without visiting physical places and they are feel

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that transfer of funds from one account to another account, and frequent view of the account balance is more comfortable compared to internet banking system and remaining group preferring UPI's platform for managing their credit cards payment and fund transfer to others.

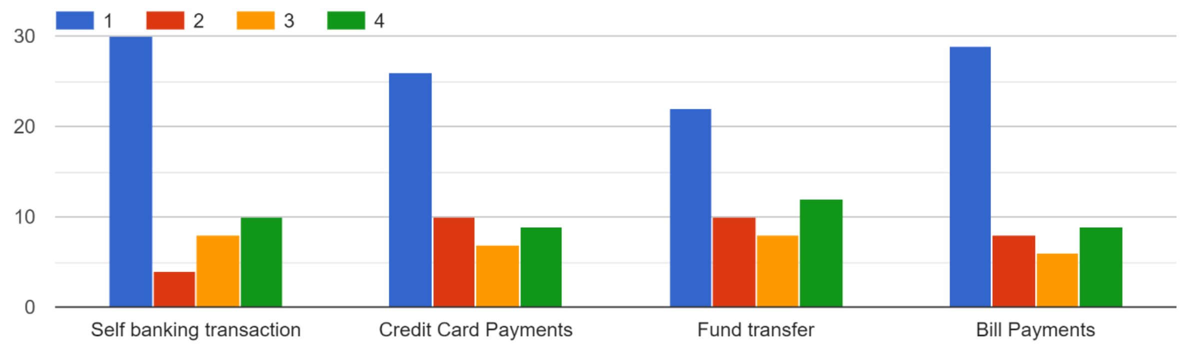

Figure 02

7.2.3 Testing H3: Issues in the digital payment system can be resolved easily

While testing the third hypothesis it has been found that the majority of people around 42.3% of the sample group have faced some issues while doing their transactions on a digital platform.

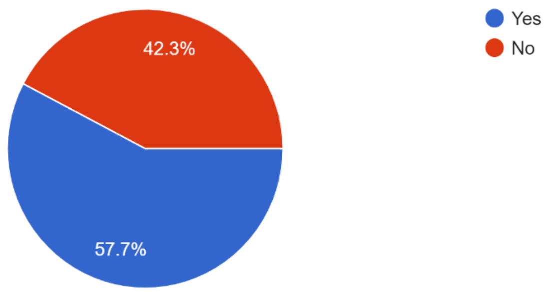

Figure 03

Country like India is becoming a leading example for other countries to incorporate DPS system in routes of both rural and urban areas, it is also very important to minimize the issues raised while doing transactions. Of course, 86.4% of the sample group agreed that whatever the issue occurred in DPS platforms, it has been resolved by the customer care support system and customer helpdesk.

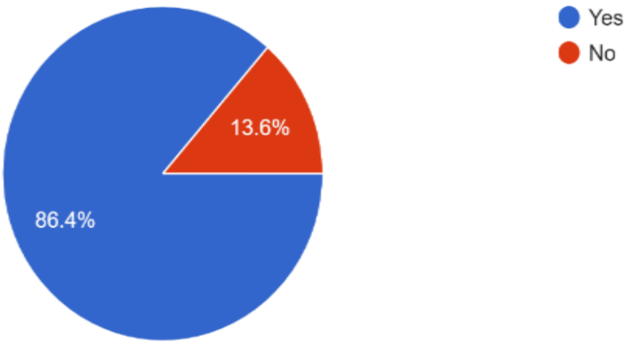

Figure 04

But 13.6% of people say that some issues are not solved and they are helpless here. When the issues are not solved, funds of the public are struck in the DPS system, which is not acceptable by the common man, as they worry about their money. So it has become one major responsibility of both the government and Fintech companies to monitor platforms with minimum issues.

7.3 Issues and challenges in DPS system

Digital payment is no doubt one of the booming platforms for financial transactions, but from the study, it has been found that it still suffers from many issues which can be observed from below graph

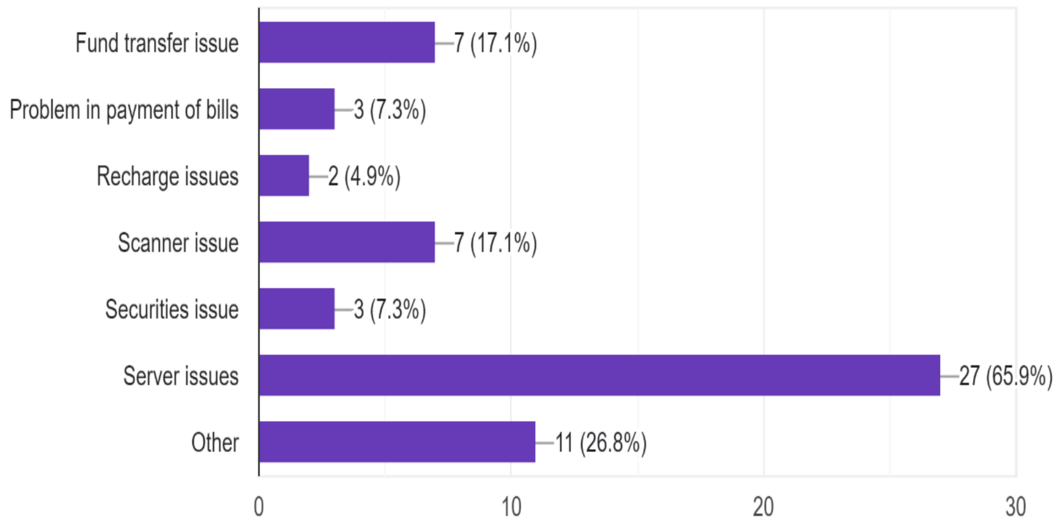

Figure 05

7.4 List of issues and challenges

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a) **Technical Issues**: these are inherent wherever technology is prevalent. Such issues may lead to several hours of downtime and consumers may find it difficult to settle their account. Also, there is a requirement of speedier internet facilities and greater accessibility.

b) **Technical Knowledge Issues**: There is a need for having technical knowledge about the working of the payment apps. There is also a need for upgrading the skills and mobiles regularly.

c) **Security Issues**: Like all electronic devices e-payment platforms are vulnerable to hacking. Improper authentication might lead to sharing of personal financial details.

d) **Increased Costs**: Digital payment providers must invest in a fool proof security system to maintain the secrecy of financial data. This is in urn transferred to the consumers.

e) **Lack of Financial literacy**: when people are unaware of financial transaction knowledge, they may find it difficult to use the facilities in the platform.

f) **Internet Issue**: Most people feel that dependence on the Internet is one of the problems for them if in any area or place the Internet facility is not available properly, then they are not able to do any transactions. It is also one of the suggestions from the sample group they want to use the DPS platform even though there is no internet and Wifi facility

g) **Transaction tracking problem**: Most of the people found that their problem is they are not able to track the transaction which has struck with issues, and they don't know whom to contact if they visit the related bank they are not helping, and not ready to take the risk

h) **Server Issues:** Server Issues: the majority of the sample group have shared their experience and raised the severe issue with server problems, while doing any transaction either the server is not connected or the server is slow is the common problem. people feel if this issue is resolved in the DPS platform, they can even enjoy more while doing digital transactions.

i) **Delayed settlement:** Delayed settlement: when any fund is tucked while doing a transaction, which means debited in the sender's account and not credited to the receiver's account, such a situation is very difficult for the person who has got emergency financial commitments.

8 CONCLUSION

India is termed as one of the leading examples of the faster adaptation of UPI's digital payment system compared to other countries, but the government should take care of issues occurring in such platforms to benefit the common man. They need to incorporate many systems like people operating UPI transaction even without the dependency on the internet. 100% of the customers in DPS should strongly feel safe and secured while sharing their banking details and doing transactions. Whatever issue is raised it should be resolved within a very short time. So, from the study, it can be concluded that many people use DPS platforms not only for their banking transactions like self-banking and fund transfer but also equally prefer to do non-banking transactions like paying their bills, indoor recharge, paying premiums, etc. People should feel comfortable, confident and happy to travel cashless, without holding cards and wallets and enjoy the support of UPI's apps. At the same time, they want improvements in the working function of servers to increase the speed of transaction.

9 LIMITATIONS

The present study is carried out with a small sample group, with randomly collected data from only three cities like Bangalore, Mysuru, and Chennai. As the behaviour of the sample group, knowledge, and level of financial literacy may vary in other places, the test result may also vary in other places. So, the conceptual analysis of the study may is limited to specified regions.

10 SCOPE OF FURTHER RESEARCH

In the study limited questions are covered focusing on the inclusion of non-banking transactions, further study may be carried mainly to focus on the challenges of DPS to banking bodies, and how government and other bodies can improve the rate of financial literacy among people to feel more comfortable carrying digital transactions. Further study can be carried out in comparing the experience of different sample groups from rural and urban areas. A sample of two different countries can also be focused on as there are many other countries where people are not at all comfortable in DPS platforms, and there is lack of financial inclusions.

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A STUDY OF IMPACT OF FINANCIAL TECHNOLOGY ON BANKING SECTOR IN INDIA

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Abstract: *Innovation and Technology have driven a radical change in traditional financial services. Now, Technology appears an essential key for the growth of the digital economy. Over the year's Indian banks and financial service providers have prudently adopted technology to expand reach to the customers, provide services to and operational efficiency with growing market and technological advances. But still, the momentum of technology adoption is not equivalent to its potential. Accordingly, there are gaps in the realization of financial services. Traditional Banks and Financial Institutions have noticed technology as a potential to empower the business propositions, rather than originating new business propositions themselves. Financial Technology (FinTech) Companies, however, are transforming that role by rewarding digital technologies to establish new business proposals and target new market segments which practise were not possible. Even, RBI is enabling the development of fin tech sector to multiply the reach of banking services for unbanked population.*

In this paper it is emphasized on the conceptual framework and the recent developments of Fin tech in India.

Keywords: *Technology, Financial, Economy, Digital, services, Initiatives.*

1. INTRODUCTION

Financial Technology is the up-to-the-minute technology that directs the traditional financial methods to deliver financial services. The operation of smartphones for mobile banking, investing and crypto currency are instances of technologies that make financial services extra comprehensible to the public. Financial technology companies subsist of both startups and established financial and technology companies demanding to succeed or strengthen the utilization of financial services provided by existing financial companies. In other words, "fintech is a new financial industry that applies technology to improve financial activities." Fintech is the new applications, processes, products or business models in the financial services industry, composed of one or more complementary financial services and provided as an end-to-end process via the internet.

FinTech is the legitimate sight in the utilization of technology to offer new financial products and services to new market segments in an economically feasible manner. From a business model perspective, the FinTech sector is exhibited by technology companies that either attempt to disinter mediate, or partner with incumbent Banks and Financial Institutions confide in on strategic account and market landscape. Hence, FinTech is progressively becoming a foremost centre of attraction for all the key stakeholders in India's Financial Services industry – Regulators, Traditional Banks, NBFCs, Payment Banks, Investors, Payment Service Providers, Broking and Wealth Management Companies, Insurance providers and pure play FinTech players. So, the impetus of this paper is to confer about various facets of Fintech in India.

Internationally, technology propels a wave of innovation in finance that is changing the way that markets are structured and services are delivered. Artificial intelligence and machine learning build a more accessible trading system which is cheaper, more innovative and efficient. In the developing country, India is following early leaders like Kenya and the Philippines as a pivot for financial service innovation and experimentation. The inclusion of fintech in India is the integration of spirit of government policy, strong base in technology and innovation and the abundance of demand for financial services, which influenced the investment of over $2.5 billion in Indian fintech businesses. The government policy of demonetization announced in November 2016 has directly sight to impel consumers from cash towards digital transactions, has directed the economy to grow faster. The motive of this research paper is to provide an overview of the fintech landscape in banking sector of India. The country of 1.3 billion natives, India is growing market for fintech. Even, India is a young nation, and the large number of its population is unbanked or under banked makes high growth in digital penetration, makes India an exciting global space for Fintech.

The initiative of startup in India, the fintech startups have been rapidly increased in last three years and the segment is expected to grow further with over half a billion dollars flowing into startups. Banks and financial institutions are also focusing on fintech sector and contracting collaborations with different fintech startups and are actively participating in the ecosystem.

The government and regulators have also taken several initiatives to boost the Fintech ecosystem and provide startups with new opportunities to launch competitive products.

2. LITERATURE REVIEW

Shubham Goswami (2022) Fintech projects, which are regarded as some of the most significant advances in the financial sector, have also obviously been driven by the growth of digital transformation, as Fintech Mobile money and digital wallets address the economic infrastructure vacuum with an innovative technology solution and enable customers to conduct financial transactions affordably and dependably by eliminating spatial barriers, and can be used to bridge the gap of banked and unbanked. This paper investigates the critical success factors influencing the adoption of disruptive financial technology for financial inclusion in rural India.

Pradeep Dwivedi, (2021) Fintech is the combination of innovation and technology to deliver financial products and services to stakeholders. The paper aims to investigate the impact of Fintech on the competitiveness and performance of the banking industry in the UAE. The research is empirically tested based on the 76 banking professionals and executives (bankers) from Dubai (UAE). The findings suggest that the adoption of Fintech had a significant influence on the competitiveness and competitiveness results in the performance of the banking industry in the UAE.

Sharif Abu Karsh (2020) The purpose of this research paper is to examine the impact of Fintech companies compared to the traditional banking industry. Fintech is a digitalized financial solution that is offered to small businesses and individuals to fulfill their banking needs. It is expected that Fintech companies will be able to offer the same banking products as existing banks, but the Fintech companies are predicted to grow at a faster pace in countries where digital technology is available. There has been mention that Fintech companies have already had a financial impact on the performance of traditional banks.

Buchak, Matvos & Seru et, al., (2018) traditional financial institutions have been facing competition in their main business by non-banking financial institutions and shadow banks. In addition, the emergence of Fintech has allowed start ups, BigTech and neobanks or challenger banks to enter the financial services sector as new competitors; in particular, Fintech start-ups are active in the key segments of financial services such as payments and remittances, lending, enterprise financial management, crowdfunding, enterprise technologies for financial institutions, trading and capital markets, insurance, personal financial management, wealth management and digital banking.

Navaretti et al. (2018), Fintech firms cannot replace banks, but rather coexist with them, cooperate, or potentially become like banks. One of the reasons is that the liquidity that

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Fintech lenders provide is limited because they do not have access to central bank liquidity like banks. The fact that they cannot do maturity transformation limits further the liquidity services they can offer. In fact, there have been many cases where online lending platforms have permitted maturity mismatches, with lenders being able to take their money faster than borrowers repay their loans.

4. SCOPE OF THE STUDY

This study will focus on the impacts of Fintech on banking industry. This study examines how the quality of services in Fintech benefits the users. This study is used to identify the different attractive products of Fintech .this study also states about the speed of service , convenience and simplicity in financial services.

5. THE EVOLUTION OF FINTECH IN INDIA

The foundation of the fintech sector in India had been began by liberalizing its banking industry post-1990 with the introduction of technology-savvy banks. The government also took legislative action to boost the banking system and pushed new technology such as MICR, electronic funds transfer and other electronic payments that revolutionized the banking system which resulted in the great digital revolution in the Indian economy. However, for two decades from 1991, the technological innovation in financial services and banking were government- driven and witnessed slow growth.

The Indian government has started the penetration of fintech startups in India for the consumer offerings from the mid-2000s by mimicking the global trend. One of the initial offerings, which came up at around 2005, was the banking correspondent (BC) model, which leads the penetration of financial services to the rural household also. The model was promoted to perform financial transactions through agents. Agents having basic technological knowledge offer a lowered cost alternative to setup a full featured bank branch for financial institutions to serve the rural population which also improve the regional development. FinoPayTech and Eko India were the major startups that are built on the BC model and availed the iniative opportunity. The emergence of e wallets or famously known as mobile wallets startups has witnessed in 2010 which is designed for e bill payment and mobile recharge services. Major Fintech startups such as Oxigen, MobiKwik, Paytm and Freecharge originated between 2005.

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From 2010, there have been multiple Fintech startups that have groomed in different segments such as lending (100+ startups), personal finance management (40+ startups) and investment management (90+ startups). The profit maximizer Venture Capitalists had also gained the keen interest in 40% growth in investments in fintech sector and perform major funding activity in this between 2014 and 2016.Another visible trend in Fintech ecosystem is the growing number of collaborations between banks and Fintech startups. For instance, HDFC Bank and the Fintech startup „Tone Tag" have partnered to provide phone-based proximity services and Yes Bank partnered with Ultracash Technologies to enable sound-based proximity payments. Such collaborations that help banks to provide effective services to their customers digitally and more cost effectively, these startups are also more expected to adopt the digital and smart city initiatives of the government to build the last mile digital connectivity.

6. DEMAND FOR FINTECH:

The Fintech revolution in India is the culmination of years of effort in laying the groundwork towards developing key enablers through important initiatives:

Jan Dhan Yojana: Jan Dhan Yojana: The world's largest financial inclusion initiative, "Jan Dhan Yojna", has helped in new bank account enrollment of over 450 Mn beneficiaries for direct benefits transfer and accessibility to a host of financial services applications such as remittances, credit, insurance, and pensions enabling FinTech players to build technology products to penetrate the large consumer-base in India.

7. FINANCIAL LITERACY: Some of the recent initiatives towards improving financial literacy in India include setting up the National Centre for Financial Education and implementation of the Centre for Financial Literacy project by the RBI. These steps aim to promote financial education across India for all sections of the population.

a) **E-RUPI:** e-RUPI is a person & purpose specific digital payments instrument to allow for contactless & cashless payment solutions and shall play an important role in making the Direct Benefits Transfer more seamless & effective. The solution is being adopted for cashless payments for Covid-19 vaccination.

b) **INDIA STACK:** India Stack is a set of APIs that allows governments, businesses, startups and developers to utilise a unique digital Infrastructure to solve India's hard problems towards presence-less, paperless, and cashless service delivery. The India

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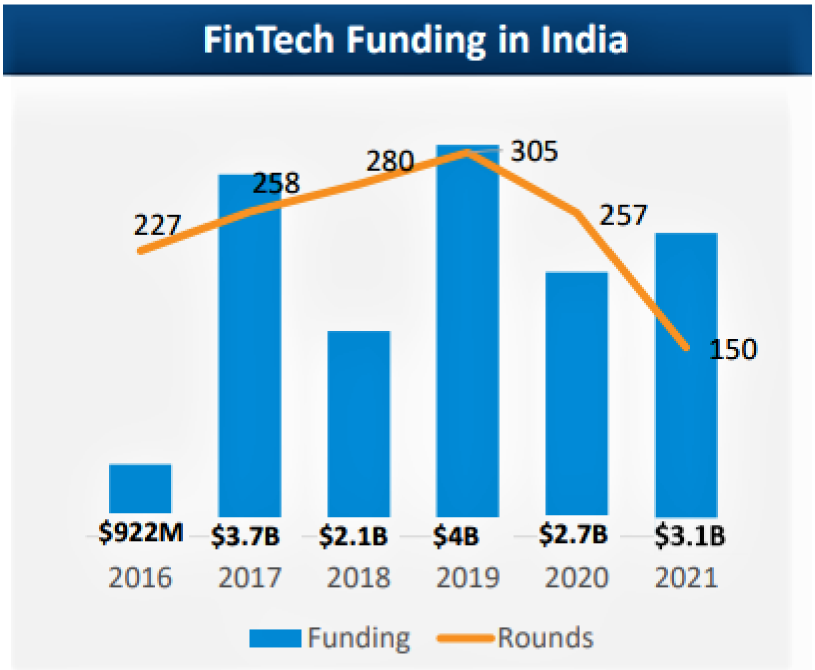
Stack has been the driving force behind the accelerated evolution of Fintechs. It is one of the most important digital initiatives undertaken globally, aimed at putting up a public digital infrastructure based on open APIs to promote public and private digital initiatives and has played a catalytic role in India's digital foundation and evolution.

Fintech Funding in India



8. GOVERNMENT ROLE:

The government is taking various initiatives and acting as catalyst for the success or failure of fintech in a heavily regulated financial industry. The financial regulators SEBI, RBI and Government of India are importantly supporting the aim of the Indian economy to grow as a cashless digital economy and emerge as a strong fintech ecosystem via both funding and promotional initiatives.

The funding support: to accredit penetration of the digitally license financial platforms to the institutional and public communities, Funding Support is as follows:

a) The Start-Up India initiative launched by the Government of India in January 2016 includes USD 1.5 billion fund for start-ups Financial inclusion and enablement
b) **Jan Dhan Yojana:** added over 200 million unbanked individuals into the bankingsector
c) Aadhaar has been extended for pension, provident fund and the Jan Dhan Yojana.

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Tax and Surcharge Relief: A few notable initiatives on this front are:

a) Tax rebates for merchants accepting more than 50 % of their transactions digitally.
b) 80 % rebates on the patent costs for start-ups.
c) Income tax exemption for start-ups for first three years.
d) Exemption on capital gains tax for investments in unlisted companies for longer than 24 months (from 36 months needed earlier).
e) Surcharge on online and card payments for availing of government services proposed to be withdrawn by the Ministry of Finance.
f) For the best digital connectivity, Banks have also launched solutions with the help of their in- house teams to improve the digital financial infrastructure. Some of the initiatives include:
g) ICICI bank launched a contactless mobile payment system which could enhance NFC payments in India
h) Axis Bank presented the „Invoice to Payment" feature that provide end-to-end digital invoicing and payment solutions
i) DBS introduced the first mobile bank that allows customers to open accounts digitally with their PAN card and Aadhaar card
j) Union Bank launched the *99# mobile application in partnership with NPCI that allows basic services like balance inquiry, fund transfers and mini statements to its customers even when there is no internet

These new solutions will enable Fintech start-ups to leverage the infrastructure created by banks to enable their solutions or enhance existing offerings with superior product experience.

Infrastructure support

a) The Digital India and Smart Cities initiatives have been launched to promote digital infrastructure development in the country as well as attract foreign investments.
b) The government recently launched a dedicated portal to provide ease in registration to start- ups.
c) Startups will get support from the government in expenses of facilitators for their patents filing, trademark and other design work.

9. REGULATORS

In India, RBI is authorized to empower the development of fintech sector and embrace a careful approach in addressing concerns around consumer protection and law enforcement. The main aim of the regulator is to create an environment and discover the unhindered innovations by fintech, to enlarge the reach of banking services for rural unbanked or underbanked population, regulating an efficient electronic payment and providing alternative options to the consumers. Fintech simplify the payments, lending, security/biometrics and wealth management.

These have been the prime focus areas for RBI and we have seen significant approaches published for encouraging fintech participations. Examples:

a) Introduction of "Unified Payment Interface" with NPCI, which holds the potential to revolutionize digital payments and take India closer to objective of "LessCash" society, Approval to 11 entities for setting up Payments Bank and approval to 10 entities for setting up Small Finance Banks that can significantly run in favor of cause for Financial Inclusion.
b) Release of a consultation paper on regulating P2P lending market in India and putting emphasis for fintech firms and financial institutions to understand the potential of block chain.

One of the areas with a huge scope is around managing P2P remittances in India. In India, the smaller the remittance size, the higher is the transaction cost percentage, which makes it extremely expensive for beneficiaries involved in transactions. This massive problem is a big opportunity for any fintech firm committed to address it well, as has been guided in the mature markets. Example:

c) Some of the fintech firms such as TransferWise in UK, have come up with a remittance platform; and with the rising acceptability of the same, the firm has touched a valuation of USD 1.1 billion.

Around 370 million internet users in India that is the growing digital population. The Internet penetration still lies at less than 40%. This is expected to grow in the near future continuing the 2x growth witnessed in 2015 in rural population coupled with government initiatives such as Digital India" aimed at penetrating digital services. The growth is expected to increase the penetration of current Fintech startups as well as provide a new market for potential new solutions and new players.

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Promoting non-cash transactions: In order to reduce the amount of paper cash being used in day-to-day transactions, the government has taken certain proactive steps like tax rebates for merchants accepting more than 50% as electronic payment.

Biometric information database: For the individual's unique identity, Aadhar card, the government's initiative to create a central identification database, now contains the information of over 1 billion Indian citizens. This identification system also leverages the E-KYC and financial benefit transfer schemes. It also helps firms to reduce the time and effort required for first-time customer verification. DBS, a global bank, has launched their mobile-only banking platform called Digi bank, which leverages Aadhaar for customer verification.

Some of the key characteristics of the Indian market that make it exciting and interesting for **Fintech startups are:**

a) India is the only Fintech hub that provides ample opportunity to target large unbanked population. Coupled with the growing young population who readily accept new technologies, India makes an attractive destination for Fintech startups.
b) The difficult exercise to change consumer behaviour towards accepting Fintech solutions is already underway.
c) The broad level of technical education provides India with a strong talent pipeline of a comparatively cost efficient and easy-to-hire tech workforce.
d) India has the second biggest start up ecosystem in APAC after China measured in deal size and number of deals.

10. CONCLUSION

India is confidently moving up the Fintech ladder and provides plenty of opportunities for Fintech start-ups to enter the diversified market and be successful provided a careful solution-customer match and a strong go-to-market strategy is in place. The two broad segments where Fintech is most active in India are payments and lending. Out of the more than 600 Fintech start-ups currently active in India, around 40% are payments and lending startups. The next few pages will hence dedicate special attention to these two Fintech segments. The development of Fintech sector has also given a boost to overall economy of India. But still there are some hindrances related to security and the usage rate among unbanked population. So, the initiatives taken must not fade away because of these little but not the least factors. So can upgrade the banking system of India completely.

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WORKPLACE FINANCIAL LITERACY – A CONCEPTUAL STUDY

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Abstract: *While organizations are offering the employees remuneration under different nomenclature and employees are in the need of understanding the salary and all other financial benefits in details. One of the growing areas in employee benefits is workplace financial education. This study was conducted to understand the need of workplace financial education of central and state government employees. In this paper, made an attempt to throw lights on conceptual background of workplace financial literacy, meaning, benefits, components, implementation process and need of the financial literacy at workplace. In this study it is found that Employer-sponsored financial education programs, Financial wellness programs, Technology-based solutions and Integration with other benefits are the recent developments. This study concluded by offering suggestions such as Provide financial education and training to employees at workplace, offer retirement plans to make employees feel secure, provide access to financial advisors, conduct financial wellness workshops, offer financial incentives, promote financial accountability, and provide resources for financial tools, literacy, banks, college students, financial awareness.*

Keywords: *OPS – Old Pension Scheme, NPS – New Pension Scheme, Workplace, Financial Skill, Financial Behavior, Financial Situation, Non Cash Remuneration.*

1. INTRODUCTION

The major noticeable difference between the employer and employee is the level of financial literacy they do possess. With the specialized skillsets about financial procurement and investment the entrepreneur becomes employer and without which an educated becomes the employee in the same organization. In traditional organization set up the employer always wanted his employees to be in the darkness of these financial affairs of the organization as well as other affairs. But in recent scenario employer wants his employees to be skillful and happy inside the organization as well as outside the organization. In the nutshell a happy contributing employee is the key for the wealth maximization. In India both central government and state government employees are protesting in many way and demanding for implementation of OPS – Old Pension Scheme in place of NPS- National Pension Scheme by understanding the depth and width of NPS in the later stage. Now in India OPS has become a most debatable topic as some of the states have taken initiative to replace the NPs with OPS and employees in the other states are started change the pace of their protest. Here in such circumstances it's important to dig it down to know the level of financial literacy of the employees before we make any conclusions. Workplace financial literacy is utmost important aspect at which employers need to focus on since the employees will join the organization or accepts the projects by misunderstanding the perks and benefits or just understanding the surface of the package and at later stage they will start roaring or complaining about the employers stand by stating or renaming their offers as double-dealer. The Salary components, annual bonus, leave travel allowances, medical reimbursement, medical insurance scheme, HRA or housing arrangements, leave encashment, most importantly retirements benefits are really a difficult chapter to make employees to know. Workplace financial literacy makes its easy meet the minds of employers and employees with all these offerings of employers to employees.

Overall, financial literacy affects everything from day-to-day to long-term financial decisions, and this has implications for both individuals and society. Low levels of financial literacy across countries are correlated with ineffective spending and financial planning, and expensive borrowing and debt management. These low levels of financial literacy worldwide and their widespread implications necessitate urgent efforts. Results from various surveys and research show that the Big Three questions are useful not only in assessing aggregate financial literacy but also in identifying vulnerable population subgroups and areas of financial decision-making that need improvement. Thus, these findings are relevant for policy makers and practitioners. Financial illiteracy has implications not only for the decisions that people make for themselves but also for society. The rapid spread of mobile payment technology and alternative financial services combined with lack of financial literacy can exacerbate wealth inequality.

To be effective, financial literacy initiatives need to be large and scalable. Schools, workplaces, and community platforms provide unique opportunities to deliver financial education to large and often diverse segments of the population. Furthermore, stark vulnerabilities across countries make it clear that specific subgroups, such as women and young people, are ideal targets for financial literacy programs. Given women's awareness of their lack of financial knowledge, as indicated via their "do not know" responses to the Big Three questions, they are likely to be more receptive to financial education.

The near-crisis levels of financial illiteracy, the adverse impact that it has on financial behavior, and the vulnerabilities of certain groups speak of the need for and importance of financial education. Financial education is a crucial foundation for raising financial literacy and informing the next generations of consumers, workers, and citizens. Many countries have seen efforts in recent years to implement and provide financial education in schools, colleges, and workplaces. However, the continuously low levels of financial literacy across the world indicate that a piece of the puzzle is missing. A key lesson is that when it comes to providing financial education, one size does not fit all. In addition to the potential for large-scale implementation, the main components of any financial literacy program should be tailored content, targeted at specific audiences. An effective financial education program efficiently identifies the needs of its audience, accurately targets vulnerable groups, has clear objectives, and relies on rigorous evaluation metrics.

There are three compelling reasons for having financial education in school. First, it is important to expose young people to the basic concepts underlying financial decision-making before they make important and consequential financial decisions. Financial literacy is very low among the young and it does not seem to increase a lot with age/generations. Second, school provides access to financial literacy to groups who may not be exposed to it (or may not be equally exposed to it), for example, women. Third, it is important to reduce the costs of acquiring financial literacy, if we want to promote higher financial literacy both among individuals and among society.

There are compelling reasons to have personal finance courses in college as well. In the same way in which colleges and university offer courses in corporate finance to teach how to manage the finances of firms, so today individuals need the knowledge to manage their own finances over the lifetime, which in present discounted value often amount to large values and are made larger by private pension accounts.

Financial education can also be efficiently provided in workplaces. An effective financial education program targeted to adults recognizes the socioeconomic context of employees and offers interventions tailored to their specific needs.

2. LITERATURE REVIEW

Fan, L., et., al (2021) In this research explored the relationship between financial education sources and emergency savings of U.S. adults, and examined the mediating role of financial literacy. The results showed that receiving financial education from both school and workplace had positive associations with having emergency funds. Financial literacy was found to be positively associated with having emergency funds and financial literacy mediated the relationship between financial education and having emergency savings. The findings of this study reinforced the significance of different financial education sources in increasing the likelihood of saving for emergencies. Implications for policymakers, financial educators and counselors, and employers are included.

Goyal, K et al (2021) - The objective of this study is to review of 502 articles - published in peer-reviewed journals from 2000 to 2019. Citation network, page-rank analysis, co-citation analysis, content analysis and publication trends have been employed to identify influential work, delineate the intellectual structure of the field and identify gaps. The most prominent journals, authors, countries, articles and themes have been identified using bibliometric analysis, followed by a comprehensive analysis of the content of 107 papers in the identified clusters. The data were retrieved in December 2019 from the Web of Science core collection platform by Clarivate analytics. The author concluded the study by saying. Financial literacy is an issue with vast implications for economic health and its development can guide the way to competitive and stable economies.

Lusardi A (2019) - This study aimed to describe how we measure financial literacy, the levels of literacy we find around the world, the implications of those findings for financial decision-making, and how we can improve financial literacy. The objective of this conceptual study is to know the level of financial literacy among people, Cross country comparison of financial literacy level. Does financial literacy matter in the current situation; Conclusion of the study is the lack of financial literacy, even in some of the world's most well-developed financial markets, is of acute concern and needs immediate attention. In today's world, financial literacy should be considered as important as basic literacy, i.e., the ability to read and write. Without it, individuals and societies cannot reach their full potential.

3. STATEMENT OF PROBLEM

Social security is the most anticipated and its expectation grows as people become aged. Pension scheme makes retired employee's life socially secured. But at this juncture in India there is neither uniformity nor certainty about the pension they do receive after their

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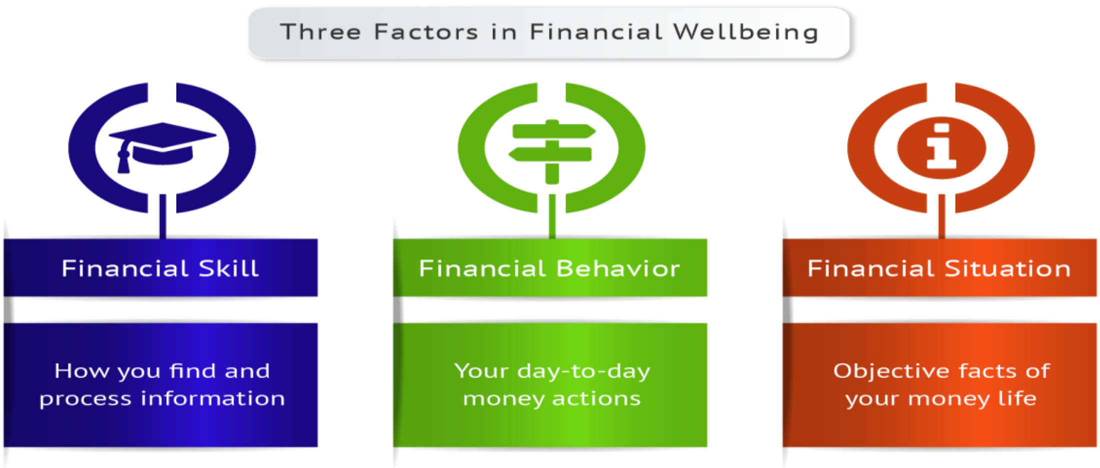
retirement. In 2006 when the NPS was introduced all over India, employees were less responsive and have no clear knowledge regarding their corpus fund as well as their receivables. Lack of workplace financial literacy and education employees were not opposed the scheme at that point of time and demanding the replace now. Assuming the employees were not taught the financial aspects of the upcoming pension scheme is the main route cause for this revolt and opposition. Proper financial literacy would have controlled this unrest condition and motivated employees to contribute more for the national wellness. Hence this study made an attempt to understand the importance and elementary issues of workplace financial literacy.

4. OBJECTIVES OF THE STUDY

a) To understand the Workplace Financial Literacy and its components
b) To Study the benefits of Workplace Financial Literacy
c) To understand the implementation process of workplace financial literacy program.
d) To Study the employees', need of workplace financial literacy
e) To through the light on recent development in workplace financial literacy
f) To provide the suggestions based on the study.

5. FINANCIAL LITERACY

Financial literacy is defined as the "knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life". (OECD, 2014).



5.1 WORKPLACE FINANCIAL LITERACY

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Workplace financial literacy program is paying salary rewards and teaching how to manage it among expenditures, savings and investments. Employee financial wellness programs teach your staff how to make informed and effective decisions about their finances. They walk away with the skills to better manage their income and expenses. They also learn more about how to build financial security and wealth.

Types of workplace financial education programs vary. Print materials, such as newsletters and retirement statements, are widespread. Some employers provide extensive year-around financial education programs that include personal counseling while others send only print materials to their employees. Generally, workplace financial education programs include retirement benefit statements, brochures, newsletters/magazines, seminars or workshops, workbooks or worksheets, face to-face counseling, telephone counseling, web-based services, software programs, videos, and CD-roms.

Recently, some employers have started to provide employees with access to professional investment advice in-person or via the telephone or the Internet. Although employer-provided financial education has become more prevalent, less than half of the employees in the United States benefit from such programs. It is estimated that only about 10% of employees in the India have received employer-provided financial education. Few organizations are keen about this workplace financial literacy and many are not even aware of it. There are good number of service providers emerged across the nation

5.2 COMPONENTS OF FINANCIAL LITERACY

A. **Earn:** There are many sayings and proverbs says, learn to earn before you spend. Afore you can start spending, saving, and investing, you need to know how much money you make. If you make the same amount each month, this part is pretty easy. Being employee it's his limited resources and unlimited wants. The financial literacy must help him to allocate and apportion the his limited earnings among his selected priorities.
B. **Borrow:** Barrowing the loans and advances is not considered generally as a good sign of economic condition in the traditional financial beliefs. But employees must be taught that barrowing loans and advances from low interest fund and investing them on high interest yielding investment options are always wise step. Employees should know that their borrowing capacity and monthly financial commitments before

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barrowing on regular EMIs. Financial literacy of the employees at least let the employees to barrow some loans such home loans which reduces his taxation burdens.

C. **Spend:** Spending is inevitable, willingly some goes out our hand and some spending are bitter fruits and have to meet them with our heavy weighted hearts. The workplace financial literacy must enable employee to spend his earning on maximum utility yielding products or services so that he get maximum satisfaction from his earning – spending process. There is actually a thumb rule that 50:30:20 for spending which says 50% of your earning should be used for needs, 30% of which is asked to use for wants and rest 20% must be saved for future uncertainty, but it differs from country to country and employees should literate these all and should design his/her own rule while working with organization to feel self-satisfied.

D. **Save and Invest:** The basic feature of mankind and which no other creature possesses is saving for future in the form of currency. This inherent feature is only the factor stimulated the entire economic universe. The employees feel their growth only if they can save out of their salary. We must ensure employees have sufficient knowledge about bank savings and other investment avenues. Stocks, Shares, futures, forwards, options, commodity markets, Mutual funds, Bonds, Real estate, gold and other investment opportunities must be taught to employees to make them they use them for their investment diversification. The workplace financial literacy must have keen focus on these issues which create the distinguished feeling than the other employer. We must see that employees will never put all his eggs in one basket.

E. **Protect:** Workplace financial literacy must throw lights on this area as well. Earning is one part of the story and saving part of it is equally likely important. However, keeping our investment safe and secure is must and should. Protecting investments and switching from loss making assets to profit making assets at right regular intervals is good characteristic of an investor.

5.3 BENEFITS OF WORKPLACE FINANCIAL LITERACY.

a) Employees Will Better Understand the Business Case
b) A Better Potential for Employees to Upskill Themselves
c) Less Need for Employees to Have a Side Hustle
d) New Appreciation of Non-Cash Remuneration
e) Reduces Staff Vulnerability

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f) Better Retention and Loyalty
g) Less Absenteeism
h) Lower Healthcare Costs
i) Reduced Stress
j) Greater Focus and Productivity

5.4 IMPLEMENTATION PROCESS OF EMPLOYEE FINANCIAL LITERACY TRAINING AT WORKPLACE

a. **Conduct a Survey on Employee Financial Health and Literacy:** A survey to find out the employee's knowledge base in handling his finances is to be conducted. While many people think that being financially literate means having a good amount of money, it is actually much more than that! Although employees may be knowledgeable about how to manage their personal finances, many lack the knowledge required to be successful in managing their finances once they start working. You can use free services from Google forms or other similar services.

   What are your goals with regards to your finances?
   Do you have any savings?
   When was the last time you reviewed your financial plan?
   What is your biggest financial goal right now?
   How much do you earn per annum?
   How much do you spend per month on essentials?
   What percentage of your income do you save every month?
   How comfortable are you with credit cards? Can you handle credit well?

b. **Identify employee's level of financial literacy:** Based on the results of the surveys, provide training sessions for those who need additional assistance based on their answers on the surveys. It can prevent them from making costly mistakes with their finances. To understand how to implement this training at the workplace, it is important to identify employees' level of knowledge. The employee financial literacy program provided by the company should take into account the level and needs of each employee as well as provide training tailored to specific needs.

   For example, Employees with low financial literacy skills may require a more basic explanation of the concepts.

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Employees with higher literacy skills can benefit from more in-depth and specific training tailored to their individual needs.

Employees who are just starting out should be trained on topics that include:

Understanding a paycheck

The impact of taxes on income and savings

How debt can undermine long-term goals.

Employees who have been with the company for some time should be trained on topic that includes:

Planning for retirement

Credit management – including credit scores and credit reports, understanding creditworthiness, managing credit responsibly by paying bills on time, not exceeding credit limits, etc.

Saving for major purchases such as a home or new car.

c. **Make it Highly Engaging:** Find a training program based on requirements and implement your employee financial wellbeing program. Also simply providing this training isn't enough. You have to make sure employees actually learn the material and that it sticks with them long after the course ends. It is important to create engaging and interactive sessions. You can also opt for simulations based on real life situations to help employees learn better. You can conduct simulations in the office or even online using a virtual setup to model various money management scenarios. These tools teach employees how they should handle their finances when faced by such a scenario. This is a great way of helping employees learn concepts quickly and easily at their own pace.

d. **Determine Goals by Considering Employee Needs:** Knowing the reasons for employee financial illiteracy and its benefits will help you determine your goals for the program. In order to keep tracking, it's important to outline what you're trying to do and how you want financial education to fit into the big picture of your business.

   When determining goals, you want to be sure that the training will be effective and beneficial for your employees. Look at your company's overall goals as well as individual employee goals. You will also want to make sure that the training is relevant to your company's culture.

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e. **Track Evaluation of Your Training Program:** The important factor of your educational program is evaluating its success. It is a feedback system that helps you to gather the information regarding their satisfaction level. The feedback system should be designed in such a way that it can help you to know about the effectiveness of your education program. As an employer, you will want to equip your employees with necessary knowledge to help them make better financial decisions that will not only benefit their lives, but also the life of your business. So it is important to have a system in place to track if the goals and objectives of the training are achieved.

5.5 Make Them Aware of Its Importance

To get employees to understand the value of training, you will have to give them a clear picture of why they need financial literacy. It is more than just learning how to use excel and other software programs. It is about helping employees become better decision makers and learning how to manage their personal finances.

To build a successful corporate finance training program, you must first learn what employees want from such a program and how to help your employees make the most of it. This is where learning management software like simulations can be helpful, and highly effective by helping employees retain the knowledge and apply it in real life.

6. RECENT DEVELOPMENT IN WORKPLACE FINANCIAL LITERACY

Financial literacy in the workplace has become an increasingly important topic in recent years, as employers recognize the benefits of having financially literate employees. Here are some of the recent developments in this area:

a) **Employer-sponsored financial education programs:** Many employers are now offering financial education programs to their employees, either as part of their employee benefits package or as a separate initiative. These programs cover a range of financial topics, including budgeting, saving, investing, and retirement planning.

b) **Financial wellness programs:** Some employers are taking a more holistic approach to financial education by offering financial wellness programs. These programs focus on improving employees' overall financial health, rather than just teaching them specific skills or knowledge. They may include tools and resources to help employees manage debt, create a budget, and plan for retirement.

c) **Technology-based solutions**: Many employers are turning to technology-based solutions to deliver financial education to their employees. This includes online

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courses, mobile apps, and other digital tools that make it easy for employees to access financial education resources.

d) **Integration with other benefits:** Some employers are integrating financial education with other employee benefits, such as health and wellness programs. For example, a company might offer a financial planning workshop as part of its annual health fair.

Overall, the trend towards workplace financial literacy reflects a growing recognition of the importance of financial wellness for individuals and society as a whole. By empowering employees with the knowledge and tools they need to make informed financial decisions, employers can help to create a more financially stable and secure workforce.

7 SUGGESTIONS

Here are some suggestions based on our study about workplace financial literacy:

a. **Provide financial education and training:** Employers can provide financial education and training programs to their employees to improve their financial literacy. These programs can cover topics such as budgeting, saving, investing, retirement planning, and debt management.

b. **Offer retirement plans:** Employers can offer retirement plans such as 401(k) or IRA to their employees. This can help employees save for their retirement and also educate them about retirement planning.

c. **Provide access to financial advisors**: Employers can provide access to financial advisors or financial planners who can help employees with their financial planning and investment decisions.

d. **Conduct financial wellness workshops:** Employers can conduct financial wellness workshops to help employees improve their financial health. These workshops can cover topics such as budgeting, debt management, and retirement planning.

e. **Offer financial incentives:** Employers can offer financial incentives such as bonuses or profit-sharing plans to encourage employees to save and invest for their future.

f. **Promote financial accountability:** Employers can promote financial accountability by encouraging employees to track their expenses, create a budget, and monitor their credit score.

g. **Provide resources for financial tools:** Employers can provide access to financial tools such as budgeting apps, investment calculators, and retirement planning tools to help employees manage their finances effectively.

By implementing these suggestions, employers can help their employees improve their financial literacy, achieve financial wellness, and reduce financial stress.

8 CONCLUSIONS

It's never too late to start financial literacy programs at work. Workplace financial literacy is like combo offer to the employees as employers pays salary along with required skillsets to spend or invest/saving ideas. Employer can never satisfy the employees by paying expected salary as it always grows but can make an attempt to create employee's satisfaction by training them to save and invest the same in profitable avenues. It will help employees understand their finances and make better spending, saving and investment decisions. It will also improve their overall well-being, lowering stress and leading to more effective ways of managing debt. More importantly, the organization should ensure this training does not end just after the employee training session. Rather, it should be forming a partnership with them so you can help them on their path to financial health and success, both at work and outside of work.

We often see many memes and jokes about month end financial crunch jokes and empty pocket lessons. Financial stress can have a negative impact on the workplace. For instance, studies found that employees stressed about their finances say their money concerns are a distraction at work. Furthermore, this can lead to reduced performance. Additionally, 62% of employees asked stating monthly expenses as their biggest financial concern each month. Moreover, the financial burden leads to anxiety, depression and other mental health issues. Consequently, financial literacy can help break this rigorous cycle and increase workplace morale, business productivity and reduce costs.

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ASSESSING FINANCIAL KNOWLEDGE OF WORKING WOMEN

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Abstract: *Working women are more motivated to save and invest their money. They have the ability to handle their finances more wisely and effectively. Also, they are motivated by their colleague's involvement in investment activities. In India, women are now active in all spheres of life, including politics, science and technology. As circumstances have evolved and their knowledge has expanded, they have started to diversify their investments across various opportunities. The researcher collected the data from the working women of Kanniyakumari district on the basis of convenient sampling. The sample size selected for the study is 250 respondents. Each and every respondent are interviewed with the help of questionnaire. Today's financial literacy concerns are not exclusive to India but also extend to developed nations throughout the world. This study seeks to uncover the financial knowledge that working women possess, and how it impacts their financial decisions. It also explores the potential for organizing and engaging with financial advice and education tailored to working women's needs.*

Key words: *Financial knowledge, finance, investment*

1. INTRODUCTION

Financial literacy has emerged as one of the world's top objectives today, as it is directly related to the economic growth of a country. Financial literacy is the set of knowledge and skills that enables an individual to use all of their financial resources wisely and effectively. People who are financially literate are frequently taught how to make important financial decision. It is important because it equipped one with the knowledge and skill to manage money effectively. Without financial literacy, one's actions and judgements regarding savings and investments would lack a solid foundation. One can manage their finances effectively with the aid of financial literacy, which improves one's grasp of financial principles. Also, it aids in sound financial decision-making, stable financial management, and stability. Also, financial literacy offers comprehensive knowledge of financial education and numerous tactics that are essential for financial success and progress. Financial literacy is interchangeably used with the terms, "Financial education" or "Personal Finance Management".

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1.1 MEANING OF FINANCIAL LITERACY

Financial literacy is viewed differently by various organisations and financial bodies. The following are the numerous definitions of financial literacy used during the last few decades:

According to the Organization for Economic Cooperation and Development (OECD) 2005, "Financial literacy is a combination of financial awareness, knowledge, skills, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing. People achieve financial literacy through a process of financial education".

According to Programme for International Student Assessment (PISA),"Financial literacy is knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial wellbeing of individuals and society, and to enable participation in economic life".

1.2 IMPORTANCE OF FINANCIAL KNOWLEDGE FOR WOMEN

The financial system of a country plays a key role in the growth and development of a nation. Financial education is necessary for people to develop a positive financial attitude and behavior that will benefit their overall well-being. Financial knowledge is regarded as one of the fundamental and major components of financial literacy. Low retail participation in India is mostly caused by a lack of financial literacy among the population. The only way to empower the population is through financial education; the less financially excluded a country's citizens are, the more their economy will thrive. Financial knowledge raises people's awareness and demands of the financial services provided by various banks and financial institutions. Financial knowledge-based strategy is important for empowering the population and bolstering India's financial and economic foundation. Hence, financial literacy is necessary for the women to comprehend the financial world and make successful decisions based on reliable information.

1.3 FACTORS INFLUENCING FINANCIAL KNOWLEDGE

There are several factors that can influence a person's financial knowledge, including:

a) **Education**: People with higher levels of education tend to have better financial knowledge.
b) **Income**: Higher income individuals are more likely to have better financial knowledge as they have more resources to invest and manage.
c) **Age**: Older individuals may have more financial knowledge due to their accumulated experience and exposure to financial decisions.
d) **Gender**: Women often have lower levels of financial knowledge than men, although this gap is narrowing.
e) **Culture**: Cultural beliefs and values can affect how people view and manage their finances.
f) **Access to resources**: Availability of financial resources like books, seminars, and online resources can impact financial knowledge.
g) **Personal experience**: Individuals who have experienced financial challenges or successes may have more financial knowledge as they learn from their experiences.
h) **Social networks**: People who have friends or family members who are knowledgeable about finance tend to have better financial knowledge.

Overall, a combination of personal and environmental factors can influence financial knowledge.

2. REVIEW OF LITERATURE

(Rawat, et.al 2022) found that the majority of women in the service industry have a moderate level of financial literacy, with only a tiny fraction of respondents having a more advanced level. They concluded that more adaptation need to be emphasized for women working in the service industry by the government, financial institutions, and other stakeholders. (Adiputra, G. I and Patricia, E 2019) suggested the community to improve their financial knowledge to sustain daily life in making financial decision. (Sebastian T. and Raju Middi A. 2016) indicated in their research study that although most professional women were financial knowledge, they are still unable to manage their money or make sound financial decisions. They stated that the majority of female investors prefer moderate risk. (Chowa, et. al., 2012) argues that financial knowledge is the comprehension of someone who values financial concepts, such as saving and budgeting, highly. The philosophy of financial education can be explained in depth. In general, everyone should receive financial education because it increases financial knowledge, which in turn improves financial behaviour and, ultimately, increases the number of customers.

3. STATEMENT OF THE PROBLEM

India is among the world's most efficient financial markets in terms of technology, regulation and systems. Financial literacy makes one more susceptible to the demonstration effect's influence. For those who lack basic financial literacy, the risk of losing hard-earned money is higher. Financially literate people usually use a systematic approach to investing and succeed in their financial objectives. So, this study is taken up with the main idea of studying the financial knowledge of working women.

4. OBJECTIVES OF THE STUDY

a) To study the demographic profile of the respondents.
b) To evaluate the financial knowledge levels of working women in Kanniyakumari district.
c) To draw inferences based on financial knowledge of working women.

5. METHODOLOGY OF THE STUDY

The present study is empirical study and data collection is done on the basis of primary data through a self-made questionnaire. The researcher collected the data from the working women of Kanniyakumari district on the basis of convenient sampling. The sample size is 250 respondents. Each and every respondent are interviewed with the help of questionnaire. Statistical Package of Social Science (SPSS) was used for analyzing the data. Secondary data were collected from various books, journals, reports, thesis, websites and publications of the various government organizations of India and abroad.

6. DATA ANALYSIS AND DICUSSION

To understand the respondents in an efficient manner the researcher has analysed the demographic profile of the respondents. Demographic profile consists of age, educational qualification, marital status, occupation, monthly income, nature of family status and place of residence.

Table No. 1 Demographic profile of the respondents

Variables	Particulars	No. of Frequency	Percentage
	21-25 Years	82	32.8

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Age	26-30 Years	79	31.6
	31-35 Years	48	19.2
	36-40 Years	10	4.0
	40 and above	31	12.4
	Total	**250**	**100**
Educational qualification	10th or +2	49	19.6
	ITI or Diploma	39	15.6
	UG	59	23.6
	PG	103	41.2
	Total	**250**	**100**
Marital status	Married	117	46.8
	Unmarried	90	36.0
	Widowed	21	8.4
	Divorced	22	8.8
	Total	**250**	**100**
Occupation	Employee	77	30.8
	Business man	28	11.2
	Professionals	44	17.6
	Others	101	40.4
	Total	**250**	**100**
Monthly Income	Below Rs.10000	89	35.6
	Rs.10001- Rs.20000	43	17.2
	Rs.20001- Rs.30000	51	20.4
	Rs.30001- Rs.40000	32	12.8
	Rs.40001- Rs.50000	21	8.4
	Above Rs.50000	14	5.6
	Total	**250**	**100**
Residential status	Urban	99	39.6
	Semi Urban	69	27.6
	Rural	82	32.8
	Total	**250**	**100**

Source: Statistical calculated data

Table 1 shows that 32.8 per cent (82) respondents belonging to the age group of 21-25 years and 4.0 per cent (10) respondents belonging to the age group of 36-40 years. 41.2 per cent (103) respondents are completed their master degree. 46.8 per cent (117) respondents are married. 101 per cent (40.4) respondents are doing other occupation. 35.6 per cent (89) respondent's monthly income lies below Rs.10000.39.6 per cent (99) respondents are living in urban areas.

6.1 Financial Knowledge and Educational Qualification

Assessing financial knowledge indicates the awareness level of the respondents towards financial ideas and use them to make wise investment decisions. The following table 2 shows the relationship between educational qualification and financial knowledge with the help of ANOVA.

Null hypothesis: There is no significant relationship between educational qualification and financial knowledge.

Table No. 2 Financial Knowledge and Educational Qualification

Statements	10^{th} or 12^{th}	ITI or Diploma	UG	PG	F Value	P Value
I budget and track my spending.	4.076	3.017	2.939	2.750	7.354	0.000**
I contribute to a bank saving account regularly.	2.923	2.334	4.727	3.300	3.785	0.013**
I compare prices when shopping for purchases.	3.300	3.536	4.002	3.500	11.938	0.000**
I read to increase my financial knowledge.	2.769	2.931	4.212	3.300	13.265	0.000**
I maintain adequate financial records.	3.823	2.819	4.402	3.570	6.370	0.000**
I spend less than income.	3.076	3.434	4.152	3.570	4.905	0.001**
I maintain	3.769	3.393	3.329	4.300	5.069	0.002**

adequate insurance coverage.						
I plan and implement a regular savings or investment Program.	2.633	3.303	2.540	2.890	11.753	0.000**

Source: Statistically calculated data

Note: ** Denotes significance at 1 per cent level.

Since P value is less than 0.01, the null hypothesis is rejected at 1 per cent level of significance with financial knowledge. Hence there is a significant difference between the educational qualification and financial knowledge among working women.

7. SUGGESTIONS

a) Financial knowledge among women can be improved with innovative steps taken by Government or private sector by providing necessary financial literacy workshop.

b) A more comprehensive financial education programme from middle school to college may be a good place to start, since long-term initiatives may assist consumers in creating sound financial practices at a young age.

c) Employers can take initiative to improve their employees financial knowledge by providing seminars, workshops etc. Government can sponsor such programs.

d) Training, mentoring, and programmes can be related to managing mutual funds, investments, insurance, time management to pay bills, prioritising needs while making purchases, putting monthly budgets into practice, obtaining bank loans, and future-focused financial management which may increase their financial knowledge.

8. LIMITATIONS OF THE STUDY

a) This study is confined to working women only.

b) The sample size collected for the study is very small and thus it may not be considered appropriate to be applied to the whole working women population.

c) The results of the study are susceptible to all the constraints of the primary data because it is based on questionnaire-collected primary data.

9. CONCLUSION

The only way to empower women is through financial education. More economic growth would occur in a country with less financial exclusion. Financial knowledge helps women to understand the benefits and demands of the financial services provided by various banks and financial organisations, whereas financial inclusion provides everyone with access to financial products and services. We can therefore conclude that financial education is a knowledge-based strategy for empowering women in the country.

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A REVIEW OF LITERATURE ON DIGITAL FINANCIAL SERVICES

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Abstract: *Digitalisation is recognised as "Game-Changer" in terms of expansion of IT World. As this made services convenient and less expensive for payments and transfer funds when needed. It also led to literacy level for digital platform have shown good level of impact in terms of households mainly. It has been seen that DFS has unlocked the potential for growth of financial services across the world through channels. Combination for digitalised services with Finance can be named as Financial Inclusion which revolves around affordability and useful applications to meet the needs like transactions, payments, savings, credit and insurance. It can reach up to the excluded or different kind of population. This review paper has a significance to understand the reason to develop digitalization in financial services. Digital Financial Services integrates the gap between developed countries and developing countries. It corporates with the speedy technology and makes work, payments, investments and household related work quite easier. It also breaks down the unavailability of financial resources and information for whose people living in rural areas.*

Keywords: *Digitalization, Digital Financial Services, Financial services.*

1. INTRODUCTION

In recent times the phenomenal development in the field of digital revolution taking off at an exponential pace. Most of the industries including banking and financial services sectors have been influenced in some way or the other. The advent of new technology usually leads to innovation in industry. Regardless of the sector, new technology is almost always adopted to make tasks easier and more efficient and this removes to the financial sector as well.

Digital Financial Services (DFS) can be defined as the set of financial services accessed and delivered through certain digital pathways. In another word, Digital financial services provided and accessed on the customer's respective mobile phones, computers, point of sale, ATMs, etc.,

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Digital financial services have significant potential to provide a range of affordable, convenient and secure banking services to poor people in developing countries. The digital India initiative can easily connect the different groups of society and can help to achieve the objective of financial inclusions through digital banking. The impact of mobility goes much more than facilitating on – the – go online transactions.

2. OBJECTIVE OF THE STUDY

This review paper has a significance to understand the reason to develop digitalization in financial services.

3. METHODOLOGY

The study is qualitative and literature grounded disquisition. Data composed from secondary sources which comprise exploration papers, websites, review papers, reports and journal papers.

4. REVIEW OF LITERATURE:

Mukherjee (2011) discussed the role of information and communication technologies to bring development in the rural sector. The rural dominated economies are striving for the growth and development. The ICT has started playing an important role in each segment of the society. It has a link with the financial services, receiving government benefits and many more. The nature of the requirement becomes more sophisticated because of which customer preference also changes drastically.

Van Rooij et al. (2012) provide evidence of a strong positive association between financial literacy and net worth, even after controlling for many determinants of wealth. They observe financial knowledge to increase the likelihood of investing in the stock market, allowing individuals to benefit from the equity premium. They further observe financial literacy to be positively related to retirement planning and the development of a savings plan has been shown to boost wealth.

Agarwal and Mazumder (2013) conclude from their study that individuals with greater mathematical ability are more patient and therefore less likely to make financial mistakes in time trade-off situations of a financial decision.

Gupta (2013) described the ICT based payment system in the Indian banking sector. It also helps to make process simpler and cost effective. Services like withdrawing money, opening back accounts, transferring money from one account to another also becomes possible with the help of these facilities. Access to capital becomes easier. The timely availability of fund helps the business groups to generate cash for business requirement in a hassle- free manner.

Sikada and Makkad (2013) studies the benefits it provides from the point of view of bank's customers as well the baking organization. Internet banking, a major constituent of e-banking framework, has changed the dynamics of commercial banking worldwide by virtually bringing the entire banking set-up at the doorstep of a common banking customer.

Gaudecker and Von (2015) have observed that nearly all households with high financial literacy scores or those who relied on professionals or private contacts for advice could achieve reasonable investment outcomes than those who trusted their own decision-making capabilities.

Kaur (2015) studies the effect of digital India initiative on the concept of financial inclusion. The digital India imitative can easily connect the different groups of society and can help to achieve the objective of financial inclusion through digital banking.

Sundaram and Sriram (2016) discussed on financial inclusion in the Indian perspective, discussed by different researchers all over the world and to highlight the awareness level of financial inclusion, digital financial inclusion and barriers confronted to financial access.

Suresh et.al., (2016) studied the trends in banking sector for financial inclusion, regulation, technology in India. The recent initiatives taken by Government of India boost to promote financial inclusion and surely leading to the position where all Indians have their bank accounts, using Information Technology enabled services.

Prasad et.al. (2017) contributes towards literacy ad usage contributes towards inclusion and has been proved. A structure questionnaire was framed by compiling questionnaires in the same area by introducing digital concept. The model framed by the researcher has been proven to be true i.e., Digital Financial Literacy has an impact of Digital Financial Inclusion. A sample of 200 respondents was drawn and Smart PLS Version 3 was used to analyses the data. The results show that the hypothesis framed by the researcher is statistically significant. Also, the percentage of digital financial literacy stands at 62.2% which suggest that digital financial literacy contributes towards the increase in the inclusion rate which can be said as awareness facilitates usage level.

Banerjee et.al., (2017) suggests that awareness can facilitate financial inclusion by increasing the usage level of all financial products and services. The underlining theory used by the researcher is the Theory of Cognitive Dissonance by Leon Festinger (1957) which suggests that there is an inconsistency between action and belief and that causes dissonance and can help in change in behaviour action and attitude. The theory of Cognitive Dissonance, when applies in case of Digital Financial Literacy and Digital Financial Inclusion, suggests that there is an on consistency between awareness and usage level of digital products and services which creates a dissonance. If the dissonance is addressed in the right manner change can be seen in both awareness and usage. Therefore this theory mainly contributes towards the basis of the problem addressed. Most researchers contribute to the impact of financial literacy on financial inclusion.

Baihaqqy et al. (2020) observe the pattern of influence consistently both in Indonesia and in emerging market countries that financial literacy has an influence on investment decisions and that the same similar to that of developed countries. In studies mentioned above exposing the relationship between financial literacy and investment decision making, the methodology used does not seem to be appropriate to tackle qualitative variable like risk propensity of investment decision. No study has also been seen exposing the relationship of financial literacy with borrowing status (and, propensity). We find studies in India and outside to study the impact of financial literacy on household decision making, but a few only in India about the impact on retirement planning in particular. In the state of West Bengal, no such study is found even till the time of preparation of this article. This is mainly because of the people of the state mainly poured in fund into small savings investment of the government because of which the state continuously topped in respect of such investment in the country over the past few years. A few vulnerable sections of the populace have however made unsafe investment practices and suffered a lot because of being defrauded in schemes relating to chit fund. But pension schemes had no special presence in the state, as also in India unlike the advanced countries. Those who are employed in the government sector have facility of drawing pension from the government till recently as the employer. The larger population who are either self-employed or employed in the private sector depend on personal savings or upon the income of the next generation. So the whole population had somehow blocked their thought process to invest in retirement planning schemes which can release fund at monthly or any other preferred periodic interval like pension. So, studies are also confined to the assessment of financial literacy and awareness of the people or their investment choices, not going into further details of investment schemes, specially the designated retirement planning schemes.

5. CONCLUSION

Digital Financial Services integrates the gap between developed countries and developing countries. It corporates with the speedy technology and makes work, payments, investments and household related work quite easier. It also breaks down the unavailability of financial resources and information for whose people living in rural areas. DFS provided interaction on a large scale with individuals and groups. This results into entering the virtual world where it starts from Purchasing Goods and Services online and Payment processes digitally to becoming one of the cashless economies soon. This indication can make everyone capable for the application of financial services in the form of digital form. Education related to services in relation with finance is the most needed currently; As Future of world is globalized under Digitalization.

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A CRITICAL ANALYSIS ON MOBILE BASED INSTANT LOAN APPLICATION IN INDIA

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Abstract: *Reserve Bank of India (RBI) says 1 "Recently, innovative methods of designing and delivery of credit products and their servicing through Digital Lending route have acquired prominence" This research paper is an attempt to critically study Mobile Based Instant Loan Application in India, even though the concept of Mobile Based Instant Loan looks attractive and addictive, in recent past these Mobile Based Instant Loan Applications are gaining more and more popularities in various media including social media platform for their unethical or negative way of conducting the operations, RBI has raised certain concerns on digital lending getting more popular, "concerns primarily relate to unbridled engagement of third parties, mis-selling, breach of data privacy, unfair business conduct, charging of exorbitant interest rates, and unethical recovery practices", further in this regard RBI Constituted a Working Group on Digital Lending which included both lending through online platforms and Mobile Based Applications and RBI has further classified these lenders under three major categories viz… (i) Regulated by RBI and permitted to carry out lending business, (ii) Entities authorized to carry lending business as per the statute but not controlled by RBI and (iii) Lending Entities not covered under the purview of any statue. This research paper reviews the various statutory guidelines issued by RBI to control and regulate such Mobile Based Instant Loan Application, further this paper also explore on the various sub topics such as working structure of such Mobile Based Instant Loan with respect to processing, disbursement and collections of loan amount, rate of interest charged including all other charges, loss sharing arrangements in case of default as per First Loss Default Guarantee (FLDG) read with applicable provisions "Master Direction – Reserve Bank of India India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021" users exposure towards the grievance raising mechanism, including a comparative study between guidelines of the regulator of Mobile Based Instant Loan Application i.e. RBI and guidelines of the Play store for listing of the Mobile Based Instant Loan Application.*

Keywords: *Digital Lending App (DLA), Annual Percentage Rate (APR), Lending Service Provider (LSP), First Loss Default Guarantee (FLDG), Working Group on Digital Lending (WGDL), Data Sharing, Play Store.*

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1 INTRODUCTION

The Digital Lending refers to those lending which are done using technology and digital platform, which can include online lending platforms, mobile application and other digital channels, further these types of lending are gaining more and more popularity in recent days, one among many reasons for such popularity might be the ease of application of loan, which are paperless in nature and majority of the time promises instant disbursement of loans to the applicants desired bank account after a minimal verification, availability of internet (data) at a competitive price has also significantly contributed towards increased use of such digital platforms in India. As Digital Lending getting popularized, the entry of new players (lenders) has also been rapidly increasing and giving a new dimension towards lending, where not only the traditional banks are into lending but also organization with only Mobile Based Application has entered into this market. However, there are also alarming issues with regard to a proper and systematic regulation, in absence of such regulation it can lead into exploitation of the borrowers' situation and charge high – interest rate and run the business without ethics and morals. During the initial days large number of digital lending were unregulated, later Reserve Bank of India (RBI) in it is press release[1] expressed, "*Recently, innovative methods of designing and delivery of credit products and their servicing through Digital Lending route have acquired prominence"* RBI also repeated warned customers against the questionable digital lending entities that promise loans in seconds, some of the digital lending entities are also charging exorbitant interest on such instant loans and then won't even hesitate to use muscle power to recover the dues. RBI finally issued guidelines on Digital Lending on September 02, 2022, before this on January 13, 2021 RBI had constituted a Working Group (WG) on digital lending including lending through online platforms and mobile apps, the Working Group submitted it's a detail report to RBI on November 18, 2021, further as per the press release by RBI on November 18, 2021. RBI placed the report submitted by Working Group in its official website inviting the comments of the stakeholders and public at large, keeping December 31, 2021 as last date to submit the comments.

2 REPORT SUBMITTED BY WORKING GROUP

Working Group on Digital Lending including Lending through Online Platforms and Mobile Apps, broadly classified its report under five different section viz… (i) Introduction comprising of Constitution of Working Group, foreground, processed followed and Broad Approach, (ii) Digital Lending Landscape comprising of Digital Lending Eco – System,

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Global Scene, Indian Scene and Trends and Future, (iii) Regulatory Policy Approach to Digital Lending comprising extant of Indian Legal Regimes, Global Regulatory Practices including case of Regulators/Supervisory Review in India and Recommendation/suggestions on Statutory – Regulatory Approach, (iv) Technology Standards of Digital Lending in India with focus on Factors Spurting Growth of Digital Lending in India, Digital Lending Lifecycle, Regulatory Perspectives of Digital Lending Technology including recommendations and suggestions (v) Financial Consumer Protection, Extant Frameworks in India, Global Practices. The Report was concluded with Total 26 number of Recommendation, 17 number of Suggestion, and the gist these recommendations and suggestions was presented in a tabular form dully linking to the concerned section of the report and also tagging to applicable implementing authority such as Government of India, RBI, Registrar of Companies, State Governments, Self-Regulatory Organisation etc… and also annexed the Inputs received from Stakeholders on various aspects such as Legal Aspects, Regulatory Aspects, Technological Aspects, Business Conduct/Fair Practice Codes/Customer Grievance Aspects and other Miscellaneous Aspects.

Table 01: Consolidation Disbursed through Digital Channels

		FY 2017	FY 2018	FY 2019	FY 2020	As on 31st December, 2020
Commercial Banks (Consolidation of 48 Commercial Banks)	Total amount disbursed through digital channels, values in Crores.	10,929	26.347	59,281	98,792	1,12,358
	Total number of loans disbursed through digital channels.	9,89,183	16,83,226	33,42,174	60,81,716	93,89,849
NBFC (Consolidation of 62 NBFCs)	Total amount disbursed through digital channels, values in Crores.	741	3,543	1,33,82	43,030	23,535
	Total number of loans disbursed through digital channels.	1,01,588	12,05,722	96,35,246	5,53,98,155	2,82,91,962

Source: Sample Survey Extracts on Digital Lending Annexed to Working Group Report

Reserve Bank of India in its press release dated November 18, 2021 while placing the report inviting comments from the stake holders on or before December 31,2021, presented the gist

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of the key recommendation made by Working Group on digital lending including lending through online platforms and mobile apps, the gist focused on issues like

a) Verification Process of Digital Lending Apps by a nodal agency.
b) Proposal to set up Self – Regulatory Organization.
c) Proposal of exclusive legislation to prevent illegal digital lending.
d) Base Line Standards and Compliance as pre requisite for lending loans.
e) Loan directly to borrower's bank account and all service only through bank account of digital lenders.
f) Data Collection with consent, storage in servers located in India and also to ensure necessary transparency in Algorithmic Features.
g) Introduction of the Concept of KEY FACT STATEMENT and mandatory for digital lenders to issue the same for borrowers, as per the approved format.
h) Standardized Code of Conduct, maintenance of negative list.

By emphasizing the above the above gist and considering the entire report of working group mentioned above, RBI issued a press release dated August 10, 2022 for Implementation of the Recommendations of the Working group on Digital Lending, here in this implementation stage RBI broadly classified the Digital Lenders under three major category such as (i) Entities regulated by the RBI and permitted to carry out lending business; (ii) Entities authorized to carry out lending as per other statutory/regulatory provisions but not regulated by RBI; (iii) Entities lending outside the purview of any statutory/ regulatory provisions. Further RBI expressly mentioned for those entities authorized to carry out lending as per other statutory/regulatory provisions but not regulated by RBI, *"the respective regulator/ controlling authority may consider formulating or enacting appropriate rules/regulations on digital lending based on the recommendations of working group on digital lending"* and for entities lending outside the purview of any statutory/ regulatory provisions *"the working group on digital lending has suggested specific legislative and institutional interventions for consideration by the Central Government to curb the illegitimate lending activity being carried out by such entities"* and the RBI's regulatory frame work shall be restricted to Entities regulated by the RBI and permitted to carry out lending business only. The RBI regulation along with regulatory frame work emphasized on issues like, Customer Protection and conduct issues, Technology and Data Requirements.

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3 Guidelines on Digital Lending by Reserve Bank of India for its Regulated Entities.

Reserve Bank of India on September 02, 2022 vide reference number RBI/2022-23/111, DOR.CRE.REC.66/21.07.001/2022-23 addressed to All Commercial Banks, Primary (Urban) Co-operative Banks, State Co-operative Banks, District Central Co-operative Banks, Non-Banking Financial Companies (including Housing Finance Companies) issued Guidelines on Digital Lending in the backdrop of RBI Press Release "Recommendations of the Working Group on Digital Lending – Implementation" dated August 10, 2022, the detail guidelines on Digital Lending has expressly mentioned scope of these guidelines which extended to All Commercial Banks, Primary (Urban) Co-operative Banks, State Co-operative Banks, District Central Co-operative Banks, Non-Banking Financial Companies (including Housing Finance Companies), collectively defined as Regulated Entities (Res) further the guidelines introduced and defined the following:

a) Annual Percentage Rate (APR) – along with the interest it included the entire cost of loan such as processing fees, verification charges, etc… and excluded late payment fees, penalties etc…charged by Regulated Entities.
b) Cooling off/look-up period – period given to borrower to exit from the digital loan if desired not to continue.
c) Digital Lending – *"A remote and automated lending process, largely by use of seamless digital technologies for customer acquisition, credit assessment, loan approval, disbursement, recovery, and associated customer service"*
d) Digital Lending Apps/Platforms (DLAs) – Mobile and web-based application with user interface of Regulated Entities.
e) Lending Service Provider (LSP) – The concept of LSP has a wider scope and includes all those who provide service and support to the Regulated Entities, either in terms of technology or recovery of loan i.e. factoring service, etc… including a micro level service to blanket of services.

The guideline mentioned above apart from defining the above terminologies, has been broadly classified under three major heads viz… (A) Customer Protection and Conduct requirements, (B) Technology and Data Requirement and (C) Regulatory Framework, each of these three major heads contained the following aspects as mentioned in table 02.

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Table 02: Gist of Guidelines on Digital Lending by RBI for its Regulated Entities

Major Head	Minor Head	Key Focus on
Customer Protection and Conduct requirements	Loan Disbursal, Servicing and Repayment	Regulated Entities are instructed to disburse the loan amount directly to the borrower's account and receive all repayments including interest, service charges etc… directly to Regulated Entities Bank Account, which in other words means they cannot use accounts of Lending Service Provider for these purposes.
	Collection of fees, charges, etc.	Payment of Fees/Charges if any payable to Lending Service Provider to be paid from Regulated Entities account and not directly from borrower's account.
		Penal Interest/ Charges to be prominently mentioned in Key Fact Statement
	Disclosures to borrowers	Annual Percentage Rate (APR) to be mentioned in Key Fact Statement.
		Key Fact Statement to be issued as per the approved format.
		Digitally signed documents on the letter head of the Regulated Entities, to be sent to borrowers' verified E Mail/Mobile.
		List of Lending Service Provider to be prominently mentioned in the website of Regulated Entities.
		Product information clearly mentioning all features, loan limit, cost etc.. should be displayed by Regulated Entities as to be accessed by the prospective borrower.
		Details of recovery agent to be communicated to borrowers at the stage of sanctioning the loan.
		Link to website of Regulated Entities including all related persons such as Lending Service Providers, to be displayed in the Mobile App/ Webpage along with particulars of Customer Care, Privacy Policy, etc…

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	Grievance Redressal	Regulated Entities shall have suitable Nodal grievance redressal officer to deal with grievance pertaining to FinTech/Digital Lending Related Complaints including issues related to borrowers. Contact Details of such grievance redressal officer prominently displayed in the Website, App etc… of Regulated Entities including website of Lending Service Providers. Grievance if not solved within 30 days by Regulated Entities the borrower can escalate the issue by lodge a complaint under *"Reserve Bank-Integrated Ombudsman Scheme"* or as per the grievance redressal mechanism prescribed by the RBI.
	Assessing the borrower's creditworthiness	Regulated Entities need to capture demographic and economic profile of the borrowers before extending the loan and should increase the credit limit without consent of the borrowers.
	Cooling off/look-up period	Regulated Entities need to mandatory provide cooling off/look – up period for borrowers to exit digital loan by paying principal along with pro – rata Annual Percentage Rate – currently minimum three days incase of loan tenure above seven days and one day for loan tenures of seven days.
	Due diligence and other requirements with respect to LSPs	Regulated Entities need to take utmost care in the ascpects of technical abilities, data privacy policies and storage systems, fairness in conduct with borrowers and ability to comply with regulations and statutes by Lending Service Providers and also Regulated Entities need to carryout periodic review and can also impose necessary guidelines.
Technology and Data Requirement	Collection, usage and sharing of data with third parties	Regulated Entities should take care as to the collection of data, which is should be based on prior and explicit consent of the borrower and further need to desist from accessing files, medias, contact list, call logs etc… from the mobile phones except one time access for camera,

		microphone, location, etc… needed for KYC. Further the option to revoke any permission, deletion of the application should be enabled to borrowers.
	Storage of data	Regulated Entities should make a careful watch as to personal information of the borrower is not stored with Lending Services Providers, further regulated entities ensure that clear policy guidelines regarding the storage of customer data including the type of data that can be stored, the length of time for which data can be stored, restrictions on the use of data, data destruction protocol, standards for handling security breach, etc…, and same needs to be promptly displayed.
	Comprehensive privacy policy	Regulated Entities need to make sure Lending Service Providers in relation with Regulated Entities need to have Comprehensive Privacy Policy in line with applicable laws, associated regulations and RBI guidelines.
	Technology standards	Regulated Entities are made responsible as to Lending Service Providers in relation with Regulated Entities need to have Comprehensive Privacy Policy in line with applicable laws, associated regulations and RBI guidelines.
Regulatory Framework	Reporting to Credit Information Companies (CICs)	Credit Information Bureau Limited (CIBIL), Equifax and Experian are Credit Information Companies in India as per the prevailing rules pertaining to Credit Information Companies (CIC) (Regulation) Act, 2005, Regulated Entities need to report their Digital Landings.
	Loss sharing arrangement in case of default:	Regulated Entities has been advised to adhere the provisions of the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021.

Source: Author's representation on the basis of RBI Guidelines

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4 NBFCs WHICH NEED NOT BE REGISTERED WITH RBI

The NBFCs into the following business need not want to registered themselves with RBI as they are governed by applicable statutes

a) Core Investment Companies – assets below 100 crores or public.
b) Merchant Banking Companies.
c) Companies being engaged into stock – broking.
d) Housing Finance Companies.
e) Venture Capital Companies.
f) Insurance Companies being registered with IRDAI.
g) Chit Fund Companies as per Chit Fund Act, 1982.
h) Nidhi Companies as per Companies Act.

5 LOAN APPS IN INDIA

As per the survey made published by onendf.com India has 70 plus best RBI Approved Loan Apps in India, the credit limit starting with the range of loan up to Rupees Ten Thousand and maximum credit limit of loan up to Rupees Ten Lakhs and the peak rate of maximum credit limit of loan up to Rupees Five Lakhs.

5.1 **Google Play Store** has clearly laid down the policy for listing of Financial Service Application in Google Play Store, as per the policy Personal Loan includes lending money from one individual, organization or entity to an individual consumer on a nonrecurring basis and excluding for the purpose of purchase of Fixed Assets or Education, further Apps that provide personal loans, including but not limited to apps which offer loans directly, lead generators, and those who connect consumers with third-party lenders, fall under the App Category "Finance" and such Apps in India need to mandatorily disclose the following:

a) Period of Repayment – Minimum and Maximum
b) Maximum Annual Percentage Rate (APR), where Annual Percentage Rate (APR) is inclusive of all charges, processing fees along with interest.
c) A Privacy Policy.
d) For all those Directly Involved with Money Lending, copy of necessary approvals received by applicable governing body such as RBI and incase of those not being

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involved into Direct Lending, but only support such lenders need to mention in the declaration and the names of all NBFCs and Banks for which support is lent needs to be disclosed in the app.

A Sperate Declaration to be filled by developers with personal loan apps targeting Indian. Apart from demographic information of the developers like name, contact details, E Mail, Application (App) Name declaration, developer needs to opt using radio button either as lender or facilitator and those developer who lend even any one personal loan offering in the App then needs to mandatorily select as lender and not as a facilitator. The declaration continues with the confirmation as to the business is lawful and abide by all applicable laws.

Google Play Stores in its *April 2023 Policy Updated* under Policy Centre for Finical Centre has mentioned that, they are updating their *"Personal Loans Policies"* and the changes proposed is *"the apps with the primary functionality of providing or facilitating personal loans may not access user contacts or photos"* and these changes will be effective from May 31, 2023.

5.2 Apple App Store lays down the following guidelines#

a) Apps used for financial trading, investing, or money management should be submitted by the financial institution performing such services.
b) Apps that provide services in highly regulated fields (such as banking and financial services, healthcare, gambling, legal cannabis use, and air travel) or that require sensitive user information should be submitted by a legal entity that provides the services, and not by an individual developer.

Source: https://developer.apple.com/app-store/review/guidelines/#safety

5.3 Loan Apps as APKs on WhatsApp

Loan Apps which do not meet the standards prescribed by Google play stores and Guidelines of the RBI and developed with the main intention of exploiting the needy borrowers are circulating their Application (App) as APKs (Application Package or Kit) using WhatsApp, these apps usually have the practice of deducting processing fees from loan amount, charge exorbitant rate of interest and heavy penalties, in the range of 36% up to 50%, in case of defaults might also have unethical business practices followed for recover and violation of law and orders.

6 LOAN APPS BANNED IN INDIA

As per the survey made published by onendf.com have listed five hundred plus loans apps as fake apps in their *"Fake App List 2023"*, further the study reveals majority of these apps are Chinese Apps, these apps frequently work by promising quick loans or enticing loan terms to get users to download the app by requesting to provide personal and sensitive financial information such as credit card details including Personal Identification Number (pin), Card Verification Value (CVV) and even some time request advance payment for quick and hassle free disbursement of loans later these app disappear themselves or even some times change they keep changing their names, web address, etc… Apps designed with the intention of cheating shall usually do not have their physical address mentioned or even though mentioned it will not be an Indian Address, they lack clear information about loan repayment and interest rates, privacy policies and terms and conditions might not be hosted.

Due to increase in concerns of these types of fake or improper loan apps, increase in complaints against loan apps and also Information and Technology Department action revealed Chinese Links, due to high rate of interest and accessing personal data of the borrowers, in many cases it has lend for harassment and suicide. As per the reports Ministry of Finance, Government of India, has asked the Reserve Bank of India to prepare a "White List" and has asked to monitor rented and mule account *(Set up using a stolen identity)*, the following is the reported action plan:

a) RBI to closely monitor rented or mule accounts, which could be used for money laundering.
b) To Review or Cancel NBFCs with dormant status.
c) Time bound registration of payment aggregators and ban of unregistered payment aggregators.
d) Concerned Government Agencies are asked to take initiative to increase cyber awareness among general public.
e) Ministry of Corporate Affairs asked to identify shell companies which may be used by loan apps.

7 CONCLUSION

In spite of continuous efforts by various authorizes and law enforcing agencies jointly with Google Play Stores/ Apple App Stores to curb the Digital Lending App based fraudulent

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transaction, still there is a scope for such developer who develops the app with the intent to make fraud. Apps like WhatsApp, Telegram, etc… are used as medium of communication for transmitting APKs (Application Package or Kit), the need arises for Apps like WhatsApp, Telegram, etc… to closely monitor and curb the using their platform as medium of communication for transmitting APKs. On the other hand, each individual needs to be more careful and should have a proper financial planning and should inculcate the habit of not falling into debt trap in spite of the attraction of the loan scheme.

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DIGITAL PAYMENT MODES

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Abstract: *Economics, money, and the way we make payments have undergone several changes since the time of the Stone Age. In a sense all these are key indicators of our progress as a species. The primitive methods indicated our primitive way of living. Similarly, the current payment methods powered by cutting-edge technology boast our technological achievements of today. Information Technology (IT) has revolutionized the various aspects of our lives; particularly it has provided an easy way to go for digital payments. During the Demonetization period, the Government of India forced the people directly or indirectly to do all commercial transactions via Digital mode. The common people started to move from traditional payment system towards Digital Payments systems which ensured safe, secure and Convenience. With giant technological leaps in the smart phone and easy internet access has led Indian market to accept Digital Payments. The percentage of the digital payments through other modes is also increasing in a significant speed. Digital Banking is the new worldwide that offers significant advantages to banks as far an expanding benefit .This transformation towards digital payments benefits in more transparency in transactions which empowers the country's economy . In recent days many changes took place in the payment systems like digital wallets and BHIM apps for smooth shift to digital payments .The Research paper highlights the usage and importance of digital payments services. The objective of the present study is to know about the various types of Digital payment transactions that are used by the common people in their day-today's lives. This study is chiefly based on Secondary data. Result indicates that the Digital revolution has made the cash less transaction an easy one. The reach of mobile network, Internet and electricity is also expanding digital payments to remote areas. So, without doubt said that future transaction system is cashless transaction.*

Keywords: *Digital payments, cashless Economy, online payments, E payments*

1 INTRODUCTION

We are now in the era of digital world. India is heading on the path of a major digital revolution. In today's world, the intensified connectivity provided by the Internet has transformed the nature of financial transactions. In the past decade there is a magnificent progress in the usage of various gadgets like smart phones, laptops,iPads, tabs and internet in India. Due to the increase in the number of users of internet, smartphones and initiatives taken by Government such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment. India stabs to treading towards digital payment system. Digital payment system is a payment system made through an electronic network and digital modes. All the transactions in digital payments are completed online. It is an instant and convenient way to make payments. With the vision of promoting cashless transactions and converting India into digital economy various modes of digital payments are available such as: banking cards, USSD, UPI, AEPS, Mobile wallets, POS terminals, Micro- ATMs and internet, mobile banking, BHIM.

1.1 Defining digital payments

A digital payment, sometimes called an electronic payment, is the transfer of value from one payment account to another using a digital device or channel. This definition may include payments made with bank transfers, mobile money, QR codes, and payment instruments such as credit, debit, and . As part of the 'Digital India' campaign, the government has an aim to create a 'digitally empowered' economy that is 'Faceless, Paperless, Cashless'.

1.2 Benefits of Digital Payment Methods

While most of us have adjusted to the shift in payment methods, there are many people who still prefer the conventional form of cash payment and are yet to accept the concept of digital transactions Transactions made using a digital payment system are quicker, easier, and more convenient than traditional bank transactions made in person at a branch. Here are some of the most compelling reasons to go cashless and get the benefits of digital payments

a) Enhanced Safety

One of the most significant benefits of digital payments is that they are far more secure than traditional cash transactions because they require adequate verification and

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authentication. Banks and other digital payment systems provide additional security for digital transactions in the form of OTPs and cross-verification, which can prevent fraudulent transactions.

b) It's More Convenient

Digital payment systems provide greater convenience for everyone because they allow them to perform financial transactions without worrying about running out of cash.

c) Transactions that is quick and easy

Since digital payments have been around for a while, the process has gotten simpler than before.Buyers can now make purchases using their mobile banking apps or other digital wallets, making the entire transaction process simpler. The buyers can just scan the QR code and make the payment very easily through their digital wallets.

d) Special Offers and Discounts

Banks and other financial organisations often offer their consumers various offers and discounts to boost digital payments. One can take advantage of these deals and receive regular cash backs, rewards, and discount vouchers for digital transactions.

e) Physical Distancing

One of the most significant advantages of digital payments is that they encourage secure and contactless transactions. With the Covid-19 situation still looming over our heads, it's critical to avoid personal contact. As a result, one of the best methods for them to stay safe during the Covid-19 pandemic

f) Traveling Convenience

Retailers around the country have realised the value of becoming cashless and have begun to accept digital payments. As a result, people can easily travel to and from other Indian cities without worrying about finding an ATM or running out of cash.

g) Keep tabs on your spending

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Maintaining a weekly/monthly budget is the first step toward financial independence. This is especially essential for the individuals who rely on their pensions and other retirement funds. With easy-to-access bank statements ,digital payments allow them to keep track of their overall spending.

h) Various Alternatives

Individuals can now choose from a variety of digital payment alternatives, including debit and credit cards, as well as digital wallets such as Google Pay and PhonePe. This allows them to do financial transactions without worrying about running out of cash.

i) Budgeting Consistency

Going cashless is one of the best methods for people to understand their spending habits better, as they can track and analyse their transaction patterns using various apps. This will assist them in better understanding their spending and better planning their .

j) You will save both time and money

One of the most significant advantages of going cashless is saving individuals a significant amount of time and money. Individuals can make faster payment.

k) With the advent of digital payment platforms and big data, India's businesses can now make tax payments online instead of manually, and this will enable them to save days, time and money

l) This will benefit both the government and the economy since the cost of minting currency will also drop since digital transactions will help the government keep track of things.

1.3 Types of Digital Payment Methods in India:

Currently, we have 10 methods of digital payment. The government has been constantly promoting and encouraging all of these methods for secured and convenient payments at lower costs.

1. Banking Cards:

Banking cards are the most used digital payment method in India. It includes all the types of cards - debit cards, credit cards, and pre-paid cards. The leading card payment systems in India are Visa, MasterCard, and RuPay. Banking cards have become one of the preferred payment methods due to the enormous convenience, control, flexibility, and security they offer, compared to the other payment methods. With all the banks and Non-Banking Financial Companies (NBFCs) offering a variety of banking cards, the customers have a choice to choose the right type of card for them.

Some of the key features and benefits of the banking cards are:

i. Highly versatile usage for withdrawals at ATMs.

ii. Customers can make secure payments within a minute or two for their online as well as offline purchases.

iii. The cards are less likely to be used for fraudulent transactions unless the card data is revealed because, for a transaction to take place, a cardholder is required to do a two-factor authentication

iv. Nil transaction fee to the customer

v. A customer might have to pay an annual fee or transaction fee (for the number of transactions above the specified limit) by bank's discretion.

vi. Customers can use Travellers and International cards globally. A customer can set up transaction limits as per their requirements

2. Unstructured Supplementary Service Data (USSD):

Unstructured Supplementary Service Data (USSD) is an innovative payment service that allows customers to make mobile banking transactions using a basic mobile phone without internet facility. Banking customers can avail of this service by dialling *99#, a common number across all the Telecom Service Providers (TSPs). The service is envisioned to provide financial inclusion and deepening of rural areas and the areas with poor internet connectivity.

Some of the key features and benefits of the Unstructured Supplementary Service Data are:

i. It offers all the basic services, such as balance enquiry, interbank funds transfer, mini statement, etc. The service is currently offered by 51 leading banks and all GSM service providers.

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ii. A customer can access the service in 12 different languages. Customers simply have to register for the USSD with the mobile number they have registered with the bank account.

iii. A customer receives a Mobile Money Identifier (MMID) and Mobile Personal Identification Number (MPIN), which needs to be remembered, without which the transaction will not take place. A transaction fee of Rs 0.50 is charged to the customer.For safety purposes, the fund transfer is capped at Rs 5,000 per transaction.

3. Aadhar Enabled Payment System (AePS):

In order to further speed-track financial inclusion in the country and leverage the presence and reach of Aadhar, a bank-led model for digital payments, the AePS, was initiated. It enables banks to route the Aadhar initiated interbank transactions through a central switching and clearing agency in a safe and secured manner.

Some of the key features and benefits of AePS are:

i. It allows online interoperable financial transactions at PoS/Micro ATMs through the business correspondence or Bank Mitra of any bank using the Aadhar Authentication.

ii. The AePS does not require any physical activity like visiting the bank, using any banking card, making a signature, etc.

iii. A customer has to do Aadhar seeding to the bank account.

iv. No transaction fee is charged to the customer.

v. The Reserve Bank of India has not set any transaction limit, but each bank has set its own limit.

vi. The AePS allows all the basic transactions, such as balance enquiry, cash withdrawal, cash deposit, Aadhar to Aadhar fund transfer, payment transaction like Customer-to-Business (C2B) and Customer-to-Government (C2G).As of now, the service is offered by 118 banks.

4. Unified Payment Interface (UPI):

Unified Payment Interface, also known as UPI, has gained immense popularity, especially in urban areas. It powers multiple bank accounts (of any participating banks) into a single

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mobile application that allows several banking features, seamless fund routing, and merchant payments under a single roof. Currently, 224 banks are live on the UPI.

Some of the key features and benefits of UPI are:

i. Each bank has uploaded their UPI-enabled app on App Store, Google Play Store, and Microsoft Store.

ii. One app lets you access different bank accounts. It allows immediate fund transfer through registered mobile phone 24*7*365.

iii. For double-layer security, a 2-factor authentication is required to process transactions.

iv. UPI allows scheduled payments that can be made as per requirement and convenience. A customer has to provide the banking details, such as account number, card number, IFSC, etc. only at the time of registration.

v. For doing a UPI transaction, a customer requires a registered mobile device with an internet facility and MPIN.

vi. The banks do not charge the customer for the UPI transactions. The maximum amount that can be transferred per transaction is Rs 1 lakh.

vii. A customer can check the account balance, check the transaction history, send/pay money, collect money, add bank accounts, change/set MPIN, invite contacts to UPI, etc.

5. Mobile Wallets:

A mobile wallet, also known as a digital wallet or e-wallet, is a type of virtual wallet that can link your debit card u/or credit card information in a mobile device to your mobile wallet app and lets you transfer funds online to the wallet. This app can be seamlessly used to make purchases through your smartphone, tablet, or smartwatch, instead of physically using plastic cards. To load money in the mobile wallet, a customer has to link their bank account to it.

Some of the key features and benefits of mobile wallets are:

i. Most banks have their mobile wallets (PayZapp by HDFC Bank, ICICI Pockets, SBI Buddy, etc.) that offer discounts on bill payments and purchases made with partner merchants.

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ii. Banks generally charge a fixed fee for the remittance. A customer can make a transaction of up to Rs 2,00,000 through a mobile wallet.

iii. Through a mobile wallet, a customer can send or receive money, pay utility bills, pay insurance premiums, scan the QR code to make a purchase, and much more.

6. Bank Pre-Paid Cards:

Bank pre-paid cards are the plastic cards issued by the bank that are pre-loaded with money and can be used like a debit card. However, the main difference is that these cards are not linked to the account and requires to be loaded with money from your bank account either online or by visiting the bank branch.

Some of the key features and benefits of Bank Pre-Paid Cards are:

i. These cards can either be single-use cards or multiple-use cards.

ii. Once the loaded amount is exhausted in a single-use pre-paid card, it automatically gets blocked.

iii. A multiple-use pre-paid card generally comes with a certain expiry date and a user can reload and use the card numerous times until its expiry.

iv. These cards are commonly used as corporate gift cards, reward cards, travel cards (to load the foreign currency), etc.

v. Generally, the bank pre-paid cards are used for specific purchases only. For example, an Amazon Gift Card can only be used to make purchases through Amazon.

vi. Up to Rs 2 lakhs can be loaded on a pre-paid card with full KYC. The loading money on pre-paid cards is mostly free, but some cards may have charges.

7. Point of Sale (POS) Terminals:

A POS is a place where sales are made. To make the POS more secured and touch-free, contactless POS machines and banking cards are introduced, which can debit amounts up to Rs 2,000 automatically and without having to input a PIN. To use the facility, a customer must have a contactless card and register it for contactless payments.

Some of the key features and benefits of POS Terminals are:

i. It is widely available with no transaction limit stipulated by the RBI, and thus, a convenient and secure mode for payment of purchases.

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ii. A customer can choose from the different types of POS terminals as per their business requirements; Physical POS, Mobile POS, and Virtual POS. A Physical POS can receive money through cards and AePS. A Mobile POS can be used with a smartphone to receive money through cards, AePS, Mobile Wallets, and QR Code scanner. A Virtual POS can be used through a smartphone or web browser with an e-payment gateway to receive money through cards, Mobile Wallets, and QR code scanners.

iii. Service provider charges monthly rental and transaction charges to the POS holder.

iv. In addition to the charges, a user has to pay a refundable deposit to the service provider.

8. Internet Banking:

Internet Banking or Online Banking lets the customer make transactions and other financial activities through a bank's website. Internet Banking allows a customer to do all the banking transactions that are possible to do online. A customer has to register themselves for internet banking with the bank they hold their Savings Account with.

Some of the key features and benefits of Internet Banking are:

i. Money transfer can be done to any bank account through National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS), and Immediate Payment Services (IMPS).

ii. Each of these payment methods has its own transaction limit.

iii. Stop payment of cheque, chequebook request, downloading of bank statements of up to 3-5 years, checking balance, using Electronic Clearing System (ECS), applying for a loan, availing of the instant loans, paying credit card and utility bills, purchasing mutual fund and insurance, applying or renewing a credit card, debit card, pre-paid card, and redeeming the reward points, are some of the examples of the requests and transactions that can be done through internet banking.

iv. Most banks do not charge for payments done through internet banking.

9. Mobile Banking:

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Most banks have their mobile apps that can be downloaded from an application store like Google Play Store, App Store, and Microsoft Store. It allows users to conduct different types of financial transactions remotely using a smartphone or tablet.

Some of the key features and benefits of Mobile Banking are:

i. It lets you do most of the internet banking transactions on your smartphone or tablet.

ii. Mobile Banking is a great way to track your bank accounts.

iii. A customer has to register with the bank for Mobile Banking. The transactions limits are the same as Internet Banking.

10. Micro ATMs:

Millions of Business Correspondents are using Micro ATM devices to deliver basic banking services. A Business Correspondent, who could be a grocery shopkeeper, uses a device that lets you transfer money via your Aadhar-linked bank account by authenticating your fingerprint.

Some of the features and benefits are:

i. Instant transaction.

ii. The Micro ATM devices are connected to banks across the country.

It enables a person to instantly deposit or withdraw funds regardless of the bank associated with the Business Correspondent.

1.4 **Disadvantages of Online Payments**

Other Issues and challenges regarding Digital Payment Systems

i. Lack of adequate banking facilities in rural
ii. Poor Network Connectivity
iii. Lack of Grievance Redressal Mechanism
iv. Electricity Problem
v. Lack of Trust
vi. Lack of Awareness
vii. Low level of literacy

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viii. Time and amount restriction ,service charges etc
ix. English language barrier
x. Erratic Internet Connectivity
xi. No access to debit and credit cards
xii. Annual Fees for cards
xiii. Levy of Convenience charges
xiv. Surcharges on use of cards

1.5 Schemes

Promotion of digital payments ecosystem is an essential aspect of Digital India programme and is aimed at digitizing the financial sector and economy with consequent benefits of efficiency, transparency and quality. Over the years, digital payment transactions have grown multifold from 2071 crore in FY 2017-18 to 5,554 crore FY 2021-22(till 20th March 2022)* 8193 crore

Note: Digital Payments modes considered: BHIM-UPI, IMPS, NACH, AePS, and NETC, Debit cards, Credit cards, NEFT, RTGS, PPI and others.

Source: Reserve Bank of India (RBI), National Payments Corporation of India (NPCI) & Banks

1.6 **The following major steps have been taken for promotion of Digital Payments by Ministry of Electronics & IT (MeitY):**

i. The incentive scheme for promotion of RuPay Debit cards and low-value BHIM-UPI transactions (P2M) has been initiated by MeitY to give a further boost to digital transactions in the country. This scheme facilitate]Banks in building robust digital payment ecosystem, promoting RuPay Debit card and BHIM-UPI digital transactions.
ii. Various other Incentive/cashback schemes were launched by MeitY . Some of them were BHIM Cashback schemes for Individuals & Merchants, BHIM Aadhaar Merchant Incentive Scheme, BHIM-UPI Merchant On-boarding Scheme Merchant Discount Rate (MDR) Reimbursement scheme.
iii. MeitY issued advisories to Central Ministries/Departments and States/UTs to improve payments acceptance infrastructure and thereby enable the citizens to pay by a variety of modes such as Internet banking, mobile banking, and mobile applications etc.

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iv. MeitY launched the scheme titled "Pradhan MantriGramin Digital SakshartaAbhiyan (PMGDISHA)" to usher in digital literacy in rural India.

v. MeitY advised all Banks and Payment Service Providers to undertake awareness campaigns for promotion of secure payment practices and generate information security awareness. Materials are disseminated through portals- "www.infosecawareness.in", www.cyberswachhtakendra.gov.in .

vi. Awareness campaigns were organized in the Capital Cities of North East to promote digital payments including BHIM app. MeitY also ran Newspaper campaigns, Digital Theatre Campaigns, FM Radio campaigns and hoarding campaigns to promote digital payments.

vii. Various promotion and awareness campaigns, through traditional means of publicity as well as emergent means such as social media platforms, have been initiated to encourage citizens to use digital payments.

viii. As part of the week-long 'AzadiKa Digital Mahotsav', MeitY celebrated, India's Digital Payment Journey through a marquee 'Digital Payment Utsav'. The day celebrated the journey and rise of digital payments in India .Top Banks were awarded & recognized in various categories for achievements in FY 2019-20 and FY 2020-21 towards the promotion of Digital Payments.

ix. MeitY has integrated Digital Payment Grievances along with Ministry of Consumer Affairs (MoCA) for utilizing it with National Consumer Helpline (NCH) platform of Department of Consumer Affairs (DoCA). All the major banks and financial service institutions have been on-boarded on NCH Platform. The platform is live and receiving Digital Payment related grievances.

x. In order to ensure safety and security of digital payments, various steps have been taken by the Government and Reserve Bank of India(RBI)

1.7 Recent update

UPI Digital Payment/Transactions Charges Update Starting April 1, 2023, any UPI transaction above Rs 2,000 through prepaid payment instruments (PPI), such as online wallets or gift cards, will incur an interchange fee of up to 1.1%. However, customers will not be charged for UPI payments as the fee only applies to PPI merchant transactions Today

2 SUGGESTIONS

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i. Government can ensure to the public that the operation of digital payment transaction is free from transactions cost which in turn helps the customers of various transaction to purchase via on line mode.
ii. Government could give concession to the retailers, merchants and other suppliers who sell the products and services via digital mode and this in turn will encourage all the merchants to become e-merchants
iii. Training Programmes could be organised by the government to train all the people to make use of the digital payments.
iv. Government can give continuous media coverage through TV news/ shows, Radio or social networking or newspapers/magazines about the benefits of digital payments to society and for the individual
v. Customers must be able to comply with the terms and conditions of Digital payment methods, notify the issuer of the loss/theft of the Electronic Payment Instrument (EPI) immediately and keep track on the balance, especially after each transactions

3 OBJECTIVES

The general objective of the study is to know about the various types of digital payment transactions

i. To explore the various modes of digital payment transactions thatis offered by various financial institutions.
ii. To gauge the extent of operationsof digital payments while dealing with online transactions
iii. To offer suitable suggestions in handing digital payments as easy and convenient one

4 RESEARCH METHODOLOGY

The study is based on primary and secondary data. Primary information was collected through administrating the questionnaire .A questionnaire having different questions was constructed to know the opinion about digital payment.

5 RESULTS AND FINDINGS

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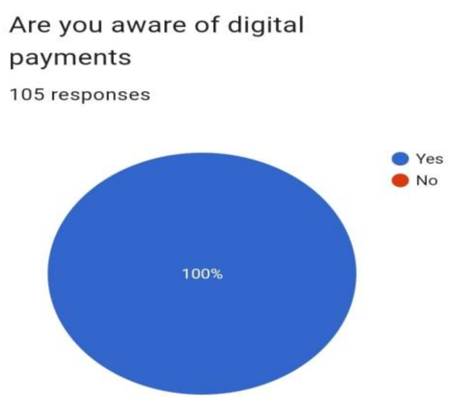
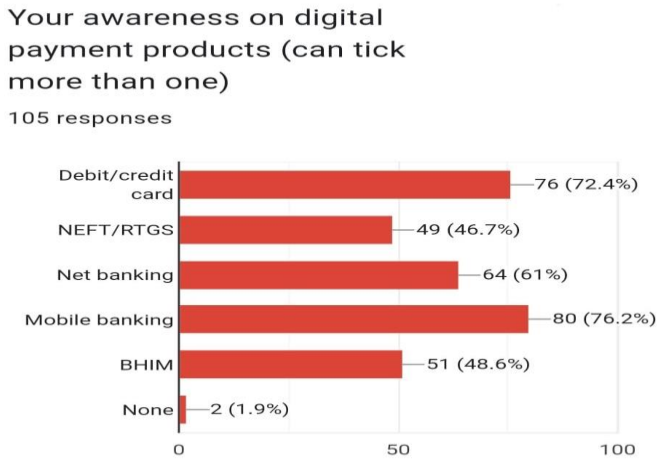
The study is connected to obtain data about digital payment system. A structured questionaarics are used for collecting data.

The response from the respondents was analyzed:



Among 105 respondents all of them are aware of digital payments. Here we can draw conclusion that digital payment has gained it's popularity due to various factors.



The bar chat provide data among 105 respondent 80 respondent are aware of mobile banking, 76 respondent are aware of debit/credit card, 49 respondent are aware of net banking, 64 respondents are aware of NEFT, 2 respondent are not familar with any of the provided options.

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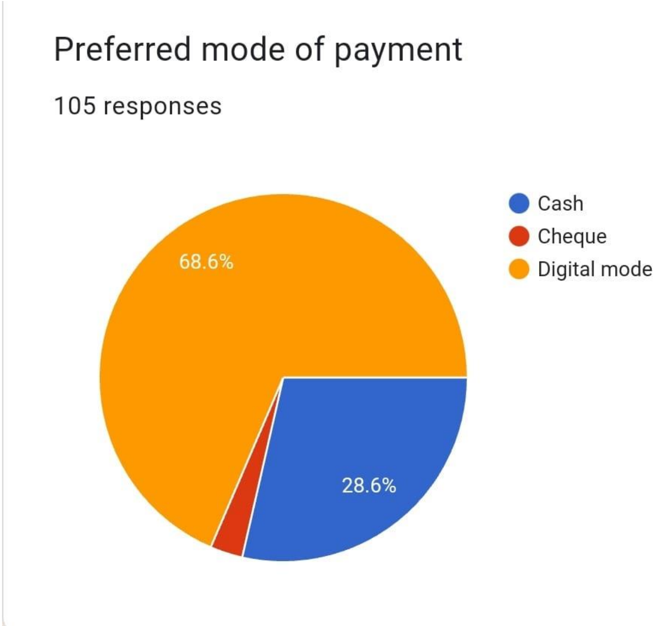
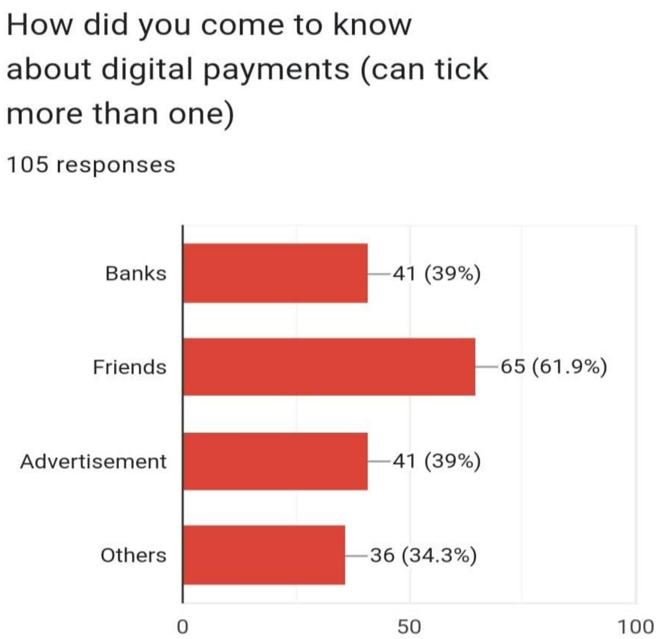


Among 105 responses 68.6% prefer using digital payments and 28.6% prefer cash and remaining respondents prefer cheques.

Therefore we can conclude that it is an indicator to the populatority of digital payment over other mode of payment.



Among 105 respondents 65 respondents are aware about digital payments through their friends as most of the respondents(students) were in between age 18 to

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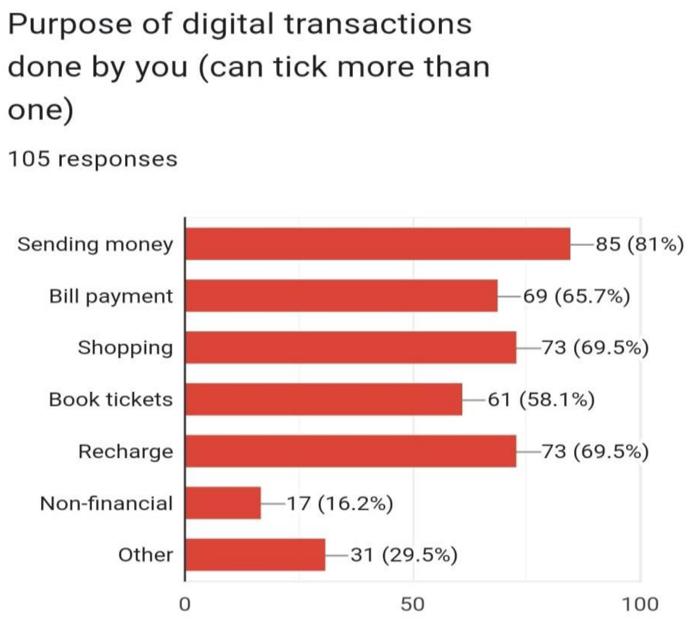
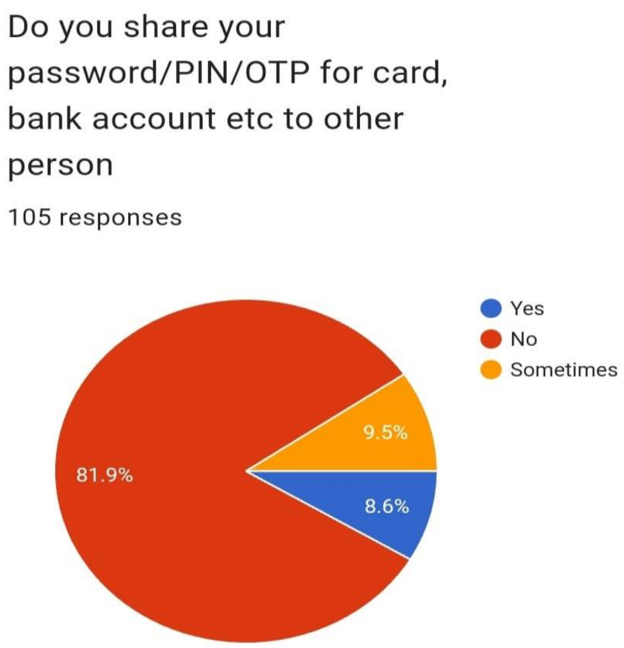
25. Followed by bank and advertisement are the other medium through which digital payment gained more popularity.



It is noticed that the highest percentage is involved in sending money with 81%(85 respondents) uses digital payment for this purpose followed by other purpose.



This pie chat clearly indicates that 81.9%(respondents) does not share their password/PIN/OTP with others. So we can draw a conclusion by saying nowadays people are more conscious about their intact or safety in digital transactions.

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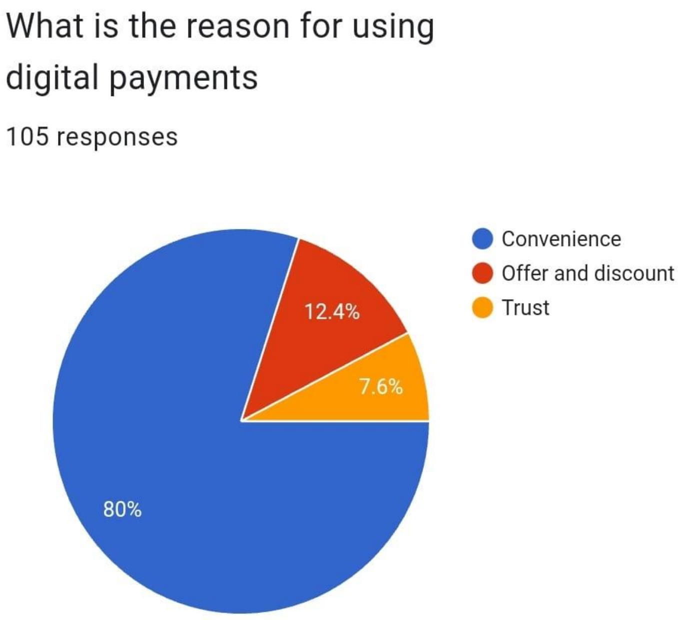
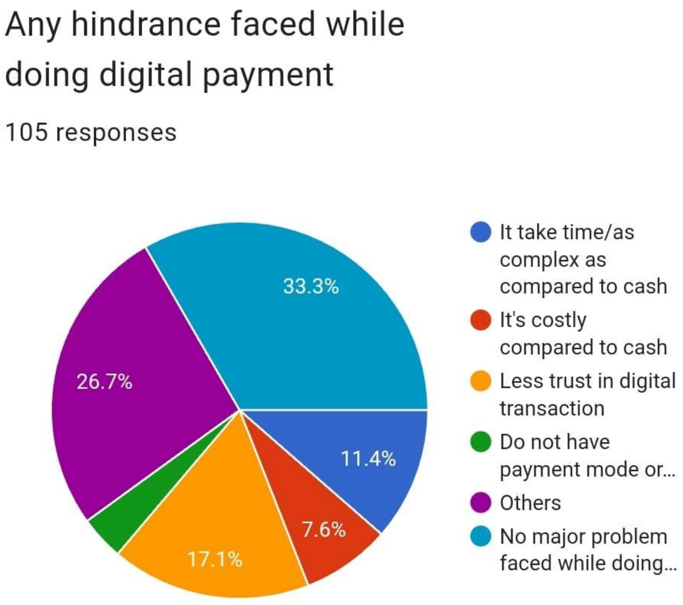


In the above pie chat we can understand nowadays 80% of people are using digital payments due to convenience and other advantages in digital transactions.



In this pie chat we can draw conclusion that most of the digital payment (users) does not face any major hindrance while using digital payment.

6 CONCLUSION

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Today, there is no doubt that the digital payment landscape in India has been transformed. Complementing the efforts of the Government, the people of India have also displayed a great affinity for embracing new technologies. While some of the developed countries are facing problems due to inadequate digital infrastructure for transferring money to the accounts of their citizens, India has emerged as a leader in the creation of digital assets, which can serve as an example to many other nations. Further, the Government of India is leaving no stone unturned to make India a global leader in the arena of digital payment systems and help it attain the status of one of the most efficient payments markets in the world. Going forward, the emerging Fin-Techs will play a key role in the further growth of digital transactions by enabling transparent, secure, swift and cost-effective mechanisms benefiting the entire digital payments ecosystem

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GOVERNMENT ENDEAVOURS TO BOOST FINANCIAL LITERACY AND ACCESS TO DIGITAL FINANCIAL SERVICES IN INDIA

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Abstract: *Financial literacy may assist an individual in making prudent decisions regarding various financial products, escaping the vicious cycle of debt by proper debt management, preserving financial discipline through the application of sound budgeting practises, choosing the most suitable insurance policy to mitigate risk, preparing oneself for a secured retirement through meticulous preparation and retirement planning and accumulating sufficient savings in the form of emergency funds to cover unexpected exigencies. Additionally, financially literate people can easily access to digital financial services, which not only eliminates time-consuming manual work but also enhances customer satisfaction by making transactions easier and more convenient. A higher rate of financial literacy and access to Digital financial services have the potential to promote financial inclusion, which will help to reduce poverty and promote economic growth, by providing people with the tools they need to save, invest, and manage their money. There is a spurt in digital payments transactions from 1,004 crore in FY 2016-17 to 5,554 crore in FY 2020-21. This success can be directly attributed to the programmes initiated by the government to trigger the process of digitalization of financial services in the country. In light of the government's stated goal of making India a financially literate and empowered nation in this new era of Digitalisation, the present study elucidates the several initiatives taken and schemes introduced by the government to ameliorate financial literacy and digital financial inclusion. This paper provides an extensive study on programmes launched by financial sector regulators and National centre for financial education to improve the level of knowledge about personal finance. It also provides a detailed study of various modes of digital payment offered in India and the Digi Dhan mission launched to promote digital transactions including digital payments in the country.*

Keywords: *Financial Literacy, Financial inclusion, Digital financial services, Government Schemes*

An efficient financial system is the backbone of the developing economy like India. This growing era of digitalization also demands for digital financial inclusion. Delivering affordable, customer-friendly, and sustainable digital versions of traditional financial services to the unbanked and under banked is the goal of digital financial inclusion. Examples of digital financial services include automated teller machines, debit cards, mobile money, and digital credit that might drastically cut down on transaction fees(Bachas et al., 2018). General populace will be able to make efficient utilization of digital financial services, if they are financially literate and are well versed in using digital technology. Women business owners who are financially literate in the digital realm are more inclined to use formal banking services(Hasan et al., 2022). There is a considerable and favorable association between monetary literacy and the utilization of digital financial products and financial inclusion. The goal of extending financial inclusion can be accomplished through promoting the use of digital financial products and improving residents' financial literacy(Shen et al., 2020). Financial technology (fintech), which refers to the use of software, applications, and digital platforms to provide financial services to people and organizations via digital devices like smartphones, has gained popularity in recent years as a useful tool for enhancing access to financial services. (Morgan et al., 2019). Digital channels have the potential to reach India's large unbanked population at lower cost and with greater efficiency(Begum, 2018). But in Indian context there are many smartphone users who still lack access to banking services. As a result, commercial banks have access to a massive untapped market. Mobile banking services have yet to fully emerge in India (Agrawal & Jain, 2019). With the surge in popularity of Digital Financial Services in urban areas, providers should target on underserved groups including migrants, rural residents, and unemployed tech-savvy youngsters. India continues to be a nation where the majority of the population lacks access to financial services, thus there are several opportunities for all stakeholders and client segments to take use of digital financial services (DFS) and access these services(Kumar et al., 2019).To ensure digital financial inclusion, the government should prioritize policies that promote the development of relevant digital skills and financial literacy(Aziz & Naima, 2021). Financial education and enlightened financial counseling call for governmental measures that improve financial and societal well-being in an era of rising student debt, rising (digital) financial inclusion, and rising (online) financial fraud(Panos & Wilson, 2020).

2. OBJECTIVES

a) To study various initiatives undertaken by financial sector regulators in India to improve financial literacy
b) To study initiatives to promote digital financial inclusion in India.

3. GOVERNMENT INITIATIVES TO PROMOTE FINANCIAL LITERACY AND DIGITAL FINANCIAL INCLUSION

3.1 Initiatives Undertaken by Various Stakeholders to Ameliorate the Level of Financial Literacy

National Centre for Financial Education (NCFE) NCFE partners with other organisations to provide financial education to Indian residents through seminars, workshops, and training programmes. Books, worksheets, brochures, booklets, flyers, and technical aids are distributed to disseminate financial education. In order to increase people's financial education, awareness, and competence, NCFE creates financial literature tailored to specific audiences, focusing on the financial markets and use of digital financial modes. To help people gain theoretical and practical knowledge of stock markets, digital financial services, and other finance-related issues, NCFE has created a variety of manuals, guides, handouts, and other educational resources. Based on research into the financial requirements of various demographics, NCFE has developed a variety of financial education programmes which includes:

a.) Money Smart School Program (MSSP) It's a yearly initiative whereby schools voluntarily include personal finance classes in their curriculum to improve the economic literacy of students in grades 6 through 10. Schools that take part in this initiative will be recognised as "Money Smart" and get an NCFE badge for their efforts. It's a yearly initiative whereby schools voluntarily include personal finance classes in their curriculum to improve the economic literacy of students in grades 6 through 10. Schools that take part in this initiative will be recognised as "Money Smart" and get an NCFE badge for their efforts.

b.) National Financial Literacy Assessment Test (NFLAT) is a standardised test administered by NCFE to measure students' financial literacy on a nationwide scale using a computer-based testing platform.

c.) Financial Education Training Program (FETP) is a programme that offers training in personal financial education to secondary school teachers, with the goal of facilitating the inclusion of financial education in school curricula for students in grades 6 to 10. Teachers who successfully complete the programme will earn the title of "Money Smart Teacher,"

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clearing the way for the introduction of financial literacy curriculum in classrooms and encouraging students to cultivate essential skills in this area.

d.) Financial Awareness and Consumer Training (FACT) Training in financial matters is offered to graduate and post graduate college and university students. Within the next few years, they will enter the workforce and be faced with a host of new, potentially difficult financial choices. The individual should have a solid grasp of basic money management skills before entering this phase. Credit card management, avoiding impulsive purchases (which a major issue faced by today's youth), applying for student loans, resolving issues arising from financial fraud, and other such topics are all covered in the course.

f.) Financial Education Program for Adults (FEPA) Financial Education Program for adults (FEPA) is an effort to educate the adult population who is financially excluded about how to make better use of financial services and products. Adults in the workforce, members of Self \Help Groups, farmers, craftsmen, rural residents, women, MGNREGA cardholders, and service personnel will be eligible to participate in these free programmes.

4. Reserve Bank of India

a) The Reserve Bank of India (RBI) is responsible for determining the curriculum that will be used in financial education. This curriculum includes pertinent topics related to banking, such as the usage of Automated Teller Machines (ATMs), electronic payment mechanisms, such as Net Electronic Fund Transfer (NEFT), Unified Payment Interface (UPI), and Unstructured Supplementary Service Data (USSD), the Sachet portal to combat the unauthorised collection of money by dubious organisations, identifying and avoiding invest scams, an

b) On the website of Reserve Bank of India, there is a publication that may be found under the acronym "Financial Awareness Messages," or "FAME."

c) RBI posts videos to its YouTube account in addition to sharing them through their Twitter handle, which is @RBI. These updates may include information on recent press releases, announcements, regulatory guidelines, discussions, or explanations. The Reserve Bank of India (RBI) also keeps a Facebook page and a Twitter account, both of which use the handle "@RBI says," in order to convey helpful information and raise public knowledge about the administration of financial matters.

d) The Reserve Bank of India (RBI) has made an on-going effort to reach out to the public through a number of different mediums. The "Public awareness campaign" is

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an initiative of the Reserve Bank of India to inform the general public of their legal protections and responsibilities. The advertising, which use the tagline "RBI Kehta Hai," are regularly disseminated through several platforms, such as newspapers, television, radio, cinema, digital channels, SMS, and billboards.

e) Individuals have an emotional connection to superstars like cricketers and badminton players; RBI has enlisted their services for video commercials. Popular events such as the Indian Premier League (IPL), the FIFA World Cup, the Asian Games, the Pro Kabbadi League, etc., have all produced messages promoting digital banking and warning messages to disseminate precautions users must take place while making digital transactions.

f) The public awareness campaign also has a unique missed call function, wherein interested parties can leave a message on a toll-free number (14440) and be connected to record Interactive Voice Response System (IVRS) containing useful information. Messages are translated into English and regional languages for locations where Hindi is not spoken to establish a smooth and immediate connection with the general population.

5. Securities and Exchange Board of India (SEBI):

a) It has hired a number of experts to serve as "resource persons" and lead workshops for specific demographics. Financial planning, insurance, and investing for retirement are few of the subjects discussed in these seminars.

b) In order to better understand the securities market and the importance of the SEBI in the financial market of the country, students of all ages are encouraged to plan visits to the SEBI.

c) A financial literacy booklet covering topics such as budgeting, savings, investing, insurance, retirement, borrowing, minimising interest and taxes, avoiding Ponzi schemes, resolving complaints, and more. It disseminates a financial literacy booklet that covers a wide range of important financial subjects, including but not limited to: budgeting, saving, investing, and buying insurance coverage to avoid risk, retirement planning, borrowing, minimising tax burden, addressing complaints, and more.

d) In an effort to educate investors, SEBI hosts investor awareness seminars, regional seminars in partnership with exchanges and depositories, and commodity awareness seminars taught by trainers who are registered with SEBI.

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e) The Securities and Exchange Board of India (SEBI) maintains the website http://investor.sebi.gov.in as a resource for potential and current investors. This site is a treasure trove of information, including financial literacy guides and awareness-raising articles. The site also informs investors of upcoming financial education programmes and gives useful information about them, including dates, times, and locations.

f) SEBI has started a publicity campaign to get its word out there, using mainstream outlets to relay important information to potential investors. Since 2012, SEBI has organised many public education efforts across multiple platforms (television, radio, print, and bulk SMS).

g) The Securities and Exchange Board of India (SEBI) has launched a media campaign to disseminate crucial information to investors across a broad demographic. Public service messages from SEBI have appeared on television, radio, in print, and by bulk SMS.

h) SEBI Complaints Redressal System was set up for the purpose of addressing investor complaints (SCORES). By using the user name and password provided to them at the time of filing their complaints, investors can access the status of their complaints anytime, anywhere through SCORES.

i) Between 9 a.m. and 6 p.m., investors can contact SEBI at their toll-free numbers 1800 22 7575/1800 266 7575 to get their questions answered.

6. Insurance Regulatory and Development Authority of India (IRDAI):

a) Television and radio programmes have been broadcast to inform policyholders of their rights and responsibilities, as well as the means for resolving complaints.

b) IRDAI has published "Policyholder Handbooks" and a comic book series for its customers. A website aimed at educating customers about insurance has also been created to facilitate interaction with policyholders. The IRDAI's Bima Bharosa Integrated Grievance Management System (IGMS) is a national database for filing and tracking complaints. Users can file complaints and track their progress through the system.

7. Pension Fund Regulatory and Development Authority (PFRDA):

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a) Pension Sanchay, a specialised website, was launched by PFRDA in 2018. Its main goal is to educate the public about personal finance in order to prepare them for retirement.
b) The PFRDA, in collaboration with the NPS Trust and annuity service providers, conducts the Annuity Literacy Program to educate subscribers on their annuity options.

8. National Bank for Agriculture and Rural Development (NABARD)

a) NABARD features animated videos on their website and YouTube channel that explain how to obtain loans, create a budget, and use automated teller machines (ATMs). Additionally, it disseminates written materials like as flyers, posters, and books/booklets on the subject of financial literacy. They have also broadcast jingles concerning topics associated with financial inclusion, such as the steps involved in opening a bank account, Swarozgar Credit Cards, and other such topics.
b) It is advocated that Financial Literacy Awareness Programmes (FLAPs) be implemented, with a particular emphasis on new entrants in the financial system such as adults, farmers, students, retirees, self-help groups, and business owners, in order to educate the rural masses on various forms of digital payment.
c) Instruction on the usage of electronic payment systems As part of FLAP, a mobile demo van is used to teach individuals how to use financial services like ATMs and micro ATMs.
d) Staff members of commercial, regional, and community banks have access to Capacity Building initiatives designed to improve their competence in delivering financial education to customers.

9. National Payments Corporation of India (NPCI)

a) NPCI collaborates with Public sector banks, private sector banks, cooperative and regional rural banks to host seminars educating the public on the use and benefits of RuPay debit cards, Immediate Payment Service (IMPS), Aadhaar Enabled Payment System (AePS), and Unstructured Supplementary Service Data (USSD) - *99#. In conjunction with their awareness and literacy courses, NPCI disseminated promotional materials like posters, web banners, SMS, emailers, etc.

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b) To encourage corporate employees to adopt online payment methods The NPCI collaborates with the Indian Railways, NABARD, educational institutions, corporate social responsibility departments, NGOs, business correspondents, fintech startups, and microfinance institutions, among others.

3.2 Initiatives undertaken to promote digital financial inclusion in the country.

a) DigiDhan Mission

The Digi Dhan Mission, also known as the Digital India campaign, a government-led flagship programme, aims to make India a knowledge economy and society with a strong digital infrastructure. The mission was launched by Prime Minister Narendra Modi in 2016 with the goal of promoting cashless transactions and digital payments in the country. The Digi Dhan Mission seeks to achieve the following objectives:

- To encourage digital payments and decrease the economy's reliance on cash
- To ensure greater financial inclusion and enable easier access to financial services for all.
- To encourage the use of digital technology for governance and service delivery.
- To create a robust digital infrastructure that supports the growth of the digital economy

The mission has been implemented through various initiatives such as the BHIM app, Aadhaar Enabled Payment System (AEPS), and Unified Payment Interface (UPI), among others. These programmes have assisted in expanding the use of digital payments and lowering the nation's dependency on cash transactions.

Year	Digital Transactions (Volume in crore)	Digital Transactions (Value in lakh crore)
2017-18	2,071	1,962
2018-19	3,134	2,482
2019-20	4,572	2,953
2020-21	5,554	3,000
2021-22	8,840	3,021

Source: Ministry of Electronics and Information Technology

b) **Digital Jagriti:** Citizens are being educated about the benefits of using various forms of electronic payment through the Common Service Centre's Digital Financial Inclusion Awareness and Access programme, and local businesses are being assisted in their transition to accepting these forms of digital payment.

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c) **DigiShala** There is a free Doordarshan DTH channel available in Hindi, English, and regional languages devoted to educating viewers about different ways to make electronic payments.

9. Digital Payment Services offered in India

a) Unified Payments Interface (UPI)

The National Payments Corporation of India has created a real-time payment system called Unified Payment Interface (UPI). Users can instantly transfer funds from one bank account to another account using their mobile device. UPI allows for easy and secure fund transfers without requiring bank account details or IFSC codes. It uses a unique virtual payment address (VPA) which is linked to a user's bank account, making it easier to initiate transactions. UPI is widely used in India for a variety of purposes, including person-to-person (P2P) transfers, bill payments, and online purchases.

b) Bharat Interface for Money (BHIM)

With the help of the Unified Payment Interface, users of the mobile payment app can immediately transfer money between bank accounts (UPI).With just a mobile connection, bank account and IFSC code, Aadhaar number, or Virtual Payment Address, a user can send or receive money instantly across bank accounts. In BHIM, you can use a QR code to make a payment. By selecting Report issue in transactions, users can not only view details of refused transactions but also file complaints. To serve its users in a better manner, BHIM is localised into 20 other languages. If you have a feature phone, you can still make purchases by dialling *99#.

c) Bharat Bill Payment System (BBPS)

BBPS enables customers to pay their utility bills, such as electricity, water, gas, and telephone bills, through a single platform. It promotes the use of digital payments and simplifies the bill payment process for customers.

d) UPI 123PAY

With UPI 123PAY, users of feature phones may make quick, secure payments using the Unified Payments Interface (UPI). Users of feature phones will soon have access to a plethora of new financial services enabled by emerging technologies. The use of an IVR (interactive voice response) system, apps on feature phones, a missed call method, and proximity sound based payments are all examples.

e) UPI Lite

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An enhanced user experience is provided by "UPI LITE," which allows users to store up to 2,000 in their BHIM-UPI app wallet without first obtaining electronic authorization from their bank during the payment process. Both the speed and success rate of transactions are increased by UPI Lite.

f) RuPay Debit Cards

Banks issue debit cards, which can be used at Point of Sale (POS) terminals in brick-and-mortar establishments or on online marketplaces. The Government of India introduced RuPay Debit Cards, created by the National Payments Corporation of India (NPCI), so that citizens may make electronic payments. Additionally, the RuPay PMJDY debit card offers insurance against accidental death and disability.

g) Immediate Payment Services (IMPS)

It is a real-time interbank electronic funds transfer system in India. IMPS enable customers to transfer money instantly, 24x7, throughout the year. IMPS uses mobile numbers and unique MMID (Mobile Money Identifier) codes as a means of identifying the recipient's bank account, and transfers funds instantly between bank accounts using the National Payment Corporation of India's (NPCI) Immediate Payment Service. The funds are transferred instantly and the recipient can access the funds immediately. IMPS is widely used for a variety of transactions such as peer-to-peer payments, online shopping, bill payments, and even to transfer funds to small merchants, among others. It has made banking more accessible and convenient for customers.

h) Aadhaar Enabled Payment System (AePS)

AePS enables customers to deposit money, withdraw cash, transfer funds, and check their account balance using their Aadhaar number and biometric authentication, without the need for a debit card or PIN. The transactions are carried out through the National Payments corporation of India (NPCI) platform and can be done at MicroATMs, which are handheld devices provided by banks to authorized agents. AePS is particularly useful for clients who reside in rural places without access to banking services, as it enables them to carry out banking transactions using their Aadhaar number and biometric authentication. It has also made banking more accessible for individuals who do not have a debit card or cannot remember their PIN.

i) BHIM Aadhaar Pay

Merchants can accept digital payments from clients over the counter with Aadhaar Authentication with BHIM Aadhaar Pay. Using biometric authentication, customers of different banks can make purchases from any merchant that is live on BHIM Aadhaar Pay.

Merchants can facilitate this via a verified biometric scanner connected to their Android mobile via the USB port or a Micro-ATM/POS, mPOS, or a Kiosk running the BHIM Aadhaar app. Aadhaar and bank account linking is mandatory for both the customer and the merchant.

d) e-RUPI

e-RUPI is a digital payment solution launched by the Indian government in August 2021. It is a cashless and contactless instrument for making payments, which is based on a QR code or SMS string, that can be sent to the beneficiaries' mobile phones. The unique feature of e-RUPI is that it is a one-time use voucher, which means that the payment is made only for the specific purpose it was issued for, and it cannot be used for any other transaction. e-RUPI is designed to help in targeted and efficient delivery of welfare services, such as health care benefits, subsidies, and other services, to the beneficiaries. It aims to eliminate the need for physical vouchers or cash payments, thereby reducing the chances of fraud and leakage in the system. e-RUPI is a step towards promoting digital payments and financial inclusion in India, and it is expected to benefit both the users and the service providers by reducing transaction costs, increasing transparency, and improving the overall efficiency of the payment system.

Unstructured Supplementary Service Data (USSD) -To make electronic purchases or bank transfers, dial the *99# USSD short code. By dialling *99#, from their mobile phone, customers can access this service and conduct transactions via an on-screen menu. You can use the *99# service, which is available through nearly all major banks and all GSM service providers and is available in 13 languages, including Hindi and English. Using this service customers can make electronic fund transfer, can inquire the bank balance and can get a bank mini statement. One of the advantages of USSD is that it does not require an internet connection, making it more accessible to users who do not have smartphones or internet access. It is also faster than other mobile payment methods since it does not require any additional authentication, such as passwords or PINs.

10. CONCLUSION

Thus, one can deduce that the main obstacles in attaining economic development are a lack of financial education and digital literacy. Gaining access to financial services is a major step toward attaining economic development, and empowering individuals with financial knowledge is a crucial part of that process. Government initiatives can ameliorate financial literacy and encourage people to adopt digital financial services. Digital financial services will make financial transactions more convenient, secure and affordable to general populace. The majority of rural Indians still have a relatively poor level of digital and financial literacy, despite the best efforts of the government and financial institutions. The need to educate the public, especially those living in rural and semi-urban areas, about the benefits of digital banking services is of paramount importance. The government should launch huge advertising campaigns on television, radio, newspapers, conduct nukkad nataks, and use other media outlets to disseminate information on the newly adopted initiatives for financial inclusion in order to raise public awareness about these products and services. The goal of a financially literate and self-reliant India can be aided by the successful implementation of various programmes and policies. Widespread financial knowledge and inclusion in the financial system are necessary for economic growth.

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AN OVERVIEW OF FINANCIAL LITERACY PROGRAMMES IN INDIA

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Abstract: *Any nation's financial system is a key factor in determining its growth and development. Financial literacy is a crucial component for attaining the financial system's objective. Financial inclusion and financial literacy are tied to one another. Over time, the concept of financial literacy has developed and is now a major field of study for academics and decision-makers everywhere. It is impossible to realise India's aspiration to become a cashless and digital economy without educating the populace about money. Through financial education, instil the concepts of financial literacy throughout the diverse segments of the public to make it a crucial life skill. In order to achieve financial goals and objectives, promote involvement in the financial markets. Increase safe and secure use of online financial services. In a booming and growing economy like India, having a solid financial education would help people make more money.*

Key words: *financial system, financial literacy, financial education, financial awareness*.

1. INTRODUCTION

Financial literacy refers to the capacity to comprehend and use various financial abilities, such as personal financial management, budgeting, and investing. Financial literacy is the cornerstone of a person's relationship with money, and it is a lifelong learning process. The path to effective human capital building begins with financial literacy. According to the Global Financial Literacy Excellence Centre study, just 24% of the Indian adult population is financially literate. In compared to other major growing economies, India has the lowest level of financial literacy. This is because to interstate discrepancies, as well as a lack of formal training and awareness. While some emerging economies have higher rates of financial literacy, there is still room for development.

The degree of financial literacy in India's territories is a big problem. Financial literacy percentages in metropolitan regions such as Maharashtra, Delhi, and West Bengal are 17%, 32%, and 21%, respectively. Literacy rates are low in states where poverty is prevalent, such as Bihar, Rajasthan, Jharkhand, and Uttar Pradesh. While Goa has the highest literacy rate of 50%, Chhattisgarh is the state with the lowest literacy rate of 4%.

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The Reserve Bank of India has published the "National Strategy for Financial Education Report 2020-2025." The primary plan entails a "5 C's" approach to developing financial literacy in the country. The strategy emphasises Content, Capacity, Community, Communication, and Collaboration. The report focuses on making Indians financially informed and empowered. To guarantee implementation, the Technical Group on Financial Inclusion and Financial Literacy (TGFIFL) and the Financial Stability and Development Council (FSDC) collaborate. The Reserve Bank of India has launched a project called "Project Financial Literacy" with the goal of disseminating information about the central bank and general banking concepts to a variety of target groups, including school and college students, women, the rural and urban poor, defence personnel, and senior citizens.

In 2012, the FSDC (Financial Stability and Development Council) developed a National Strategy on Financial Education (NSFE) advocated that financial literacy become an official obligation of industry players such as financial institutions, banks, and regulators such as the RBI, SEBI, IrDA, and PFRDA. Since 2016, the Reserve Bank of India (RBI) has held Financial Literacy Week (FLW) to spread financial education messaging on a certain subject across the country. The subject for this year's FLW is "Go Digital, Go Secure," and it will be observed from February 14 to 18, 2022. One of the major objectives of the National Strategy for Financial Education 2020-2025 is this subject. The emphasis will be on raising knowledge of (a) the convenience of digital transactions, (b) the security of digital transactions, and (c) client protection. The research mainly focused on studying the importance of financial literacy in India and various initiatives taken by the Government to improve the financial literacy among the public.

2. OBEJECTIVES:

a) To study the back ground and importance of financial literacy in India.
b) To study various initiatives taken by the Government for promoting financial education in India.

3. RESEARCH METHODOLOGY:

The study is descriptive and qualitative in nature. It is based on secondary data. A thorugh study of literature has been done to ding out the importance and explore the need of financial literacy in India. The data required for this study has been collected from various secondary sources like magazines, journals, websites and other published sources which are available online.

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4. IMPORTANCE OF FINANCIAL LITERACY IN INDIA

Financial literacy is one of the biggest assets of any country as it is directly proportional to the economic growth. The significance of financial literacy in India is as follow:

a) **Encourage active savings behaviour**: Individuals and young people are unable of managing their finances. Consumption and savings are out of balance. Saving and investing are strange concepts to the vast majority of people. People who have a solid financial education can efficiently manage their savings and investments.

b) **Develop credit discipline and encourage availing credit from formal financial institutions as per requirement**: The majority of people borrow money via informal sources such as commission agents and moneylenders. These non-institutional lenders make high-interest loans. The companies are unable to manage their finances and hence go into debt.

c) **Manage risk at various life stages through relevant and suitable insurance cover**: Despite investment in fixed assets has grown dramatically, there has been a significant lack of financial preparation in terms of life and health insurance. The majority of Americans hoard money at home rather than investing it. Such decisions demonstrate a lack of financial preparation. As a result, the value of the collected money never rises. People will handle their funds more efficiently if they receive financial education.

d) **Development of rural areas:** Financial literacy may be used to reach out to rural areas and work on their development. This may be accomplished by increasing public awareness of available resources and the proper method to use them.

e) **Ease in doing business transactions:** The launch of Pradhan Mantri Jan Dhan Yojana has led to an addition of 280 million new bank accounts. These accounts have led to an ease in doing business and has also promoted cashless transactions to a great extent.

f) **Growth of MSMEs:** MSMEs contribute to 29% of India's GDP with 50% of the exports coming from this sector. Financial literacy can help small businesses grow and even bring new businesses to the market

5. GOVERNMENT SCHEMES TO PROMOTE FINANCIAL LITERACY

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a) PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)

In his Independence Day address on August 15, 2014, the Hon'ble Prime Minister introduced Pradhan Mantri Jan Dhan Yojana as the National Mission on Financial Inclusion, with the goal of ensuring total financial inclusion of all families in the country by giving universal access to banking services. A person who does not have a savings account may start one without any minimum balance requirement, and they may create a small account if they self-certify that they do not have any of the officially acceptable documents necessary for creating a savings account.

Thus, through financial literacy workshops, PMJDY provides unbanked people with simple access to banking services and raises understanding about financial goods. In addition, clients obtain a RuPay debit card with a Rs. 2 lakh accident insurance cover and access to an overdraft facility after six months of successful account operation or credit history. PMJDY was designed to be a daring, inventive, and ambitious mission. The fact that there are 48.76 crore account holders, 27.11 of them are urban and rural females, demonstrates the inclusive nature of this. The total amount of deposits was Rs. 200310.21 crore.(as on 12/4/2023)

b) PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA (PMJJBY)

The PMJJBY is available to persons between the ages of 18 and 50 who have a bank account and agree to join / allow auto-debit. The primary KYC for the bank account is Aadhar. The Rs. 2 lakh life insurance policy is renewable for one year, from 1st June to 31st May. The risk coverage under this policy is Rs. 2 lakh in the event of the insured's death for any reason. The yearly premium is Rs. 436, which is to be auto-debited from the subscriber's bank account in one installment on or before the 31st May of each annual coverage term under the programme. The programme is being provided by the Life Insurance Corporation and any other life insurers wanting to sell the product on comparable conditions with the requisite approvals and tie up with banks.

c) PRADHAN MANTRI SURAKSHA BIMA YOJANA (PMSBY)

The Scheme is open to persons between the ages of 18 and 70 who have a bank account and agree to join / activate auto-debit on or before May 31st for the coverage period 1st June to 31st May on an annual renewal basis. The primary KYC for the bank account would be Aadhar. The plan provides risk coverage of Rs. 2 lakh for accidental death and total disability and Rs. 1 lakh for partial impairment. The annual premium of Rs.20 is to be taken from the account holder's bank account in one installment using the 'auto-debit' function. The programme is offered by Public Sector General Insurance Companies or any other General

Insurance Company willing to offer the product on identical conditions with the requisite approvals and tie up with banks.

d) ATAL PENSION YOJANA (APY)

The Prime Minister announced the APY on May 9, 2015. APY is available to all saving bank/post office saving bank account holders between the ages of 18 and 40, with contributions varying according on the amount of pension selected. At the age of 60, subscribers would get a guaranteed minimum monthly pension of Rs. 1,000, Rs. 2,000, Rs. 3,000, Rs. 4,000, or Rs. 5,000. The monthly pension would be accessible to the subscriber under APY, and after him to his widow, and after their deaths, the subscriber's pension corpus, as accrued at age 60, would be restored to the subscriber's nominee.

In the event of the subscriber's premature death, the government has chosen to provide the subscriber's spouse the option to continue contributing to the subscriber's APY account for the remainder of the vesting term, until the original subscriber reaches the age of 60. Until the death of the spouse, the subscriber's spouse is entitled to the same pension amount as the subscriber. After the death of both the subscriber and the spouse, the nominee of the subscriber is entitled to the subscriber's pension fortune up to the age of 60.

e) PRADHAN MANTRI MUDRA YOJANA

The system went live on April 8, 2015. The plan provides loans of up to Rs. 50,000 under sub-scheme 'Shishu,' Rs. 50,000 to 5.0 Lakhs under sub-scheme 'Kishore,' and Rs. 5.0 Lakhs to 10.0 Lakhs under sub-scheme 'Tarun. Collateral is not required for loans. These policies are intended to boost the confidence of young, educated, or talented individuals who can now aspire to be first generation entrepreneurs; existing small firms will also be allowed to extend their operations.

f) STAND UP INDIA SCHEME

On April 5, 2016, the Government of India announced the Stand Up India initiative. The Stand Up India initiative promotes entrepreneurship among women, the SC and ST categories, and other segments of the population who face major challenges owing to a lack of advice/mentorship as well as inadequate and delayed credit. The Scheme provides bank loans ranging from Rs.10 lakh to Rs.1 crore to at least one Scheduled Caste/Scheduled Tribe borrower and one Woman borrower per bank branch for the establishment of Greenfield firms. This business might be in manufacturing, services, or trade operations related to agriculture. At least 2.5 lakh borrowers are expected to profit from the initiative, which is being implemented by all Scheduled Commercial Banks. The initiative is now active, and

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loans are being made available through Scheduled Commercial Banks around the country. Government of India established the Credit Guarantee Fund for Stand Up India (CGFSI) to provide collateral-free coverage.

g) PRADHAN MANTRI VAYA VANDANA YOJANA

The government has introduced the Pradhan Mantri Vaya Vandana Yojana (PMVVY) to safeguard older people aged 60 and above against a prospective drop in interest income owing to unpredictable market circumstances. The programme is administered by the Life Insurance Corporation of India (LIC) and is open for enrollment until March 31, 2023.

PMVVY provides an assured rate of return of 7.40% per year for the fiscal year 2020-21 with a policy length of ten years. In subsequent years, while the scheme is in operation, the assured rate of return will be reset annually on April 1st of each fiscal year in line with the applicable rate of return of the Senior Citizens Saving Scheme (SCSS) up to a ceiling of 7.75%, with a fresh appraisal of the scheme if this threshold is breached at any point. The Yojna provides pension payments on a monthly, quarterly, half-yearly, or annual basis, depending on the option selected by the subscriber. The scheme's lowest purchase price is Rs. 1,62,162/- for a monthly pension of Rs. 1000/-, and the maximum purchase price is Rs. 15 lakh per senior citizen for a monthly pension of Rs. 9,250/-.

6. CONCLUSION

In a population of 1.3 billion people, a focus on financial education will have a long-term influence. All students in Indian schools should get financial education. Over the years, the government has implemented programmes to address low literacy rates. However, all of the programmes that have been launched have a basic flaw of lack of implementation. Government funding on financial education would provide better results. Financial abilities will help to increase the standard of life and contribute to overall progress. Our work force, along with strong financial education, would assist us in alleviating poverty to some measure. In sum, a financially savvy India would be a great influence in the globe.

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ROLE OF DIGITAL LITERACY TOWARDS ECONOMY FOR SUSTAINABLE DEVELOPMENT – INDIAN CONTEXT

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Abstract: *Financial literacy in India is a crucial issue, as many people struggle with basic financial concepts such as budgeting, saving, and investing. Low levels of financial literacy, lack of access to formal financial services, and a lack of financial education in schools and universities are some of the main challenges facing India. The Indian government has launched various initiatives to promote financial literacy, and digital financial services have increased in popularity. A 2019 survey by the Reserve Bank of India (RBI) found that only 24% of Indian adults were financially literate. So that the creativity, knowhow, technology, financial resources, financial education from all of society is necessary to achieve the SDGs in every context. The Purpose of the research is to giving digital finance education to Society, embrace and improve digital financial inclusion to help reduce poverty. Using secondary data. The study analysed the Role of Digital Finance education for the sustainable development. At the end the study, focuses on improving digital infrastructure, Role of Government and institutions for sustainable development and stressing the importance of financial education, enabling the smooth implication of digital financial inclusion for the individuals.*

Keywords: *Digital infrastructure, Digital financial inclusion, Financial education, Sustainable Development, Government Programs*

1. INTRODUCTION

The ability to use digital technology to improve sustainability is known as sustainable digitalization. This involves using digital tools and processes to make sustainability improvements, such as reducing environmental impact or increasing resource efficiency. In 2015, 195 nations agreed with the United Nation that they can change the world for the better. This will be accomplished by bringing together their respective governments, businesses, media, institutions of higher education, and local NGOs to improve the lives of the people in their country by the year 2030.

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated—they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability. Countries have committed to prioritize progress for those who're furthest behind. The SDGs are designed to end poverty, hunger, AIDS, and discrimination against women and girls. The creativity, knowhow, technology and financial resources from all of society is necessary to achieve the SDGs in every context.

2. REVIEW OF LITERATURE

This part exhibits a different level of progress of digital financial inclusion in developing and developed nations.

Aziz & Naima (2021), Rethinking digital financial inclusion: evidence from Bangladesh, This study aims at establishing a comprehensive framework for digital financial inclusion, the study aimed to bridge the divide between financial inclusion discourse assumptions and notions of access to and use of digital technology

Feghalia, Moraa & Nassifb (2021), Financial inclusion, bank market structure, and financial stability: international evidence : This research emphasises the effect of a broad definition of financial services on financial stability due to incorrect financial inclusion measures.

Kanungo & Gupta (2021), Financial inclusion through digitalisation of services for well-being: This study investigated the impact of digitalisation on overall social and economic well-being among Indian communities and socially excluded.

3. OBJECTIVES OF RESEARCH STUDY :

a) To analyse the importance of Digital literacy towards the Society for Sustainable development.
b) To analyse the importance of Digital literacy towards the Corporate Sector for Sustainable development.
c) To know the Government programs and initiatives in India to improve digital financial literacy for sustainable development.
d) To Understand the Role and Contributions of Digital Financial Inclusion towards Sustainable Development Goals (SDGs).

4. DISCUSSION

4.1 DIGITAL LITERACY TO SOCIETY FOR SUSTAINABLE DEVELOPMENT:

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Digital literacy is likely to become an increasingly important aspect of education for the digital age. The development of the "gig" economy means that individuals will become more responsible for their own financial planning. Individuals will need to manage their own retirement savings and pensions more, because of the trend of switching to defined-contribution from defined-benefit pension plans. Consumers will need to have a higher level of financial sophistication to make effective use of financial technology (fintech) products and services, and avoid fraud and costly mistakes.

These developments point to the need to develop digital financial education programs to improve digital financial literacy, with a focus on skills likely to be critical for those participating in the digital economy. Group of Twenty (G20) countries need to define digital financial literacy, design tools to assess it, and develop programs to promote digital financial education as well as special programs for vulnerable groups, including the elderly, the less educated, owners of small and medium-sized enterprises (SMEs) and startup firms, and women.

4.2 DEFINITION OF DIGITAL LITERACY:

Similar to digital literacy and financial literacy, digital financial literacy is a multi-dimensional concept. While some previous literature (e.g., OECD 2017) has described various aspects of digital financial literacy, there is still no standardized definition of the term. We propose awareness of digital financial risks dimensions of digital financial literacy, including knowledge of digital financial products and services, awareness of digital financial risks, knowledge of digital financial risk control, and knowledge of consumer rights and redress procedures.

The first dimension is knowledge of digital financial products and services, which captures the basic understanding of digital financial products and services. Individuals should be aware of the existence of non-traditional financial products and services provided through digital means, such as the internet and mobile phones. These services generally fall into four major categories, although there are overlaps:

a) Payments: Electronic money, mobile phone wallets, crypto assets, remittance services;
b) Asset management: Internet banking, online brokers, robo advisors, crypto asset trading, personal financial management, mobile trading;

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c) Alternative finance: Crowd funding, peer-to-peer (P2P) lending, online balance sheet lending, invoice and supply chain finance, etc.; and
d) Others: Internet-based insurance services, etc.

In addition to being aware of digital financial services, people should be able to compare the pros and cons of each available service. Such knowledge would help them to understand the basic functions of different types of digital financial services (i.e., either for personal or for business purposes).

The second dimension of digital literacy is awareness of digital financial risks. Individuals and firms need to understand the additional risks that they may incur when using digital financial services, which are more diverse but sometimes harder to spot than those associated with traditional financial products and services. Users of digital financial services should be aware of the existence of online fraud and cyber security risks. They face a multitude of potential risks, such as:

a) **Phishing:** When a hacker pretends to be an institution in order to get the user to divulge personal data, like usernames or passwords, via emails or social networks;
b) **Pharming:** When a virus redirects the user to a false page, causing her to divulge personal information;
c) **Spyware:** When malicious software inserts itself into the users' personal computer or mobile phone and transmits personal data;
d) **SIM card swap:** When someone poses as the user and obtains the user's SIM card, thereby obtaining private data.

Digital financial service users should also be aware that their digital footprint, including information they provide to service providers, may also be a source of risk, even if it does not result directly in a loss, including:

a) **Profiling:** Users may be excluded from access to certain services based on their online data and activities.
b) **Hacking:** Thieves may steal personal data from their online activities, such as on social networks.

Due to easy access to credit enabled by fintech, consumers of digital financial services could also face potential problems of over borrowing or excessively high-interest rates. Such risk can trigger unexpected and large losses when the service providers are not regulated or only weakly regulated. Over borrowing may also harm their credit rating. Finally, unequal access to digital financial services could exacerbate gaps between the rich and the poor.

Users should fully understand the terms and conditions stipulated in contracts they digitally sign with service providers. They should also be aware of (risky) implications of digital contracts. They should understand that digital financial service providers might use their personal information for other purposes, such as calculating their credit demands, advertising, and credit evaluation. In terms of financial risks, easiness of access to finance may lead to over borrowing.

The third dimension of digital literacy is digital financial risk control, which is related to users' understanding of how to protect themselves from risks. They should know how to use computer programs and mobile apps to avoid spamming, phishing, etc. They should also know how to protect their personal identification number (PIN) and other personal information when using financial services provided through digital means.[2]

The fourth dimension is knowledge of consumer rights and redress procedures, in cases where users fall victim to the above-mentioned risks. Users of digital financial services should understand their rights and know where they can go and how to obtain redress if they fall victim to fraud or other loss. They should also understand their rights regarding their personal data, and how they can obtain redress against unauthorized use.

4.3 Financial literacy in India is an important issue, as many Indians face challenges in managing their personal finances. Here are some key points regarding financial literacy in India:

a) **Low levels of financial literacy:** A 2019 survey by the Reserve Bank of India (RBI) found that only 24% of Indian adults were financially literate. This means that many people in India may struggle with basic financial concepts such as budgeting, saving, and investing.

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b) **Lack of access to financial services:** Many people in India, particularly in rural areas, lack access to formal financial services such as banks and insurance companies. This can limit their ability to manage their finances effectively.

c) **Government initiatives:** The Indian government has launched various initiatives to promote financial literacy, such as the National Centre for Financial Education (NCFE) and the Financial Literacy Centers (FLCs) established by the RBI. These initiatives aim to improve financial literacy through education and awareness-raising programs.

d) **Digital financial services:** The widespread adoption of smartphones and mobile internet has led to an increase in digital financial services in India. However, many people may lack the knowledge or skills to use these services effectively.

e) **Role of education**: Education plays an important role in promoting financial literacy in India. However, many schools and universities do not provide sufficient financial education to students.

Overall, financial literacy in India remains a challenge, but there are initiatives in place to address this issue. Improving financial literacy can help individuals make better financial decisions, increase their savings, and improve their overall financial well-being.

Awareness of Financial literacy is understood in a very narrow sphere of deposits and withdrawals, but it also includes knowledge dissemination, product and service illustration, and making people aware of the requisite tools and resources with the core objective to be financially inclusive in all ways of banking and thereof access to government-sponsored schemes.

By following a strategic, social, and behavioural change communication strategy we are creating a lasting impact. A crucial strategy component is Illustrative learning integral in the pedagogy, which makes people understand the importance of financial services and opportunities for every aspect of their life.

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The lack of financial literacy and planning leads to poor financial decisions and debt, hindering economic growth and development.

4.6 As an enabler for financial independence and literacy, the approach has the objectives of creating:

Financial Knowledge: involves the understanding of key financial concepts and the ability to evaluate benefits in real-life financial situations.

Financial Behaviour: This involves the study of day-to-day money management, financial planning, spending, savings, investment, optimizing reliance on credit, and building a safety net for future well-being.

Financial Attitude: changing people's response towards savings, prioritization of short-term wants over long-term security, inclination towards risk, et al. for future well-being.

Overall the core objective is to enhance access, availability, usage, and quality of financial services through financial literacy to the population targeted and communicate any deficiencies if applicable to local branches.Responsenet is one of the implementing partners for the Phase II of the Scaling up of Centres for Financial Literacy (CFL) Project-PhaseII for the UT of Jammu and Kashmir.

4.6.1 Financial Inclusion:

Financial inclusion refers to the availability and accessibility of financial services, such as banking, credit, and insurance, to all individuals and businesses, regardless of their income level or location. It is an important issue because access to financial services can enable individuals and businesses to improve their financial stability, increase wealth, and participate more purposefully in the economy.

4.7 Financial Inclusion through Financial Literacy:

Without financial literacy, individuals may fall victim to financial scams or make poor financial decisions that can have long-term consequences. There are many resources available to help individuals improve their financial literacy. These include financial education programs, books, and online resources. It is important for individuals to take advantage of these resources and to continue learning about personal finance throughout their lives.

4.8 SBCC and Financial Literacy

Social and behaviour change communication (SBCC) refers to the use of communication strategies to promote positive social and behavioural change in individuals and communities. It can be used to address a wide range of issues, including health, education, and financial literacy.

SBCC can be used to promote positive financial behaviours, such as saving and budgeting and to discourage negative behaviours, such as over-indebtedness.

SBCC can also be used to target specific groups or communities that may be at risk of financial exclusion or that may have specific financial literacy needs. For example, SBCC strategies can be used to reach out to women, who may face unique financial challenges, or to0 small business owners, who may need support to improve their financial management skills.

One of the key benefits of SBCC for financial literacy is its ability to reach a wide audience in a cost-effective way. By using various communication channels and targeting specific groups, SBCC can help promote financial literacy to a large number of people at a relatively low cost. In conclusion, social and behaviour change communication (SBCC) is a powerful tool that can be used to promote financial literacy and encourage positive financial behaviours.

By increasing awareness and understanding of financial concepts and products, and by targeting specific groups or communities, SBCC can help promote financial literacy to a wide audience in a cost-effective way.

4.9 DIGITAL LITERACY TO CORPORATE FOR SUSTAINABLE DEVELOPMENT:

As explained by the European DIGITAL SME Alliance, the transformation must be lasting, ecological, and organic. The Alliance is the largest network of small and medium-

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sized ICT companies in Europe, representing more than 45,000 companies in total. It is therefore evident that digital sustainability must imply that digital technology is sustainable.

The impact of paper consumption on the environment: The paper industry has a significant environmental impact, both in terms of the resources used to produce paper and the waste generated by paper consumption. According to Greenpeace, nearly half of all wood harvested for industrial uses is used to produce paper.

Much of this paper is used for issuing invoices. Specifically, the Billentis report entitled "The e-invoicing journey 2019-2025" estimates that the global market produces 550 billion invoices per year. This figure is expected to increase fourfold by 2035. According to a 2019 study, only around 10% of all invoices were exchanged electronically, totaling around 55 billion.

E-invoicing solutions have a direct impact on reducing paper consumption, lower CO_2 emissions, and reducing fossil fuel pollution by eliminating mail transportation.

At the same time, there are important benefits for companies due to increased system efficiency and reduced costs derived from:

a) Reduction of errors due to process automation.
b) Reduction of processing times.
c) Increased security and confidentiality of operations.

To reduce paper and toner consumption, digital signatures, digital storage, and digital preservation of documents can be implemented. The goal is to reduce reliance on paper and promote the use of electronic document generation and exchange throughout the management process.

These solutions offer organizations a paperless perspective that, beyond the eco-friendly label, implies a new way of doing business. CO_2 emissions are a major problem faced by society today. They are a leading cause of climate change and have a negative impact on human health and the environment. There is a need for concerted action to reduce emissions and mitigate their effects.

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According to estimates, digital technologies can contribute to reducing global CO_2 emissions by around 15%. Cloud computing can help reduce emissions by providing a virtual environment for applications, platforms, and software. The adoption of cloud computing could help to avoid the emission of more than one billion metric tons of carbon dioxide (CO_2) between 2021 and 2024, according to data from International Data Corporation (IDC).

Cloud computing benefits the company because of its added features:

a) Accessibility to the virtual environment.
b) Updating of the solutions.
c) Scalability of solutions.
d) Cost savings.

The use of technologies in business production, applied in different areas of management and production, can address environmental, social, and governance issues. As awareness grows and legislation changes, companies are being forced to take measures to reduce their ecological footprint. This includes more moderate consumption of energy, water, and paper, as well as promoting the use of sustainable energy sources.

The first step in setting targets for reducing waste and emissions is to measure the amount of waste and emissions produced. For example, Randstad, a leading human resources company, aims to achieve zero emissions by 2050 with the aim of reducing emissions from its operations and recovering them through corrective environmental actions.

They are committed to accelerating decarbonisation efforts by 2030, with a target of reducing Scope 1 and 2 CO_2 emissions by 50% and Scope 3 emissions by 30% by 2019.

4.10 Government programs to implement digital financial literacy for sustainable development:

To promote financial inclusion, governments and organizations around the world have implemented a range of initiatives and programs. These include:

1. Financial education programs: Financial education programs can help individuals and businesses learn about financial products and services, as well as how to manage their money and make informed financial decisions. This can help increase

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awareness of financial services and make them more accessible to a wider range of individuals and businesses.

2. Mobile banking: Mobile banking refers to the use of mobile phones to access financial services, such as banking and payments. It can be a particularly useful tool for individuals and businesses in remote or underserved areas, where access to traditional financial institutions may be limited.

3. Microfinance: Microfinance refers to the provision of small loans and other financial services to individuals and businesses in low-income or underserved areas. It can help increase access to credit and other financial services for individuals and businesses who may not have access to traditional financial institutions.

4. Public-private partnerships: Public-private partnerships can help bring together the resources and expertise of the public and private sectors to promote financial inclusion. This can include collaborations between governments and financial institutions, as well as partnerships between non-profit organizations and businesses. Financial inclusion is an important issue because it can help increase economic growth, reduce poverty, and promote financial stability.

Financial literacy and financial inclusion are important issues in India. According to a report by the Reserve Bank of India, only around 35% of adults in India have basic financial literacy, and only around 53% of adults have an account at a formal financial institution.

4.11 There are several initiatives and schemes in place in India to improve financial literacy and promote financial inclusion. Some examples include:

1. Jan Dhan Yojana: This is a financial inclusion campaign launched by the Government of India in 2014. It aims to provide access to a range of financial services, including bank accounts, credit, insurance, and pension, to all households in the country.

2. Pradhan Mantri Jan-Dhan Yojana (PMJDY): This is a national mission for financial inclusion launched by the Government of India in 2015. It aims to provide access to a range of financial services, including bank accounts, credit, insurance, and pension, to all households in the country. One basic savings bank account is opened for the unbanked people. There is no requirement to maintain any minimum balance in PMJDY accounts. Interest is earned on the deposit in PMJDY accounts. Rupay Debit card is provided to PMJDY account holders. Accident Insurance Cover of Rs.1 lakh (enhanced to Rs. 2 lakhs for new PMJDY accounts opened after 28.8.2018) is available with a RuPay card issued to

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the PMJDY account holders. An overdraft (OD) facility of up to Rs. 10,000 to eligible account holders is available. PMJDY accounts are eligible for Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Micro Units Development & Refinance Agency Bank (MUDRA) scheme.Atal Pension Yojana (APY): This is a pension scheme for unorganized sector workers launched by the Government of India in 2015. It aims to provide a guaranteed pension to all citizens of the country, with the goal of promoting financial inclusion and security in old age.

3. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY): This is a life insurance scheme launched by the Government of India in 2015. It aims to provide life insurance coverage to all citizens of the country, with the goal of promoting financial inclusion and security.

This is an accidental insurance scheme launched by the Government of India in 2015. It aims to provide accidental insurance coverage to all citizens of the country, with the goal of promoting financial inclusion and security Strengthening financial inclusion in India has been an important agenda of the government and various regulatory bodies such as RBI, SEBI, IRDAI, and PFRDA. Efforts have also been taken to spread awareness and increase financial literacy among small businesses.

5. BENEFITS OF SUSTAINABLE DIGITIZATION

Environmental benefits:

a) Environmental protection
b) Climate action
c) Nature conservation and circularity.

Improvement of business management:

a) Cost savings
b) Efficiency
c) Improved competitiveness

Social benefits:

a) Company transparency
b) Traceability
c) Improve production processes
d) Enables teleworking

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Sustainable digitization begins by applying the appropriate digital technology to the company's sustainability objectives.

5.1 THE ROLE OF DIGITAL FINANCIAL INCLUSION IN MEETING THE SDGs:

Financial inclusion plays a role in ensuring all nations' accessibility and usage of financial products to avail economic benefits. As new digital payment and mobile phone technologies have developed in recent years, the formal financial system has been re-engineered. An inclusive digital finance goal is to provide financial services in mobile money, internet banking, electronic transfers, insurance, and loan and a combination of these and newer fintech apps that reach out to previously excluded populations . Everyone should be part of the economy where financial services are customised to specific needs and demands at a reasonable cost.

The delivery of financial services via digital platforms promotes financial inclusion. In addition, digital financial inclusion is also one of the stepping stones to attain the Sustainable Development Goals (SDGs) by 2030. Effective execution of digital financial inclusion helps to reach 13 out of 17 SDGs.

5.2 The Contributions of Digital Financial Inclusion towards Sustainable Development Goals (SDGs)

SDG 1: No poverty: Low-cost digital financial services (e.g., credit, payments, wages, pensions or even allow government transfer) could help low-income households increase the standard of living and fuel business models.

SDG 2: Zero hunger: Digital financial services could help vulnerable groups (e.g., the poor, farmers, immigrants, etc.) to produce greater productivity, safer and more reliable social transfers or remittances.

SDG 3: Good health and well-being: Digital financial services may assist families in preparing for and dealing with unexpected healthcare costs in the event of a health emergency. Besides, promoting low-cost digital public and private micro health insurance makes healthcare insurance more viable to the poor.

SDG 4: Quality education: Lower-income families may better manage their education costs using digital finance, while institutions and national education systems can enhance their financial management. As a result, digital finance may aid in allocating funds for instructors, resources, and technology that improve educational outcomes.

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SDG 5: Gender equality: Women may have more control over their money and develop assets with the help of digital financial services. Gender equality and economic development are aided by increased financial power.

SDG 6: Clean water and sanitation: Water and sanitation providers may now provide services to low-income households via digital financing, which lowers operating expenses while simultaneously promoting the long-term development of power networks into rural areas.

SDG 7: Affordable and clean energy: Digital finance and digital payments could offer low-income households, especially those in Africa and Asia countries with low cost, prepaid, or pay-as-you-go services that help to increase financial viability.

SDG 8: Decent work and economic growth: Digital financial services power low-cost business strategies. (e.g., digitising salary, trade payments, credit) especially for micro, small and medium enterprises (MSMEs), potentially creating 95 million new jobs and increasing the global GDP by 6% by 2025.

SDG 9: Industry, innovation and infrastructure: Small businesses may use digital financing to develop, innovate, enter new markets, and attract more young talent to the digital economy.

SDG 10: Reduced inequalities: Digital finance can create an equalising force giving low-income households to access low-cost digital finance and improve financial resilience.

SDG 11: Sustainable cities and communities: Cities that still rely on cash transactions on public services such as public transit are inefficient and costly. As a result, digitising payments may aid in the reduction of unnecessary expenses.

SDG 13: Climate action: Individuals, communities, companies, and governments may benefit from digital finance in combating and preparing for the harmful impacts of climate change, primarily through increasing resilience and encouraging sustainable investments.

SDG 16: Peace, justice and strong institutions: Digital payments significantly improve the transparency of government transactions. As a result, this may increase the accountability of the government and other parties on the usage of public funds.

6. CONCLUSION

To conclude, digital financial inclusion brings up to a situation where all societies could enjoy cost-saving financial services or products digitally. Hence, an integrated framework that needs cooperation from government, regulator, policymakers and financial institutions are required to provide greater clarity and connection to the ideas and modern refined

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elements of digital financial inclusion. A country's financial system should provide localized financial services to fit into local settings. With this respect, digital financial inclusion can benefit the community, country and economy as a whole.

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A STUDY ON FINANCIAL LITERACY AMONG COLLEGE STUDENTS IN HASSAN

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Abstract: *Inclusive growth of economy of developing countries like India, depends on how strong is its financial sector, which in turn is dependent on financial literacy level of their people and demand for financial products and services. The Indian government is giving a lot of importance to development of skills among the youth of today to deal with complex challenges. It is necessary to understand whether the "**youth of today–who will become the working population of tomorrow, are they financially literate"?** As the youth population in the Indian economy is high, it is necessary to create awareness among them about the significance of financial literacy. There are number initiatives taken by the RBI and banks in this direction. Financial literacy is very much needed and it is not an exception to the college going students.*

In the above pursuit, it is believed that there is a lack of awareness among the majority of the college students about the financial literacy initiatives taken by RBI and banks etc. There is scope to undertake research to assess whether college students in the age group of 18 to 22 years are aware of the financial services offered by the banks.

Keywords: Financial Literacy, Banks, College Students, Financial Awareness

1 INTRODUCTION

People are suffering from the financial diseases like underinsurance, debt trap, insufficient retirement fund, low return on investment etc., and the causes of all these is one and the same i.e. "Financial Illiteracy". To be financially literate is to know how to manage your money. This means learning how to pay your bills, how to borrow and save money responsibly, and how and why to invest and plan for retirement. Young people in particular must understand the basics of investing and planning for the future, including the relationship between risk and return and the diversity between short-term and long-term investments, and the ramifications of not planning adequately for their retirement. In today's world which has a

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market with complicated products, the need for financial literacy becomes inevitable. Country like India which has high young budding population, the government is forced to increase the level of financial literacy. Therefore it is necessary to have awareness among them about the significance of financial literacy.

1.1 Meaning and Definition

"Financial literacy is the ability to make informed judgments and to take effective decisions regarding the use and management of money".

OECD (Organisation for Economic Co-operation and Development) defines financial literacy as –"A combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well being" Therefore, financial literacy is a combination of a person's skills, knowledge, attitudes and ultimately their behaviors in relation to money. Financial literacy skills enable individuals to navigate the financial world, make informed decisions about their money and minimise their chances of being misled on financial matters.

2 LITERATURE REVIEW

It is observed from many evidences that, there is a disturbing and widespread deficiency in financial literacy. The evidence suggests financial literacy programs. While the programs vary widely in their scope and approach across countries, the underlying objectives are to improve the financial attitude, the financial behavior and the financial knowledge of individuals to enable them and their families to make choices that improve their financial strength.

Ms. Mani Goswami and Karan Dhawan conducted study among the 100 students of a private and government higher education institution in Delhi, NCR. All the students are in the age of 18-30 years. Result showed that gender, Age, Level of Education, Annual Household Income are not significantly associated with the financial behavior of an individual

Financial literacy among college students – A study Dr. Anjali Sane conducted study on 500 students of different streams in pune, results showed that, many students are not aware of the financial literacy.

3 RESEARCH PROBLEM AND HYPOTHESIS

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As a college teacher, it is our experience that there is lack of awareness among majority of the college going students about the financial literacy initiatives taken by RBI, banks etc. But there is no evidence in this regard. Hence, there is scope to undertake research to assess the level of awareness of financial services among the college students. Against this backdrop, the hypothesis is as follows:

H0: "*There is lack of awareness among majority of the college going students about the financial literacy initiatives taken by RBI and banks*."

4 The Objectives of the Study

a) To find out the Financial Literacy of among college students in Hassan city of Karnataka

b) To evaluate the influence of financial literacy awareness programs conducted by the RBI and Banks.

c) To give recommendations to improve financial literacy.

5 RESEARCH METHODOLOGY

Major objective of this research is to know the awareness among the college students about the financial literacy and the role of teachers in promoting the awareness. Secondary data from the RBI reveals that, present initiatives of the RBI targets rural area people and students are not included in the ambit of financial literacy. We being teachers in higher education observed that most of the college students have savings bank accounts but all of them don't have enough financial literacy. Thus it represents strong community of customers for the banks.

However, it is observed that there is a big gap between the knowledge of the students about the initiatives by the RBI and the banks.

a) The process of exploration has begun by identifying Target Population of college going students in the city of Hassan.

b) To make the study more meaningful, only Undergraduate students in the age group of 18 to 21 were selected from 10 groups of colleges/ institutions. The selected group was to facilitate data collection on the parameters of data availability and accessibility.

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c) The questionnaires were administered to 300 students of different streams of different colleges, which represent the sample of around 2000 students.
d) Second exploration of data is from the managers of nationalized banks in Hassan. Interviewed a few of the bank managers and asked a few questions regarding the awareness programs offered by the RBI and banks.

6 DESIGN OF QUESTIONNAIRE

6.1 Primary Data: Two types of structured Questionnaire designed to collect the information from the target group.

1) College going students in the age group of 18 years to 21 years
2) Branch Managers of Nationalized Banks

Questionnaire regarding the focused group of college students is as follows.

a) This questionnaire contained 10 questions relating to personal information, qualification, family income, money matters and awareness about the financial literacy initiatives of banks and RBI.

Questionnaire regarding the focused group of college students is as follows.

b) This questionnaire is prepared to collect the initiatives taken by banks to promote the financial literacy. It contained 8 questions. However, list of banks cannot be published here as the branch managers have given the responses with confidentiality clause.

In order to ensure correct interpretation and analysis of the responses, the researcher has used the appropriate combination of "Multiple Choice", "Single Response Scale" and "Open Ended" type of questions.

6.2 Secondary Data: The exploration of variables through Secondary Data is obtained from data collected through the following sources:

a) RBI Publications such as Report on Trend and Progress of Banking in India, committee reports, speeches delivered by RBI top executives etc.
b) National centre for financial education (NCFE) reports.
d) Articles/ Papers appeared in selected Journals and Magazines

6.3 Observations from Data collected from college students

Collected data from 300 students studying in different colleges of Hassan city. At the time of collecting data, the researcher has taken care to ensure that the chosen sample has representation from different streams i.e. arts, commerce, science, engineering etc.

The data obtained has been collected from students after having explained the purpose of research thereby ensuring the authenticity and reliability of information elicited for further analysis.

6.4 Following are the salient observations:

1. Students are not the independent decision makers as far as financial decision are concerned. It is observed that college students do not play the role as financial decision makers and they depend upon the other family member for financial decisions.
2. It can be inferred from the observed data that, majority of the students have a savings bank account; they lack knowledge of the financial products offered by banks and RBI.
3. Majority of the students lack awareness about the initiatives of RBI and banks.
4. Majority of the college students opened free savings bank account.
5. Majority of the students feel the need of financial literacy as a part of their curriculum irrespective of the stream they are studying.

6.5 Observations from the data collected from bankers:

1. Many of the banks have financial literacy centers (FLC) but no bank in Hassan is providing financial literacy to people in Hassan. Not even a single bank in Hassan is ready to cater to the needs of the student community.
2. Activities conducted by Financial Literacy Center of the bank to promote financial literacy– From the observed data, it can be inferred that popular activities of the banks include Outreach camps and Quiz competitions. Adequate emphasis is not given to promoting financial literacy among college students.
3. Financial Literacy as part of curriculum – almost all the branch manager happily agreed to include financial literacy as part of the curriculum, irrespective of the stream that the student is studying in. Banks have also expressed interest in developing the syllabus for the same. They are also willing to join resource persons for conducting seminars/ guest lectures/ workshops in colleges to promote financial literacy.
4. Banks are receiving many complaints from college students about frauds relating to e-transactions, credit cards, debit cards and other modes of digital payments

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5. It is observed that banks give more emphasis to promoting financial literacy among the rural areas and among the "illiterate" class of people.

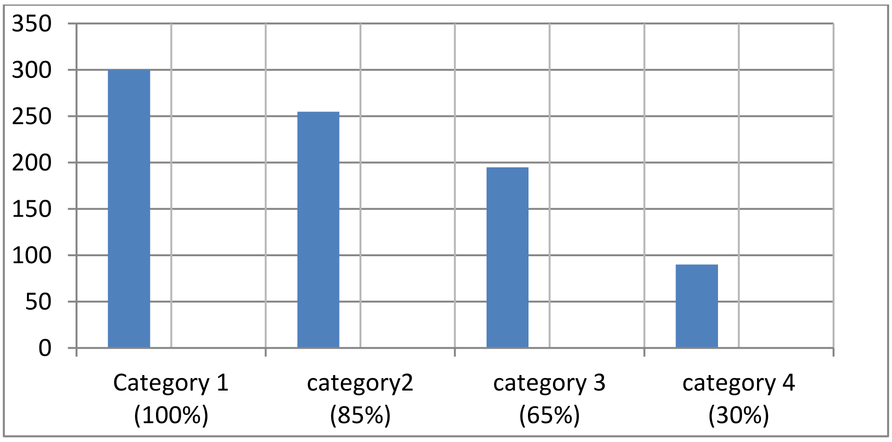
6. Financial Education Website – Majority of the banks are not giving adequate importance to promoting financial literacy via digital media.

To test the validity of the hypothesis, the researcher has collected primary data from College students. The analysis has been done with the help of percentage analysis and bar chart.

Table –Awareness about financial literacy

Particulars	**No. of respondents**
Total responses received	**300**
Do you have Savings Account in Bank	255
Awareness about financial products of banks	195
Awareness about financial literacy initiatives of RBI and banks	90

Chart - Awareness about financial literacy



6.6 The data analysis brought to light the following facts:

1. From the above table and Chart, it is observed that from the sample, 85% of the students have a Savings Account in the Bank.
2. Out of the students who have bank accounts, 65% of the students are aware of the financial products of the banks.
3. From the students having a Savings Account, only 30% have knowledge of the Financial Literacy initiatives of the Reserve Bank of India and Banks.

Hence, it can be inferred that though students have a savings account in banks, they lack knowledge about the financial literacy initiatives of RBI and banks.

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H0, The null Hypothesis is thus partially accepted

7 CONCLUSIONS AND RECOMMENDATIONS:

Conclusions: the following conclusions are drawn from the primary data findings and observations from the secondary data.

1. **Create Financial Literacy awareness**: Many schemes have been implemented by RBI to promote financial literacy, especially in the rural areas. There is evidence of lack of emphasis on the promotion of financial literacy among the educated urban youth.

2. A strong need is felt for continuous updating and awareness of financial literacy across all age groups of individuals with the change of time

3. After demonetization: all bankers felt that the need of financial literacy among all age groups

4. **Financial literacy as a part of the curriculum**: with respect to financial literacy it is concluded that, irrespective of Gender, stream (arts, commerce, science) there is a need for financial literacy as a part of their curriculum.

5. As a researcher I conclude that, majority of the students have savings bank accounts, but they don't have awareness about the financial literacy.

6. Finally it can be concluded that, the problem of financial literacy can be solved by creating a suitable models to be followed by the colleges/ universities.

Recommendations:

Based on above conclusions, as a researcher I recommend a financial literacy models to bridge a gap between financial information seeker (students) and the provider (bank). If the students' community has the digital financial literacy it is a kind of opportunity to bring social changes and they become the architects of our country.

1. Cashless campus: The colleges must introduce digital payment system for all kinds of payments so that the college can take pride in creating cashless campus, which brings in transparency and accountability for all kinds of payments. As a result the society may one day become corruption less to an extent.

2. **Introduction of refresher course** for staffs about financial literacy so that they in turn can train and educate the students about the financial literacy.

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3. **Short term certificate courses** in financial literacy to students along with their regular curriculum, which will encourage students to become more and more aware of the financial literacy and freedom.
4. **Students should volunteer themselves** to promote digital literacy among other students and the society so that all of them become aware of the financial literacy programmes introduced by the government
5. **NSS/NCC students through their interaction camps** must promote and create awareness among the rural population about the financial literacy.
6. **The parents with proper guidance should permit** their kids to make certain financial decisions so that the kids become aware of the financial literacy in their early lives.

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CUSTOMER PERCEPTIONS AND ADOPTION OF DIGITAL PAYMENT MODES IN MADHYA PRADESH: A COMPARATIVE STUDY BETWEEN URBAN AND RURAL AREAS

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Abstract: *The purpose of this study is to compare the perceptions and adoption of digital payment modes between urban and rural customers in Madhya Pradesh, India. The study involved a sample of 100 respondents, 50 from urban areas and 50 from rural areas, and data was collected through a structured questionnaire. The study examined the factors affecting the adoption of digital payment modes, such as ease of use, security, trust, and awareness, and compared these factors between the urban and rural samples. The results of the study indicate that urban customers have a higher level of awareness and trust in digital payment modes compared to rural customers. Urban customers also perceive digital payment modes as more secure and easier to use compared to rural customers. However, rural customers have a higher level of interest in learning about digital payment modes, indicating a potential for increased adoption in the future. Overall, the study suggests that there is a significant difference in the perceptions and adoption of digital payment modes between urban and rural customers in Madhya Pradesh. The findings of this study can be used by policymakers and digital payment providers to develop strategies to increase the adoption of digital payment modes in rural areas, and to address the concerns and barriers to adoption that are specific to these areas.*

Keywords: *perception, digital payment, awareness, urban and rural population, technical issues*

1. INTRODUCTION

Madhya Pradesh is a state located in the central region of India, with a population of over 80 million people. Over the past few years, there has been a rapid shift in the adoption of digital payment modes in the state, driven by various government initiatives such as demonetization and the push towards a cashless economy. As a result, it is important to understand the customer perceptions and adoption of these digital payment modes in Madhya Pradesh.

Customer perceptions refer to the way customers perceive and evaluate the various digital payment modes available to them. This includes factors such as ease of use, convenience,

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security, and reliability. Adoption, on the other hand, refers to the extent to which customers actually use these digital payment modes for their transactions.

In Madhya Pradesh, there are several digital payment modes available to customers, including mobile wallets, internet banking, UPI (Unified Payment Interface), and credit/debit cards. While these modes offer several benefits such as convenience, cash back offers, and discounts, there are also concerns around security and reliability.

It is important to understand the customer perceptions and adoption of these digital payment modes as it can help policymakers and businesses make informed decisions about the development and promotion of these modes. Additionally, it can help identify barriers to adoption and opportunities for growth in this sector.

2. LITERATURE REVIEW

Suliman & Ghrbeia (2020) "Customer Perception towards the Digital Payment", the digital economy, electronic commerce and commerce and electronic banking are now being used by the new technologies and the wider global network, especially internet, within and outwardly. The study investigates issues that affect customers when implementing digital payment and also proposing solutions to preserve and develop the quality of service for digital payment systems so as to inspire patronage repetition and loyalty and attract new customers. Descriptive analysis, independent t-test and Analysis of Variance were the methodologies used for analysis of collected data. The results attained depicts that there was "strong correlation" existing between the benefits and the ease of use of the Digital Payment System. An almost moderate correlation existed only between the trust and customers' perception of the Digital Payment Systems alongside the true perception attained by customers while using the Digital Payment System and its basic ease of use. There was a rather weak negative correlation between the average security and the benefits of the Digital Payment System. Another quite weak and negative correlation has to do with the age bracket of the customers and its effect on the general preference of the Digital Payment System. This study can help providers gain an insight of the views and preferences of their customers in order to improve the customer perception during the online purchase procedures.

Sarat Dhal & Rajas Saroy (2021) "Digital Payments and Consumer Experience in India", Propelled by recent policy initiatives and technological developments, India's digital payment system is a promising success story in the making. At the same time, the

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data also points towards an increasing usage of cash. While aggregate country-level data can indicate overall preferences of citizens, we use a novel online survey-based dataset to understand how factors such as 'perception' and 'trust' in digital payments, and experience with online frauds, affect the payment behaviour of consumers. While demographic factors like age, gender and income are relevant factors which determine this choice, we find compelling evidence that a person's usage of digital payment methods is influenced by her perception of these instruments, as well as her trust in the overall payments framework and banking system in general. We find that the degree to which past-experience with online fraud deters usage of digital payments varies with the purpose of the transaction.

3. RESEARCH METHODOLOGY

The study was an analytical study based on primary research. The population included the entire Madhya Pradesh region. In order to conduct the study involved a sample of 100 respondents, 50 from urban areas and 50 from rural areas, and data was collected through a structured questionnaire. The participants were convenient sample. The data was collected on a Likert type 1 to 5 point scale.

3.1 HYPOTHESIS

H0:- There is no significant difference between perceptions and adoption of digital payment modes in urban & rural areas.

H1: There is a significant difference between perceptions and adoption of digital payment modes in urban & rural areas.

4. CHALLENGES & OPPORTUNITIES OF DIGITAL PAYMENT SYSTEM

Urban customers face several problems while adopting digital payment modes. Some of the key challenges include:

a) **Limited acceptance:** One of the biggest problems faced by urban customers is the limited acceptance of digital payment modes. While many merchants have started accepting digital payments, there are still a significant number who do not, making it difficult for customers to use these modes of payment.

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b) **Technical issues:** Another challenge faced by urban customers is technical issues while using digital payment modes. These issues could include slow or unresponsive apps, errors in transactions, and connectivity issues.

c) **Security concerns:** Security concerns are another significant challenge faced by urban customers when it comes to digital payments. Many customers are still hesitant to use digital payment modes due to concerns over the security of their personal and financial information.

Despite these challenges, there are several opportunities for urban customers to adopt digital payment modes. Some of the key opportunities include:

d) **Convenience:** Digital payment modes offer a high level of convenience for urban customers. They eliminate the need to carry cash, making transactions faster and easier.

e) **Incentives:** Many digital payment providers offer incentives such as cashback, discounts, and rewards points to customers who use their services. This can be a significant motivator for customers to adopt digital payment modes.

f) **Contactless payments:** In the wake of the COVID-19 pandemic, contactless payments have become increasingly popular. Digital payment modes offer a safe and convenient way for customers to make transactions without having to physically touch cash or cards.

Thus, while there are challenges associated with adopting digital payment modes, the benefits they offer are significant. As digital payment infrastructure improves and more merchants begin accepting these modes of payment, it is likely that urban customers will increasingly adopt them as well. Rural customers also face several challenges when it comes to adopting digital payment modes. Some of the key problems include:

g) **Limited access to digital infrastructure:** Rural areas often have limited access to digital infrastructure such as high-speed internet and smartphones. This can make it difficult for customers to use digital payment modes.

h) **Lack of awareness:** Many rural customers may not be aware of the benefits of digital payment modes or how to use them. This lack of awareness can be a significant barrier to adoption.

i) **Trust issues:** Rural customers may be hesitant to use digital payment modes due to concerns over security and reliability. They may be more comfortable using

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traditional payment methods such as cash or checks. Despite these challenges, there are several opportunities for rural customers to adopt digital payment modes. Some of the key opportunities include:

j) **Financial inclusion:** Digital payment modes offer a way for rural customers to access financial services that may not be available to them otherwise. This can help to promote financial inclusion and improve their overall financial well-being.

k) **Cost savings:** Digital payment modes can be more cost-effective than traditional payment methods, such as cash or checks. This can be especially important for rural customers who may have limited financial resources.

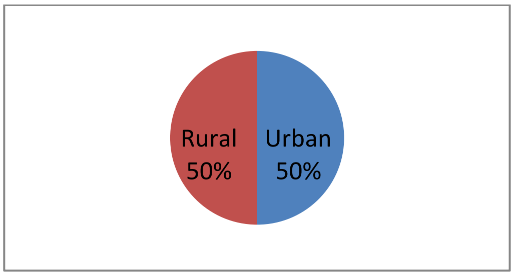
l) **Government initiatives:** Governments may be implementing initiatives to promote the adoption of digital payment modes in rural areas. These initiatives can include financial incentives or education programs to help customers understand the benefits of digital payment modes.

Overall, while there are challenges associated with adopting digital payment modes in rural areas, there are also significant opportunities. As digital infrastructure continues to improve and governments and financial institutions continue to promote the adoption of these modes of payment, it is likely that rural customers will increasingly adopt them as well.

5. DATA ANALYSIS:

A) Classification of Users

Options	No. of Respondent	Percentage
Urban	50	50%
Rural	50	50%
Total	100	100



B) Awareness Level

Options	No. of Respondent	Total sample
Urban	48	50

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Rural	37	50

The above response shows the level of awareness about the digital payment system within the urban & rural sample. Out of 50 responded 48 customers are very well aware about the online payment system in urban areas, where as in rural areas only 37 customers have complete knowledge about the payment system.

C) Time & Cost Savings

Options	Urban	Rural
Responses	46	31
Total sample	50	50

Based on the above data, it seems that a sample of 50 respondents was taken to study the time and cost savings. Out of the total sample of 50 respondents, 46 respondents reported digital payment system is time and cost savings in urban areas, while 31 respondents reported digital payment system is time and cost savings in rural areas.

D) Security Concerns

Options	Urban	Rural
Responses	48	45
Total sample	50	50

Based on the above data its shows that both the urban & rural responded have high security concerns may be reasons is number of increasing fraud and online scams create a fear of losing their money in the customer. In urban areas the response is 48 and in rural area response is 45.

Hypothesis Testing:

H0:- There is no significant difference between perceptions and adoption of digital payment modes is urban & rural areas.

H1: There is a significant difference between perceptions and adoption of digital payment modes is urban & rural areas.

Regression Statistics								
Multiple R	0.874001							
R Square	0.763879							

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Adjusted R Square	0.758959							
Standard Error	0.628969							
Observations	50							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	1	61.43111	61.43111	155.2852	1.18E-16			
Residual	48	18.98889	0.395602					
Total	49	80.42						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.340268	0.271743	1.252169	0.0216	-0.20611	0.886643	-0.20611	0.886643
rural	0.935594	0.07508	12.46135	0.0118	0.784636	1.086552	0.784636	1.086552

This regression table provides information about the relationship between two variables - one independent variable (rural) and one dependent variable. Multiple R: This is the correlation coefficient between the independent variable and dependent variable, which shows a moderate to strong positive correlation between the two variables.

R Square: This is the coefficient of determination, which indicates that approximately 76% of the variation in the dependent variable can be explained by the independent variable.

Adjusted R Square: This is the R Square adjusted for the degrees of freedom, and it indicates that around 76% of the variance in the dependent variable can be explained by the independent variable. Coefficients: This table shows the estimated regression coefficients, which are the slope and intercept of the regression line. The intercept of 0.340268 indicates that when the independent variable is zero, the dependent variable is also expected to be around 0.34. The coefficient of rural (0.935594) indicates that for each unit increase in the independent variable, the dependent variable is expected to increase by around 0.94, all other things being equal. P-value: This is the p-value associated with each t-statistic, indicating the probability of observing a t-statistic as extreme as the one observed if the null hypothesis is not true. Hence, Based on the above data

H0:- There is no significant difference between perceptions and adoption of digital payment modes is urban & rural areas. Is rejected and alternative hypothesis is accepted that is "H1: There is a significant difference between perceptions and adoption of digital payment modes is urban & rural areas."

6. FINDINGS

Madhya Pradesh, like many other states in India, has a significant urban-rural divide when it comes to the adoption of digital payment modes. Here's a comparison between rural and urban population perception and adoption of digital payment modes in Madhya Pradesh:

Perceptions:

Awareness: Urban populations in Madhya Pradesh are generally more aware of digital payment modes and their benefits than rural populations. This is likely due to better access to digital infrastructure and financial services.

Trust: Rural populations in Madhya Pradesh may be more hesitant to adopt digital payment modes due to trust issues. They may be more comfortable using traditional payment methods such as cash or checks, while urban populations may be more open to using digital payment modes.

Adoption:

Access to digital infrastructure: Urban populations in Madhya Pradesh have better access to digital infrastructure such as high-speed internet and smart phones, making it easier for them to adopt digital payment modes. Rural populations, on the other hand, may have limited access to these resources, making it more difficult for them to adopt digital payment modes.

Financial inclusion: Digital payment modes can promote financial inclusion, which can be especially important for rural populations in Madhya Pradesh. However, this may also be a challenge as many rural populations may not have bank accounts or access to financial services.

Government initiatives: Both rural and urban populations in Madhya Pradesh may benefit from government initiatives that promote the adoption of digital payment modes. However, these initiatives may need to be tailored to the specific needs of each population.

Thus, while there are differences in perception and adoption of digital payment modes between rural and urban populations in Madhya Pradesh, there are also opportunities to bridge this divide. Education and awareness programs can help to promote the benefits of digital payment modes and improve trust among rural populations, while initiatives to improve digital infrastructure and financial inclusion can make it easier for both rural and urban populations to adopt digital payment modes.

7. CONCLUSION

In conclusion, there is a significant urban-rural divide when it comes to the adoption of digital payment modes in Madhya Pradesh. Urban populations are generally more aware of digital payment modes and their benefits, while rural populations may be more hesitant to adopt them due to trust issues and limited access to digital infrastructure and financial services.

However, there are opportunities to bridge this divide. Education and awareness programs can help to promote the benefits of digital payment modes and improve trust among rural populations, while initiatives to improve digital infrastructure and financial inclusion can make it easier for both rural and urban populations to adopt digital payment modes.

Ultimately, the adoption of digital payment modes in Madhya Pradesh will require a collaborative effort from governments, financial institutions, and other stakeholders. By working together to address the challenges and promote the benefits of digital payment modes, we can create a more inclusive and efficient financial ecosystem that benefits all populations in the state.

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A STUDY ON LEVEL OF AWARENESS TOWARDS FINANCIAL LITERACY

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Abstract: *Financial Literacy is the ability to understand and effective use of various financial skills which comprise personal financial management, budgeting and investing. It also describes ranges of important financial skills and concepts. People who are financial literate are generally less vulnerable to financial fraud. A strong foundation of financial literacy can help in supporting various life goals, such as saving for education or retirement using debt responsibly and running a business. In this context, the present study is mainly aims at knowing the level of awareness about financial literacy by the Individual as it leads to more positive financial behavior. The convenient sampling technique was used to analyze the data which was collected through structured questionnaires. From the analysis it is revealed that respondents have high awareness about financial products as a result which is benefited in their personal finance behavior.*

Keywords: *Financial Literacy, Economic behavior, financial products, financial behavior, Awareness.*

1. INTRODUCTION

Financial Literacy is the persons' ability towards various financial matters or financial decisions. It is inevitable to understand the how an individuals are equipped knowledge about financial aspects. People who are financial literate can navigate the financial decisions. Financial literacy is driven by financial education, financial inclusion and financial stability. It is one of the challenges that are facing by every nation across the globe that how financial literacy should be thought to the individuals and how individuals are monitoring the financial resources. A sound financial decision is largely based on the level of financial literacy. This contains planning for retirement for the sake of better future, wealth accumulation, education plans etc. the more the rate of financial literacy the higher will be the financial inclusion.

Financial literacy is a core life skill for participating in modern society. National surveys show that young adults have amongst the lowest levels of financial literacy. This is reflected by their general inability to choose the right financial products and often a lack of interest in undertaking sound financial planning. Even from an early age, children need to develop the skills to help choose between different career and education options and manage any discretionary funds they may have, whether from allowances or part time jobs. These funds may entail the use of savings accounts or bank cards. The OECD's Principles and Good Practices for Financial Education and Awareness recommend that financial education start as early as possible and be taught in schools. Including financial education as part of the school curriculum is a fair and efficient policy tool. Financial education is a long-term process. Building it into curriculums from an early age allows children to acquire the knowledge and skills to build responsible financial behaviour throughout each stage of their education. This is especially important as parents may be ill-equipped to teach their children about money and levels of financial literacy are generally low around the world.

2. REVIEW OF LITERATURE

Number of studies carried about financial literacy and its impact on economy of a nation. The following are the few literatures have been reviewed.

Ansong and Gyengare(2012) examined the determinants which are contributing to financial literacy in Ghana University. The data has been collected using questionnaires. From the study it is revealed that work experience and mothers'education are positively contributing to it.

Sekar and gowri (2012) determined the level if financial knowledge about financial literacy by taking gen Y employees. The analysis of the study is revealed that, the demographical factors have more impact the financial literacy and study also recommended the companies to adopt appropriate strategies to improve the level of financial literacy among them.

Vijetha and Baby (2012) Conducted study to know the level of financial literacy among the students of Mumbai. The students in the age group of 18 to 23 were the respondents. The study resulted in there is a poor level of literacy about financial products and also highlighted that students should be given more focus in this regard.

Darshan and Jaydip(2018) identified key variables used by different countries to measure financial literacy. The descriptive study revealed that Majority of researcher used the major variables Attitude, Knowledge and Behaviour to measure financial literacy in India while in overseas they used variables like knowledge level, behavioural finance and ability.

Annamaria Lusardi (2019) highlighted in his study that The lack of financial literacy, even in some of the world's most well-developed financial markets, is of acute

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concern and needs immediate attention. He also recommended that there are some programs to provide financial education in schools and colleges, workplaces, and the larger community have taken existing evidence into account to create rigorous solutions. It is important to continue making strides in promoting financial literacy, by achieving scale and efficiency in future programs as well.

Sudeshna (2021) measured the level of financial literacy and also identified the relationship between financial literacy and financial behaviour. From the study it is revealed that individuals have high rate of financial literacy.

3. OBJECTIVES OF THE STUDY

The increasing various financial products are making more complex in today's world where they will eventually need to take charge of one's' own financial for the future. In this context the present study mainly focusing on the awareness level about financial literacy.

4. RESEARCH METHODOLOGY

The study is descriptive in nature. The study has used both primary and secondary data. The primary data has been collected through questionnaires which were distributed to 120 individuals in Mysuru city. The 100 responses were received. The convenient sampling technique was used to collect the data. The percentage analysis has been used to analyze the data

4.1 Data Analysis and Interpretations

Table No. 1 showing Age of the respondents

Age	Frequency	Percentage
25-30	15	15%
31-35	20	20%
36-40	30	30%
41-50	35	35%
Total	100	100

(Source: Primary Data)

From the above table no.1 , it is clear that majority of the respondents are belong to the age group of 41-50.

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Table No. 2 showing qualification of respondents

Qualification	Frequency	Percentage
Graduation	28	28%
Post- Graduation	44	44%
others	18	18%
Total	100	100

(Source: Primary Data)

From the above table no. 2 it is clear that vast majority of the Respondents with 44% have completed their Post-Graduation.

Table No. 3 showing experience of the respondents

Work Experience	Frequency	Percentage
0-5 Years	20	20%
6-10 Years	22	22%
11-15 Years	08	08%
16-20 Years	18	18%
>20 Years	32	32%
Total	100	100

(Source: Primary Data)

It is clear from the above table no. 3 that 32% of the women employees have more than 20 years' work experience.

Table No. 4 showing awareness level about financial literacy

Variables	**Yes (%)**	**No (%)**
Debit Card	90%	10%
Credit Card	82%	18%
Auto Debit	82%	18%
Saving Deposits	100%	0%
Pension Schemes	60%	40%
Recurring Deposits	71%	39%
Postal Schemes	73%	27%
Certificate of Deposits	32%	68%
Mortgages	68%	32%
Microfinance	70%	30%

Insurance plans	85%	15%
Derivatives	12%	78%
Securities	52%	48%
Money orders	62%	38%
Commodities	18%	82%

(Source: Primary data)

Interpretation: From the analysis it is revealed that majority of the respondents are having awareness about Debit card, Credit Card, Auto debit, Saving deposits, Pension schemes, Recurring deposits, mortgages, postal schemes, microfinance, insurance plans, money orders which is supported by calculated percentages which is more than 60% . However respondents are poor awareness about certificate of deposits, Derivatives, Commodities. The percentage analysis shows that respondents have high level of awareness about majority of all the products. The study found that majority of the respondents have awareness about financial products which shows individuals can make better financial decisions such as more efficient saving and better debt management. It is also found that more financial literacy leads to reducing wealth inequality.

5. CONCLUSION

Financial literacy is a core life skill for participating in modern society. National surveys show that young adults have amongst the lowest levels of financial literacy. This is reflected by their general inability to choose the right financial products and often a lack of interest in undertaking sound financial planning. The study found that majority of the respondents have awareness about financial products which shows individuals can make better financial decisions such as more efficient saving and better debt management. However, the government has to make initiative to create high level of awareness among the public. The study cannot be generalized as it took only few samples and limited to particular locality.

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A REVIEW OF LITERATURE ON WOMEN FINANCIAL LITERACY

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Abstract: *Financial literacy is the cognitive understanding of financial components and skills such as budgeting, investing, borrowing, taxation, and personal financial management. The absence of such skills is referred to as being financially illiterate. Financial literacy is the foundation of your relationship with money, and it is a lifelong journey of learning. The earlier you start, the better off you will be because education and its application are the keys to success when it comes to money.*

Both women and men should acquire financial knowledge to participate in money-related issues of their families effectively. But it has been observed that women in India have limited financial knowledge. This could be on account of women traditionally being 'home-makers' and not being concerned with where the finances are coming from and where they should go. However, with the changing economic scenario and the higher participation of women in the workforce, financial literacy for women should be given topmost priority.

The study focused on the literature survey of women financial literacy in which it states that there is an increase of financial knowledge among the women population.

KEYWORDS: *Financial literacy, Women financial literacy, Economy.*

1. INTRODUCTION

Financial literacy is the education and understanding of various financial areas including topics related to managing personal finance, money and investing. This topic focuses on the ability to manage personal finance matters in an efficient manner, and it includes the knowledge of making appropriate decisions about personal finance such as investing, insurance, real estate, paying for college, budgeting, retirement and tax planning. The importance of financial literacy among women is more vital because women are less financially literate as compared to men.

In essence, it refers to the knowledge, skills, attitudes, and behaviours necessary for individuals to make informed and effective decisions about their personal finances. From understanding financial products, market information, and sources of financial knowledge to having the confidence to discuss financial issues, financial literacy is crucial to

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everyday life, enabling individuals to make sound financial decisions that lead to their financial well-being. More importantly, individual financial literacy has a cascading effect on the macroeconomic growth and development of a nation because they are highly influenced by the financial decisions taken by individuals.

According to Organization for Economic Co-operation and Development (OECD) "financial literacy as a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual wellbeing". Based on OECD recommendations, India created top level institutional structure in 2011 under the aegis of Financial Stability and Development Council (FSDC). Group of Financial inclusion and Financial Literacy headed by Deputy governor RBI and National centre for Financial Education are set up to enhance financial ability of 500 million adults.

2. OBJECTIVES

The foremost objective of the research is to study the level of financial literacy of women in India by using literature based analysis.

3. RESEARCH METHODOLOGY

The study is qualitative and literature based exploration. Data composed from secondary sources which comprise research articles, websites, newspaper articles, reports and Journal articles.

4. REVIEW OF LITERATURE

Koenen & Rooij (2016), evidence that gender gap in financial literacy: Women consistently show lower levels of financial literacy than men. They designed two surveys to investigate whether this gender gap is the result of lack of knowledge or lack of confidence. It shows that women are less confident in their knowledge than men. Specifically, women disproportionately answer financial knowledge questions with "do not know," even when they know the correct answer. In terms of policy, it is often crucial to disentangle true knowledge from confidence.

Naidu (2017) explored the level of financial literacy in India by using literature based analysis. Study revealed that financial literacy in India is very low and necessitates exertion to mend level of literacy, especially women and youngsters who are struggling with their basic financial knowledge.

Yadav (2017) the study is to determine the level of financial literacy among women employees. A survey methodology was adopted with the design of self-administered questionnaires. Author states that the overall financial literacy level of women employees is low. Women faculties need to improve their knowledge of basic calculative or enumerative & advanced financial behaviour capabilities.

Arora and Pahwa et.al., (2018) explores the current status of financial literacy among Women in Rajasthan. Rural women working on agriculture land contributing to the country's GDP is commendable. But still they are dependent on others. Financial literacy will pave the path for women to elevate their confidence and to achieve the place which they deserve. Finally concludes has proper channelizing of income generated from rural women and making them acquainted with banking services will give some constructive results.

Manchanda & Sukhija (2019) identified the factors affecting financial literacy among working women. The survey method was used to examine the knowledge of working women in financial literacy and factors affecting financial literacy of working women of Punjab. The study confines that tax benefits, discussions with financial consultants, guidance of professional colleagues, past performance of company, influence of relatives, financial newspapers are the factors affecting financial literacy of working women positively. But household budgeting, child education/marriage, health care, repayment of loans, family welfare, high and guaranteed profit, low risk, financial security, regular source of income are not the important factors affecting financial literacy.

Ruchi and Roy (2019) try to explain how the terms financial literacy and women come together to build a better economy for their country and in the process develop a sense of individualism and women empowerment. Through the Global Financial Literacy Excellence Centre recent study on the gender gap, they focused to learn and analyse the gender gap that has been rendered and they stated that there are many initiatives organised by RBI, the government of India and other financial institutions who are helping its natives to increase their financial knowledge, skills and attitude towards handling finances. And also stressed that many workshops should be undertaken for women where they could learn more about the financial products and services along with the education of increasing their skills and capabilities of handling finance.

Vaghela (2019) highlights the need to bridge the financial literacy gap among women and foster confidence in their financial skills, thereby augmenting empowerment. This paper will discuss the financial literacy among working women in Gujarat which can be used as tool to empower women. Single cross sectional descriptive research design method is used for this study. Author concludes that Working women are unaware of the basic money management principles also in their everyday life. Basic knowledge of the interest, compound interest and time value of money is very low amongst the working women. Concept of Risk and return, inflation and diversification is also not widespread among the working women.

Ramesh and Umamaheswari (2021) the purpose was focused on the financial literacy of working women respondents and their preferable source of investments on financial products. In the study, financial literacy was considered has knowledge of various investment sources of finance like bank savings, post office savings, Investment on mutual fund, capital market and gold. The study considers the responses of homemaker, working professionals from various locations in Bengaluru. The study found that most of the women are good in savings & borrowings, Loan issues but they have less experience in handling investment issues, calculation of interest rate, little exposure in long term investment and less interest on regular tracking expenses. Though the respondents are illiterate, but they had less exposure on financial investment. It shows that most of the women required taking financial training from the organisation with their family, friends, and other welfare associations.

Duraichamy & Ponraj(2021) the study was conducted on financial literacy among working women was analysed with the objective to find the financial literacy level among working women and to analyse the most preferred investment instrument. 45 samples were collected from working women over various field like textile industry, Information technology, fashion, teachers, professors and health industry based working women are taken as sample for the study. The findings states that majority of the respondents are professional since they earn more, they are permitted to take decision of investment and they know other source of investment as well, but less educated women who are salaried

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or employed has restriction in taking financial decisions. Education plays a major role in preference on instrument on investment. In India gold is a major source of savings because of its appreciation of market rate and liquidated easily unlike real estate or insurance and any other savings scheme.

Yasin & Diniyya et,al.,(2020) explain the significance of financial literacy for Muslim women entrepreneurs to run their business and achieve high business performance. : Library research was used to critically review the literature on the behavioural factors influencing women entrepreneurs in doing the halal business and the significance of financial literacy on business performance. Findings states that Women entrepreneurs are often driven by the push factors and run their business with limited skill and knowledge particularly financial and business knowledge. In the case of Malaysia, women often spend their income more on non-related business expenses which might prevent business growth. This study found that the significant problems faced by Muslim women entrepreneurs were the lack of access to capital and finance, business management skills, business operation and government regulations and policies.

Kumari & Khalidah et,al.,(2020) focuses on exploring the impact of financial literacy among rural poor on their economic empowerment in the context of Sri Lanka. There were 24 items employed to represents 5 main dimensions to measure the women's economic empowerment such as Decision-making power, Control over the use of income and expenditure, Leadership in the community, Control over time allocation and financial wellbeing. Findings revealed that, the financial literacy has significant impact on women's economic empowerment among the rural poor. However, when it was considered under separate dimensions, financial wellbeing and control over time allocation have significant impact on financial literacy among rural women. Researcher concluded that financial literacy can be considered as a significant determinant of women economic empowerment in Sri Lankan context as well. Finally, the researcher provides some suggestions for government policy decision makers to develop financial literacy level for enhancing women's economic empowerment in Sri Lanka.

Manasa and Ishwara (2022), investigate the financial literacy, awareness of working women on investment avenues, preferred avenues and factors influencing on their investment decision. It is a small scale empirical study consisting 92 samples. The

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samples are drawn at random from Government, semi-government and non-government sector of Sullia Taluk of Dakshina Kannada district using convenience sampling technique. The result reflects that women are less aware on various avenues. Along with the demographic factors like marital status, income, certain specific factors namely liquidity, safety, risk and return associated with avenues influence in their investment decision

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Kumar & Kaur(2022), examine the scenario of financial literacy among women, to study the importance of financial literacy and financial planning in women's life and to explore the contribution of women's financial literacy towards financial planning. It was determined that financial literacy helps the women to do appropriate financial planning for financial fortune. Findings suggest that Indian women have finite knowledge regarding finance because conventionally, many of them being homemakers and which decreases their curiosity level to understand the financial state. But, financial literacy results in social and economic freedom for the women which will help them to progress in various sectors of the economy.

Mishra & Beri et,al., (2022) examine financial education as a necessary piece of destitution mitigation programs through ladies' financial investment The nature of the study is empirical. The number of respondents who participated in the study was 139. Findings suggests that Importance of Financial Literacy in Making Women Socially and Economically Empowered is found to be significant A significant issue of the orientation hole and the proper plan, execution, and estimation of appropriate mediations is either non-existent or, as the outcomes suggest, may not be accessible.

Christopher and Nithya (2023) explore the socio demographic preferences for the cryptocurrency awareness of the women; in particular the women teaching fraternity from the city of Chennai. The study reveals that, 77% of the women teachers are aware of the term cryptocurrency. The four socio demographic variables viz Age group, Nature of Employment, Place of College Education and Net Salary show the significant relationship with the cryptocurrency awareness level of the women teachers; while other variables like, their educational level, educational stream and place of school education do not show the level of significance statistically.

5. CONCLUSION

Firstly, there are many initiatives organised by government agencies, RBI polices are developed , financial institutions are helping in order to uplift increase of financial knowledge, skills and attitude towards handling finances both in Rural and Urban areas of India . Therefore the extensive study of literature survey on women financial literacy states that theirs is drastic improvement in the increase in knowledge of financial literacy among women. It is necessary that government has needed to take up crucial steps towards the increase the awareness and importance of financial li6teracy among women is necessary.

The attitude towards finance and many more, after all the development of the women, would mean the development of the entire country. Therefore, the knowledge towards finance, skills and attitude together is of utmost importance for every individual. It's not only the job of the individual but also the government so that every transaction must mean a better economy for the country.

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A STUDY ON FINANCIAL INCLUSION OF WOMEN

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***Abstract**: Finance is the lifeline of all economic activities. A Nation that is financially sound overpowers others. The financial stability of individuals makes the financial empowerment of a Nation. To be safe and secure and financially sound all individuals must be financially included. As financial inclusion denotes the availability and accessibility of individuals, corporate concerns to financial products and services in an affordable manner. The main function of financial institutions is to mobilize deposits and lend loans to all sections of people. The financial transactions of storing, transferring, and paying to receive money become easier and more convenient if financially included, The Government has regarded financial inclusion as the most important measure of development as it has devised schemes to facilitate inclusion since 1950. The Nationalisation of Banks was done to advocate mass bank functions than a class bank. The Lead bank scheme and village adoption schemes advocated the inclusion of all at the village level. Schemes of self-help group micro credit, micro insurance, and micro-savings aimed at empowering and bringing the entire population into the financial stream. With covid, digital financial literacy gained momentum as it is a prerequisite for financial inclusion. Banking services through click and anywhere, anyhow and anytime banking has become the order of the day ensuring convenience, safety, and security. In some countries, there is more unbanked population and India is one among them. Women constitute a major portion of the unbanked population. The objective of this paper is to study the causes and consequences of financial inclusion. To examine the trends in financial inclusion . Using secondary data, this paper highlights the importance of financial inclusion of women and brings the need for spreading many branches of the bank in rural areas to foster development. The advocacy of financial literacy through financial education to enhance financial knowledge bringing favourable financial attitudes towards financial products is advocated.*

***Keywords**: Nationalisation Lead Bank scheme village Adoption scheme micro- credit micro- savings*

1 INTRODUCTION

The term finance is the centrifugal force for all economic activities. Various names such as public finance, and corporate finance have been associated with the functions of the government and corporate sector. Finance is needed by all individuals to achieve their goals and for the economy to achieve sustainable development. The financial needs may vary according to objectives and goals. All the citizens of the country need to be included in the financial stream. Inclusion of the excluded has been a policy matter and long-term goal as it has the effect of reducing poverty and stimulating development. Financial inclusion provides equal access to both genders to financial services, financial products of payments, credit, savings, and insurance. The Government and the Reserve Bank of India have devised several schemes for financial inclusion. Beginning in the 1950s, the Nationalisation of Banks was intended to focus on mass banking activities. The sectors like agriculture, small-scale industries, and the export sector were declared as priority sectors with 40 percent of reserves being lent at a 4 percent rate of interest. Banks like cooperatives and Regional Rural banks were started to provide the local feel and familiarity with rural problems and subsequently, National Bank for Agriculture and Rural Development was started as the apex bank. The Lead Bank scheme, Village Adoption Scheme, was started for the banks to act as a leader and catalytic agents to stimulate economic activities in the respective regions. Villages were adopted to kindle economic activities. Microcredit, micro-savings, and micro i9nsurance schemes were started to bring development through credit. The formation of self-help groups envisaged development through the formation of groups to help each other mutually. The PMJDY was started in 2014 to provide financial access to the unbanked. Greater accessibility to financial services provides an opportunity for the generation of income and enables greater participation in all economic activities. The need for financial inclusion is emphasized during covid 19to ensure the poorest of the poor with formal access to financial services. Financial inclusion can take a Nation to great heights as well developed banking system with digital literacy is the hallmark of a developed economy. Financial inclusion can take a Nation to great heights as well developed banking system with digital literacy is the hallmark of developed economy

2 STUDY OF WOMEN

Women comprise nearly half of the population. Being illiterate and highly dependent on their male counterparts for their daily basic needs is the story of the past. Educated, highly competent, willing to take part in all activities, and urged to share responsibilities has made women Empowered. Educational empowerment together with economic empowerment has broadened the activities to initiate development both as individuals and as a group. The formation of a self-help group enables the concept of individual and group development. Banks come forward to provide credit facilities to simulate the economic development of women. Despite the efforts taken by banks, there is gender disparity in providing credit as they prefer to provide loans to men due to the surety of repayment, But women are tied in family bondage, and if family supports and encourages, entrepreneurial activities can be started. But Gender gaps, and disparity in wages. Unpaid care work, social-cultural restrictions weak bargaining power lack of collateral, and low female labor participation exist. The concept of Mompreneur provides a promising picture o successful women making a dent into entrepreneurial activities and being successful. Realizing the importance of financial inclusion and development through credit, women park their surplus into the banks which can aid in giving loans. Micro savings can bring about micro-loans and stimulate socio and economic development. Women in rural areas link themselves to economic activities, and save the surplus but are not much exposed to a system of banking. They prefer to keep their savings in small pots inside the four walls as the banking services are inaccessible to them. With a larger emphasis on financial inclusion and doorstep banking, Banks are more inclined to focus on these unbanked populations to bring them under the umbrella of banks. The starting of small finance banks, like Jana Bank, and the spreading of many branches in the rural areas emphasizes bringing rural women into the gamut of banking sector.

3 REVIEW OF LITERATURE

Apurva & Chauhan, (2013) concluded that India is at moderate level regarding financial inclusion as compared to other countries regarding number of branches, ATMs, bank credit and bank deposits. RBI have adopted various strategies such as no-frill account, use of regional languages, simple KYC norms etc to strengthen financial inclusion.

4 STATEMENT OF THE PROBLEM

For women, in particular, financial inclusion is an indispensable goal. Research indicates that financial inclusion has a positive impact on women's control over household resources by increasing their savings. Yet globally, women continue to face barriers to accessing financial services. Financial exclusion and poverty are highly correlated. In developing countries the rate of exclusion of women is high. Financially excluded women cannot contribute to capital formation. As a part of women's empowerment, there should be 100%financial inclusion and the ability to use digitalized products. Financially excluded women cannot aid in the development of the economy. Hence inclusion should be emphasized by the regulatory apex bodies for achieving inclusive growth. The importance of gender parity in inclusion should be given priority as there are variations in the social and economic needs of men and women

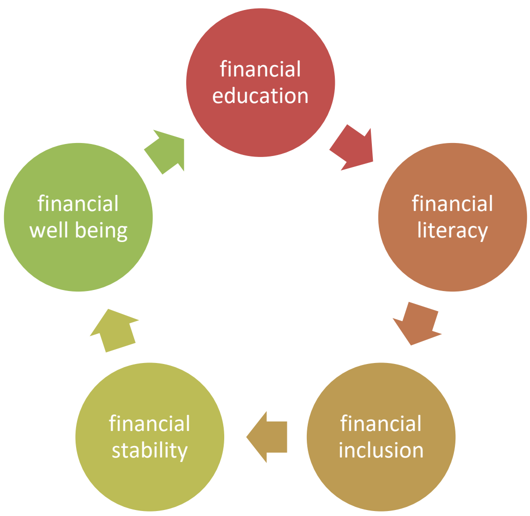
5 OBJECTIVES

a) To study about the causes of financial inclusion of women
b) To study about the indicators of financial inclusion of women
c) To study about the gender disparity in usage of digital financial services
d) To study about the rural and urban women on financial inclusion
e) To suggest measures for strengthening financial inclusion

6 METHODOLOGY

To meet the objectives,
This paper makes use of secondary data gathered from the surveys,internet sources,books and periodicals.websiteof RBI reports,articles.

7 FINANCIAL INCLUSION DIAGRAM



Financial education provides financial literacy which can bring about financial inclusion enhancing financial stability and financial wellbeing of women.

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8 DATA ANALYSIS

The financial inclusion indicators include the penetration of the bank branches,,the presence of ATM, Bank credit and Bank loans.

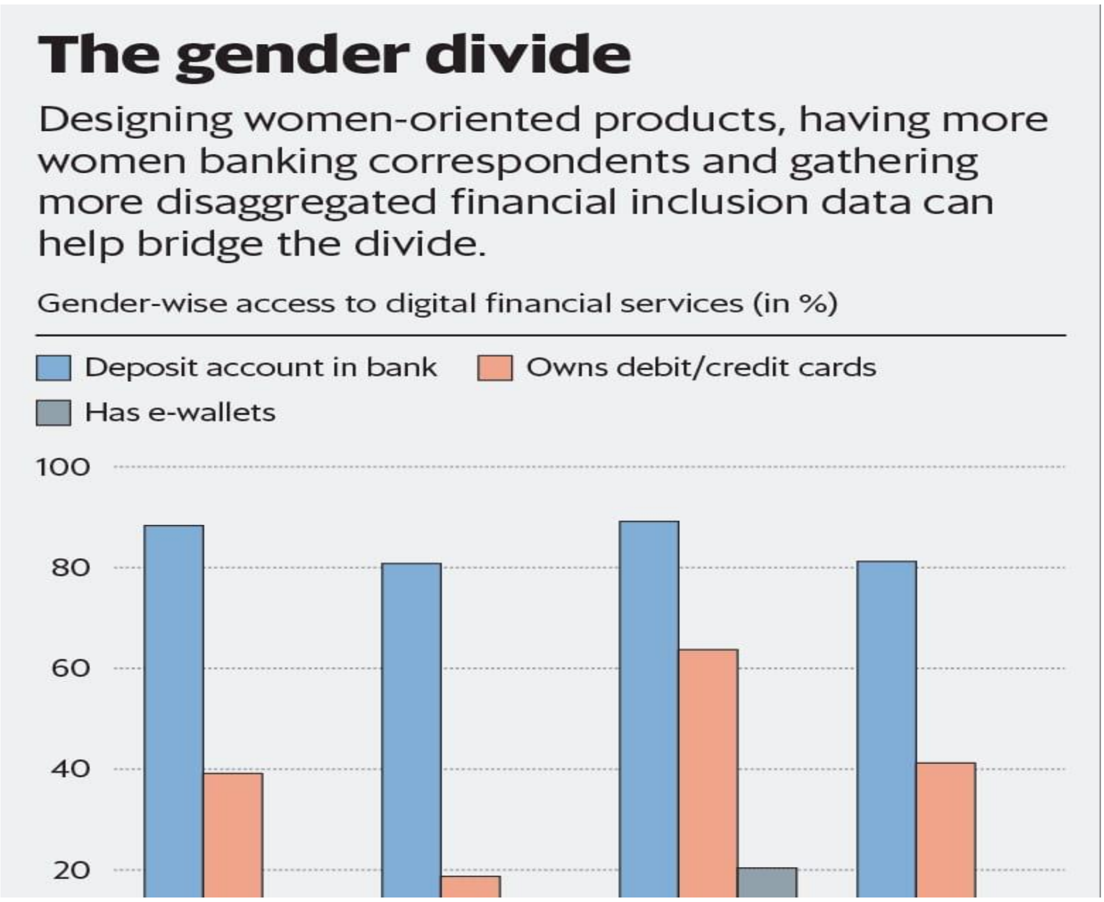
9 Indicators of financial inclusion

As per the census 2011

s.no	country	Number of bank branchesper1000km	Number of ATMS	Bank deposites as % to GDP	Bank credit as %to GDP
1	India	30.43	25.43	68.43	51.75
2	china	1428.98	2975.05	433.96	287.89

Source financial access survey

Some of the indicators of financial inclusion indicate that still large number of branches need to be started and increased number of ATMs to be started to provide enhanced coverage.



This survey indicates that percentage of men in both the rural and urban areas having deposit account in the bank. owning debit and credit cards ,e-wallets is high the percentage of women who owns deposit account with the bank in rural area is less when compared to that of urban areas.

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The percentage of women who owns the cards in rural areas lesser than that in urban areas

The percentage of women who use e-wallet is less both in rural and urban area while lowest in rural area

Women access to credit facilities

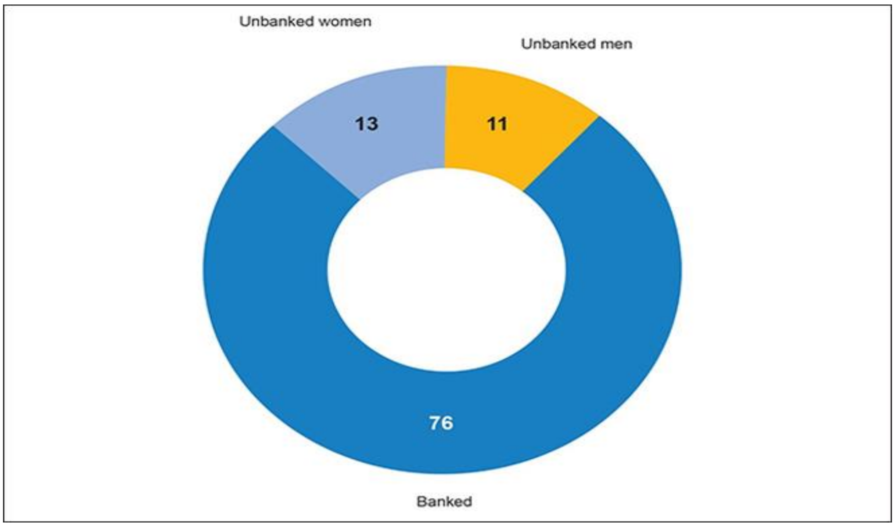
According to a 2020 studyCREDIT GAP

MEN	FEMALE
52	27

The above table shows that there is credit gap between men and women .Men get more credit facilities when compared to women.

9.1 All Adults With and Without an Account (Global Percentage, 2021)

Year	Banked	Unbanked men	Unbanked women
2021	76	11	13



Source Global Findex Database 2021

9.2 Women's Ownership of Financial Assets and Mobile Phone (% of Women 15-49 Years Old)

Data from the Global Findex Database 2021 shows that women and the poor are more likely to lack proof of identity or a mobile phone, live far from a bank branch, and need support to open and effectively use a bank account.

Parameters	Rural	Urban

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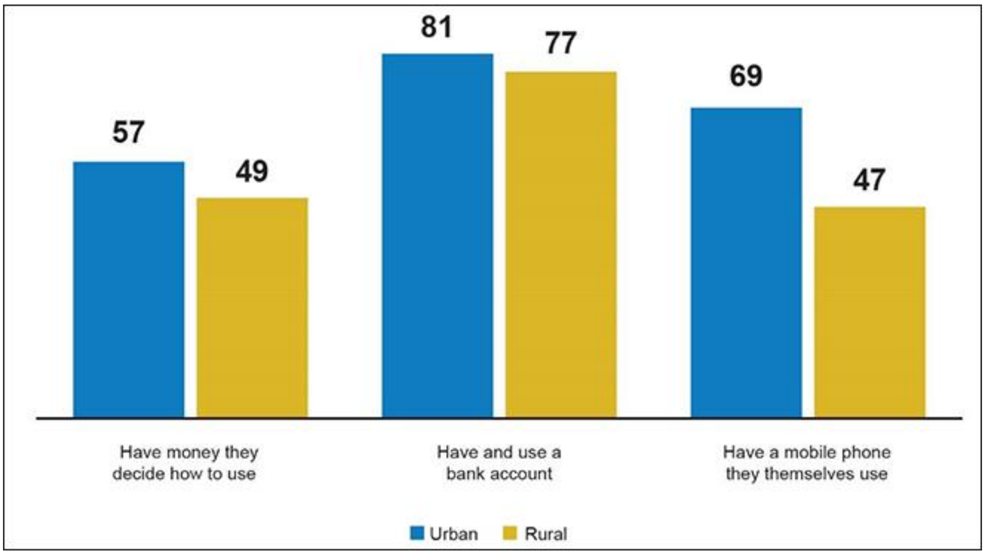
Have money and decide how to use	49	57
Have and use bank account	77	81
Have a mobile phone and themselves use	47	69



Source Global Findex Database 2021

The above firure shows that 49& of rural and 57%of urban women have money and decide on how to use.It also states that 77% of rural and 81% of urban women have and use a bank account.

Percentage of Dormant accounts	42%
Non usage of financial services	65%
Non borrowing from formal financial institution	90%
Lack of cash reserves by female led business	72%

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Nearly 47% of women in rural areas and 69% of women in urban areas have a mobile phone and they themselves used it.The gap between the rural and urban area is more in usage of mobile phones than that of usage of money and bank account .

This table shows that .42%accounts are dormant,90%do not borrow from formal financial institution,the financial services are not used by 65%and lack of cash reserves by female led business.

9.3 Pradhan Mantri Jan Dhan Yojana (PMJDY)

The PMJDY was started in 2014 to provide a basic savings account with no requirement for minimum balance with biometric identification under aadhar and mobile phones for direct transfer of funds to ensure technology usage

year	Pmjdy accounts in crore
2015	17.9
2016	24.1
2017	30.09
2018	32.54
2019	36.79
2020	40.41
2021	43.04
2022	46.25

PMJDY Accounts (in crore)

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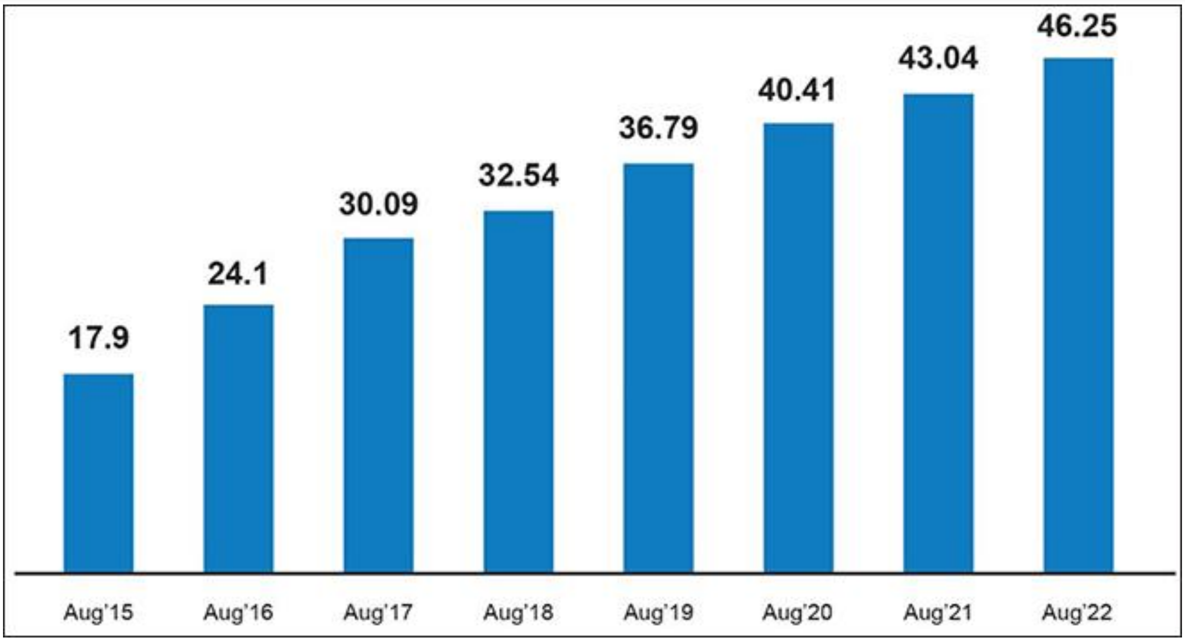

Source*: Ministry of Finance*

The above figure states the increasing trend as the usage.

9.4 Measures to promote financial inclusion

The gender differential reduces with per capita income improvements, showing poverty accentuates gender divisions.

a) Educational and financial empowerment must be given top priority for women.
b) Special schemes can be started for rural women to enhance their participation and coverage in financial stream.
c) **.**priority to be given for enhancing the knowledge on fintech companies and their products.
d) Banks should focus more on opening branches in rural areas and focusing on the problems of rural women.
e) The usage of digitalised products should be emphasised.
f) Financial Awareness can bring about proper financial behaviour
g) The usage of financial products by women should be strengthened
h) Financial knowledge can be provided through financial education to highlight the importance of financial inclusion

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DIGITAL TRANSACTIONS IN INDIA: MODES, BENEFITS, AND CHALLENGES

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Abstract: *India has the world's fastest expanding digital economy. Until ATMs were introduced, cash services for individual consumers were limited to bank desks. E - banking and core banking systems first appeared in India in the 1990s, and digitizing of the financial sector began in 2005, which are currently available 24x7x365 for rapid fund transfers. The digitalization of the banking industry and payment infrastructure gained significance in India, mostly post demonetization. Following the demonetization measures, most Indians began using electronic payments for their purchases. India is gradually transitioning from a cash-based economy to a cashless one. Taking advantage of this technology would be critical for more inclusion of the unbanked people into the formal banking channels. Digital Transactions are those payment transactions which are made through electronic or digital mode. Both the payer and payee use electronic or digital medium to send and receive money. Based on secondary data, this paper provides a comprehensive review of the various modes of digital transactions along with their recent developments, the benefits associated with the digital mode of transactions, its challenges, and the way ahead. The paper concludes that modes of digital transaction like internet banking, mobile banking, mobile wallets, UPI, etc., offers numerous benefits with convenience, transparency, speed, 24*7 availability, anywhere access & easy maintenance of transaction records being the most common ones. The challenges, however, were lesser as compared to the benefits.*

Keywords: *Digitalisation, Digital transaction, Digital Payment, UPI, & Electronic payments.*

1 INTRODUCTION

India has the world's fastest expanding digital economy. Until ATMs were introduced, cash services for individual consumers were limited to bank desks. E - banking and core banking systems first appeared in India in the 1990s, and digitizing of the financial sector began in

2005. On the digital payments side, the RBI established the RTGS and NEFT systems in 2004-05, which are currently available 24x7x365 for rapid fund transfers. The digitalization of the banking industry and payment infrastructure gained significance in India, mostly post demonetization on November 8, 2016. The purpose of demonetization was not only to remove black money but also to encourage cashless payment (Ramya et al., 2017). Following the demonetization measures, most Indians began using electronic payments for their purchases. Digital payment options are being adopted by everyone from small businesses to the next-door vegetable dealer. India is gradually transitioning from a cash-based economy to a cashless one (Podile & Rajesh, 2017). Taking advantage of this technology would be critical for more inclusion of the unbanked people into the formal banking channels. This paper would provide a review of the various modes of digital transactions existing in India, along with their recent developments, benefits, and challenges.

1.1 What is a "Digital Transaction" ?

RBI (2019) defined Digital Transactions, in its Ombudsman scheme for digital payments, as a seamless payment system in which there is no need for the exchange of hard cash. The transactions are made through electronic or digital mode. Both the payer (originator/sender) and payee (beneficiary/receiver) use electronic or digital medium to send and receive money.

2 REVIEW OF LITERATURE

Ramya et al. (2017) discussed the types of cashless transactions, as well as their benefits and drawbacks. Cheques, demand drafts, NEFT/RTGS, debit/credit cards, e-wallets, mobile wallets, UPI apps, gift cards, AEPS, and USSD were the digital payment methods. Convenience to the customers, discounts, expenditure tracking, financial discipline, lower risk, and modest gains were among the benefits. Higher danger of identity theft, device loss, difficulty for those who are not tech adept, and excessive spending were some of the disadvantages.

Kumari & Khanna (2017) highlighted some aspects that might help in the transition to a cashless economy. First and foremost, the telecom network's availability and quality. Secondly, banks and other financial service providers will have to continue investing in technologies to boost security and carrying out transactions easily. People would only switch if it is easier, more secure, and safer to conduct digital payments.

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Gaba & Nagpal (2018) concluded that the increased use of electronic payments would save Indian economy a great deal of money by lowering cash costs. Transparency, corruption reduction, and convenience all would win from it. Cash, on the other hand, reigns supreme, fuelling a massive informal, unorganised economy; the most of the poor citizenry's lives are also based on cash. A digital society's biggest drawback is privacy concerns and account hijacking. Poverty, illiteracy, and a huge unorganised sector all make it difficult to transition to a cashless economy. The road to a cashless economy is not as straightforward as it appears; there are numerous blockages in the implementation process, and the risks of cash lessness will become apparent in a few years.

Garg (2019) revealed that benefits associated with the digital payment modes like quickness and conveniences, round the clock availability, reduced requirement of carrying cash and discounts and cashbacks triggered the use of digital payment methods.

Tiwari et al. (2019) revealed the key challenges preventing faster adoption of digital payments, particularly in rural areas of Uttar Pradesh are- education, digital awareness, internet access devices, and infrastructure, which could be linked to low income and education levels in rural sections of the country.

Tripathi & Dixit (2020) found that people preferred mobile payments for a variety of reasons, including cashback and discounts, convenience, time saving, detailed expenditure records, less burglary risk, and the creation of a paperless economy. Some of the challenges to widespread adoption of mobile payment apps include a lack of knowledge on how to use them, concerns about transaction fees, and a lack of confidence.

Mohammed & Pal (2020) have stated that people view the cashless system to have considerable benefits, such as easy tracking of cash, not aiding in the money laundering and terrorist financing and corruption, control over black money, and lower banking costs.

Yadav & Sangdo (2021) opined that digital transactions have been steadily increasing due to the nation's developing ICT infrastructure, and adoption of digital payments is, undoubtedly, the need of the hour. However, in India, consumers confront numerous challenges when it comes to transacting digitally. Cyber security, a poor digital infrastructure, a lack of understanding of digital payment methods, the digital gap, the costs associated, and so on.

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3 OBJECTIVES

a) To look at the recent trends in overall digital transactions in India.
b) To study the various modes of digital transactions along with their recent developments.
c) To identify the benefits and challenges of digital transactions in India.

4 RESEARCH METHODOLOGY

This is paper based on secondary data from various websites, journals, articles, and books.

5 MODES OF DIGITAL TRANSACTIONS IN INDIA

5.1 Unified Payments Interface (UPI)

Unified Payments Interface (UPI) is a system that integrates several bank accounts into a single mobile application, allowing for seamless fund transfer and merchant payments all in one spot. It also supports "Peer to Peer" (P2P) collect requests, which may be scheduled and paid for, based on need and convenience. UPI is an interoperable payment system that allows any consumer with any bank account to make and receive payments via a UPI-based app. The service enables users to link several bank accounts on a UPI app on their smartphone to smoothly conduct financial transfers and initiate collect requests 24 hours a day, 365 days a year. The fundamental benefit of UPI is that it allows users to transfer money without requiring a bank account or an IFSC number. Users only need a Virtual Payment Address (VPA). To utilise the service, a person must have a legitimate bank account as well as a registered mobile phone number that is linked to the same bank account. When using UPI, there are no transaction fees. A consumer can use this to send and receive money as well as check their balance.

5.2 UPI Autopay

NPCI recently announced AutoPay option for recurring payments on UPI systems. Customers can now enable recurring e-mandates using any UPI application for recurring payments like as cellular bills, electricity bills, EMI payments, entertainment/OTT subscriptions, insurance, and mutual funds, among other things, owing to this new feature.

5.3 UPI 123PAY

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Users with feature phones can utilise the instant payment system UPI 123PAY to use the Unified Payments Interface (UPI) payment service securely and safely. Four technology alternatives- calling an IVR (interactive voice response) number, using feature phones' app capabilities, the missed call-based method, and proximity sound-based payments, will now allow users of feature phones to conduct a variety of digital transactions.

5.4 UPI Lite

"UPI LITE" provides a wallet in the BHIM-UPI app for an amount up to 2,000 on a smart phone, removing the requirement for the user to first obtain electronic authorisation from his/her bank while making the payment, offering the user a better experience in terms of enhanced speed and transaction success rate.

5.5 Bharat Interface for Money (BHIM)

Bharat Interface for Money (BHIM) uses the Unified Payments Interface to make payments simple and rapid. The user can send and receive money instantly between banks using their mobile number, bank account and IFSC code, Aadhaar number, or virtual payment address (VPA). The QR code payment option is available with BHIM. A user can view their transaction history and file a complaint for transactions that were declined by clicking on Report issue in transactions.

5.6 Aadhaar Enabled Payment System (AePS)

The Aadhar Enabled Payment System (AePS) is a bank-led concept that enables online interoperable financial inclusion transactions at the point of sale (Micro ATM) using the Business Correspondent of any bank. Six different sorts of transactions are possible with AePS, and the three inputs needed for a consumer to complete a transaction are Bank Name, Aadhaar Number, and Fingerprint taken at time of enrolment. Banking Services Offered by AePS are- Cash Deposit, Cash Withdrawal, Balance Enquiry, Mini Statement, Aadhaar to Aadhaar, Fund Transfer, Authentication, BHIM Aadhaar Pay.

5.7 BHIM Aadhaar Pay

It allows Merchants to receive digital payments from customers over the counter through Authentication of Aadhaar. It allows any Merchant linked with any acquiring bank live on BHIM Aadhaar Pay, to receive payment from customer of any bank by authenticating customer's biometrics. To be able to affect the same, merchant must have an Android mobile with BHIM Aadhaar app and certified biometric scanner attached with mobile phone/Kiosk/Tablet on USB Port or Micro-ATM/POS, mPOS. Both Customer and Merchant must have their Aadhaar linked to their Bank Account.

5.8 Bharat Bill Payment System (BBPS)

The Bharat Bill Payment System (BBPS) is a one-stop platform that offers customers an interoperable and simple way to pay bills on a recurrent basis using various channels like Internet Banking, Mobile Banking, Mobile Apps, UPI, etc. Customers can pay bills in a variety of categories, such as those for electricity, gas, water, telecom, DTH, etc.

5.9 National Electronic Toll Collection (NETC) FASTag

NETC FASTag is a simple and practical digital toll payment method. This is an inter-operable approach that is accessible to everyone in the country. The FASTag device makes it possible to pay tolls directly while a person's vehicle is moving owing to Radio Frequency Identification (RFID) technology.

5.10 e-RUPI

The digital payment method known as e-RUPI is tailored to the needs of the individual and the intended use. It can be produced as a prepaid QR code or SMS-based electronic voucher that can be utilised by public or private entities in order to supply targeted citizens with a certain subsidy or welfare benefit. By simply showing an SMS or QR code at a business accepting e-RUPI, recipients will be able to use their e-RUPI vouchers without a card, a digital wallet, or online banking access. Because it keeps the beneficiaries' information fully private, this contactless e-RUPI is simple, secure, and safe. The fact that the necessary amount is already saved in the voucher makes the entire transaction procedure through it considerably quicker and more reliable.

5.11 Central Bank Digital Currency (CBDC)

Central Bank Digital Currency (CBDC) is a digital form of currency notes issued by a central bank, legal tender and exchangeable one-to-one with the fiat money. CBDC, currently in its 'Pilot Phase', will help reduce operational cost, boost innovation in cross border payments and quell concerns over money laundering, terror financing, tax evasions, etc. The total expenditure incurred on printing currency notes during April 1, 2021 to March 31, 2022 was ₹4,984.80 crore. CBDC will influence the overall value of the money-issuing function to the

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extent that it reduces operational costs e.g., costs related to printing, storage, transportation and replacement of banknotes, and costs associated with delay in reconciliation and settlement. The digital currency issued by the central bank shall provide yet another option for furthering the cause of digital payment, apart from the range of other digital payment instruments available, given its ease of usage coupled with sovereign guarantee

5.12 Unstructured Supplementary Service Data (USSD) / *99#

USSD is a digital payment and banking service based on *99#. Consumers can use this service by dialling *99# on their mobile phone, which is a "Common number across all Telecom Service Providers (TSPs)," and can then make transactions via an interactive menu that appears on the device's screen. Almost all reputable banks and GSM service providers today offer the *99# service, which can be accessed in 13 different languages, including Hindi and English. In addition to a wide range of other services, the *99# service's primary offerings include: Interbank account to account financial transfers; balance inquiries; and mini statements. The main aim of this type of digital payment service is to create an environment of inclusion among the underserved sections of society and integrate them into mainstream banking.

5.13 Banking Cards

Cards are among the most popular forms of payment and offer a number of features and advantages, including convenience and payment security. The ability to use one debit/credit or prepaid banking card to make various digital payments is their key benefit. Customers can make a digital payment by storing card information in digital payment apps or mobile wallets. Visa, Rupay, and MasterCard are a few of the most reputable and well-known card payment systems. Banking cards are accepted at PoS devices, digital payment apps, internet transactions, and more.

5.14 Mobile Wallets

A mobile wallet is a way to carry cash in digital form. You can link your credit card or debit card information in your mobile device to the mobile wallet application, or you can load money to the mobile wallet. mobile wallets enable its users to pay with their smartphone, tablet, or smart watch. To load money into a digital wallet, an individual's account must be linked to the digital wallet. Paytm, Freecharge, Mobikwik, Oxigen, mRuppee, Airtel Money, Jio Money, SBI Buddy, itz Cash, Citrus Pay, Vodafone M-Pesa, Axis Bank Lime, ICICI Pockets, SpeedPay, and other private enterprises provide e-wallets. The various services offered by mobile wallets comprise sending and receiving money, making payments to merchants, online purchases, etc.

5.15 PoS Terminals

Initially, PoS terminals were the ones that were put in all stores where customers made transactions with their credit/debit cards. PoS terminals is typically a portable device that reads bank cards. But, as technology advances, the reach of PoS expands, and this service is now available on mobile devices and through internet browsers. PoS terminals are classified into three types: physical, mobile, and virtual. Physical PoS terminals are those found in shops and stores. Mobile PoS terminals, on the other hand, operate via a tablet or smartphone. This is useful for small business owners since it eliminates the need to invest in costly electronic registers. To handle payments, virtual PoS systems employ web-based apps.

5.16 Internet Banking

Internet banking, often known as online banking, e-banking, or virtual banking, is an electronic payment system that allows bank or other financial institution customers to perform a variety of financial transactions via the financial institution's website.

5.17 Real Time Gross Settlement (RTGS)

RTGS is described as the continuous (real-time) settlement of individual financial transfers on an order-by-order basis (without netting). 'Real Time' indicates that instructions are processed as soon as they are received rather than later; 'Gross Settlement' means that funds transfer instructions are settled individually (on an instruction-by-instruction basis). Since the funds settlement occurs on the books of the Reserve Bank of India, the payments are final and irreversible. The RTGS system is designed particularly for high-value transactions. The minimum amount that can be transferred via RTGS is 2 lakhs. There is no maximum limit for RTGS transactions.

RTGS is available for customer transactions between 7:00 am and 6:00 pm and for inter-bank payments from 7:00 am to 7:45 pm. RTGS is available round the clock with effect from December 14, 2020. Implementation of RTGS 24x7 is expected to facilitate global integration of Indian financial markets, support India's efforts to develop international financial centres and provide wider payment flexibility to domestic corporates and institutions.

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RTGS can be accessed by customers through web-based portal and proprietary network and transactions can also be initiated physically at participants' locations. These features make the system robust and have led to its acceptability and usability.

5.18 National Electronic Funds Transfer (NEFT)

NEFT is a retail payment system owned and maintained by the RBI as part of the Centralised Payment Systems (CPS). Since there is no minimum or maximum amount that can be transmitted in a single transaction, NEFT has evolved as a popular hybrid payment method, with an average transaction value of around 10 lakh rupees. NEFT operates in 48 half-hourly batches 24 hours a day, seven days a week. Customers of member banks use NEFT for a variety of purposes, including the purchase of goods and services, payment of utility bills, payment of statutory dues, and so on. Even such individuals who do not have a bank account (walk-in customers) can also deposit cash at the NEFT-enabled branches with instructions to transfer funds using NEFT. However, such cash remittances will be restricted to a maximum of Rs.50,000/- per transaction. NEFT is a unique hybrid payment system as it carries with it the characteristics of both a retail and a large value payment system, offering round the clock transfers with no floor or ceiling on the amounts that can be transferred. The member banks maintain current account with RBI which is used to settle inter-bank settlement obligations. The banks are eligible for intra-day liquidity facility and liquidity support against eligible securities in an event of shortfall.

5.19 Immediate Payment Services (IMPS)

Immediate Payment Services (IMPS) is a real-time interbank electronic fund transfer service that can handle transactions from one person to another (P2P), from one person to an account (P2A), and from from one person to a merchant (P2M). Individuals can make payments around-the-clock, u sing their bank account, mobile number, Aadhar number, and IFSC code. Customers can have access to IMPS via a variety of channels, including SMS, the internet, mobile devices, and ATMs. This facility is provided by NPCI through its existing National Financial Switch (NFS).

5.20 Electronic Clearing System (ECS)

ECS is an alternative method for carrying out payment transactions for utility bills like telephone bills, electricity bills, insurance premia, card payments, and loan repayments, etc., that eliminates the necessity of issuing and handling paper instruments and thus enables

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enhanced customer service by banks / companies / corporations / government departments, etc., collecting / receiving the payments.

5.21 Mobile Banking

Mobile banking is referred to the procedure of carrying out financial transactions/banking transactions through a mobile phone. The scope of mobile banking is increasing with the introduction of many mobile wallets, digital payment applications and other services like the UPI. Many banks have their own apps and customers can download the same to carry out banking transactions at the click of a button. Mobile banking is a wide term used for the extensive range or umbrella of services that can be availed under this.

6 RECENT TRENDS IN DIGITAL TRANSACTIONS IN INDIA

Financial Year	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Digital Transaction Volume (in crore)	2,071	3,134	4,572	5,554	8840
Digital Transaction Value (in lakh crore)	1,962	2,482	2,953	3,000	3,021

Table 1: Recent trends in Digital Transactions

(Source: RBI, Digi Dhan Dashboard)

As evident from the table above, digital transactions both in terms of volume and value is exhibiting an uptrend. Due to the government's continuous and well-coordinated efforts along with all stakeholders, digital payments have significantly increased in each subsequent year since the year of demonetisation.

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7 BENEFITS OF DIGITAL TRANSACTIONS

In India, the landscape of digital payments has changed. Indian consumers have shown a strong preference for digital technologies, which has ramped up the development of the digital payment infrastructure. The following are some advantages of using digital payments:

Immediate and convenient: One of the biggest benefits of digital payments is the rapidity of the payment process and there is no need to fill in extensive information. With the move to digital, banking services will be accessible to customers on a "24*7*365" basis including bank holidays. Unlike cash, money can be immediately transferred to the beneficiary account using digital modes like BHIM-UPI and IMPS.

Increased financial inclusion: Digital payments enable consumers to receive payments in their accounts and make payments using their phones at any time and from any location. Individuals who may have been put discouraged by the time and cost of travelling to a bank branch for transactions can now quickly access their bank accounts digitally and get the benefits of being a part of the formal banking system and becoming financially included. UPI 123PAY, which was just released, allows feature phone users to perform digital transactions via UPI in assisted voice mode, facilitating digital transactions and financial inclusion in rural areas.

Improved transparency in the government system: Before, cash payments were prone to "leakage" (payments that did not reach the receiver in full) and "ghost" (false) recipients, especially in the context of social security benefits through government transfers. Through digital ways of payment, benefits are now directly deposited to the target beneficiary's account (direct benefit transfer).

Improved speed and timely delivery: In contrast to a cash payment that travels at the speed of its carrier, digital payments can be virtually instantaneous, regardless of whether the sender and receiver are in the same town, district, or country.

Enabled safe payments in times of pandemic: In times of the COVID-19 Pandemic, Contactless modes of digital payment like UPI QR code and Near Field Communication (NFC)-enabled cards helped a lot in the proper implementation of social distancing yet carrying out the usual banking transactions.

National Electronic Toll Collection (NETC) system: Using Radio Frequency Identification (RFID) technology, NETC system enables the customer to make electronic payments at NETC-enabled toll plazas on the roadway without stopping at the toll.

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Bharat Bill Payment System (BBPS): Using a variety of channels, including Internet banking, mobile banking, mobile apps, BHIM-UPI, and more, BBPS offers customers an interoperable and simple bill payment service. Through the use of the BBPS, citizens can easily pay their bills whenever and wherever they choose.

More Access to Credit: Unlike cash transactions, digital transactions instantly create a user's financial footprint, expanding access to formal financial services, including credit. Banks and other lending institutions can use digital transaction records to make cashflow-based lending judgements for consumer loans as well as loans to businesses, notably small enterprises, which may have trouble securing credit in the absence of reliable cashflows.

Safe and secure: Those who receive cash payments frequently, travel long distances to do so, and thus are more at risk of theft than other recipients. Making digital transactions are throughout India as several stages of authentication are needed for transactions.

Promotes innovation in payments: India's indigenously developed BHIM-UPI, which allows digital payments using mobile application, is directly related to realizing the goals of universal electronic payments, a less-cash society and financial inclusion. BHIM-UPI utilises a set of standard Application Programming Interfaces (APIs) to enable next generation online real-time payments by leveraging trends such as increasing smartphone acceptance, Indian language interfaces and widespread access to Internet and data.

Proved useful post-demonetisation: After demonetisation, the acceptance infrastructure for QR codes had seen marvellous growth. One could simply scan a QR code to pay for utility bills, fuel, food, grocery, and travel as well as to merchants offering various other goods and services.

Improved speed and timely delivery: In contrast to a cash payment that travels at the speed of its carrier, digital payments can be virtually instantaneous, regardless of whether the sender and receiver are in the same town, district, or country.

Increased transparency in government system: Earlier cash payments were subject to "leakage" (payments that do not reach the recipient in full) and "ghost" (fake) recipients, particularly in the context of social security benefits by government transfers. Now, benefits are directly transferred to target beneficiary (direct benefit transfer) account through digital modes of payments.

Waivers, discounts, and cashbacks: Consumers who use mobile wallets and online payment services are eligible for a variety of rewards and discounts. Many digital payment banks offer tempting cash back offers. Customers benefit from this, and it serves as motivation to go digital.

Economical and low transaction fees: Many mobile wallets and payment applications don't charge any service charges or processing fees in exchange for the services they offer. One such instance where customers can use services without paying is the UPI interface. Costs are falling thanks to a variety of digital payment options.

Digital transaction records: One of the additional advantages of moving to digital modes of transactions is the ability to preserve all transaction records. No matter how small the transaction value, customers can track each and every transaction that is made in their account.

One-stop solution for bill payments: A variety of digital wallets and payment apps have emerged as a practical method for paying utility bills. All these utility bills, including those for energy, internet, and mobile phones, may be easily paid using a single app.

Helps in keeping black money under control and foster economic growth: Digital transactions will make it easier for the government to keep tabs on things and will eventually help stop the circulation of fake currency and black-money. This will help keep the black market under control. In addition, since the cost of issuing currency also decreases with the increased adoption and use of digital transactions, this could contribute to economic growth.

Apart from the aforementioned benefits, digital transactions also provide environmental benefits like reduced carbon emissions, reduced use of paper, lesser pollution, etc.

8 CHALLENGES AND WAY AHEAD

Security concerns, poor internet connectivity, a lack of merchant willingness, a lack of user understanding of technology, closed Point-of-sale devices, delayed refund in the event of failed transactions, financial limits (Podile & Rajesh, 2017), lack of awareness, lack of trust, registration know-how, refund of money, system hangover and slow internet speed were the major problems faced during the usage of digital payments system Chandrasekaran & Narayanan (2019). In addition to the above, poverty, illiteracy, and a huge unorganised sector all make it difficult to transition to a cashless economy (Gaba & Nagpal, 2018)

Security issues, data breaches, slow internet connectivity, and problems with payment platforms are some fundamental problems that hinder the spread of digital transactions. These elements weaken consumer confidence in digital transactions. Yet, there is hope that in the forthcoming years, India's startup ecosystem will be capable of handling these difficulties.

There is still a long way to go, particularly in rural regions where many residents are employed in the unorganised sector, despite the efforts to incorporate an increasing number of individuals in financial service programmes like the PMJDY. Leading India towards financial digitalization would require more technological and financial literacy, support for technological advancements, and government actions to reduce the financial gap between rural and urban areas.

9 CONCLUSION

India's economy is among the nations that is rapidly becoming one of the biggest and strongest. Several essential characteristics, such as greater transparency and corporate governance, and many others, are crucial for long-term development and growth with robust economic development. All the developments will be possible only when the people completely embrace digital transactions. If the challenges that are discussed are addressed and improved solutions in terms of digital transactions with more secure features are offered, digital payments could lead to paramount developments in the country.

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A PARADIGM SHIFT IN FINANCIAL LITERACY OF WOMEN IN RURAL INDIA POST A.D 2000

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Abstract: *There is no tool for development more effective than the empowerment of women.*
- Kofi Annan.
Key words: *Self Help Group (SHP), Stree Shakti Sangha, Corporate Social Responsibility (CSR), Sukhanya Samrudhi Yojana, Atal Pension Yogana, MGNREGA*

1. INTRODUCTION

Women in India stands high and proud with respect to financial literacy. Thanks to self-help groups in all the states. For example Stree Shakti Sangha (self-help group) is a women empowerment program launched by the Government of Karnataka in 2001 to make rural women self-reliant for self and for her family. There are 1.55 lakh sanghas in Karnataka. It implies that more than 1crore women are empowered. Every state in India has Women Self-Help Group (SHP) under different names.

Many Corporate Companies under the CSR compulsion by the ministry of corporate affairs in the year 2013 and many NGOs are investing a lot of money and workforce into empowering rural women. Now every women in the rural India has a bank account and visits bank to deposit money not only in her account but also to deposit money of her SHP's collected money. She now talks about loans and interest calculations with her folks. She sits with the bank manager and discusses about disbursement of loans and demands of the group. She feels proud to go to bank when her turn comes to visit the bank. These Women know to write accounts for their group and also pass debit and credit entries in the books of SHP members. This is a magnanimous shift in women's self-perception and their financial confidence.

1.1 Why women were far behind in financial literacy with men in Rural India?

Women lived with evils of society such as stereotyping female gender, patriarchal dominance, dictatorial male attitude, subordinate conditioning at their in-laws.

Myths and stereotypes about women:

a) From centuries this society believed that finances are not her cup of tea. They also stereotyped saying that if women is sent to work **she will bring disgrace to her family and will be prone to negative influences**. She was kept away from finance matters and was treated like a **dummy**.
b) Women were conditioned that **men should earn and women should cook** and take care of the house and children.
c) Women were **stereotyped to be financially unfit** and the myth said that the house will collapse if women advice were to be followed.

1.2 Reason why women fell behind in financial literacy

a) Women with lack of education were married off at an early age and were not aware of her rights and privileges given by the constitution.
b) Men were teased and if he discussed financial and crucial matters with their women. The women of the house were ridiculed for making her man, a puppet.
c) Girl child was shunned and scared off if she asked any financial questions.
d) Girls were made to feel stupid and less intelligent by comparing them with man's physical strength.

1.3 How Rural Indian farmer plight affected female literacy?

Earlier the only way to accumulate money for crops or for a functions and rituals at home was to pledge gold at a pawn broker or take loan from loan sharks. They were not aware of the banking system and thought banks are only for educated and rich people. So the easy way for immediate cash was to approach loan sharks. These big shots charged exuberant rate of interest and expose rural people to cycles of debt which becomes unbearable by them. This was lead to **dropping the girl child from school** and sending her to work as daily labourer or as maid. The female child had to babysit their younger brothers and sisters so that the mother can go for work.

1.4 What made her stand-up on her feet?

Thanks to government's financial inclusion plan where all the money from the government goes directly to the womens account. Even MGNREGA scheme money goes to her account. Statistics shows that women's bank account balances are higher than men's bank account balances because Indian women by default saves money and knows the value of

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money. Majority of the men (thanks to alcohol availability) in rural areas spend their money on Alcohol, tobacco etc. The ancient saying is "female species are talkative" but this very habit has made them talk and enquire about the schemes and clear all the questions which arise within their Groups.

Thanks to YouTube, because rural women can't read English but they know to use smart phones with regional language interface and can open YouTube app and watch videos about any financial topic.

Once women start handling finances, she will be respected. Women financial suggestions will also be taken into consideration for any decision taken within the family. Nowadays Men are less insecure about their women being strong and independent. Men have evolved and their thinking perspective has broadened.

But now the same society has forcefully accepted that she can handle all the finances of her family and can earn livelihood. Women beings respect to the family if she is educated and financially supports her family.

1.5 What is special about rural Indian women?

Rural women in India are saving money for her girl child in sukhanya samrudhi yojana. She goes to post office in her village and saves the daily wages in recurring account offered by India Post. She also knows about Atal Pension Yogana since she visits bank and post office often. Now that she is part of SHG, she is informed about all the government schemes and benefits available to them. Thus, even an illiterate woman can understand numbers and can use ATM machine.

She is knows the true worth of the items needed for the household. She knows to bargain and manage the groceries in the house. She knows the measurements to be cooked for any number of people and doesn't waste even a spoonful of grain. She even knows the value of waste. Rural women use waste tea power to fertilise her rose garden. She even uses the used rose petals to make rose water and "gulkand beverage" for the summer. She uses the waste plastic to plant trees and makes money and buys steel boxes by selling them. This is conservation and the right method to sustainable development. Finance means understanding the time value of money, prioritising the needs and wants, calculating the risk and optimum utilisation of resources. I believe rural women connect with this concept because it is ancient

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wisdom passed on from generations to them. That's the reason when the whole world saw economic breakdown and great depression; it couldn't affect India much because Indian women had strong understanding of finance and need for contingency fund. We, the Indian women are taught to save for future. Evaluate the risks in every endeavour and prioritise the needs and wants of the family members especially children from our own needs.

1.6 What is the importance of financial literacy of women?

Financial literacy is **the combination of financial knowledge, attitude and behavior**. A financially literate women means that she has the essential knowledge of money related matters and has attitude and behaviour which helps her in taking financial decisions. It is an important aspect that can **help women gain greater control over their own lives, boost their self-esteem, and provide them with equal standing in the family and community decision-making.**

By assuming more responsibility for their financial choices, women can effectively prepare for their long-term needs and set aside funds for unexpected circumstances. Additionally, financial literacy **empowers women to negotiate better wages and understand the value of their work.**

Now government has taken initiative to add skills based training courses for women to improvise their local weaving skills and artifacts making skills. They are using locally sourced leaves stones bamboo and roots, sculpting and weaving them into artifacts and jewellery. They are also exporting them to European countries were the demand is high.

2. SUGGESTIONS

This is an era of information where everyone has access to information and knowledge which has empowered individuals in improving their quality of life. But the rural poor women are most of the time deprived of opportunities offered by information revolution.

- **a)** Government should direct RBI and thereby direct all banks to pay more interest for women's saving account.
- **b)** All banks should have separate counter for women customers to talk and clarify their financial queries.
- **c)** Once again tax slab should be different for men and women. Exemption in income up to 5lakhs. This will empower women.

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d) All survey on land ownership by female rural women should be conducted to understand the proportionate of ancestral land being distributed between genders.

e) Government should give smartphones for rural women at subsidised rates and to all SHG members.

f) Every village should have digital library and projector and the librarian should play videos and power point presentations on financial literacy every once in a week.

g) The library should have systems reserved for women.

3. CONCLUSION:

Being financially literate allows an individual to be better prepared for specific financial roadblocks, which, in turn, decreases the chances of personal economic distress.

To be precise these five qualities given below makes a financially literate

a) **A**bility to make better financial decisions and Avoid unwanted expenses
b) **N**o financial stress and anxiety. **N**o gambling into any venture without knowledge.
c) **G**reater equipped to reach financial goals.
d) **E**ffective management of money and debt.
e) **R**eduction of expenses through better regulation.

Indian women are appreciated all round the world by writing greatly in books, shown in movies, OTT series and on many platforms as thrifty and very conservative. Indian Women know to save for contingencies in life and are very strict when it comes to finance.

We know, our mothers secretly saved money in the kitchen in cereal boxes inside the cupboard. They always had contingency fund. Indian women know the concept of priority. She knows what contingency fund is. Only during contingency the money comes out otherwise they are hidden and don't exist.

The statistics shows that majority of the illiterates are females but financial literacy is not same as education literacy. It is completely a different term. One who knows numbers and understands financial system of this country, one who knows to handle money and the one who knows the financial instruments and banking system is financially literate. So, I conclude by saying, I believe women after A.D 2000 not just reduced the gap in financial literacy competition with men but have surpassed and superseded the tie.

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A REVIEW OF LITERATURE ON FINANCIAL LITERACY IN INDIA

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Abstract: *Due to rapid-fire growth in Indian Frugality over the last decade and expansion of fiscal requests through liberalization, privatization and globalization have given a way to overkill of fiscal products in banking, investment and loan products. Low position of financial literacy prevents individualities from making right choices regarding financial opinions. To achieve the objects, existent must invest his or her savings in right investment druthers. The ideal of the study is to study the position of fiscal knowledge in India by using literature grounded analysis. Secondary data collected from colourful websites, journals, and exploration papers and so on. Its set up that fiscal knowledge in India is veritably low and necessitates exertion to mend position of knowledge.*

Keywords*: Fiscal knowledge / financial literacy, financial behaviour/ fiscal geste, financial attitude and financial station.*

1 INTRODUCTION

The fiscal system of a country plays a crucial part in profitable development. Since independence Indian leaders are aiming to annihilate poverty and turn India into vibrant, tone-reliant global frugality and bedded fiscal knowledge needs in every citizen's life. India is traditionally a country of enthusiastic saviors (K N Narendra- 2015). Indians are suffering from financial conditions like under insurance, debt trap, inadequate withdrawal fund and low return on investment due to low fiscal knowledge.

According to Organization for Economic Co-operation and Development (OECD) "Financial Literacy or Fiscal knowledge as a combination of mindfulness, knowledge, skill, station and geste necessary to make sound fiscal opinions and eventually achieve individual good". Grounded on OECD recommendations, India created top position institutional structure in 2011 under the aegis of financial stability and development council (FSDC).Group of financial addition and fiscal knowledge headed by deputy governor RBI and National centre for financial education are set up to enhance fiscal capability of 500 million grown-ups.

2 OBJECTIVES OF THE STUDY

a) The foremost ideal of the exploration is to study the position of financial literacy or fiscal knowledge in India by using literature grounded analysis.

3 METHODOLOGY

The study is qualitative and literature grounded disquisition. Data composed from secondary sources which comprise exploration papers, websites, review papers, reports and journal papers.

4 LITERATURE BASED REVIEW

a) Kamal Gupta et.al., {2014} assessed the position of financial literacy amongst 87 micro entrepreneurs of Kangra quarter of Himalaya Pradesh grounded on record keeping, colourful institutional mindfulness, savings, investment plans, savings operation and colorful loan products. Its set up that utmost of repliers are responsive of bank loans, lower mindfulness about other fiscal institutions. Overall retain low fiscal chops which reflected in deficient record keeping, poor cash operation, indecorous savings habits, and lower mindfulness on fiscal products. Research suggested that to produce further mindfulness and fiscal druthers for well – being of micro entrepreneurs.

b) Lavanya Rekha Bahadur {2015} analysed two pillars of the frugality fiscal knowledge and fiscal addition and its current script as well as common people perspective about financial instruments. Data collected from 202 Mumbai and Thane quarter individualities. Its set up that position of fiscal knowledge is veritably low and suggested to encourage fiscal knowledge from academy position, public position programs seep trouble to the lawn root position. K N Narendra (2014) bandied the part of financial planner in the period of overload information. Study suggested that the patient and prolonged sweats by all stake holders to educate ad bring down revolution in India.

c) Sumit Agarwal et.al., {2010} examined investment geste, liability choice, threat forbearance and insurance operation of 694 Hyderabad repliers who are interested in particular finance. Data for analysis handed by INVESTMENT YOGI FINANCIAL

ADVISORY SERVICES {IYFAS}. Maturities of repliers re financially knowledgeable they answered the numeracy, affection and diversification questions rightly. Study set up that maturity of males with advanced education position and aggressive investors are more knowledgeable than ladies and lower educated.

d) Ratna Achuta Paluri {2016}, analysed factors fiscal stations of Indian women to classify Indian women grounded on station with nine variables anxiety, interest in financial station, intuitive opinions, preventative savings, free spending, materialistic and fatalistic station, propensity to plan for long and short term fiscal pretensions. Study used confirmational factor analysis to cluster the women of Nashik Megacity. Grounded on cluster analysis classified client into judicious consumers, conservative consumers, avaricious consumers and doubtful consumers. Its et up that only one third of repliers didn't buy any financial products: utmost favoured products were fixed deposits and insurance. And also set up that cluster one followed by cluster three seems to be seductive for marketers, cluster four is monstrous.

e) Mathavathani et.al.,(2014) concentrated on financial knowledge of pastoral women in Tamilnadu grounded on three factors knowledge, geste and station. its set up that veritably low fiscal knowledge among pastoral women.

f) Puneet Bhushan et.al.,(2014) conducted check of 516 salaried individualities of Himachal Pradesh using multistage slice to check the fiscal knowledge position. Its set up that overall knowledge position is low and fiscal knowledge position of joker is further than ladies. Position of education, income, nature of employment and place of work influence on fiscal knowledge whereas geographical region doesn't impact on fiscal knowledge.

g) Harsha V Jariwala (2014) assessed the financial literacy position of individual investors in Gujarat state, India and its effects on investment decision by considering 44 variables. The exploration set up that 39.2 of 285 repliers are advanced position of financial knowledge and set up that fiscal knowledge does have statistically significant effect on investment decision.

h) Priyanka Agarwal et.al.,(2015) emphasis on fiscal knowledge significance for managing finances and investment pattern of both tutoring and non – teaching womanish staff {20 tutoring and 20 non –womanish staff} in education sector of Jhansi District. It's set up that utmost of working women are apprehensive of Investment Avenue and invest their savings in bank and post office fixed deposit. Visa Financial Knowledge Check {2014}, depicts Indians are least financially knowledgeable people across the globe with youths and women floundering most with their fiscal knowledge. Only 25 of total population in India are financially knowledgeable and ranked 23rd among 28 countries.

i) Shim et.al., (2009) assessed fiscal knowledge in the environment of multiple socialisation factors. Data were collected via an online check conducted at a large state university in the south-western United States. The results suggests that tone-actualising particular values, fiscal education a home, and formal fiscal education at academy play an important anticipant socialisation part in the ways that youthful grown-ups acquire knowledge about fiscal matters.

j) Hanson and Olson {2018} explored the relationship between fiscal knowledge and family communication patterns through an online check for a sample of 96 United States council scholars between the periods of 18 and 26. The results suggest that exchange within the family regarding fiscal matters and may be a factor to consider in designing any fiscal knowledge class. In further support of similar conversations, a station towards fiscal products has also been shown to impact pupil's fiscal knowledge situations.

k) Guiso and Viviano (2015) used a dataset from a check conducted by an Italian bank on its guests with the bank's executive data on the asset effects and deals of the same guests. The check inspired detailed information on individualities and their homes. Together with standard socio- demographic characteristics {example: gender, age, educational attainment, employment} the check included questions to evoke investor's stations and to measure investor's fiscal knowledge grounded on three tests of the benefits of fiscal knowledge during the Global Financial Crisis. The results show that high-knowledge investors are more at timing the request. High-knowledge investors are also more likely to trade according to the convention of normative models and to descry interposers' implicit conflicts of interest.

l) Abreu and Mendes {2011} used check individual investors bared by the Portuguese Securities Commission {CMVM} to study the impact of investor's situations of fiscal knowledge on portfolio diversification. The results suggest that investor's educational situations and their fiscal knowledge have a positive impact on investor diversification.

m) Reyers {2016} used data from a public check of South Africans to determine whether advice could substitute for low situations of fiscal complication. Also, the quality of advice in preretirement cash-eschewal opinions was assessed using check data collected at a university. The results indicate that professional fiscal advice complements fiscal knowledge, while advice from other sources could substitute for low situations of fiscal complication. Likewise, the study set up that with respect to pre-retirement cash – eschewal opinions, financially simpleminded individualities followed advice from mortal coffers departments or fund directors and entered quality advice.

5 CONCLUSION

Rapid growth of Indian frugality and complex fiscal request leads to indecorous financial opinions. To achieve the financial objects one has to retain introductory fiscal chops, mindfulness, knowledge, station and good demonstrated geste. Colourful studies reveal that the financial literacy or fiscal knowledge position in India is veritably low, especially women and youths who are floundering with their introductory fiscal knowledge. Although numerous enterprise from RBI and government on fiscal knowledge enhancement fiscal knowledge position is still low. It's necessary to mend position of knowledge through new enterprise.

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FINANCIAL LITERACY: AN OVERVIEW

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Abstract: *Financial literacy has become a necessary skill for life and employment. This paper aim's at introduce about financial literacy experience around the world and specifically how India has move forwarded in financial literacy. Karnataka being technology savvy still lag behind in financial literacy. By analysing the schemes and programmes taken by government of India, it shows India still has a long journey.*

Keywords: *Financial literacy, Karnataka, Gouvernement of India.*

1. INTRODUCTION

Financial literacy is the cognitive understanding of financial components and skills such as budgeting, investing, borrowing, taxation, and personal financial management. The absence of such skills is referred to as being financially illiterate. **Financial literacy** is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. Raising interest in personal finance is now a focus of state-run programs in countries including Australia, Canada, Japan, the United States, and the United Kingdom. Understanding basic financial concepts allows people to know how to navigate in the financial system. People with appropriate financial literacy training make better financial decisions and manage money better than those without such training.

The Organization for Economic Co-operation and Development (OECD) started an inter-governmental project in 2003 with the objective of providing ways to improve financial education and literacy standards through the development of common financial literacy principles. In March 2008, the OECD launched the International Gateway for Financial Education, which aims to serve as a clearinghouse for financial education programs, information and research worldwide. In the UK, the alternative term "financial capability" is used by the state and its agencies: the Financial Services Authority (FSA) in the UK started a national strategy on financial capability in 2003. The US government established its Financial Literacy and Education Commission in 2003.

India's financial literacy rate among its young and adult population has been growing due to various factors including the recent advancement in technology and media coverage. The government of India and various regulators are constantly working towards growth by implementing financial literacy courses, workshops and schemes. From mobile banking to online payments and insurance; the country has a huge number of online financial services users. This helped improve India's financial literacy as the awareness and ease of insurance and banking increased. Number of transactions with respect to digital payments in India grew 5x from 1,004 crores (10.04 billion) in 2016-17 to 5,554 crores (55.54 billion) in 2020-21. Furthermore, the value of fintech transactions is expected to rise at a CAGR of 20% to US$ 138 billion in 2023 from US$ 66 billion in 2019.

2. OBJECTIVES OF THE STUDY

The main objectives of the paper are as follows:

1. To know the financial literacy in India.
2. To know the financial literacy in Karnataka.
3. To understand the government initiatives both in India & Karnataka.

3. FINANCIAL LITERACY:

a) **The Government Accountability Office definition (2010)** is "the ability to make informed judgments and to take effective actions regarding the current and future use and management of money. It includes the ability to understand financial choices, plan for the future, spend wisely, and manage the challenges associated with life events such as a job loss, saving for retirement, or paying for a child's education".

b) **The Financial Literacy and Education Commission (2020)** includes a notion of personal capability in its definition as "the skills, knowledge and tools that equip people to make individual financial decisions and actions to attain their goals; this may also be known as financial capability, especially when paired with access to financial products and services.".

c) The National Financial Educators Council adds a psychological component defining financial literacy as "possessing the skills and knowledge on financial matters to confidently take effective action that best fulfils an individual's personal, family and global community goals."

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d) The OECD's Programme for International Student Assessment (PISA) in 2018 published a definition in two parts. The first part refers to kinds of thinking and behaviour, while the second part refers to the purposes for developing the particular literacy. "Financial literacy is the knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life".

3.2 COMPONENTS OF FINANCIAL LITERACY:

According to the financial literacy and Education Commission, there are five key components of financial literacy:

1. Earn
2. Spend
3. Save and invest
4. Borrow
5. Protect

4. NEED FOR FINANCIAL LITERACY

1. Spreading awareness about basic financial products, such as bank accounts, in order to link new users to the financial sector.
2. Educating the existing users in the financial sector to make informed decisions.
3. Ensuring customer protection from risks and frauds by making them vigilant.

4.1 Financial literacy: Global experiences

An international OECD study was published in late 2005 analyzing financial literacy surveys in OECD countries. A selection of findings included:

a) In Australia, 67 percent of respondents indicated that they understood the concept of compound interest, yet when they were asked to solve a problem using the concept only 28 percent had a good level of understanding.

b) A British survey found that consumers do not actively seek out financial information. The information they do receive is acquired by chance, for example, by picking up a pamphlet at a bank or having a chance talk with a bank employee.

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c) A Canadian survey found that respondents considered choosing the right investments to be more stressful than going to the dentist.

d) A survey of Korean high-school students showed that they had failing scores—that is, they answered fewer than 60 per cent of the questions correctly—on tests designed to measure their ability to choose and manage a credit card, their knowledge about saving and investing for retirement, and their awareness of risk and the importance of insuring against it.

e) A survey in the US found that four out of ten American workers are not saving for retirement.

Research in the US shows that workers increase their participation in 401(k) plans (a type of retirement plan, with special tax advantages, which allows employees to save and invest for their own retirement) when employers offer financial education programmes, whether in the form of brochures or seminars." However, academic analyses of financial education have found no evidence of measurable success at improving participants' financial well-being.

According to 2014 Asian Development Bank survey, more Mongolians have expanded their financial options, and for instance now compare the interest rates of loans and savings services through the successful launch of the TV drama with focus on the fiscal literacy of poor and non-poor vulnerable households. Given that 80% of Mongolians cited TV as their main source of information, TV serial dramas were identified as the most effective vehicle for messages on financial literacy.

4.2 INDIA'S EXPERIENCES ON FINANCIAL LITERACY

National Centre for Financial Education (NCFE), a non-profit company, was created under section 8 of companies act 2013, to promote financial literacy in India. It is promoted by four major financial regulators Reserve Bank of India, SEBI, IRDA and PFRDA.

Strengthening financial inclusion in India has been an important agenda of the government and the various regulatory bodies such as: RBI, SEBI, IRDAI, PFRDA. Efforts have also been taken to spread awareness and increase financial literacy among small businesses. Listed below are few such initiatives taken by respective regulatory authority:

- **Reserve Bank of India (RBI)**: RBI being the money market and the banking regulator has launched basic financial education as well as sector focused financial education. These include, financial literacy guides, diaries and posters covering the tenets of financial

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wellbeing such as savings, concepts of interest, time value, inflation etc. To aid businesses, ATM's, payment systems, Ponzi schemes, financial awareness messages etc. are some of the other contents covered.

- **Securities and Exchange Board of India (SEBI)**: SEBI also focuses on enhancing basic financial education and sector wise financial education. Being the Indian capital and securities market regulator, it also arranges events such as the World Investor Week and mass media campaigns. It also has a dedicated investor website.
- **Insurance Regulatory and Development Authority of India (IRDAI):** Like the other regulators, IRDAI also works on content development by creating brochures, handbooks etc. It has also created mandatory board approved policy for insurers and arranges various seminars and quiz programs.
- **Pension Fund Regulatory and Development Authority (PFRDA)**: PFRDA has dedicated website called 'Pension Sanchay' launched in 2018. This website aims at increasing financial literacy from retirement perspective.

NCFE conducted a benchmark survey of financial literacy in 2015 to find the level of financial awareness in India.[21] It organizes various programs to improve the financial literacy including collaborating with schools and developing new curriculum to include financial management concepts.[22] It also conducts a yearly financial literacy test.[19] The list of topics covered by NCFE in its awareness programs includes investments, types of bank accounts, services offered by banks, Aadhaar card, demat account, pan cards, power of compounding, digital payments, protection against financial frauds etc.[22]

4.3 OTHER INITIATIVES BY THE GOVERNMENT

In addition to the above, the government of India has also implemented several schemes in order to increase financial inclusion such as, Pradhan Mantri Jan Dhan Yojana, Jivan Jyoti Beema, Atal Pension Yojana etc. These schemes are introduced for the ease of banking services, awareness, and general insurance awareness. In addition to this, the government arranges several financial literacy programs like financial education for children, retirement planning, commodity future markets and insurance for school students to educate and spread awareness among the young population.

4.3 FINANCIAL LITERACY: EXPERIENCES OF KARNATAKA

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India has 28 states and 8 union territories. Out of all these states Karnataka today has emerged has one of the important financial hubs in the country. Among Southern states Kerala topics in financial literacy Karnataka being in second spot. Since Karnataka is the front runner in software exports around the world, also one among financial centre in our country. Financial literacy plays an important role in the state. State government has taken many steps and initiatives in improving financial literacy.

5. RESEARCH METHODOLOGY

5.1 Demography and gender wise financial literacy in Karnataka

Table No. 1.1: Age-wise financial literacy

Age in years	Financial literacy %
18 to 24	24
25 to 49	27
50 to 65	21
66 to 80	21

Source: National Centre for Financial Education National Survey

From the above table data it shows that financial literacy of Karnataka is around 25% which is next to Kerala 36%. Karnataka state is also one of the states which have high young population, at the same time many people migrate to Karnataka in search of jobs. Above data shows that in Karnataka working population 25-49 age groups financial literacy is more compared to other group.

Table 1.2 : Gender – wise Financial literacy

Gender	Financial literacy %
Male	28
Female	22

Source: National Centre for Financial Education National Survey

The above table clearly indicates that financial literacy level of male is high compare to the female population of Karnataka.

Table 1.3: Location-wise financial literacy

Location	Financial literacy %
Urban	30
Rural	19

Source: National Centre for Financial Education National Survey

Karnataka is not an exception, to the unsure quality and accessibility of education in the rural area of population parallel to urban population in India. It has more impact on financial literacy in Karnataka. So, it needs to be emphasizing more to the rural population for financial education than the urban population in Karnataka [(23)].

6. PRESENT STATUS OF INDIA'S FINANCIAL LITERACY

Despite having a population of 1.3 billion people, about 76% of the adult populations are yet to improve upon their understanding about basic financial concepts. India has the potential to be among the top financial literate country in the world as 27.6% of its people between the age group 25-44 continue participating in the financial inclusion program through financial education. This rate could expand by more than 20% in the next two decades, if the youngsters within the age group 10-19 are also provided proper financial education. This group constitutes about 21.8% of India's population. Financial abilities could lead to general economic growth and increase the standard of living. India's work force combined with strong financial education can take the country to great levels. A financially savvy India would be a big global influence.

a) Less than a third of the population of India are financially literate. Many lack access to banks or microfinance, but might resort to loan sharks, exposing them to cycles of debt.
b) Educating women about financial principles is key to breaking cycles of debt.
c) ADB's private sector investment supported the expansion of RBL Bank's Saksham and Unnati programs, which combines access to loans with financial inclusion and financial literacy improvement.

Financial literacy can be the difference between drowning in unregulated debt, often from loan sharks, and breaking free by building through successful small businesses. India has made great progress in improving financial inclusion by making loans and other financial services available to low-income borrowers, through support from the Government of India, microfinance institutions (MFIs), and NGOs. In 2014 the government launched *Pradhan Mantri Jan-Dhan Yojana*, a program aimed at providing a bank account for every household. The program generated a record 443 million accounts for India's households since its August 2014 launch through to early January 2022.

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However, closing the banking gap also requires at least a basic understanding of how the financial system works. Only 27% of Indian adults – and 24% of women – meet the minimum level of financial literacy as defined by the Reserve Bank of India. Women are particularly responsive to financial literacy outreach. Traditionally they manage the household budget and are often eager to start home-based businesses. When armed with foundational knowledge, financial literacy tools, and small-scale business opportunities, women entrepreneurs can make a remarkable impact on their families and communities.

7. RECOMMENDATIONS: WAY FORWARD FOR FINANCIAL LITERACY IN INDIA

In order to promote financial literacy in India, individuals should be imparted with relevant skills and knowledge at various levels, but mainly in school and college. They should be enabled to put their skills and knowledge into practice through their ability and self-efficacy. The basic financial education at the intermediate and collage level must include:

a) A robust understanding of financial planning
b) Knowledge of usage of basic financial products.
c) Effective money management
d) Debt management
e) Prioritizing needs over wants
f) Understanding effective investment instruments, like SIP
g) Understanding terms of EMI

The government must take into consideration that mere access to financial services does not ensure promoting financial literacy. It is the knowledge of financial products, and its regular application that will bring about the desired change.

8. CONCLUSION

Bottom line is financial literacy is the knowledge of to make smart decisions. India today as emerged as most populated country in the world. India has largest youths in its population but when it comes to financial literacy, India ranks 23rd among 28 countries Norway being top. Government of India is taking various measures to improve the financial literacy targeting young and adult population. Though there are many challenges to financial literacy in India and steps have been taken at regular basis. India still has a long journey if it has to play a major role in World finance.

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DIGITAL LITERACY: THE PATH FOR ENTREPRENEURIAL SUCCESS

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Abstract: *The economic and social consequences of the Covid-19 pandemic have hampered opportunities for limitless individuals across the world. The present state of the world economy suggests that currently it is neither the time nor the place to start a business or to chase an entrepreneurial aspiration. However, a group of young and innovative individual's would-be an entrepreneurs and have found new opportunities to redefine success. New entrepreneurs are participating in the recovery of the world economy by using the power of digitization and digital literacy. The paper focuses on the significance of digital literacy for the entrepreneurs. The study is based on the secondary data collected through various sources such as books, journals, websites and articles. This study concludes that that digital literacy is very crucial for entrepreneurs for their success in this modern world*

Keywords: *Digital literacy, Entrepreneur, Entrepreneurial, advanced technology, Success.*

1. INTRODUCTION

Entrepreneurs are existing from decades, since bartering system. However Digital entrepreneurship is a new phenomenon. As world has progressed and advanced technologies continue to develop, so has the meaning of what it means to be a modern entrepreneur. This is an inspiring time to start up and grow a new business, especially in the online space.

Digital technology has developed extremely in the past couple of decagons. This development of digital technology has changed the way we deal with our surroundings and the ways to perform daily life tasks. Such tasks includes mode of shopping, making payments, sending emails, communicating with people, etc. have changed completely due to the advancement in technology. Various developments in the field of technology and the Internet have spread throughout the world. Due to such advancement every individual must be capable of adapting such changes in their day to day life as well must be aware of such developments in the technological environment in order to survive and be successful in this digital world. Digital literacy is the potential of entrepreneurs to adapt to the development of the technological advancement in the world and be able to utilize different medias such as communication, marketing, analyzing trends, and demand for goods and services.

Digital literacy is currently an important life skill that people require to deal with the difficulties that they face in every day life. To whatever age group or profession individual belongs to, digital literacy is an important skill to survive in this modern world. Whether individual is a student, teacher, businessman, or senior citizen, in order to deal with the current technology they have to be digitally literate. A person who is digitally literate will be capable of doing things easily for himself and comply with the changing needs in this digital world.

Paul Gilster defines digital literacy as «the ability to find and explain causal relationships between variables. Based on the results, it was found that understand and use information in multiple formats from a wide variety of sources when it is presented via computers» and, particularly, through the medium of the Internet (Gilster, in Pool 1997: 6).

2. REVIEW OF LITERATURE

Islami 2018 "The effect of digital literacy toward entrepreneur behaviours through students' intention digital literacy (behaviours, and entrepreneurial intentions. This study is explanatory research to the digital literacy of students in economic education eneurship, especially on entrepreneurial behaviours. However, the intention of estudy programs in Jember was computer literacy and internet literacy) on entrepreneurial still limited to influence the intention of

Dvorakova and Polents "Entrepreneurship Education and Digital Literacy as Element of entrepreneurship is proven to mediate digital literacy towards entrepreneurial behaviours "Innovative Learning. The paper aims to analyse the entrepreneurship education with a focus on Russia and the Czech Republic and to define what digital literacy brings to entrepreneurship education. The methodology uses a bibliometric analysis of the databases of Web of Science and Scopus for the period 1990–2020 about the state-of-the-art in the field of entrepreneurship education at universities. The bibliographic data supplement research findings from secondary sources and five case studies. The later ones utilize data from unstructured interviews held in Russia and the Czech Republic about the job requirements applied to university students and graduates in the context of educational digitization and digital literacy".

Sariwulan & suwatno et,al.,(2020) "Entrepreneurial Performance: The Role of Literacy and Skills. This study focuses that digital literacy has the greatest influence on the

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performance of SME entrepreneurs, both directly and indirectly. The results of the study provide input on performance development strategies for SME entrepreneurs through digital literacy, including digital business relationships, online facilities, and networks. The findings are also complementary to the factors shaping the performance of SME entrepreneurs in the digital age. The research results show that digital literacy has the greatest direct and indirect influence on the performance of SME entrepreneurs; this shows the essential contribution of digital literacy in developing business and marketing networks".

3. OBJECTIVES

The objectives of the study are

a) To comprehend the concepts of digital literacy for entrepreneurs
b) To examine the significance of digital literacy for entrepreneurs for their success
c) To analyze the impact of digital literacy for entrepreneurial success

4. RESEARCH METHODOLOGY

The data is collected from Secondary sources which is gathered from different sources such as Journal, research papers, articles, websites, books etc..,

5. SIGNIFICANCE OF DIGITAL LITERACY FOR ENTREPRENEURS

Digital literacy is a large term that defines a huge number of various skills that a modern entrepreneur should possess. Since computers got deeply integrated into everyone's life. Every individual must know how to use them. Being knowledgeable about computers doesn't mean forming documents, printing them without any problem, browsing the Internet or searching certain information. They need to know how to access different software's, employ portable devices, and design them according to their needs. The following are the significance of digital literacy for entrepreneurs.

a) BUSINESS ADMINISTRATION

There are lots of software's and hardware's that helps to automate the business processes and make it easy to manage using an electronic devices. It helps in increasing the efficiency and lowers the operating costs that positively affect any company. Indeed, in reality computers can't replace human beings in most of the cases. However, computers can help human beings in increasing their productivity and achieve better output by applying fewer efforts. With the use of latest technology, entrepreneurs can be up to date about their companies 24/7 from any

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location. Offline business entrepreneurs can track all their sales and check out stores by using CCTV (Closed Circuit Television) installed in their organization through their smartphones on their fingertips and online entrepreneurs can track all the activities of their workers by using various employees monitoring software. Digital literacy can help entrepreneurs to stay up to date with the most recent products for company administration.

b) ATTRACT NEW CUSTOMERS AND INCREASED SALES

Digital literacy is an important skill for an organization in order to attract new customers and make them shell out more. Potential clients/customers can reach various goods and services provided by accessing different digital tools available in the modern world. For Example, with the help of map that the company has added in the Google map. The map helps customers in finding the nearest companies in their area and builds routes for them. For instance, If people who need shoe repair service check out the nearest business for the first time. Entrepreneurs can also attract new customers with the help of search engines, websites online apps, social media etc. Companies can attract new customers and retain old customers by satisfying their needs with the help of digital tools available in this modern world. Entrepreneurs can know about their customer tastes and preferences, likes and dislikes wants and demands by access various Customer Relationship Management (CRM) systems that help them gather the information about their customers at one place and utilize it efficiently. Also, it helps companies to interact with their customers. Entrepreneurs being familiar with Google trends can find more ideas for their business and update accordingly. Online services also help entrepreneurs set up target ads and promote their products to their targeted customers.

c) LONG-TERM SURVIVAL OF BUSINESSES

Since entrepreneurs acquire new customers, retains old customers, manage businesses efficiently and effectively, and increases sales with the help of digitalization hence, digital literacy is an essential need for entrepreneurs. Entrepreneurs who wish to grow their businesses up and survive for a long term in the market must be aware about the technological advancement, changes in technological environment and be capable of coping up and facing the digital challenges that they face in this modern world. Otherwise, competitors will attract all the customers. The technologies are rapidly developing and this progress will not stop at a particular point therefore, entrepreneurs must be ready to increase digital literacy and learn new skills. Consequently, when entrepreneurs refuses the need to increase their digital literacy and learn new skills then they increase the gap between their companies and the forward-looking businesses of their competitors.

Moreover, customers also improve their digital literacy. For instance, before buying any product through online mode they review the reviews of other people as they don't want to lose all their money, paying for a poor-quality service. So therefore business need to interact with their customers when businesses don't interact with their customers online and don't answer to their complaints, then they risk losing loyal customers for their products and services and lower the number of new orders. Being an entrepreneur, they have to communicate with their customers via different modes constantly. Since most of the customers prefer online mode, it is impossible to run a successful business having poor digital literacy. So Therefore in business in order to survive for the long run must possess digital literacy and be capable of adopting changes in technologies.

d) QUICK LEARNING

With the availability of an Internet and modern technology, entrepreneurs can obtain new skills quickly. They don't need to spend a much of their time in a library reading books, get a degree, or hire an instructor/advisor to learn something new. They can use smart devices in their pockets to read guides for starting and running business and enroll in video courses to learn advanced skills for using digital tools. With a high level of digital literacy, entrepreneurs can quickly learn how to improve their business for free of cost without spending a penny through search engine optimization by accessing websites, social media videos etc. Also, entrepreneurs can connect with multiple experts/advisors in different segments all around the world to learn digital literacy skills to develop their business. Even though new skills can be pursued very quickly, they can have customized studying schedules. With the help of the Internet, skilled entrepreneurs can find an answer to any of the question or find any specialist/expert who can help them with a particular issue.

e) EXPLORE NEW WAYS FO CONDUCTING ESTABLISHED BUSINESS

With the advancement in technology across the world existing entrepreneurs can find new techniques of conducting their established business by understanding their existing customers, needs, wants, desires tastes and preferences and work toward satisfying them in order to retain them as their customer for the long run. Digital literacy also help entrepreneurs to conduct their business much effectively and efficiently, generate revenue and earn more profit by attracting the new customers and changing with the change in the technological environment. Digital Literacy assists entrepreneurs to cope up with dynamic environment in order to survive in the market for the long run

6. FINDING

a) Digital Literacy enhances the skills of the entrepreneurs
b) Digital Literacy facilitates discovery of new customers
c) Digital Literacy helps entrepreneurs in managing their business efficiently and effectively

7. CONCLUSION

Digital literacy is significant for all the entrepreneurs to grow their businesses. This progress brings with the availability of new technologies that are used for arranging processes, retaining old customers and attracting new customers. There is no option to escape from the race unless there are no competitors in any particular segment. However, if the entrepreneurs use the benefits provided by digitalization properly, then they can increase revenue, earn more revenue, generate more profits and survive for the long run significantly. Therefore in order to obtain entrepreneurial success each and every entrepreneur must learn digital literacy and possess skills relevant to it.

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EMPOWERING FINANCIAL LITERACY THROUGH AI: A COMPREHENSIVE OVERVIEW

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Abstract: *This paper investigates the potential of Artificial Intelligence (AI) in enhancing financial literacy in India. By reviewing the existing literature on AI and finance, this paper identifies the benefits and challenges of using AI in financial education in India. The study highlights the various ways in which AI can enhance financial literacy in India, such as through personalized financial advice, automated budgeting, and investment management. Also identifies specific challenges that may hinder the implementation of AI in India, such as inadequate infrastructure and limited access to technology, cultural barriers, and regulatory hurdles. The study concludes that while AI can be a powerful tool in improving financial literacy in India, careful consideration and addressing of these challenges is necessary to ensure that the technology is used effectively and equitably in the Indian context.*

In summary, this paper highlights the potential of AI in enhancing financial literacy in India, as well as the challenges that need to be addressed for its effective implementation. The findings suggest that AI can be a useful tool in improving financial education in India, but it must be approached with caution and sensitivity to the unique cultural and economic contexts of the country. infrastructure and access to technology, cultural barriers, and regulatory hurdles. The findings suggest that while AI has the potential to improve financial literacy in India, careful consideration and addressing of these challenges is necessary to ensure that the technology is used effectively and equitably in the Indian context.

Keywords: *Financial Literacy, Artificial Intelligence, Economic Growth, Government Initiatives, Cyber Attacks.*

1. INTRODUCTION

Financial literacy is essential for individuals to make informed decisions about their finances. However, many people lack the necessary knowledge and skills to manage their finances effectively. This can lead to financial insecurity, debt, and other financial problems. In recent years, there has been an increasing interest in using technology to improve financial literacy. Artificial Intelligence (AI) is one such technology that has the potential to transform the way

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people learn about personal finance. AI is a computer technology that can learn and adapt to new information without being explicitly programmed. AI systems can analyse large amounts of data to identify patterns and provide insights. In finance, AI can be used for a variety of purposes, including fraud detection, risk management, and investment analysis. AI can also be used to improve financial literacy by providing personalized financial advice, automated ‘budgeting, and investment management

2. LITERATURE REVIEW

"Artificial intelligence in financial services: The road ahead" by PwC (2018). This report discusses the potential of AI to transform financial services and improve financial literacy through personalized financial advice and automated financial tasks. It also highlights the ethical and social considerations that need to be addressed when implementing AI in financial services.

"The impact of AI on financial literacy: Evidence from the robo-advisory market" by Sengupta and Saha (2021). This study examines the impact of AI-powered robo-advisors on financial literacy by analysing data from the robo-advisory market. The authors find that robo-advisors can improve financial literacy by providing personalized and accessible financial advice, but also highlight the need for regulation and transparency to address potential risks.

"The role of artificial intelligence in financial education and literacy" by Cudré-Mauroux and Jabbari (2020). This paper explores the potential of AI to improve financial education and literacy by analysing financial data and providing personalized recommendations. The authors argue that AI can help bridge the gap between financial knowledge and financial behaviour, but also caution that AI should not be viewed as a substitute for human expertise.

"AI and financial inclusion: Opportunities and challenges" by Bhattacharya and Mehta (2021). This article discusses the potential of AI to promote financial inclusion and improve financial literacy among underserved populations. The authors highlight the importance of designing AI-powered financial services that are accessible, affordable, and relevant to the needs of low-income households and small businesses.

"Artificial intelligence and financial literacy: An exploratory study" by Piasentin and Bélanger (2020). This study examines the perceptions and attitudes of Canadian consumers towards AI-powered financial services and its potential to improve financialliteracy. The authors find that consumers are generally positive towards AI-powered financial services, but also express concerns about data privacy, security, and bias.

These studies highlight the potential of AI to improve financial literacy by providing personalized and accessible financial advice, automating financial tasks, and analysing financial data to identify patterns and trends. However, they also underscore the need for regulation, transparency, and ethical considerations when implementing AI in financial services to ensure that it benefits all stakeholders.

3. ARTIFICIAL INTELLIGENCE

AI stands for Artificial Intelligence, which refers to the simulation of human intelligence in machines that are programmed to think and act like humans. AI involves the development of algorithms and computer programs that can perform tasks that normally require human intelligence, such as learning, problem solving, perception, and decision making.

AI can be classified into two broad categories: narrow or weak AI, which is designed to perform specific tasks such as playing chess, recognizing speech, or driving a car, and general or strong AI, which is designed to perform any intellectual task that a human being can.

AI has been around for several decades, but recent advances in machine learning, natural language processing, and computer vision have dramatically improved its capabilities and made it more accessible to businesses and individuals. AI is now used in a wide range of applications, from virtual assistants and chatboats to self-driving cars and medical diagnosis.

While AI has the potential to revolutionize many industries and improve our lives in countless ways, it also raises ethical and social issues such as job displacement, privacy, bias, and accountability. As AI technology continues to evolve, it will be important to carefully consider and address these challenges.

4. OBJECTIVES

a) To identify the potential benefits of AI in improving financial literacy, such as providing personalized financial advice, automated budgeting, and investment management.

b) To examine the challenges and concerns associated with the use of AI in financial education, including the ethical implications, potential for bias, and cyber risks.

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c) To assess the feasibility of implementing AI in financial education in different contexts, including the Indian context.

d) To propose strategies and recommendations for the effective and equitable implementation of AI in financial education, taking into account cultural and regulatory considerations.

e) To contribute to the on-going discussions and debates around the use of AI in finance and financial education.

5. OPPORTUNITIES OF AI IN FINANCIAL LITERACY

a) **Personalized financial advice:** AI can provide tailored financial advice based on an individual's financial situation, goals, and preferences, thereby improving financial decision-making.

b) **Automated budgeting:** AI can automate expense tracking and budgeting, simplifying personal financial management. This helps individuals better manage their finances by providing accurate and timely insights into their spending habits, allowing them to make informed decisions about their money.

c) **Investment management:** AI-powered investment tools can offer personalized investment advice, leading to improved returns and reduced risk. These tools can analyse large amounts of data to identify investment opportunities, and tailor recommendations to an individual's financial goals and risk tolerance. This can help investors make informed decisions and optimize their portfolios.

d) **Improved access to financial education:** AI-powered chatboats and virtual assistants can make financial education more accessible and convenient to a wider audience. These tools can provide personalized guidance and support, answer frequently asked questions, and help individuals develop their financial literacy skills. This can empower individuals to take control of their finances and make better financial decisions.

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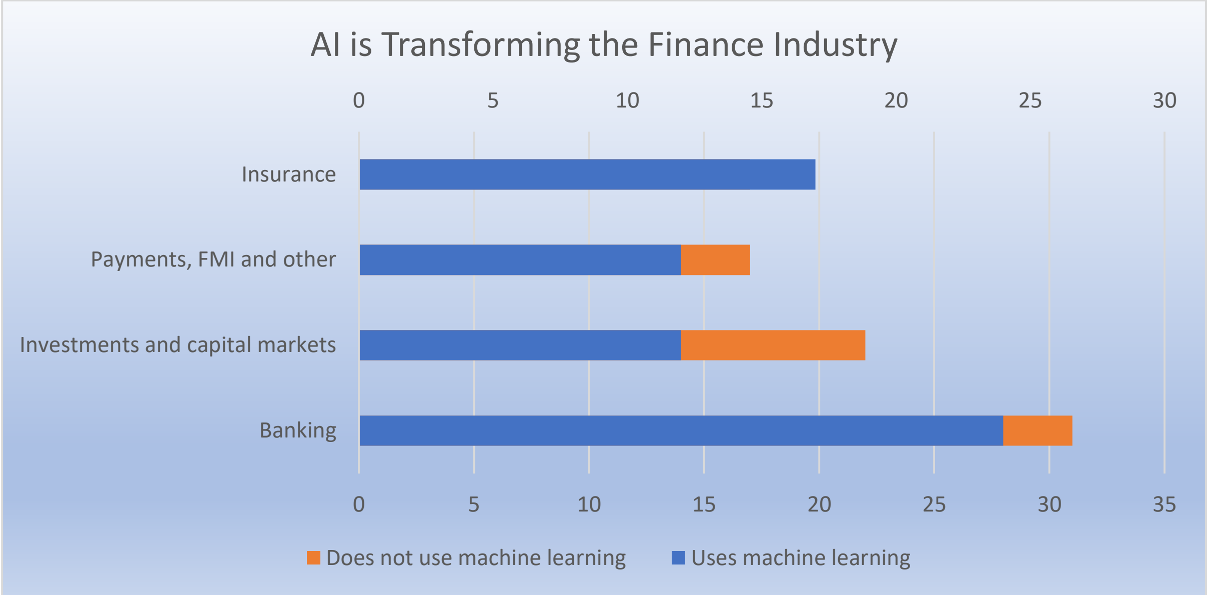

6. CHALLENGES OF AI IN FINANCIAL LITERACY

a) **Ethical considerations:** The use of AI in finance has raised ethical concerns regarding transparency, privacy, and data security. While AI can improve financial decision-making and efficiency, its black-box nature and reliance on large datasets can make it difficult to understand and regulate. The use of personal data for AI algorithms can also raise concerns about privacy and the potential for discrimination. Additionally, AI can exacerbate existing biases and inequalities in financial systems. As the use of AI in finance continues to grow, it is important to address these ethical concerns and develop frameworks for responsible and transparent use of this technology.

b) **Potential for bias:** AI systems have the potential to perpetuate existing biases and inequalities, which can lead to unfair outcomes. Machine learning algorithms learn from historical data, which may contain biased patterns and prejudices. If left unchecked, these biases can be amplified and reinforced by AI systems, resulting in discriminatory and unjust outcomes. For example, facial recognition algorithms have been found to misidentify people of color more frequently than white individuals. This can lead to negative consequences, such as false arrests or denial of services. To mitigate these issues, it is crucial to develop and implement strategies for identifying and correcting biases in AI systems.

c) **Cyber risks:** The use of AI in finance presents cyber security risks, including hacking and data breaches. AI systems rely on large amounts of sensitive data, making them attractive targets for cybercriminals. This highlights the importance of robust cyber security measures to safeguard against potential threats and protect confidential financial information.

d) **Infrastructure and access:** The implementation of AI in financial education can be challenging in certain contexts due to limited access to technology and infrastructure. AI-powered financial education tools require reliable internet connectivity, access to computing devices, and other technological infrastructure. In many developing countries, access to these resources is limited, which can create a digital divide and limit the reach of AI-based financial education. Additionally, the high cost of AI technology can be a barrier to adoption, even in more developed regions. Addressing these challenges requires a concerted effort to promote technological literacy, improve access to infrastructure, and reduce the cost of AI technology.

Addressing these challenges while leveraging the opportunities offered by AI in financial literacy is essential to ensure that AI is used effectively and responsibly to improve financial education and literacy.

7. CONCLUSION

In conclusion, AI can play a significant role in improving financial literacy by providing personalized and accessible financial advice, automating financial tasks, and analysing financial data to identify patterns and trends. AI-powered tools can help individuals and businesses make better financial decisions by providing real-time insights, reducing errors and biases, and increasing efficiency.

However, it is important to note that AI is not a silver bullet and should not replace human expertise and judgment entirely. Financial literacy involves not only technical skills but also critical thinking, communication, and emotional intelligence. Therefore, AI should be used in conjunction with human guidance and education to ensure that individuals have a comprehensive understanding of financial concepts and are able to make informed decisions.

Furthermore, as with any technology, AI also raises ethical and social issues that need to be addressed, such as privacy, security, bias, and accountability. It is crucial to develop AI systems that are transparent, fair, and accountable and to ensure that they are used for the benefit of all stakeholders, not just a few.

Overall, AI has the potential to transform financial literacy by providing new insights, automating routine tasks, and empowering individuals and businesses to make better financial

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decisions. However, it is important to approach AI with caution and to ensure that it is used in a responsible and ethical manner.

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FINANCIAL LITERACY AND PERSONAL INVESTMENT DECISIONS OF RETAIL INVESTORS IN MYSORE CITY

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Abstract: *The term financial literacy has evolved over the years and has become a focus area for researchers and policy makers across the globe in the recent years. This study seeks to explore the impact of different demographic factors on financial literacy and also to understand the variation between personal investment decision of the investors of different financial literacy level with respect to short, medium and long term. Investors' prime objectives may be high returns and low level of risk. Moreover, investors' desire significant increases in the value as well. Financial literacy is the most basic and critical skill that everyone should have. But in India, talking about finances at home is not a common practice, many lack the basics of managing money, whether it's savings, investing, buying insurance or emergency funds. The importance of savings and investment is an important value that must be inculcated from early on. This will help one understand the golden rule of investment- to start early. Being financially literate is one factor that determines the economic growth of a developing nation like India. There are two concept relating to Investment viz, Economic concept and financial concept of Investment. The economic and financial concepts of investment are related to each other because investment is a part of the savings of individuals which flow into the capital market either directly or through institutions. Thus, investment decisions and financial decisions interact with each other. Financial decisions are primarily concerned with the sources of money where as investment decisions are traditionally concerned with uses or budgeting of money the concept of economic investment means net addition to the capital stock of the society. The capital stock of the society is the goods which are used in the production of other goods. The term investment implies the formation of new and productive capital in the form of new construction and produces durable instrument such as plant and machinery. Inventories and human capital are also included in this concept. Thus, an investment, in economic terms, means an increase in building, equipment, and inventory. The present study has been undertaken to measure the financial literacy level of retail investors of. MYSORE CITY The data for the purpose of the study has been collected from 100 respondents The respondents were asked about different questions related to financial literacy like saving Bank Deposits, Post Office Saving Schemes, Mutual Funds, Life Insurance, Stock market etc. to determine the impact of financial literacy on investment decision of the respondent The process of investment decision making is very critical and depends upon various factors which may vary from individual to individual decision making can be termed as the process of selecting a particular alternative from the number of alternatives available. Decision making is an activity which follows after proper evaluation of all the alternatives financial investment is a purchase of the financial security such as stock, bond or mortgage. The investment decision in case of an individual investor from any category like serviceman, business man, agriculturist, housewife etc. varies from person to person. The investment decisions of such individuals depend upon various factors and the type of investment they want to do. Investment decision denotes where the investor wants to invest whether in banks, property, share market, mutual funds, fixed deposits, gold, property etc.*

Keywords *- Financial investment, financial literacy, impact of Investment decision and investment decisions*

1. INTRODUCTION

A significant change in the social support structures across the world has on one hand increased individuals 'responsibility in managing their own finances and securing their financial future and on the other hand has also reduced the role played by governments and employers in managing investments on behalf of individuals. In this changed financial landscape, where the range and the complexity of financial products continue to increase, developing an understanding of the world of finance is of paramount importance. Research around the world reported inadequate financial literacy which rose serious concerns about the ability of individuals to secure their financial well-being. The findings of poor financial literacy and financial outcomes have prompted a serious review of existing financial education programs and launch of new programs. The OECD had implemented various financial literacy (FL) programmes with the main aim of exposing, promoting and encouraging the study of financial education. Higher level of financial education was important as it promotes financial choice and socio-economic independence and enhances credit analysis and budgeting skills.

Investment is referred to as the concept of deferred consumption, which could be in the form of an asset, rendering a loan, keeping the saved funds in a bank account such that it might generate lucrative returns in the future etc. The options of investments are huge; all of them having different risk-reward trade off. It has been established through research that financial literacy has a role to play in making sound investment decisions.

Thus, it has become imperative to become financially literate to ensure well-being of individuals. Thus, it has become imperative to become financially literate to ensure well-being of individuals.

Financial literacy is one of the key aspects for investment decisions. Public usually have surplus incomes which may not be utilized for domestic expenses. They need to take decisions for placing this surplus money rationally in different investment alternatives. Investors' prime objectives may be high returns and low level of risk. Moreover, investors' desire significant increase in the value as well. This can only be achieved with adequate knowledge about different financial products. Financial literacy about different attributes of investment alternatives will help in getting maximum value for their investment. Investment decisions related to stock market products are much complex as stock market investment instruments carry higher risk due to market fluctuation. Markets oscillate due to various economic or non- economic events within an economy or across the globe. These events create different perceptions in the mind of stock market investors' and result in sensitivity of stock prices.

In addition, a financial position of the company also plays a vital role in the stock prices. Financial literacy of the investor helps to arrive at optimum investment decisions and to tackle adverse market situations. Financial literacy according to Nye, Pete and Cinnamon, (2013) is a measure of the degree to which one understands key financial concepts and possesses the ability and confidence to manage personal finances through appropriate short term decision-making and sound, long-range financial planning, while being mindful of life events and changing economic conditions. The present study has been undertaken to measure the financial literacy level of retail investors of Mysore city.

2. REVIEW OF LITERATURE

Literature review earlier studies reported that financial literacy is affected by income, education and workplace action. Highly qualified and banking professionals or financial advisors are more financial literate than others (Al-Tamimi, 2009). Gender also influences financial literacy. Kabraet.al,.(2010) also supported this and opined that. Investors' risk taking capacity depends upon age and gender and men were more financially literate than women. Men tend to take more risk than women. But single women are more risk-friendly than married (Arena et.al.,2016). Religious reasons were the least affecting factor in investment decision (Al-Tamimi, 2009). These factors are challenging for all investors' (Awaiset. al., 2016). Contribution of financial literacy not only helps in investment decisions, but also assists individuals to protect themselves against shocks (Klapper, 2013). Financial literacy programs in India have much deviation across socioeconomic and demographics groups. Thus, they intend to gather additional information related to risk tolerance, investment preferences, investment goals, etc. (Agarwal et.al., 2015). Financial literacy helps to free them from predatory lenders who charge high interest rate on money borrowers.

3. OBJECTIVES OF THE STUDY

a) To study the variation between personal investment decision of the investors of different financial literacy level with respect to short, medium and long term.
b) The study was undertaken to access the level of financial literacy among the investors.

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4. IMPORTANCE OF FINANCIAL LITERACY TO RETAIL INVESTMENT LANDSCAPE

As the economy now is on the path to recovery, a surge in investments, especially by retail investors are observed. But, the country's lack of financial literacy is a grave concern as half knowledge is more dangerous than no knowledge. The Covid-19 pandemic has put millions of lives in danger and put many people out of jobs or a financial crisis. The pandemic not only impacted everyone physically and mentally but also financially. This made people more self-aware of the importance of investments and saving for an unexpected rainy day. It is important to be financially prepared irrespective of our age, gender, education or living in metro or rural learning how to manage our finances can be life-changing.

As the economy now is on the path to recovery, a surge in investments, especially by retail investors is observed. But, the country's lack of financial literacy is a grave concern as half knowledge is more dangerous than no knowledge.

Financial literacy is an important skill to learn to achieve financial growth and success. The most basic way to start being financially literate is understanding budgeting, managing debt, saving and investing.

a) **Debt**: Debt is basically spending money that isn't yours for eg: loans or credit cards. But debt can be good too. If you are taking debt for things that are necessary for making a living for example school's tuition fee or buying a car to go to the office. Whereas borrowing money for things that aren't really needed should be avoided.
b) **Budget:** The most crucial way to being financially literate is understanding your budget that you can live on, this plays an important role in achieving your financial independence. The simplest rule for budgeting is that income should be greater than expenses.
c) **Saving:** Saving is securing the present and the unseen future. Saving can become your emergency fund or a way to keep your expenses in control. Saving is not investing.
d) **Investing:** Investing will help you in generating and growing wealth for the future. Investing is what will make you money while you sleep because of the effects of compounding. Investing can be a gateway to achieving your financial goals.

Financial literacy is the most basic and critical skill that everyone should have. But in India, talking about finances at home is not a common practice, many lack the basics of managing money, whether it's savings, investing, buying insurance or emergency funds.

The importance of savings and investment is an important value that must be inculcated from early on. This will help one understand the golden rule of investment- to start early. Being financially literate is one factor that determines the economic growth of a developing nation like India.

As per a global survey by Standard & Poor's Financial Services LLC (S&P), India is home to 17.5 per cent of the world's population, but nearly 76 per cent of its adult population does not understand even the basic financial concepts. It will not only help you build wealth for the long term but also protect you and your family in case of emergencies.

A process of acquiring an asset is called investment. There are different types of investments available in the market. Not all investments suit all investors. Each of these has varying levels of risks. Hence investors have to choose those types of investments that best suit their financial plan and goals

Investment is a process of acquiring an asset with an aim to generate money from it. Generating income from an asset can be through regular income or appreciation of the asset. Appreciation is the increase in the value of the asset over time.
When an asset is purchased for the purpose of investment, the investor will not consume it. Instead, the investor will use it to generate wealth from it. The main purpose of investing is to acquire an asset right now and sell it at a higher price at a future date.
There are various types of investments available in the market. The most popular ones are stocks or equities, real estates, fixed deposits, gold and real estate. Mutual funds, Public Provident Fund, government bonds, corporate bonds, Exchange Traded Fund, and National Pension Scheme are few other well-known investment options. Each of these differ based on the returns they offer, level of risk, tenure, taxation, and whether the returns are guaranteed or market-linked.
Investors need to understand their goals, set an investment horizon, contemplate on their understanding of risk, understand the taxation of each of the investment products before choosing an investment option. They should never stick to just one investment option and should invest in multiple investment vehicles. Having a diversified portfolio will help them

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spread their investment risk across multiple asset classes. Moreover, having an investment portfolio with more than one type of investment will help boost portfolio returns. It is essential to have a balanced asset allocation for earning optimal returns. Asset allocation varies with age, investment goals, and risk tolerance of the investor.

4.1 How does the investment work?

Investing is a way to get money to work for you. When one invests in stocks and bonds or a piece of land, they aim to generate money from it in the form of dividend, interest or capital appreciation. Hence investing is spending money today on something that will help generate income in the future.

Investing is different from saving. In saving, one is setting aside money for future use. Whereas, in investing, one is purchasing an asset with an intent to generate growth from it in the future. Saving will not give returns that will help beat inflation. In contrast, returns from investing , if done right, are higher than the rate of inflation. Saving comes with no risk while investing has certain risk involved. Saving suits for short term or immediate goals. Whereas, investing is best for medium-term and long-term goals such as child's education, marriage, and retirement planning.

Investing is not just about purchasing an asset; it also means taking an action that will help generate revenue in the future. For example, when one individual chooses to study an additional course or does a Masters in a particular field to develop skills, they might help generate future income.

Investing involves risk of losing the investment money. Since investing is about generating future income, there is always a risk. For example, investing in shares of a company can look like a viable option today as the company performs well. However, in the future, there are chances of the company going bankrupt. Hence, investing always comes with an element of risk. Investors need to understand this before choosing to invest in any of the investment options.

With a wide range of investment options available in the market, it is often quite difficult to shortlist the right one. Hence one can hire a financial advisor to help with investment planning. Though a financial advisor charges a fee for their services, their expertise would help one achieve financial goals.

4.2 Types of investments

There are different types of investment in the market, and we have bifurcated them into three main categories. They are

Fixed income investments: These investments give guaranteed returns in the form of interest. These are low-risk investments. Below is a list of few of the best fixed-income investments.

Market linked investments: Market linked investments are those investments that do not guarantee returns and their returns are dependent on the market movements. These are considered high-risk investments. However, the returns from these investments are also high when the market rallies. Below is the list of the best market-linked investment options.

Other investment: Investments that do not come under fixed income or market-linked investments are other investments. These are also called alternative investments. Below is the list of the most popular alternative investment products.

1. Fixed deposits: Fixed deposits or popularly known as FDs are usually offered by banks and financial institutions. FDs offer guaranteed returns and hence are the most popular investment type in India. They have a tenure ranging between 7 days and ten years. Fixed deposit interest rates range between 3%-7%. Moreover, senior citizens are offered additional interest on their FD investments. The FD interest rates are higher than the savings account interest rate. The interest payments are made monthly, quarterly, half-yearly, annually or at the time of maturity as per investor's choice.

2. Bonds: The investors lend money to the Government and corporations and get regular income in the form of interest. Bond issuers are the borrowers who raise money publicly or privately for funding various projects. A bond is an instrument that includes information on the interest, due date, maturity date, and bond terms. Investors of bonds are paid the entire amount after the bond expires (upon maturity). Investors can also sell the bond before maturity in the secondary market at higher prices and get profits.

Bonds are considered low-risk investments. However, there are certain risks attached to them. The most common risk is the default risk. Bond issuers can default on interest and principal repayment. However, investors can assess the risk in the bond before investing. They can do so by checking the credit rating of the bond. Bonds with higher credit rating are less likely to default on the payments than bonds with low credit rating. Bonds with AAA rating are considered the safest. Having bonds in one's portfolio helps investors diversify their investment risk.

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3. Public Provident Fund (PPF): It is one of the post office savings schemes launched by the National Savings Institute. However, some private and nationalised banks are authorised to accept PPF investments. Returns from the scheme are guaranteed as the Government of India backs it. Hence are considered as low-risk investments. Furthermore, the PPF investments come with a 15 years lock-in period. Also, in case the investor wishes to extend the scheme, they can do so in blocks of 5 years. Furthermore, for the purpose of tax savings, one can invest in PPF.

The PPF interest rates are announced every quarter. The current rate is 7.10% for (Jan – March 2021). Also, the interest payments are made every year on the 31st of March. However, the interest is calculated monthly on the minimum PPF balance between the 5th and 30th each month.

Investment up to INR 1,50,000 per annum, qualifies for tax exemption under Section 80C of the Income Tax Act 1961.

4. Stocks: Investment in stocks is known as an equity investment. Buying stocks or shares would give investors a part of the ownership of that company. Investors invest in stocks with a motive to earn regular income in the form of dividends and also gain from capital appreciation. When the stock prices rise, investors can benefit from selling the shares.

Returns from stocks are market-linked and hence is considered the riskiest investment type. Share prices fluctuate based on market demand and supply and market sentiments. A bullish sentiment will lead to an unexpected rally of the market, while a bearish sentiment will lead to a drop in share prices.

Investing in the share market should be done with a long term investment horizon. In the short term, the market will fluctuate, which might lead to unexpected losses. Investors need to be patient while investing inequities.

To invest in shares, investors need to have a demat and trading account. A demat account will hold the shares while a trading account will facilitate the purchase and sale of shares. Short term capital gains from stock investing (below one year) are taxable at 15%. At the same time, long term capital gains are taxable at 10%, if the gains are above INR 1,00,000 per annum.

5. Mutual funds are investment vehicles that pool money from investors to invest in assets like equity and debt. A mutual fund invests in shares, government bonds, corporate bonds, and other assets strategically. The fund house appoints a portfolio manager or fund manager manages the mutual fund.

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7. Exchange-Traded Funds (ETF): it is a passive investment option that usually replicates the underlying index. In other words, ETFs portfolio matches the composition of an Index in the same proportion. An exchange-traded fund mimics and tracks the performance of the index. Hence ETFs are not actively managed by a portfolio manager. Furthermore, exchange-traded funds do not attempt to outperform their respective index.

There are different types of ETFs, for example, equity ETFs, bond ETFs, currency ETF, commodity ETFs, etc. Also, one can easily buy or sell them on the stock market.

8. National Pension Scheme (NPS): National Pension Scheme (NPS) is a scheme suitable for retirement. Investors who wish for regular income post their retirement and also save tax can invest in NPS. The Central Government backs them and hence are considered as low-risk investments.An investor can invest during the period of their employment at regular intervals. The scheme allows the investor to withdraw a percentage of the accumulated amount post-retirement. Also, the investor receives the remaining amount monthly as a pension post-retirement. NPS has two types of accounts, namely NPS Tier I Account and NPS Tier II Account. Tier I account is a default account, while the Tier II account is a voluntary account.

NPS investments up to INR 1,50,000 qualify for tax benefits under Section 80C of the Income Tax Act, 1961. Furthermore, an additional INR 50,000 is eligible for tax deduction under Section 80CCD of the Income Tax Act, 1961.

9. Gold: Gold has always been a go-to asset or investment for Indians. It is also an asset with great emotional and social value. Buying gold coins, bars, biscuits, and jewellery on auspicious days has been a tradition in India for ages now. An asset with such sentimental value has also become popular in different forms. For example, gold bonds and gold ETFs are gaining popularity recently.

Gold is used as a hedge to protect one’s portfolio against potential market risk. Investing in gold doesn’t provide any regular income in the form of dividends and interest. However, it is a relatively liquid asset and can offer inflation-beating returns.

10. Real Estate: Investing in real estate involves purchase, ownership and management of the physical property. In other words, any investment in land, building, plant, property, etc. is considered as real estate investment. Real estate investing best suits investors with a long term investment horizon. The prices of land and property do not fluctuate a lot in the short term. Hence investors with long term goals should look at investing in real estate. Before investing in real estate, investors have to be prudent and do their research about the market prices and get the papers provided by the seller authenticated by legal experts.

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Real estate investing in India has shifted from owning physical property to owning a part of the property with low investment. This is possible through REITs or Real Estate Investment Trusts. Real Estate Investment Trusts (REIT) is an instrument with real estate properties as its underlying assets and investors can buy a share of REIT to earn steady income in the form of dividends. These dividends are paid from the rental income from the underlying properties.

4.3 Things to keep in mind while investing

Investing isn't just about parking money in an instrument. Shortlisting the right asset is utmost important. Also, one should consider multiple aspects before investing in an asset. Following are some of the important things to keep in mind while investing:

A. Investment Objective

Every asset has a unique investment objective. Therefore, it is very important to align one's investment objective with that of the assets they wish to invest. All investment types do not meet the requirements of all the investors.

B. Investment Horizon

Different types of investment options are suitable for different investment horizons. For example, a fixed deposit has a lock-in period of five years. Similarly, a PPF account has a lock-in period of 15 years. On the other hand, though mutual funds and equity investments do not have a lock-in period, it is advised to stay invested for at least three to five years. Therefore, depending on the investor's financial goal, it is wise to choose a suitable investment option with the right investment horizon.

C. Risk

Risk translates to volatility in an investment scheme. In other words, it is the measure of price fluctuations of an asset in response to the change in market dynamics. For example, shares or equity investments are subject to high price volatility. While fixed deposits and other government-backed schemes offer guaranteed returns. Not all investors have an understanding of risk. Therefore, it is important to invest in assets with the volatility that one can absorb.

D. Returns

No investment offers the same returns. Few investments offer high returns; however, have significant risk associated with them. While, some investments offer guaranteed returns. All investors invest with an expectation of generating significant returns. Therefore, it is vital to understand the asset's historical returns and performance. Historic returns do not guarantee

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future returns. However, it is always a good parameter to analyse the asset's performance across different market cycles.

E. Costs and Expense

Every investment has certain cost or expense associated. For example, investing in shares attracts transaction cost. Mutual funds charge fund management cost, exit load, etc. Furthermore, few investments charge a penalty in case of premature withdrawals. Therefore, while shortlisting an investment, it is also important to consider the cost and expenses attached to them. It is always wise to invest in the scheme with low cost and expense.

F. Liquidity

It is important to invest in assets that offer good liquidity. Liquidity is important to address any unforeseen events. For example, mutual fund investments and stock market investments are highly liquid. One can easily sell their holdings and convert to cash. On the other hand, real estate investments are not highly liquid. An investor may not be able to liquidate the asset as soon as they have a need for money. Therefore, it is important to hold assets with good liquidity in one's portfolio.

G. Lock-in period

Some investments have a lock-in period. Lock-in period is the minimum duration for which the investor has to hold the investment. For example, PPF has a 15 year lock-in period, FDs too have a lock-in period of 5 years. Investment with lock-in period usually does not allow premature or partial withdrawals. However, in case of emergencies, one can withdraw with some penalty. Therefore, before investing, it is important to be aware that the funds would not be available for the duration of the lock-in period.

H. Taxation

Returns from investments are taxable. For example, returns from mutual fund investments are subject to tax on the basis of their holding period and type of fund. While on the other hand, PPF investments are eligible for a tax deduction and the returns are completely tax-free. Hence, it is essential to know the tax obligation on the returns from an investment. One can use an income tax calculator to estimate their tax liability.

5. RESEARCH METHODOLOGY

Both primary and secondary data have been collected in this study. Primary data is collected through a survey.

For this purpose, Population/ Universe Retail Investors in Mysore Sample Size 100 Sampling Technique Convenience. Statistical Tools Employed- Percentage method.

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6. DATA PRESENTATION AND ANALYSIS

Table 1: Demographics of Respondents

Gender	Number of Respondents
Male	67
Female	33
Occupation	
Service	30
Professional	9
Student	23
Business	33
Home maker	5
Level of Education	
Secondary School	4
Senior secondary	6
Graduate	29
Post Graduate	50
M.Phil/PhD.	11

Source: Primary Data

Interpretation: Majority of the respondents i.e. 67% were males and the rest 33% were female respondents. Most of the respondents surveyed, belonged to business class (33%), followed by service class (30%), students (23%), professionals representing 9% and the rest 5% respondents were house makers. Nearly half of the respondents were post graduates, followed by 29% graduates, 11% above post graduate level i.e., M.Phil/PhD and rest 10 % consisted of those who were below graduation level.

Table 2: Financial Literacy Score

Interval	No. of Respondents
30-45	18
45-60	71
0-75	11

Source: Primary Data

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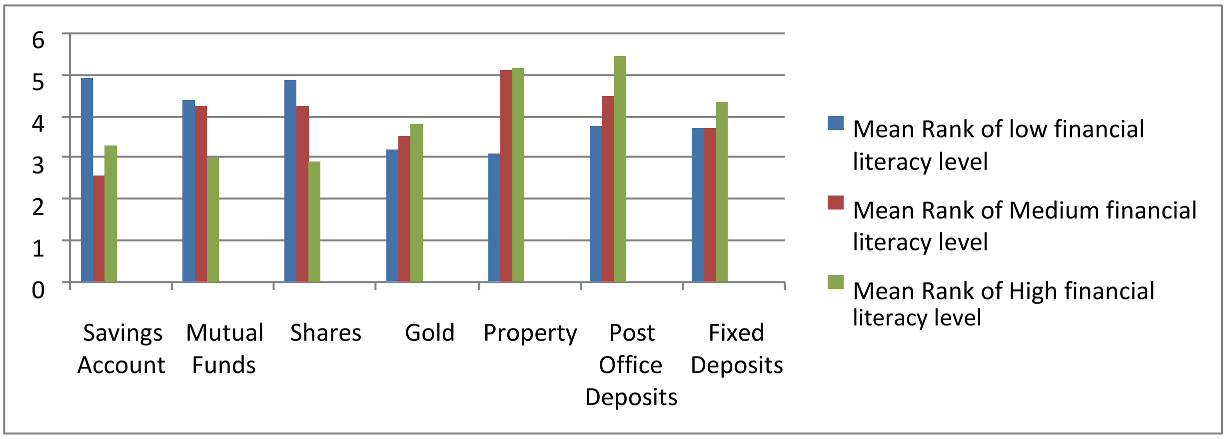
Interpretation: Majority of the respondents i.e.71 respondents were in the interval of 45-60 (medium level of financial literacy), 18 respondents were in interval of 30-45 (low level of financial literacy) and 11 respondents were in the interval of 60-75 (High level of financial literacy).

Figure 1: Financial Literacy Score

Source: Primary Data

Table 3: Financial Literacy Level of investors



Source: Primary Data

Interpretation: From fig., it could be inferred that low financial literacy level investors preferred property as the best means of investment because the mean rank value was 3.11 and moderate financial literacy level investors were more inclined towards Savings Account and had mean rank score of 2.56 while investors with high financial literacy level opted for Shares with the mean rank of 2.91.

7. SUGGESTIONS AND SCOPE FOR FURTHER STUDY

Researcher investigated relationship between the demographic factors and financial literacy, difference in personal investment decision for different time period. This study was limited to mysore investors with only 100respondents so further Studies can be done as extension of the same study with large number of respondents or at the different states of India. Other studies can also focus on different factors like attitude of the investors towards financial literacy.

8. RECOMMENDATIONS

A majority of the respondents had not only shown better skills in managing their financial budget but were also confident of facing any financial impediments in future. All these developments could be attributed as a result of initiatives taken by the Reserve bank of India, SEBI, NSE, commercial banks, NGO's, SHG's and the government. But the negative side of these pointed by ING consumer resourcefulness survey states that 98% of Indian citizens still do not have a Demat Account. The country where 48% of the population still lives on day to day earnings cannot dream of savings and life insurance. However these inequalities could be overcome if more and more enthusiastic and coordinated efforts are launched by the aforesaid agencies who are party to financial sector of the country. In this context, recommendations are worth notable to increase the financial literacy of the country. Financial Education should be provided at secondary and senior secondary level of education as it was found financial literacy and educational level was related.

Government should support financial literacy programs and schemes as it was found that such programs and scheme help investors in improving their financial literacy.

Global guidelines and standards for financial literacy initiatives and consumer protection frameworks in financial markets should be formulated.

Campaigns for spreading awareness about financial inclusion and financial literacy need to be intensified. This can be done through innovative dissemination channels including films, documentaries, pamphlets and road shows. Stakeholder, including the regulators and policy makers, may launch large scale awareness programmes**.**

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ROLE OF AI IN FINANCIAL LITERACY

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Abstract: *Artificial Intelligence (AI) has the power to revolutionize the way we approach and manage finances. Over the past few years, AI has made significant contributions to the world of finance and has emerged as a powerful tool for improving financial literacy. AI can provide personalized financial advice, monitor transactions in real-time, and make financial resources more accessible to individuals. These advancements have resulted in improved financial decision-making, increased savings, and better financial planning, ultimately leading to greater financial stability and success.*

One of the primary benefits of AI in financial literacy is the ability to provide personalized financial advice. AI algorithms can analyse an individual's financial situation and provide recommendations based on their unique needs and goals. This allows individuals to make informed decisions about their finances and develop personalized financial plans. For example, AI-powered budgeting apps can track expenses and provide customized savings plans based on an individual's spending habits.

Another significant benefit of AI in financial literacy is the real-time monitoring of financial transactions. AI can analyse financial transactions and identify patterns that indicate fraudulent activity or unusual spending habits. This can help individuals quickly detect and address any potential issues before they become significant problems. Additionally, AI-powered financial planning tools can provide real-time updates on investment portfolios, allowing individuals to make informed decisions about their investments.

AI has also made financial resources more accessible to individuals. Online chatbots and virtual assistants can provide answers to financial questions and offer advice on budgeting, investing, and other financial matters. This technology can help individuals who may not have access to traditional financial advisors due to geographic or financial limitations. Furthermore, AI-powered platforms can help individual's access financial services, such as loans and insurance, by analysing their financial data and providing tailored recommendations.

Overall, the use of AI in financial literacy has the potential to significantly improve financial outcomes for individuals. By providing personalized financial advice, real-time monitoring of financial transactions and increased accessibility to financial resources, AI can help individuals make informed decisions about their finances and achieve greater financial stability and success. However, it is important to note that the use of AI in finance also presents some challenges.

One of the primary concerns with AI in finance is the potential for algorithmic bias. AI algorithms are only as unbiased as the data they are trained on, and if the data is biased, the resulting algorithm will also be biased. This can lead to unequal access to financial services and may perpetuate existing inequalities. Additionally, AI algorithms can be vulnerable to hacking or other security breaches, which can compromise personal financial information.

Another challenge associated with the use of AI in financial literacy is the potential for individuals to become overly reliant on technology.

Keywords: *AI, finance, financial transactions*

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1. INTRODUCTION:

1.1 Here is some of the key importance of financial literacy:

a) **Improved financial decision-making:** With financial literacy, individuals can make better decisions regarding their personal finance, such as managing debt, investing, saving for retirement, and creating a budget. This can help them to achieve their financial goals and avoid financial stress.

b) Protection from fraud and scams: Financially literate individuals are less likely to fall victim to financial frauds and scams, as they can recognize and avoid potential risks and know how to safeguard their financial information.

c) Economic stability: Financial literacy helps individuals to understand the economic system, the financial markets, and how their decisions can impact their personal finances and the broader economy. This can contribute to economic stability and growth. On the other hand, the lack of financial literacy can lead to several problems, including:

d) Poor financial decision-making: Individuals without financial literacy may make poor financial decisions that lead to debt, bankruptcy, and financial hardship.

e) Vulnerability to fraud and scams: Lack of financial literacy makes individuals vulnerable to financial frauds and scams, which can result in loss of money and financial hardship.

f) Lack of retirement savings: Without financial literacy, individuals may not be aware of the importance of saving for retirement and may not plan accordingly, leading to financial insecurity in their later years.

Overall, financial literacy is an essential skill that can help individuals make informed financial decisions and achieve their financial goals while avoiding potential risks and financial hardship.

2. APPLICATIONS OF AL IN FINANCE

AI is being increasingly used in the finance industry to improve efficiency, reduce costs, and enhance decision-making. Here are some examples of the applications of AI in finance:

a) Fraud detection: AI can analyse large volumes of financial data and identify patterns and anomalies that may indicate fraudulent transactions. This helps financial institutions to detect and prevent fraud in real-time.

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b) Credit underwriting: AI can analyse credit scores, income statements, and other financial data to evaluate the creditworthiness of a borrower. This helps financial institutions to make faster and more accurate credit decisions.

c) Investment management: AI can analyse market trends, historical data, and other relevant factors to predict market fluctuations and make investment recommendations. This helps financial institutions to optimize their investment portfolios and maximize returns.

d) Customer service: AI-powered chatbots can provide personalized customer service and support to customers, answering their queries and resolving their issues in real-time.

e) Risk management: AI can analyse market data, identify potential risks, and provide real-time risk management solutions. This helps financial institutions to manage their risks effectively and avoid losses. Overall, AI is transforming the finance industry by providing new opportunities for automation, optimization, and innovation.

2.1 Emerging importance of Al in finance

The importance of AI in finance is growing rapidly as financial institutions realize the potential benefits of using AI technologies. Here is some emerging importance of AI in finance:

a) Automation of financial processes: AI technologies can automate many financial processes, such as loan processing, account reconciliation, and fraud detection. This can save time, reduce costs, and improve efficiency.

b) Personalization of financial services: AI can analyse customer data to provide personalized financial services, such as customized investment recommendations, personalized banking products, and personalized insurance policies. This can improve customer satisfaction and loyalty.

c) Risk management: AI can help financial institutions to manage risk by analysing large volumes of data to identify potential risks, assess the probability and impact of those risks, and provide real-time risk management solutions.

d) Predictive analytics: AI can use predictive analytics to identify trends, patterns, and correlations in financial data, and make accurate predictions about market trends, customer behaviour, and other relevant factors. This can help financial institutions to make better-informed decisions and optimize their operations.

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e) Regulatory compliance: AI can help financial institutions to comply with regulatory requirements by automating compliance processes, detecting potential violations, and providing real-time alerts.

Overall, the emerging importance of AI in finance is driven by the need for financial institutions to become more efficient, competitive, and customer-centric in a rapidly changing industry.

3. HOW IS AL HELPFUL IN FINANCIAL LITERACY

AI can play an important role in improving financial literacy by providing personalized, accessible, and engaging financial education and advice to individuals. Here are some ways in which AI can be helpful in financial literacy:

a) Personalized financial advice: AI can analyse an individual's financial data, such as income, expenses, savings, and investments, to provide personalized financial advice and recommendations. This can help individuals to make more informed financial decisions based on their unique financial situation.

b) Financial education: AI can provide interactive and engaging financial education to individuals, using chatbots or other AI-powered tools. This can help individuals to learn about personal finance concepts, such as budgeting, investing, and debt management, in a more accessible and user-friendly way.

c) Automated financial planning: AI can help individuals to automate financial planning, such as retirement planning, by analysing financial data and providing real-time recommendations on savings and investment strategies.

d) Financial wellness: AI can provide tools and resources to individuals to help them improve their financial wellness, such as tracking expenses, setting financial goals, and monitoring progress.

Overall, AI can be a powerful tool for improving financial literacy by providing personalized, accessible, and engaging financial education and advice to individuals, helping them to make more informed financial decisions and improve their financial well-being.

4. MERITS OF USING AI IN FINANCIAL LITERACY

There are several advantages of using AI in financial literacy (FL), including:

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a) Personalized learning: AI can analyse an individual's financial data and provide personalized financial advice and education tailored to their unique financial situation, which can help individuals to better understand and manage their finances.
b) Accessibility: AI can make financial education and advice more accessible to individuals by providing it through chatbots or other AI-powered tools that can be accessed anytime, anywhere.
c) Automation: AI can automate many financial processes, such as financial planning, expense tracking, and investment management, which can save time and reduce the risk of errors.
d) Cost-effectiveness: AI can provide financial education and advice at a lower cost than traditional financial advisors, making it more accessible to individuals who may not have the resources to hire a financial advisor.
e) Engaging and interactive: AI-powered tools can make financial education and advice more engaging and interactive, which can improve learning outcomes and make financial literacy more fun and accessible.

Overall, AI can help to improve financial literacy by providing personalized, accessible, and engaging financial education and advice that can help individuals to better understand and manage their finances, which can lead to better financial outcomes and improved financial well-being regulations governing the use of AI in the financial sector, which could lead to abuses of power or other negative outcomes. Generally, while AI has many potential benefits for financial literacy, it is important to consider the potential drawbacks and risks associated with AI systems. By understanding these issues and taking steps to address them, financial institutions can harness the power of AI while minimizing the risks and drawbacks.

5. DEMERITS OF AI IN FINANCIAL LITERACY

While AI has the potential to improve financial literacy, there are also some potential problems and challenges that need to be considered, such as:

a) Lack of personal interaction: AI-powered tools lack the personal touch of a human financial advisor, which can be a disadvantage for some individuals who prefer face-to-face interactions or who need more emotional support in managing their finances.
b) Over-reliance on technology: Over-reliance on AI-powered tools for financial education and advice can lead to a lack of critical thinking and decision-making skills, which can be a problem if the technology fails or provides inaccurate information.

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c) Privacy and security concerns: AI-powered tools that collect personal financial data can be vulnerable to cyber-attacks, which can lead to a loss of privacy and financial security for individuals.

d) Lack of transparency: AI-powered tools may use complex algorithms and machine learning models that are difficult for individuals to understand, which can lead to a lack of transparency and trust in the advice and recommendations provided.

e) To improve the efficiency of AI in financial literacy, some potential solutions include:

f) Enhancing personalization: AI-powered tools can be improved to provide more personalized financial education and advice, tailored to the unique financial situation and learning style of each individual.

g) Providing education on AI: Educating individuals about how AI works and how it can be used to improve financial literacy can increase trust and transparency in the technology.

h) Ensuring data privacy and security: AI-powered tools should have strong data privacy and security measures in place to protect individuals' financial data from cyber-attacks and other security threats.

i) Incorporating human input: AI-powered tools can be designed to incorporate human input, such as providing access to human advisors or incorporating human feedback into machine learning models, to enhance the quality and accuracy of the advice and recommendations provided.

Overall, while there are some challenges to using AI in financial literacy, there are also opportunities to improve the efficiency and effectiveness of AI in this field through on-going development and refinement of the technology.

6. HOW TO OVERCOME THE DRAWBACKS

While AI is already making significant contributions to financial literacy, there is still a lot of room for improvement. Here are some areas where AI can be improved to further increase efficiency in financial literacy: Data Quality and Standardization. AI systems require large amounts of data to function effectively. However, the quality of data in the financial sector can be inconsistent, and data standards are not always clear. Improving the quality and standardization of data can enhance the accuracy of AI systems and improve their ability to provide insights.

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a) **Explain ability and Transparency:** One of the challenges of using AI in financial literacy is the lack of transparency and explain ability. AI models can be complex and difficult to understand, making it hard to know how they arrived at their recommendations. Improving the transparency and explain ability of AI systems can increase trust in these systems and make it easier for individuals to make informed decisions.

b) **Integration with Legacy Systems:** Many financial institutions still use legacy systems that are not compatible with modern AI systems. Integrating AI with these systems can be challenging and time-consuming. Developing AI systems that can integrate seamlessly with legacy systems can increase the efficiency of financial literacy processes.

c) **Privacy and Security:** AI systems require access to large amounts of personal and financial data. Ensuring the privacy and security of this data is essential to protect individuals' information from breaches or misuse. Improving privacy and security measures for AI systems can increase trust in these systems and encourage greater adoption.

d) **User Interface Design:** The user interface of AI systems can significantly impact their effectiveness. Developing user-friendly interfaces that are easy to navigate and understand can increase the efficiency of financial literacy processes. AI systems with well-designed interfaces can help individuals quickly and easily access the information they need to make informed financial decisions.

e) **Integration with Other Technologies:** AI systems can be integrated with other emerging technologies, such as blockchain and the Internet of Things (IoT), to provide even greater insights and efficiency. Combining AI with these technologies can create more sophisticated and robust systems that can enhance financial literacy processes.

AI has the potential to revolutionize financial literacy by providing innovative solutions that increase efficiency, improve accuracy, and reduce costs. While AI is already making significant contributions, there is still a lot of room for improvement. Addressing the challenges of data quality, transparency, integration, privacy and security, user interface design, and integration with other technologies can further enhance the efficiency of AI systems in financial literacy. With continued investment

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and development, we can expect AI to play an even more significant role in financial literacy in the future.

7. CASE STUDY

Socio-Demographic Factors Determining Expectation Experienced while Using Modern Technologies in Personal Financial Management (PFM and robo-advice): A Polish Case A study was conducted in Poland to determine the reaction of the people regarding artificial intelligence deciding the financial factors. Statistical methods were used to arrive at the conclusion. The research team used the 'chi square test' and ' Kendell's tau' correlation to determine the independence of relationship of the two variables.

The respondents were presented with two basic questions:

1. I would be happy for a computer program to make investment decisions on my behalf.
2. I would be happy for a computer program to analyse my spending habits and recommend improvements.

The respondents were given to rate the questions with a 5-range scale where 1 is totally disagree and 5 is totally agree.

It was finally concluded that the respondents are yet reluctant to completely allow the modern technology, i.e., robot advice to take their financial decisions.

But some of the respondents, mostly of the higher educated ones, were interested in seeking help from the computer programs that would analyse their expenses and suggest improvements.

8. THE FUTURE OF AI IN THE FINANCIAL SECTOR

The future of AI in the financial sector looks very promising, with many potential advancements and applications on the horizon. Here are some of the ways that AI is expected to transform the financial sector in the future:

Enhanced Personalization

AI systems can analyse vast amounts of data about individuals' financial behaviour and preferences, allowing financial institutions to provide personalized recommendations and solutions. In the future, AI is expected to become even better at predicting individual financial needs and preferences, enabling financial institutions to tailor their services to meet the specific needs of each customer.

Improved Risk Management

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AI can be used to analyse financial data in real-time, providing insights into market trends and identifying potential risks. In the future, AI systems are expected to become even better at predicting market trends and identifying potential risks, enabling financial institutions to make more informed decisions and reduce the likelihood of losses.

Fraud Detection and Prevention

AI systems can analyse large amounts of data to detect and prevent fraudulent activities in real-time. In the future, AI systems are expected to become even better at identifying patterns of fraudulent behaviour, reducing the risk of financial losses due to fraud.

a) **Automating Routine Tasks:** AI systems can automate routine tasks, such as data entry, record-keeping, and report generation, freeing up employees' time to focus on more complex tasks. In the future, AI is expected to become even better at automating routine tasks, increasing efficiency and reducing costs.
b) **Chatbots for Customer Service:** AI-powered chatbots can provide instant customer service, answering questions and providing guidance on financial products and services. In the future, chatbots are expected to become even more advanced, providing personalized recommendations and solutions to customers.
c) **Predictive Analytics:** AI systems can analyse data to predict future trends, enabling financial institutions to make more informed decisions about investments and other financial activities. In the future, predictive analytics is expected to become even more accurate and reliable, providing valuable insights into market trends and financial risks.
d) **Trading Algorithms:** AI-powered trading algorithms can analyse vast amounts of financial data and execute trades automatically, maximizing profits and reducing risks. In the future, these algorithms are expected to become even more sophisticated, leveraging machine learning and other advanced technologies to make even more accurate predictions and optimize trades.

Overall, the future of AI in the financial sector looks very bright, with many exciting applications and advancements on the horizon. By leveraging the power of AI, financial institutions can increase efficiency, reduce costs, and provide better services to their customers, leading to a more prosperous and stable financial future for everyone.

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9. CONCLUSION

AI has the potential to transform financial literacy by providing personalized recommendations, identifying potential risks and opportunities, and improving the efficiency and accuracy of financial decision-making. AI systems can analyse vast amounts of data in real-time and provide insights that would be impossible for humans to achieve on their own.

However, there are also risks and challenges associated with the use of AI in financial literacy. These include issues around transparency, overreliance on AI, the risk of errors and biases, data privacy concerns, cost and complexity, and the lack of regulation.

To fully harness the power of AI in financial literacy, it is important to address these challenges and mitigate the risks associated with AI systems. This can be achieved through a combination of transparency, human oversight, responsible use of data, investment in education and training, and the development of ethical guidelines and regulations.

Despite these challenges, the future of AI in financial literacy looks promising. As AI technologies continue to evolve and improve, we can expect to see even more advanced systems that can provide even more accurate and insightful recommendations to help individuals and institutions make better financial decisions.

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AWARENESS AND USE OF DIGITAL PAYMENT APPLICATIONS BY ADULTS IN MYSORE: A STUDY

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Abstract: *In 2015, the Indian government launched its Digital India programme, with one of the objectives to achieve a "faceless, paperless and cashless" status for financial transactions at grass-root level. The use of digital payment has significantly increased and it certainly has far reaching impact on the financial and allied activities of the adults. The present study aims to examine the use of digital payment applications (DPA) among the adults of Mysore and also to know the awareness and use of digital payment applications and to determine how actively adults are using DPA and getting advantage from it. The study used survey method and a well-structured questionnaire was designed and the random sampling technique was used for data collection. The questionnaire was prepared with the help of Google form and sent through social Medias, among 170 samples, 168 are responded and filled questionnaires and received back. The analysis of the data collected is presented in the form of tables and charts followed by its interpretation. The results exhibit the digital knowledge, product suitability, product quality, practical application of knowledge.*

Keywords: *Digital Payments, UPI, Payment Applications, Digital financial Services.*

1. INTRODUCTION

The Government of India is committed to expand digital transactions in the Indian economy, and thereby enhance the quality and strength of the financial sector, as well as ease of living for citizens. Digital payment transactions have significantly increased as a result of coordinated efforts of the Government as a whole, along with all stakeholders concerned, from 2,071 crore transactions in FY 2017-18 to 8,840 crore transactions in FY 2021-22 (Source: RBI, NPCI and banks). Growth of Digital Payments in India and availability of various easy and convenient digital payment solutions have facilitated ease of living for citizens, financial inclusion, and growth of business and economy. During the Pandemic, availability of contactless digital payment solutions such as BHIM-UPI facilitated social distancing and continuity of businesses, including small merchants.

Digital Payment Applications (DPA)

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Digital payment application is a mobile application that allows you to store your debit or credit card information that can be used to pay for goods and services in digital money instead of using physical cards or cash and also send money online to friends, family, or merchants in an instant. It is just like having a digital wallet on your phone.

2. REVIEW OF LITERATURE

Ashish Baghla (2018) paper titled 'A study on the future of digital payments in India' results that it will take time for India to be complete cashless economy and the major challenges are lack of awareness and lack of digital literacy.

Jayalakshmi & Parvathi. (2019) This article showed that digital payment is an effective means of doing business of all sectors to reach out to prospective clients and to examine the idea of digital banking, digital payment and digital payment methods.

Rakesh &Ramya (2014) in their research paper titled "A Study on Factors Influencing Consumer Adoption of Internet Banking in India" tried to examine the factors that influence internet banking adoption.

3. OBJECTIVES OF THE STUDY

a) To know the awareness and use of Digital Payment Applications by adults in Mysore.
b) To identify the purpose of DPA is used by adults
c) To find out the frequency of use of the DPA.
d) To know what extent DPA are helpful in financial activities.

4. LIMITATIONS OF THE STUDY

a) The study is limited to Mysore city so the findings cannot be generalized.
b) The findings of the study are entirely based on primary data. So, the results are subject to Limitations of primary data.

5. RESEARCH METHODOLOGY

The present study is based on the survey conducted with adults in Mysore city. A well-structured questionnaire was prepared according to the objectives of study. The simple random sampling method was used to select the sample of the study. Questionnaire created with the help of Google forms. A total of 170 questionnaires were distributed online for data

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collection and 168 responses were received back. The data were tabulated and analyzed in accordance with the objectives of this study.

6. DATA ANALYSIS AND INTERPRETATION

6.1 Age

Table 1 represent Majority of the respondents were from the age group of 21-30 and contributed 52.38% of the population size, 22.61% of the respondents were from age group 31-40 and 10.71 % of the population was between age group of 41-50 and 8.33 % of the population was between the age group of 15-20 and only 5.95% respondents were from age group of above 51.

Sl No.	Particulars	No of respondent (%)
1	Below 20 years	14(8.33)
2	21-30 years	88 (52.38)
3	31-40 years	38(22.61)
4	41-50 years	18(10.71)
5	Above 51 years	10(5.95)

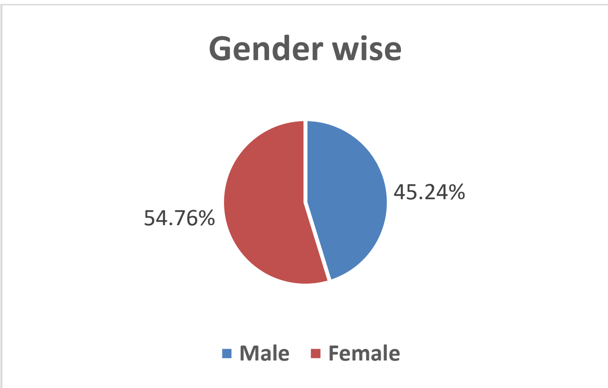
Table 1

6.2 Gender wise distribution

Table 2 and figure 1 represents the gender wise distribution out of 168 response majority of theresponse are females with number of 92(54.76%) and followed by male with number of76(45.24%).

Respondent	Frequency	Percent
Female	92	54.76
Male	76	45.24
Total	168	100

Table 2



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6.3 Awareness of Digital Payment Applications

SL. No.	Digital Payment Applications	Number of Respondents N= 168	Percentage %
1	Google Pay	162	96.43
2	Paytm	144	85.71
3	PhonePe	148	88.09
4	BHIM	98	58.33
5	Amazon Pay	98	58.33
6	Cred	46	27.38
7	Samsung Pay	28	16.66
8	Airtel Thanks	48	28.57
9	BharatPe	26	15.48
10	Freecharge	26	15.48

Table 3

Table 3 represents awareness of digital payment applications among the respondents are as follows in the above table. The analysis shows that a majority of 96.43% adults were aware of Google Pay, 88.09% of adults were aware Phone Pe, 85.71% of adults were aware that Paytm and others are followed in the above table. Table 3 revealed that a major part of the adults was aware of Google pay, PhonePe and Paytm was more popular among the adults compared to other digital payment applications.

6.4 Use of Digital Payment Applications, Figure 2

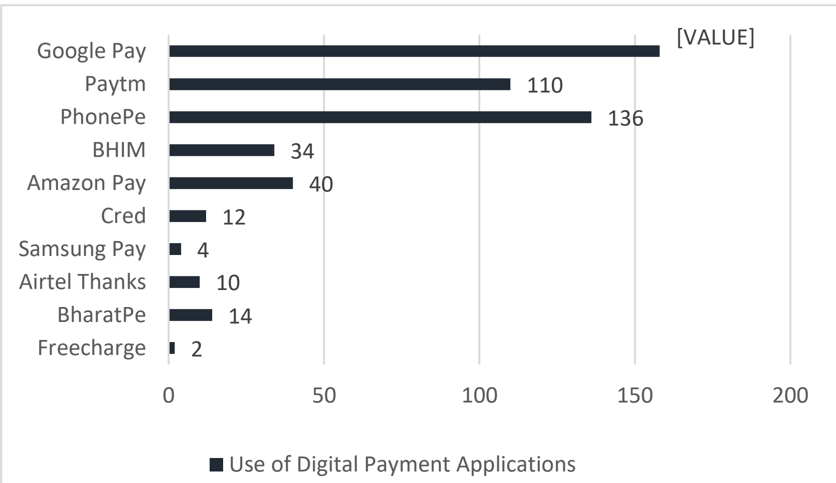

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Figure 2 represents use of digital payment applications; the major three DPA are using more among the respondents are Google Pay with number of 158(94.04%), 136(80.95%) are using PhonePe, 110(65.47%) are using Paytm and others are followed by the above figure.

6.5 Frequency use of Digital Payment Applications

Sl.No.	Frequency	Number of Respondents N= 168	Percentage %
1	Very Frequently	84	50
2	Frequently	72	42.86
3	Occasionally Rarely	06	3.57
4	Very Rarely	06	3.57

Table 4

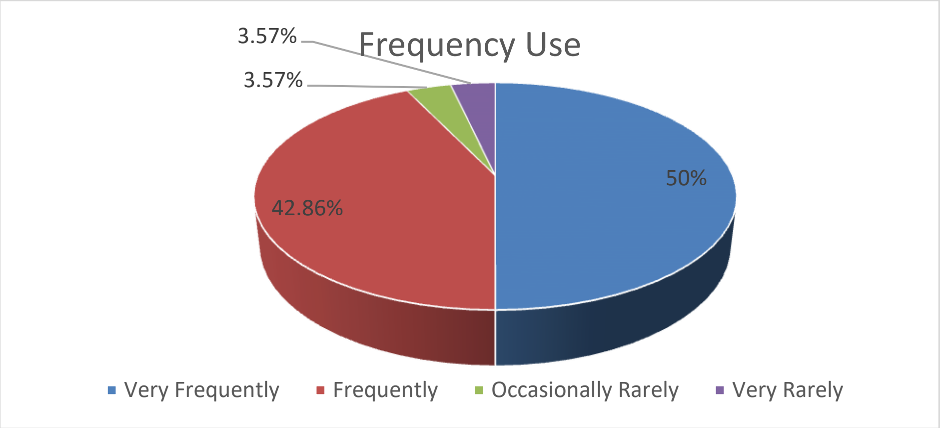

Figure 3

Table 4 and figure 3 shows the frequency on the use of digital payment applications by the adults and out of 168 respondents 50% very frequently using, 42.86% use frequently and 3.57% respondents are use occasionally and very rarely.

6.6 Transactions through digital Payment apps.

Sl. No.	Transactions	Responses	Percentage
1	Sending Money	160	95.23
2	Bill Payment	142	84.52
3	Shopping	140	83.33
4	Booking Tickets	106	63.09
5	Food ordering	108	64.28
6	Mobile or TV Recharge	138	82.14
7	Groceries	98	58.33
8	Hotel or Restaurant	104	61.90
9	Petrol Bunk	112	66.66
10	Others	72	42.85

Table 5

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The table 5 describes the financial transactions through DPAs. Majority of respondents 95.23% are used to sending money and 84.52%, are Bill Payments, 83.33% to shopping, 82.14% to mobile or TV recharge, 66.66% for petrol bunk, reaming is food ordering, booking tickets, hotel, groceries and others.

6.7 Proportion of payment done by using Digital Payment Applications

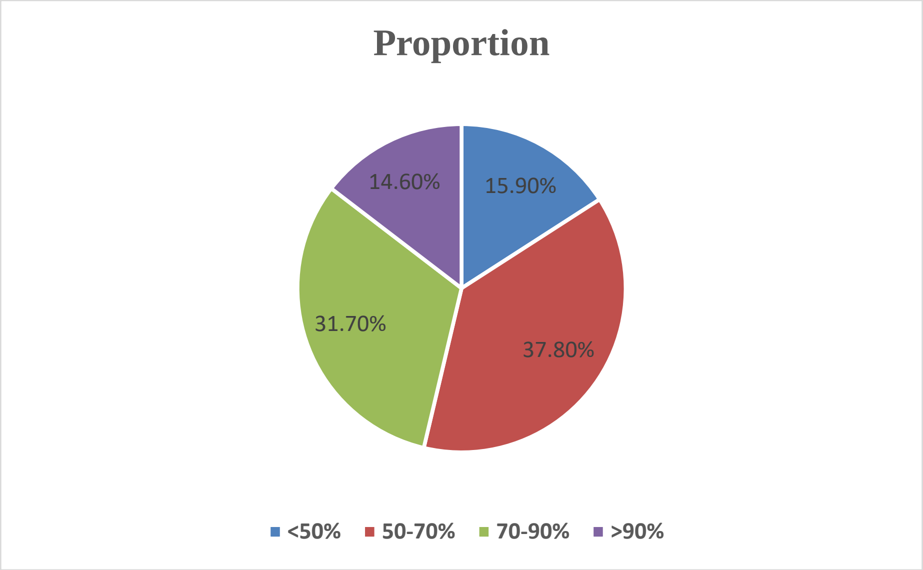

Figure 4

The figure 4 shows the proportion of financial transactions through DPAs are done by the respondents, 64(37.80% are) are 50-70%, respondents 50% very frequently using, 42.86% use frequently and 3.57% respondents are use occasionally and very rarely.

7. FINDINGS OF THE STUDY

a) All respondents are aware of Digital Payment Applications and most popular Applications are Google Pay, PhonePe and Paytm.
b) The extensively used DPAs are Google Pay, PhonePe and Paytm.
c) 50% of respondents are very frequently using DPAs.
d) Majority of respondents (97.6%) are reason to using DPAs Faster, easier, more convenient to do the financial transactions.
e) Majority of respondents (79.8%) are problem facing due to Lack of Network.
f) All respondents are aware about Digital Payment Applications but 31% of respondents need a user education program to use DPAs.

8. CONCLUSION

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Digital Payment Applications provides an easy payment flow to purchase the products and services of our choice, through our preferred payment applications. As per the findings of the study, Digital Payment Applications are useful to doing the financial transactions are faster, easier and more convenient. Digital payment facilities are affordable, convenient and secure. In line with this use of digital payments through different applications are growing day by day among the adults. May be in future completely cashless economy came to exists, but it will take much time to have completely cashless economy.

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FINANCIAL LITERACY FOR SUSTAINABLE DEVELOPMENT

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***Abstract**: Financial literacy and sustainable development are two critical concepts that are interdependent and essential for the economic growth and social progress of any society. Financial literacy refers to the ability to understand and manage personal finances effectively, while sustainable development entails meeting the needs of the present without compromising the ability of future generations to meet their own needs.*

Financial literacy plays a crucial role in achieving sustainable development goals by enabling individuals to make informed decisions that positively impact their financial well-being and the environment. It helps people to understand the importance of managing resources, investing in sustainable businesses, and supporting environmentally responsible initiatives.

Furthermore, financial literacy education can provide individuals with the necessary tools to advocate for sustainable practices within their communities and to hold businesses accountable for their environmental impact. The integration of financial literacy and sustainable development promotes responsible and equitable economic growth, reduces poverty and inequality, and contributes to a healthier planet.

In conclusion, financial literacy and sustainable development are complementary concepts that are crucial for the economic, social, and environmental well-being of individuals and societies. By promoting financial literacy and sustainable practices, we can create a better world for ourselves and future generations.

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***Keywords**: Financial Literacy, Sustainable Development, Economic Growth, Poverty Reduction, Social Welfare*

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1 INTRODUCTION

Financial literacy is the ability to understand and effectively manage personal financial matters. It involves knowledge and skills related to budgeting, saving, investing, and managing debt. Financial literacy is essential for individuals and societies to make informed financial decisions, leading to financial stability and economic growth. Financial literacy can also have a significant impact on sustainable development by promoting social welfare, reducing poverty, and enhancing economic growth.

Sustainable development refers to development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development requires economic, social, and environmental sustainability. Financial literacy can play a crucial role in achieving sustainable development by

promoting financial stability, reducing poverty, and enhancing social welfare.

2 LITERATURE REVIEW

Financial literacy is the ability to understand and effectively use various financial tools and concepts, such as budgeting, saving, investing, and borrowing. Sustainable development, on the other hand, refers to economic, social, and environmental development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. There is a growing body of literature that explores the relationship between financial literacy and sustainable development.

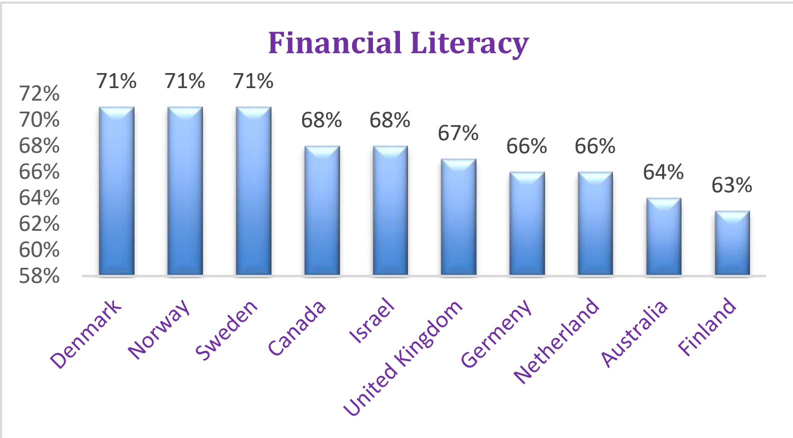
A study by Ataguba and Ichoku (2020) found that financial literacy is positively associated with sustainable development in Nigeria. The study suggests that improving financial literacy among individuals and households can enhance financial inclusion, reduce poverty, and promote economic growth and development. Similarly, a study by Cheng and Tan (2021) in China found that financial literacy is positively associated with sustainable consumption behaviour, suggesting that financial education can contribute to sustainable consumption and environmental protection.

Another study by Acemoglu and Robinson (2020) explores the relationship between financial development and sustainable development. The study suggests that financial development, which includes access to credit, insurance, and other financial services, can promote sustainable development by facilitating investment in human capital, infrastructure, and technology. The study argues that financial development can also enhance social welfare by reducing inequality and promoting inclusive growth.

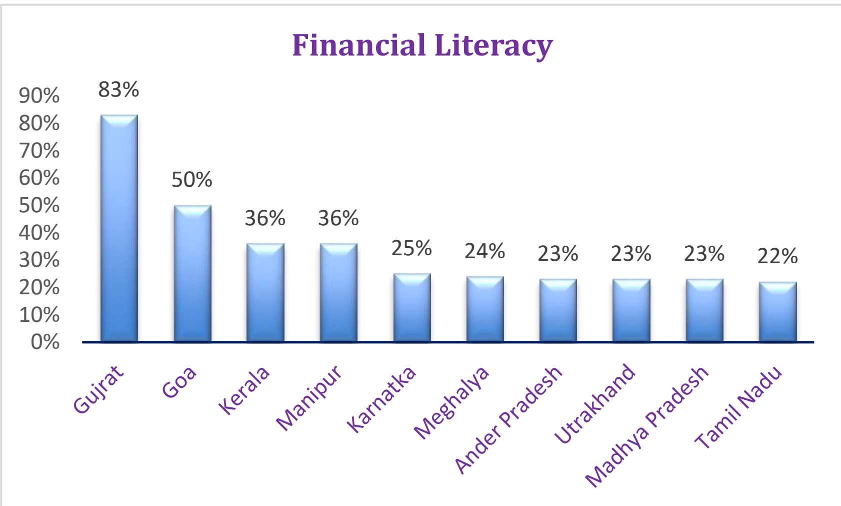
A study by OECD (2020) suggests that financial education can play a critical role in promoting sustainable development. The study highlights the importance of financial education in enhancing financial inclusion, reducing poverty, and promoting economic growth and development. The study also argues that financial education can contribute to environmental protection by promoting sustainable consumption and investment practices.

In conclusion, the literature suggests that financial literacy is an essential component of sustainable development. Improving financial literacy can enhance financial inclusion, reduce poverty, promote economic growth and development, and contribute to environmental protection. Financial education programs and initiatives can play a critical role in promoting financial literacy and sustainable development.

3 FINANCIAL LITERACY AROUND THE WORLD



4 FINANCIAL LITERACY IN INDIA



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5 OBJECTIVES

a) **Improving financial decision-making:** Financial literacy aims to provide individuals with the knowledge and skills necessary to make informed decisions about money management, budgeting, savings, and investing.

b) **Preventing financial fraud and scams:** Financial literacy can help people identify and avoid scams and fraudulent schemes that can result in significant financial losses.

c) **Increasing financial independence:** Financial literacy can empower individuals to take control of their finances, become more self-sufficient, and reduce their reliance on outside assistance.

d) **Building long-term financial security:** Financial literacy can help individuals develop strategies for saving and investing for the future, including retirement planning and estate planning.

e) **Enhancing economic stability:** By promoting financial literacy, communities and societies can increase economic stability and growth, reduce poverty, and improve overall financial well-being.

6 OPPORTUNITIES

a) **Improved financial decision-making:** Financial literacy can help individuals make informed decisions about money management, budgeting, savings, and investing.

b) **Increased financial independence:** Financial literacy can empower individuals to take control of their finances, become more self-sufficient, and reduce their reliance on outside assistance.

c) **Enhanced economic stability:** By promoting financial literacy, communities and societies can increase economic stability and growth, reduce poverty, and improve overall financial well-being.

d) **Improved financial products and services:** Financial literacy can lead to increased demand for financial products and services, which can encourage providers to create better and more accessible offerings.

e) **Better financial outcomes:** Financial literacy can lead to better financial outcomes, including increased savings, reduced debt, and improved credit scores

7 CHALLENGES

a) **Limited access to financial education:** Many individuals, particularly those from low-income or marginalized communities, may not have access to financial education.
b) **Complex financial products:** The complexity of financial products and services can make it difficult for individuals to understand and make informed decisions.
c) **Financial fraud and scams:** Individuals with low financial literacy are more susceptible to financial fraud and scams, which can result in significant financial losses.
d) **Behavioural biases:** Even with financial literacy, individuals may be prone to behavioural biases that can lead to poor financial decision-making.
e) **Inadequate regulatory frameworks:** Inadequate regulation and enforcement of financial services can put consumers at risk of financial fraud and exploitation.

Overall, while financial literacy can provide many opportunities for individuals and societies, it is important to address the challenges and barriers that can limit its impact. Effective financial literacy programs should be designed to address the specific needs of different groups and should be delivered in a way that is accessible and engaging for all.

8 CASE STUDIES

India has made significant efforts to promote financial literacy and sustainable development in recent years. Here are some case studies

8.1 Pradhan Mantri Jan Dhan Yojana (PMJDY)

PMJDY is a financial inclusion scheme launched by the Government of India in 2014 to ensure access to financial services, including bank accounts, credit, insurance, and pension schemes for all. The scheme aimed to promote financial literacy by providing financial education to account holders and promoting the use of digital payment methods. As of March 2021, the scheme had over 43 crore beneficiaries, with a total balance of over INR 1.31 lakh crore.

8.2 National Pension System (NPS)

NPS is a defined contribution pension scheme launched by the Government of India in 2004 to provide retirement benefits to individuals. The scheme aims to promote financial literacy by encouraging individuals to save for their retirement and providing investment options to diversify their portfolio. As of March 2021, the scheme had over 4 crore subscribers, with a total asset under management of over INR 5.25 lakh crore.

8.3 Financial Education and Literacy Program (FELP)

FELP is a financial literacy program launched by the Reserve Bank of India (RBI) in 2016 to promote financial literacy among school children. The program aims to provide basic financial education to children from an early age and encourage them to save and invest. As of March 2021, the program had covered over 3 lakh schools, reaching over 1 crore students across India.

8.4 Digital India

Digital India is a flagship program launched by the Government of India in 2015 to promote digitalization and technology adoption across India. The program aims to promote financial literacy by providing digital payment methods and encouraging individuals to use digital platforms to access financial services. The program has contributed significantly to the growth of the fintech industry in India, with over 2,000 fintech startups operating in the country as of 2021.

8.5 Mudra Yojana

Mudra Yojana is a loan scheme launched by the Government of India in 2015 to promote entrepreneurship and small business development. The scheme aims to promote financial literacy by providing financial education and training to borrowers and promoting the use of digital platforms for loan application and repayment. As of March 2021, the scheme had provided loans worth over INR 17.48 lakh crore to over 28 crore borrowers across India.

Overall, India has made significant progress in promoting financial literacy and sustainable development through various initiatives and schemes. These efforts have contributed to increased financial inclusion, reduced poverty, and enhanced social welfare, leading to a more sustainable and equitable society.

9 CONCLUSION

Financial literacy is an essential tool for sustainable development. It can promote financial stability, reduce poverty, enhance social welfare, and promote economic growth. Promoting financial literacy can be challenging, but there are also opportunities for promoting financial

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literacy through technology, financial inclusion policies, and financial education programs. Countries like the Philippines and India have implemented successful financial literacy programs that can serve as models for other countries to promote sustainable development through financial literacy.

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FINANCIAL LITERACY FOR ENTREPRENEURSHIP

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Abstract: *Financial literacy is the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. Entrepreneurs are the esteem source of modernization and growth and their ability to take qualitative decisions are based on the financial literacy they have and financial literacy is necessity for entrepreneurial advancement and it checks upon the utilisation of resources and helps in analysing the financial status of enterprise. Entrepreneurs regularly involved in making decisions regarding acquisition, allocation and utilisation of financial resources to run their enterprise .And it is even proven that entrepreneurs with restricted financial literacy can end up facing financial crises. A firm works on basis of finance from cash flow to tax and taking stocks of all income and expenditure related to enterprise requires financial education and it is even required to create a accurate budget and to keep the enterprise on track .The level of financial literacy around the globe is low and various research have shown that many entrepreneurs lack basic money management skills, marketing function and Financial concepts like risk diversification and inflation it can lead to financial difficulties, down fall of their enterprise ,they might even face number of pitfalls or have bad credit and other negative consequences And in order to overcome these issues financial literacy is important. By having financial education enterprise can increase their profit level. And it aid abet the enterprise about the source for funding their enterprise .It can be said that more time should be spent on improving the financial literacy among the enterprise. By having complete knowledge about financial education enables them to make quick and quality decision which inter helps them to make more profit and also make them less liable for financial fraud .Entrepreneurship is one of important aspect of economic development of a country and an enterprise should make thorough study about factors affecting the success of the enterprise and one of the crucial factor is skills in financial knowledge which will help the organization regarding the performance evaluation of enterprise in respect to income and expenditures and financial literacy in enhancing entrepreneurial behaviour among individuals.*

Keywords: *Financial literacy, Enterprise, Entrepreneurial advancement, Risk diversification, financial education*

1 INTRODUCTION

Entrepreneurship and enterprise are identified as drivers of economic growth and development. Economic growth is one of the macroeconomic indicators in creating the welfare of the country. Entrepreneurship encourages employment, productivity and economic growth. Entrepreneurship and small and mid size enterprise have recently received a lot of attention from various scholars and institutions because of their role in assisting individuals and allowing them to develop new ideas, products and services that result in a higher standard of living. More support, however, is still required for their overall development.

Furthermore, potential entrepreneurs should get educated themselves financially and should adopt the habit of saving and make better investment decisions, make pertinent planning and grab the business opportunities in the market. Financial literacy or financial consciousness is an essential aspect for the entrepreneurs to uplift their business. It is the ability to grasp and apply fundamental financial principles to effectively allocate financial resources and identify market opportunities. More the knowledge, it will help the entrepreneurs to balance their enterprise accurately. So in this study we get to know the importance, usefulness and essence of financial literacy for entrepreneurship.

2 LITERATURE REVIEW

MAJID MURAD , (January 10 2022),This study explains the effect of financial literacy on the intention of the entrepreneurs and it elucidates the importance of saving behaviour of the entrepreneurs to increase the profit and it even says that saving behaviour acts as the mediation between financial literacy and entrepreneurial interest **ANUPRIYA PANDEY AND REKHA GUPTA ,(August 18),** This study explains the financial knowledge necessity for the entrepreneurs for their advancement in particular area and it's important in making financially sound decisions. How important enterprise is to the economy of the country .**PANITA RACHAPAETTAYA KOM, (2022)**, From this study we can know that how small entrepreneurs need to manage business, do financing, book keeping and accounting, cash management, cost calculation etc. And also demonstrates the significance of knowledge acquisition for small business entrepreneurs in relation to financial knowledge .**NHUT H. NGUYEN and THO H. NGUYEN, (2023),** This study elucidates the three motivational factors including attitudes, subjective norm, and perceived behavioural control. Entrepreneurial speed not have significant impact but it have indirect impact on the entrepreneurial intention through attitude and perceived behavioural control .**TAMASZ**

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SKICA, JURAJ MIKUS,MARIAN HIENKA (2022), Here we can see the country level financial literacy and its components, and the countries which are grouped into clusters. Many methods are used in this study to know about the financial knowledge of new business entities.

3 OBJECTIVES

a) To make better financial divisions
b) To understand risk and rewards
c) Effective management of money and debt

4 ABOUT FINANCIAL LITERACY AND ENTREPRENEURSHIP

Financial literacy is to understand and apply different financial skills effectively including financial management and budgeting.

Entrepreneurship is the process of developing, organizing, and running a new business to generate profit while taking on financial risk

5 POSITIVE RELATIONSHIP BETWEEN FINANCIAL LITERACY AND ENTREPRENEURSHIP

Financial literacy raises people's awareness of business opportunities and the necessary risk management skills and market knowledge for developing entrepreneurship and business profit . Financial literacy is essential; especially in light of evidence pointing to a lack of funds as a barrier to creating new ventures finance will notify the entrepreneurs of the necessary financial sources for funding their business. Furthermore, because a lack of financial literacy and awareness leads to higher borrowing costs and more debts. As well as poor financial behaviour and business investment, it is assumed that a high level of financial awareness or literacy will lead to a better understanding of finance and its financial means. Financial literacy alerts entrepreneurs to the necessary financial sources for funding their business.

It also aids In the development of entrepreneurial skills, such as recognizing and capitalizing on available market business opportunities. Individuals with higher financial literacy are likelier to act wisely when making risky business investment decisions. They are likelier to participate in more financial services and products and save and invest.

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All entrepreneurs need adequate financing to launch and subsequently grow their businesses. Access to loans or credit lines is a key factor in the process of expansion for small enterprises. Financial literacy significantly impacts the various factors including saving behaviour of the enterprise and it ensures greater financial stability and save more funds for future. Consequently it is said that savings acct as link between financial literacy and entrepreneurial intent.

Understanding the fundamentals of the financial tools that enable enterprise to operate successfully helps entrepreneurs not only with formulating their overall strategy and balancing long-term investment with quarterly budgetary decisions, but also with staying on top of nitty-gritty details like customers who haven't paid up, suppliers who have billed too much, or numbers that used to be black starting to slip into the red.

NEVER SPEND YOUR MONEY BEFORE YOU HAVE IT

-THOMAS JEFFERSON

6 HOW IT IS USEFUL

An entrepreneur who is running a business must be aware of its financial status. If the entrepreneur doesn't know about them then he/she has to face the consequences or troubles. As we noted formerly, financial literacy can help to make accurate judgements in the business. There are many benefits to the enterprise, they are as follows:

a) Understanding cash flows

Understanding the cash flow is one of the essential things for the business. Without the positive cash flow a company/ business will quickly run into trouble. So by having financial literacy cash flows can be easily understood.[9]

b) **It allows proper budgets**

Forecasting about the business should be done timely. Without budgeting forecasting cannot be done. A financially literate entrepreneur will look at the budget throughout the year and to achieve the targets and analyse that those are profits, revenues or expenditures.[18]

c) **It allows credit management**

Most of the businesses in the world are running over debts. Debts are not a big worry if they know how to manage it. It can't be done without knowing financial literacy of entrepreneurs'.

Debts should used for the same purposes for which you are seeking those debts

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a) **Working capital debts:** These are the loans that the business acquires to run the working capital of the business or to bridge the receivable gaps
b) **Capital loans:** These are the loans used to increase the capital of the businesses in the shape of the addition of machinery, plants etc.
c) **Vehicle loan:** These are the loans which are mainly utilised to provide motor vehicles to the employees of the business or at times of commercial purposes as well.
d) **Credit cards:** Credit card is expense now pay later kind of loans. It is very much common among the person; however it is also still a loan which needs financial management.
e) **Mortgage loans:** These loans are normally requested to acquire a building for personal use or at times for commercial purposes.

It's the foremost duty of the entrepreneur if he wants to be successful to utilize these debts for the specific purposes it has been approved for. Because there was a certain need for them and it would've added value to the business.

But, an entrepreneur who doesn't have sufficient financial literacy may ruin all this by making some international trips, nights in the hotels, sunbaths at the beaches, and go bankrupt.

a) **It allows analysis based decision making**

An entrepreneur who is expert in understanding the financial literacy, he/she can properly read income statements, balance sheets, profit and loss account, cash flows, financial ratios will be in a finer position to make proper examination of the business conditions. Decision making is based on the proper knowledge of the businesses.[18]

b) **It helps the business to grow**

If the financial tools are not applied in the business, then the business cannot grow and achieve its objectives in the long run. The companies may have short wins, but long run goals cannot be achieved without financial literacy. Start-ups often face difficulties if they doesn't manage professionally, they face issues like liquidity and ultimately fail and cease to exist.[18]

However, if the start-ups have a better financial literacy then they can manage professionally and face the risks, adversities in the market and will survive in the market due to their well thought out business model.

c) **It gives you the control**

If the entrepreneur is strong enough in financial literacy, he/ she can control the business very effectively. Financial literacy allows you to oversee your business by reviewing the financial statements where your business is heading. It gives you ample time before it is too late to come up with the remedies. It is hard for the employees to damage your business internally once you are good at finances.[18]

d) **Improve net worth**

Improve your net worth by knowing how much money your business owns and how much money it owes. This will help you understand your company’s financial health and make better decisions for the future.[9]

Each of these benefits can lead to increased success for your business. When you have a firm handle on your business’ finances, you can make intelligent choices to help your business grow and thrive!

7 HOW TO KNOW FINANCIAL LITERACY

7.1 Budget Planning

The first step to obtain financial literacy is learning how to budget. The money should be spent according to the plan that the company has made this helps to save the money and reduce unnecessary spending of money. Without the budget plan it will be difficult enough to deal with the financial resources and unable to control the flow of money, this results in the overspending.[24]

In order to make budget plan the company should know about the monthly income, expenses that is incurred by the company. By tracking these the company can prepare their budget.

7.2 Understand your credit score

When someone pays off their credit bills on time, they are viewed as trustworthy by the lender. They begin to build a credit history and are afforded an improved credit score that will help them obtain future loans. In the US, a credit score is a three-digit number from 300 to 850. A high score indicates someone who is a low risk financially and who repays their credit bills on time, while a low score indicates someone who is a credit risk and who has likely not previously paid their credit bills on time.

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You should also be aware of your credit report, which is a summary of your financial situation. By reviewing your credit report, you will be able to spot any errors or fraudulent Entries and can take legal steps to overcome the loss. This report may also help you to track your spending and improve your credit score over time.

7.3 Open a savings account

A savings account will help you to save the extra money that the company has in their business. And if is the best way to keep the money safe and secure and also interest will Be paid to the money that had been kept in the account.

A savings account is an interest-bearing deposit account held at a bank or other financial institution. Savings accounts typically pay a low interest rate, but their safety and reliability make them a sensible option for saving available cash for short-term needs.[23]

7.4 Understand loans

It is important to understand the importance of paying off your debt/loans.

Having a debt free life is a dream for most of them. There are two ways to pay the debts. The first one is paying all the large debts which the company had borrowed with the highest interest. This helps to reduce the amount of interest that need to be paid in long Term. And the approach is paying off all the small debts first and focusing on large debts.

7.5 Expect Risks

It is crucial to be ready for unexpected risks with money put aside in case of emergency.

Many people don't forecast the risks and they suffer as a result. Take the case of covid-19, nobody had expected this due to that situation many of them had suffered financial loss, because they are not prepared.

Experts say that you should have a reserve of three to six months living expenses for use in case of an emergency. When you are prepared for the unexpected risks you can reduce those uncertain events but they can't be avoided. Rather than having large financial crises the company may suffer small financial crises.

7.6 Reduce spending

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Spending can be reduced by doing planning. The company shouldn't waste the financial resources by investing it or by spending it for useless things. They have to make clear planning to where they have to invest and spend the amount. This will be a big advantage to the company or the entrepreneurship to be safe from financial crises.

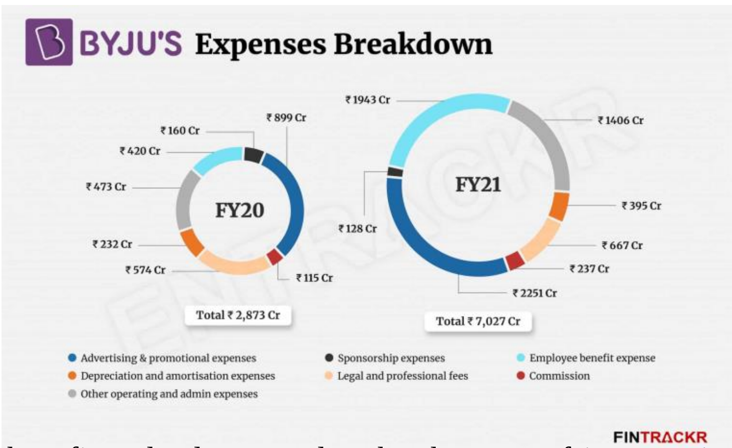
8 CASE STUDY OF BYJU'S

Byju's is the most valued enterprise which is founded by Raveendran Indian multinational educational technology company and their revenue in 2019 was 2381 crores, in 2020 it was 2428 and now it's revenue has decreased to 2280 crores which indicates the decrease in their revenue in continuous financial year. The major source of their revenue is from the courses, one to one coaching, by selling their tablets and by live streaming .yet still they are facing the loss of 4500 crores and here are the main reasons:

a) The byju's has a tie up with the loan company and then parents of a student are not able to pay they give loan to them and byju's used to pay the interest of that loan but they did not it in their expenses and when the included this expense and when the expense increases and income decrease .Intern their revenue decrease.

b) And coming to their expenses it was 2873 crores and it now as increased to 7027 crores which is massive rise in the expense and expense of advertising which was 900 crores which have increased to 2250 crores.

c) Where as they invested 300 crores in teaching.



d) Employee benefit and salary was low but because of increase in job attrition rate hence they increased the salaries and other expenses which amounted into 1943 crores

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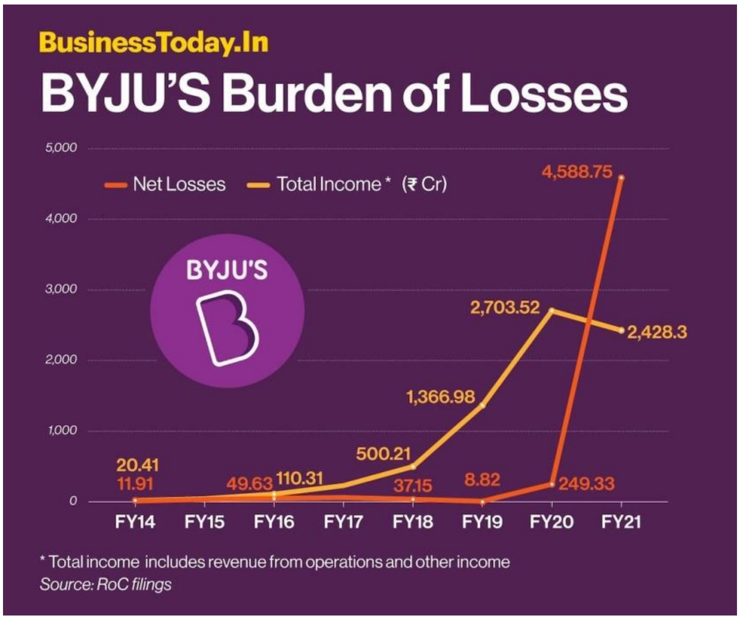
e) Byju's acquired the company named **whiteHatJr** which promised to give coding knowledge to the children and created fake advertisement because which it became instant success but it was not useful for long run.

f) Now the situation of whiteHatJr is 365 crores is their revenue and 1548 in simple terms it earns 100 rupees and spends 500 rupees and as this company was acquired by Byju's it became a one of the major reason for the loss.

g) Later BYJU's acquired **AKASH** for one billion dollar

h) In this way Byju's have invested its whole money collected from investors in acquiring small company which resulted in to its loss because of which the investors refusing to give the money.



Now through this image it can be understood that due to lack in financial literacy Byju's has ended up with great loss.

9 OPINION ABOUTTOP10 ENTREPRENEURSABOUTFINANCIALLITERACY

Good sense about money is one of those things that most of us have to learn the hard way, and that's also true of many of today's top entrepreneurs in the money management and fintech space. They've had their share of bad investments, waited too long to build credit and didn't think long term about what it would take to reach their savings goals.

The tools they and their teams build address many of these issues, some involving AI to help the average person balance their financial priorities and make personalized decisions. Others automate saving so you can "set it and forget it" and your hard-earned cash starts compounding well before your retirement years. Others help you budget, invest and even acquire business loans.

Here are the top 10 founder's advices or opinion for entrepreneurs' on how to arrange financial resources and how to manage it effectively,

a) **Brandon Krieg, CEO and co-founder, Stash**

Instead of thinking that you need a lot of money to throw into the market all at once, Krieg recommends the practice of putting money, no matter how small the amount, into the market over time on regular intervals — a practice called dollar-cost averaging, which he notes is "a time-tested way to grow your money."[

b) **Kathryn Petrolia, co-founder and president, Kabbage**

There was a time when money was very tight with my family, and I learned at a young age the value of a dollar. I firmly believe financial education is a vital skill which needs to be taught sooner rather than later. When my teenager turned 12, we opened his first checking account. Since then he has been responsible for tracking his spending, teaching him the importance of saving and planning his expenses to cover both his wants and needs."

c) **Karla Friede, co-founder and CEO, Nvoicepay**

It's not how much money you make that's important; it's how much you save. My grandparents lived in a small town. My grandfather was a mechanic and my grandmother worked for the county office. Growing up, every time I was in a bind financially with college costs or making ends meet, my grandparents provided me a loan. They didn't make much money, but they always saved 10 percent of what they earned, no matter how hard that was or how little they had to spend."

d) **Andy Rachleff, co-founder and CEO, Wealth front**

Don't bother doing something if you can't win big. I am very negative on people who do quick flips. Someone who wants to change the world, build a great company, and make a lot of money. You need all three. People who are in it just for the money don't do great things.

e) **Stein, founder and CEO, Betterment**

"We make a lot of mistakes in our financial lives, and no one thinks enough about their finances," Stein said. "But it's really, really important to get it right. You can live a happier and better life if you make great financial decisions." And also, Invest in scaling customer service at pace with growth, Create relationships—both on and off the cloud, Use customer data to continuously improve.

f) **Shivani Siroya, founder and CEO, Tala**

"A lot of the discussions around services that improve personal finance are centred on measurable economic outcomes – savings, debt capacity, investments. But one outcome area that's grossly undervalued is emotional security and well-being. When people have good choices and control over their finances, they are happier – their stress is reduced, they feel more security, they have a sense of optimism about the future. These outcomes, as much as measurable improvements in their overall financial health, better position them to succeed holistically in other areas of their lives.

g) **Vlad Tenev, co-founder and co-CEO of Robinhood**

"I learned a lot from making my first stock investment. I was in my early teens and I bought 3Com stock, which made the Palm Pilot. I was lucky to have been introduced to the stock market so early in life. I got familiar with daily market swings and learned what a spinoff was from this experience."

h) **Sean Collins, founder and CEO, Cinch**

"People don't understand how the deck is stacked against them and their financial health. First, we all bring cognitive biases and failures to decisions involving money and time. Second, we expect people to become the most sophisticated CFOs across a blinding array of financial topics, all of which change over time from both a product and life stage perspective. Third, the internet has become a financial bazaar with deceptive tools and content pushing people into a purchase funnel for products that are likely bad for their financial health. Fourth, the workplace has become insanely complicated to make basic decisions – HSAs, benefit plans, 401(k) plans, special benefits – there's no way anyone can master this stuff. Fifth, trying to become educated is incredibly hard and frankly painful. Quick test: specify the mathematical difference between interest rate and APR? No one knows that, or really cares to know, but not knowing that can cost you tens of thousands of dollars on a long-term loan. Yikes."

i) **Tina Hay, founder and CEO, Napkin Finance**

"I still receive paper statements for my credit cards. It forces me to actually open the envelope and read over my statement line by line. Paperless has its advantages (not to mention the environmental benefits), but it is much easier to glance over without much attention or even fail to access at all on a regular basis."

While knowledge is key, your personality is also a factor when it comes to how you handle your finances. However, it doesn't mean that you are stuck in a rut if you have poor habits."Everyone has a money personality and that's determined by factors throughout your lifetime, like your parents, education around money and finance ... and that doesn't change," What does change is empowering yourself with education and knowledge to make better decisions in the moments that matter

j) **Ryan Williams, co-founder and CEO, Cadre**

"Technology has been an incredibly powerful leveller of playing fields in financial markets, providing individuals with access to education, information and tools to make informed decisions and control their financial destinies. Just a couple of decades ago, all of this informations were closely controlled by professionals and institutional investors. Today, it belongs to everyone. And this democratization applies not just to making investment decisions, but also to accessing the tools and information to start new businesses. This all means that whether you want to invest your money in other companies and sectors, or start a business of your own, individuals have never had the potential for more personal economic empowerment."

10 ANALYSIS AND FINDINGS

This study describes how important the financial literacy is for the entrepreneurs and it's positive relation with the entrepreneurship. And it's usefulness in money management, understanding the cash flow, making budget and analysing the profit and loss rate of the enterprise and controlling the expense of the enterprise and helps in better and effective investment of capital. With good knowledge of financial education entrepreneurs will be able to understand the financial position of the enterprise and helps to avoid the financial crises.

It explains that enterprise has to face a number of downfall and number of pitfalls due to the lack of financial literacy .And opinion of the great entrepreneur on the importance of financial literacy. This paper covers the car study about how byju's face loss due to the lack of financial knowledge and how profitable the enterprise can be if an enterprise can clearly analyse it's financial stability.

11 CONCLUSION

It can be concluded that financial literacy is crucial to enterprise to increase its profit rate and to invest the capital in better way and it ensures them to simply measure the cash flow, income and expenses .It ensures the stability of the enterprise. Financial education has major role to play in economic sustainable entrepreneur ship and reducing the demand side barriers to access to finance. A targeted of financial literacy will provide up to date information about the level of financial knowledge and skills of entrepreneurs. And more work is needed to create specific tools to measure the financial literacy for entrepreneurship.

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A STUDY ON THE SUPPORTING FINANCIAL AND DIGITAL INFRASTRUCTURE FOR DIGITAL FINANCIAL LITERACY

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Abstract: *The COVID-19 epidemic brought to light the importance of digital public infrastructure (DPI) for healthy economies and happy citizens. DPI stands for digital products and services that enable the fundamental operations necessary for the provision of public and private services, namely cooperation, trade, and government. In a word, DPI is like our current, online shared public infrastructure, like our roads and schools. A "good" infrastructure must be inclusive, safeguard the security and privacy of its users, and be regulated by rules that guarantee transparency and accountability in their application. On top of the fundamental systems, it must be designed to support government-private sector collaboration and vendor diversity and innovation. For customers to have access to a variety of services, such as financing, insurance, and healthcare, as well as for vibrant local ecologies to develop and offer these services, this is crucial. To ensure that people who cannot or choose not to use them are not left out, there must also be alternatives and redundancies. Building significant public-private partnerships will be crucial to creating effective DPI, and both large and small enterprises will profit from this. After Aadhaar and UPI were implemented, the digital payments ecosystem in India developed and attracted numerous new enterprises, both domestic and foreign, that were able to develop and supply new services and win large market shares. India's digital infrastructure was fueled by and has fueled innovation in both the public and private sectors by bringing over 330 million people into the formal financial sector. With PhonePe, Paytm, Google Pay, Amazon Pay, and others vying to be the consumer's preferred payments app, it has also fostered competition and innovation. However, it was not just beneficial for the major players; during COVID-19, digital transactions nationwide hit a record high for both large and small institutions. Additionally, UPI eliminated entrance barriers, democratising innovation for both established and start-up companies. The most crucial objective as these ecosystems develop should be to guarantee that DPI benefits even the smallest businesses and the average individual, removing the obstacles of distance, expense, paperwork, and bureaucracy that prevent their involvement in the digital economy.*

This study examines the state of financial literacy in the digital age and how it represents an essential first step towards much higher levels of financial literacy and Digital Infrastructure. This study looks at a variety of demographic characteristics and how they affect financial and digital financial literacy, as well as the use of digital financial products. The sample of respondents for this study was created using convenience sampling techniques. The sample of respondents for this study was created using convenience sampling techniques. To put it another way, the study used a random sample technique. The results show that outside forces like demonetisation do influence people's knowledge of digital finance. In order to encourage individuals to utilise digital facilities and explain the additional benefits of ensuring that user-friendly technology and incentives are provided, the government and fintech companies must take deliberate action.

Keywords: *Digital Financial Services, Digital Infrastructure, Software, Public-Private services, Digital Economy, Digital Payment.*

1. INTRODUCTION

Financial infrastructure and DFS providers cannot operate without adequate digital infrastructure. The more fundamental components covered in this section, such as a stable power supply and an ICT network that runs smoothly and has widespread coverage throughout the nation, are necessary for the financial infrastructure. Basic DFS services, like as M-Pesa in Kenya and bKash in Bangladesh, require additional access to basic mobile phone services, such as voice, SMS text, and a unique system messaging service called USSD. By using apps to deliver DFS services (like as Alipay in China and Paytm in India), access to data services (3G and above) improves the customer experience. App-based DFS services give precise information on consumers' digital activities and behavioural traits, enabling more customised products and credit assessments. Open-source software, open data, open AI models, open standards, and open content that comply with privacy and other relevant best practises are all examples of digital public goods (DPGs), which are a crucial tool for developing infrastructure in ways that address some of the drawbacks of solutions that rely on proprietary software.

District Health Information Software 2 (DHIS2), developed in post-apartheid South Africa to address gaps in health data collection, access, and usage at the local level, is a good example. Today, it is the largest health management information system platform in the world. It is run by the University of Oslo in Norway and is utilised by the health ministries of 73 low- and middle-income nations, who together make up 30% of the world's population. The COVID-19 pandemic accelerated the uptake of digital financial services: more than one-third of adults in developing economies who paid a utility bill directly from an account and about 40% of adults in developing economies outside of China who made a digital merchant payment using a card, phone, or the internet did so for the first time after the pandemic's start.

2. REVIEW OF LITERATURE

Equinix Editor (2021), in Publication Technology developments that had been well under way in previous years went into overdrive during the COVID-19 epidemic. In response to the COVID-19 pandemic, 47% of IT decision-makers reported that their organisations had accelerated their digital transformation initiatives, and 60% reported that the pandemic had compelled them to review and revise their IT strategy, according to the Equinix 2020-21 Global Tech Trends Survey (GTTS) results.

Finance Ministry (2023), The Economic Survey notes that, starting in 2009 with the introduction of Aadhaar, the development of digital public infrastructure has been notably remarkable. Since that time fourteen years ago, the nation has come a long way on the digital road. Favourable demographics, the enormous development of the middle class, and digital behaviour patterns were the three major drivers that served as catalysts for DPI growth.

3. NEED OF THE STUDY

a) The shift in global technology has made it necessary for the country to strengthen its competitive edge in the modern day, even though brick and mortar institutions still play a vital role. From the viewpoints of both the person and the national economy, digital financial literacy becomes essential to be recognised. From the viewpoint of an individual, it is essential to get sophisticated information.

b) Improved technical literacy can help boost the GDP and its effectiveness on a national level by enabling proper use of digital financial products. The generation gap, gender

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bias, and national wealth disparity can all be solved with the help of digital financial literacy.

4. OBJECTIVES OF THE STUDY

4.1 PRIMARY OBJECTIVE:

a) To study the rate of financial literacy and

b) To know about the supporting for financial and digital infrastructure.

4.2 SECONDARY OBJECTIVES:

To comprehend the various elements that influence or obstruct the active application of digital financial literacy.

a) To analyze the relation between different demographic factors and financial and digital financial literacy.

b) To make recommendations for strategies to raise financial and digital literacy, and thereby the quality of the digital infrastructure.

5. RESEARCH METHODOLOGY

The study is an empirical one that uses the survey approach. Using a structured questionnaire containing questions regarding the 110 respondent's demographic data, primary data was gathered. The data collected were examined utilizing:

a. RESEARCH DESIGN:

The method used to gather and interpret data is known as the research design. It has a conceptual framework. Descriptive is the type of study design used.

b. SAMPLING TECHNIQUE

Because of its easy accessibility and proximity to the researcher, convenience sampling was utilized to collect the response.

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5.3 SAMPLE SIZE: 110 people completed the sample size questionnaire.

5.4 SOURCES OF DATA:

PRIMARY DATA: A structured questionnaire was used to gather the main research data for this study.

SECONDARY DATA: Secondary data are those that have already been gathered or made public for uses unrelated to the current research need. The additional data is gathered from Journals, Magazines, and Websites.

5.5 DATA ANALYSIS:

a) Percentage analysis method

b) Ordinal mean test

c) Bar chart, Pie chart

6. ANALYSIS AND INTERPRETATION

TABLE 1: CHOICE OF ACTION BY RESPONDENTS FOR DIGITAL INFRASTRUCTURE ADVANCED SINCE THE COVID-19 OUTBREAK

STATEMENT	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Advanced digital infrastructure is strongly considered.	**37**	**33.9**
The digital infrastructure is certainly sophisticated.	**58**	**53.2**
Advancement is neutral in digital infrastructure.	**10**	**9.2**
Disagreed with the phrase	**4**	**3.7**
Total	**109**	**100**

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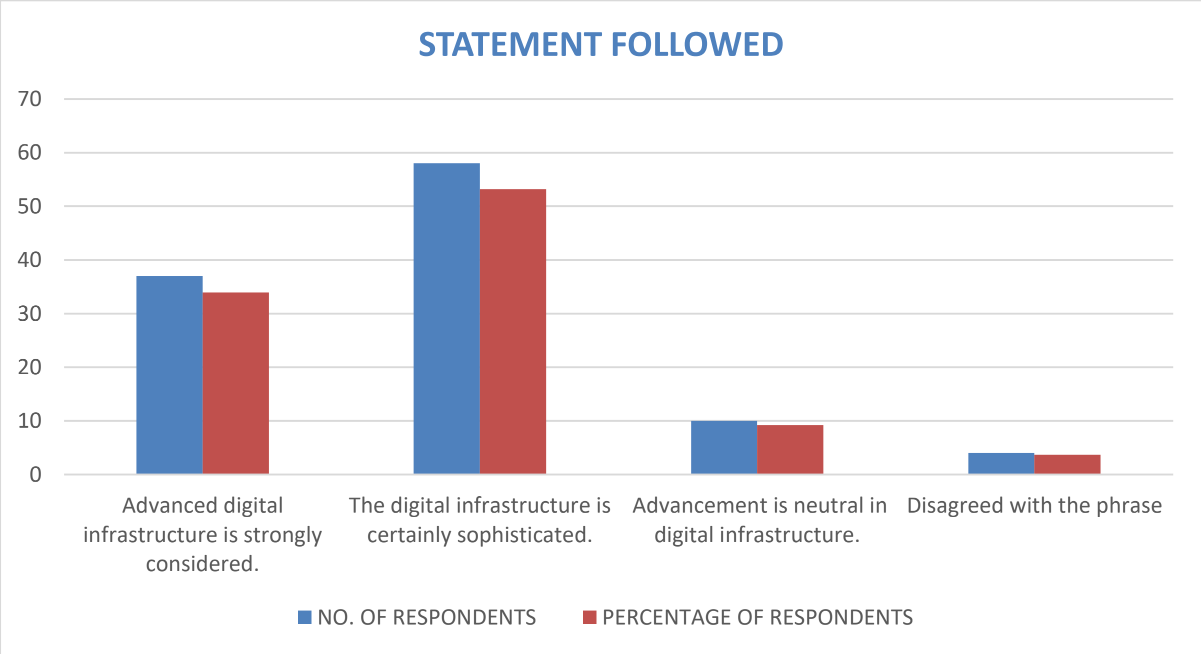

Figure 1: Source: Primary Data

INTERPRETATION: The table and statistic show that most respondents (53.2%) made sure to do an analysis. The digital infrastructure is undoubtedly advanced. while a few respondents claim to make decisions based only on intuition.

TABLE 2: ANALYSIS OF CONSIDERABLE USE OF DIGITAL INFRASTRUCTURE IN THE BANKING SYSTEM IN INDIA

STATEMENT	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Banking system with highly used digital infrastructure	**51**	**50.9**
Digital infrastructure in the banking system that is moderately utilised	**55**	**47.2**
Banking system digital infrastructure that is rarely used	**2**	**1.9**
Total	**108**	**100**

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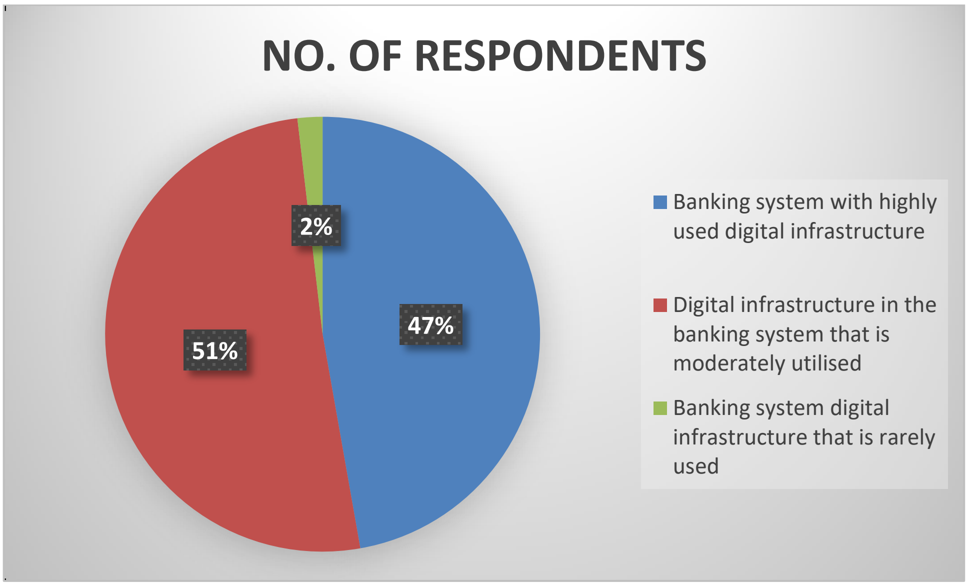

Figure:2 **Source: Primary Data**

INTERPRETATION: Based on the table and figure, it can be concluded that 50.9% of respondents have banking systems with heavily utilised digital infrastructure, whereas just 1.9% have systems with infrequently utilised digital infrastructure.

TABLE 3: MANY DOMESTIC AND FOREIGN ENTERPRISES HAVE BEEN DRAWN INDIA'S DIGITAL PAYMENTS ECO-SYSTEM.

STATEMENT	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Aggressively support the digital payments ecosystem in India.	31	28.7
Support the digital payments ecosystem in India.	64	59.3
Neutral towards India's digital payments sector.	13	12
Disagree with the Indian market for digital payments.	0	0
Total	**108**	**100**

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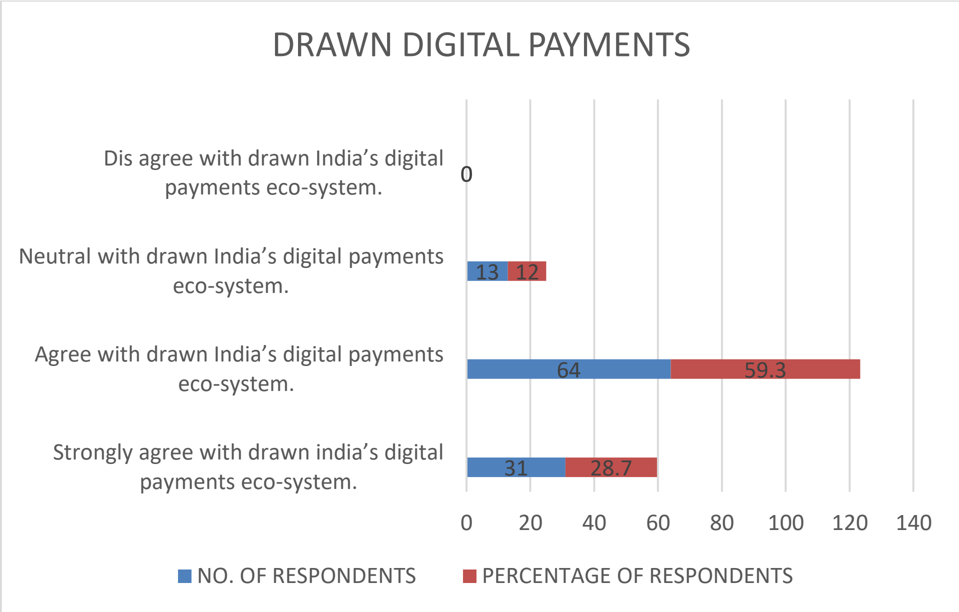
Figure: 3 Sources: Primary Data



INTERPRETATION: It is clear from the table and statistic that a sizable majority of respondents—59.3%—support India's digital payments ecosystem and only 12% have a neutral attitude towards India's digital payments industry.

TABLE 4: CURRENT SHARED SERVER TECHNOLOGY AT EDUCATIONAL ISTITUTIONS AS WELL AS DIGITAL GOODS AND SERVICES

SHARED TECHNOLOGY	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
0-30%	11	10.4
30-50%	40	37.7
50-70%	48	45.3
70-100%	7	6.6
Total	106	100

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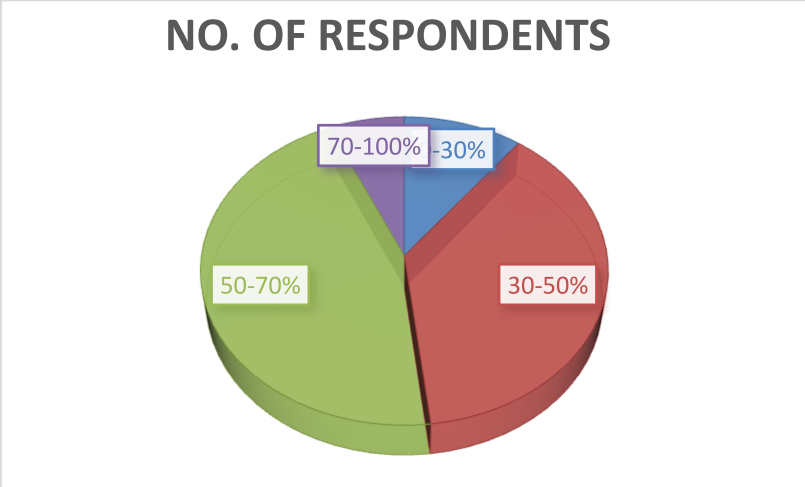

Figure: 4 Sources: Primary Data

INTERPRETATION: Based on the table and figure, between 50 -70 percent of respondents use server technology in educational settings in addition to digital goods and services.

TABLE 5: DESCRIBE THE E-PAYMENT APPLICATION CURRENTLY UTILIZING

PAYMENT APPLICATION	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Phone pay	45	41.7
Google pay	42	38.9
Paytm	13	12
Others	8	7.4
Total	108	100

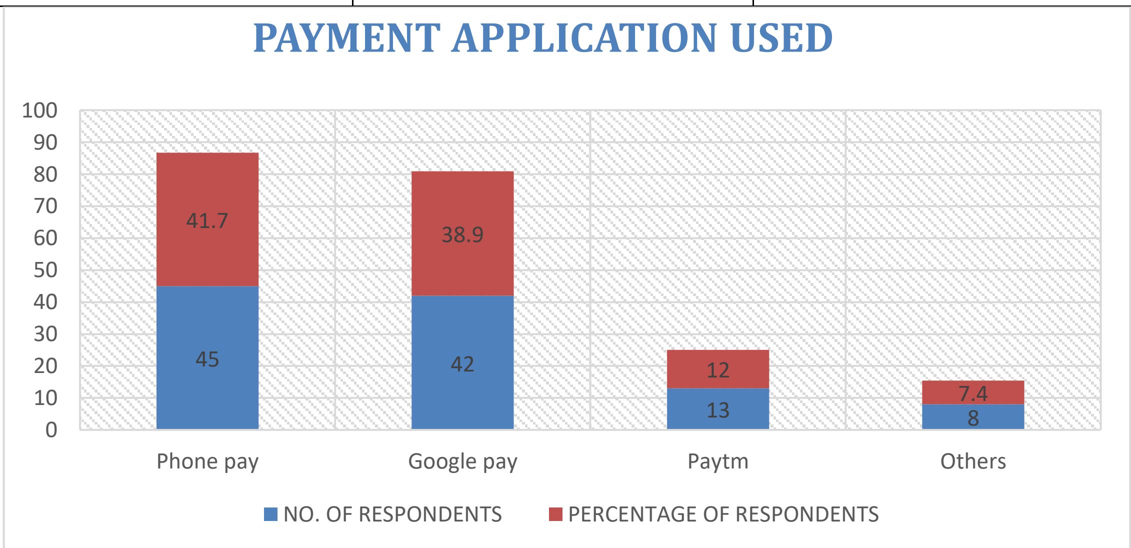

Figure: 5 Sources: Primary Data

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INTERPRETATION: Based on the table and figure, it can be deduced that many respondents—41.7 payment with heavily utilized phone pay and only 38.9% Google payment and 12% Paytm—used the former method more frequently than the latter.

TABLE 6: AWARENESS REGARDING DIGITAL INFRASTRUCTURE

GENDER	RESPOND
Male	63
Female	47
Total	110

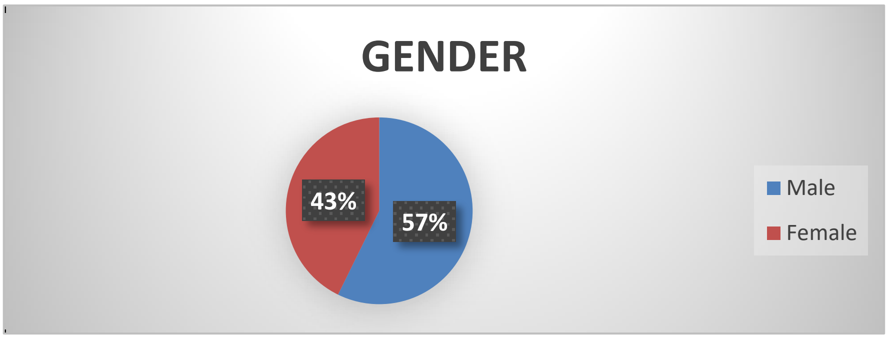

Figure: 6 Sources: Primary Data

INTERPRETATION: The table and figure indicate that between 57% of men and 43% of women who responded were aware of digital infrastructure.

TABLE: 7 AWARENESS REGARDING DIGITAL FINANCE

AGE	RESPOND
15-25	74
26-35	12
36-45	14
46-55	3
55& above	7

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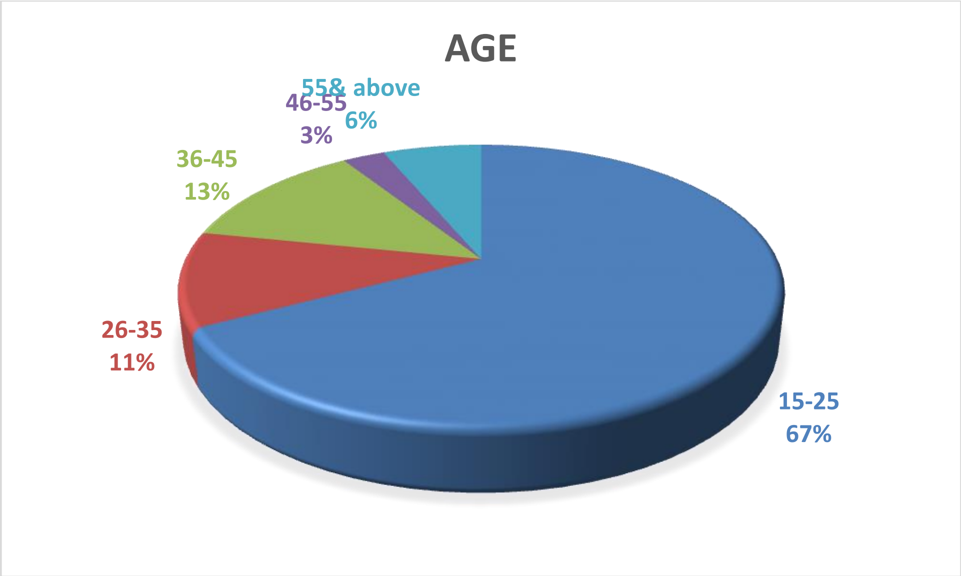

Figure: 7 Sources: Primary Data

INTERPRETATION: The table and figure demonstrate that people between the ages of 15 and 25 are most familiar with and utilize digital finance, whilst people 55 years of age or more use it only sparingly.

TABLE: 8 REGARDING USE OF DIGITAL PAYMENT

EDUCATION	RESPOND
Below 10^{th} STD	0
HSC	16
Diploma	2
Graduate	56
Postgraduate	26
Professional	10

INTERPRETATION: The table and picture demonstrate that 53.3% of graduates use digital payments. As an alternative to using the banks payment system, postgraduate and professional.

TABLE: 9 AWARENESS REGARDING DIGITAL FINANCE AND INFRASTRUCTURE

RESIDENCE	RESPOND
Urban	66
Semi-Urban	26
Rural	18

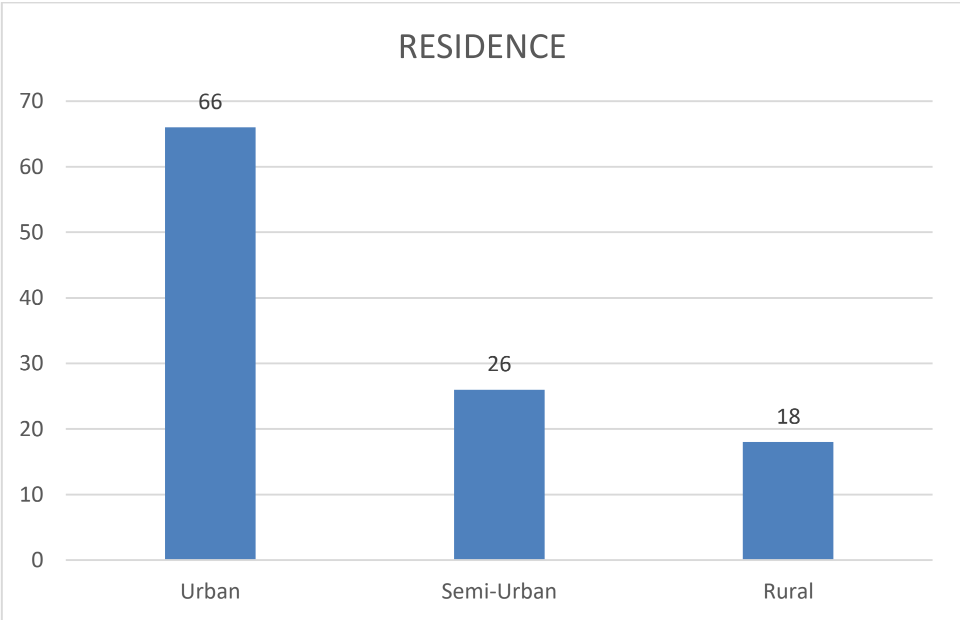

Figure: 9 Sources: Primary Data

INTERPRETATION: According to the table and figure, 66 respondents who lived in urban areas, 26 who lived in semi-urban areas, and 18 who lived in rural areas were aware of digital finance and infrastructure

6. FINDINGS:

a) The research revealed that most participants examined the for digital infrastructure advanced since the covid-19 outbreak.9.2% of the population, which is a relatively tiny percentage, believes that improvements in digital infrastructure are neutral,

b) A large portion of the respondent's extensive use of digital infrastructure in India's banking sector only about 20% of respondents (59%) said they use ATMs. Through the quiz conducted it was found that most respondents are equipped with the basic financial literacy that is a must. However, most respondents offered inaccurate answers when asked about the absence of a network, the effects of financial investments, UPI, and internet

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banking capabilities. This demonstrates that while many respondents are aware of basic financial concepts, they are less knowledgeable in areas like banking, economics, and digital technology.

c) As the main justifications for not promoting internet or mobile banking, respondents cite security breaches, data theft, and phishing. The necessity for technical understanding to manage data and transactions online and the excessive use of technical jargon are the next two biggest de-promoters, behind additional online fees and taxes. It is difficult to comprehend for the average person.

d) The relationship between the respondents' various demographic traits and their knowledge of the available financial investment opportunities and facilitators is clarified by this study. Knowledge of tax-saving strategies is influenced by education and age. Though not gender. The knowledge of financial and digital infrastructure grows as people get older and more educated.

e) The young and tech-savvy segments are more aware of the possibilities of digital infrastructure, and awareness regarding digital applications is correlated with respondents' age and gender because men are typically more technically adept in the digital world. Age and place of residence are also related to awareness in the case of digital finance.

7. SUGGESTIONS:

a) It is possible to set up more planned seminars, sessions, or workshops to promote digital literacy, particularly among women, who are thought to educate the entire family. This can also be a strategy for supporting and empowering women.

b) The study suggested that rewards for transactions, gifts, and extra points might all serve as excellent incentives. This approach can be used more widely to persuade the general public to embrace digitalization.

c) Institutions from both the public and private sectors are crucial to the development of the digital economy. People frequently feel a strong want to keep up with the most recent market trends, even those dictated by technology

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8. **CONCLUSION**: To support the financial and digital infrastructure, financial literacy is essential. And in a time when technology is developing rapidly, financial literacy in the digital realm is more profound. The less technologically advanced or weaker segments of society continue to adopt traditional banking practises and are resistant to change. The only way to get through this obstacle is through carefully prepared workshops and classes. The government and fin-tech groups might take steps to bring technology to the masses rather than waiting for people to gradually adopt it. The older generation, who believe that "fintech is not for them, but for the young and tech savvy," misses out on technology that might open a vista of greater ease for them, has a culture of fear and mistrust of digital solutions and payment systems. Proper consumer education is a crucial element in persuading target populations and the broad unbanked segment of society of the advantages of digital payments and securing their widespread use. Digital banking is not a magic fix for all issues with women's financial inclusion. Especially in rural India, encouraging women to participate in the digital world and offering training on the various components can help women get more comfortable using technology.

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CONSUMER ATTITUDE AND INTENTENTION TO ADOPT MOBILE-WALLET PAYMENT: WITH SPECIAL REFERENCE TO MYSORE CITY

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Abstract: *Today's world is absorbed with digital technology and developments, from daily bread to business, home to geographical point implementation of electronic gadgets became the 0.5 and parcel of the life. In India, the growing adoption of the great phone's and mobile internet has given a raise to the mobile pocketbook change Asian country. This study is targeted on preference of shopper's perception towards mobile wallets payments in Mysore city and effectively analysed the impact of demographic variables on the usage of Mobile wallets. A complete of a hundred respondents was analysed from Mysore town and their responses were analysed.*

Keywords: *Preference towards using M-wallets, Reasons for using M-wallet payment.*

1. INTRODUCTION

India is slowly paving its means towards a cashless society, from those significant physical wallets to virtual wallets; we're re modelling at a major pace. Bear in mind those days, once we would carry those large wallets jam-packed with money and credit? However all due to mobile wallets, for reducing our freight while creating payments and transactions easier. Now, we will procure virtually any product or service, transfer cash, build bill payments, book tickets etc at the comfort of our home. Gone area unit the times after you had to attend for hours simply to induce your hands thereon 'first day, initial show' price ticket of your favourite picture.

Mobile wallets have created our lives a lot of easier, with its one-tap feature and fast process all at one-go. Mobile wallets area unit designed to modify a secure and integrated flow of transactions with hassle-free method. A mobile notecase uses a checking account, credit/debit card info to method payments seamlessly whereas absolutely securing all the main points of the user. This notecase helps lower the paying interval, cut back fraud and area unit economical as compared to alternative physical wallets.

Demonetization by the Indian government additionally gave a push to those wallets, and since then, the user base of those wallets is perpetually increasing. Before ending, money

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transactions accounted for pretty much ninety fifth of transactions, eighty fifth of individuals were still paid in money, and virtually seventieth of shoppers voted 'Cash on delivery' because the most well-liked mode of payment. however in line with some estimates, the India mobile notecase trade is about to grow by one hundred and fiftieth next year, with the transactions amounting to $4.4 billion.

Mobile Wallet

Unlike its counterpart like physical pocketbook, a mobile pocketbook may be a digital pocketbook during which one will add cash through our credit/debit cards and create payments from. It's primarily associate in nursing electronic post-paid account which might be wont to pay something. From groceries to bill payments to picture show tickets, you'll be able to create all the transactions through mobile wallets.

All you would like to try to is transfer the app from play-store or app-store, Associate in create an account with the mobile pocketbook supplier. Such wallets a lot of convenient and supply a lot of security than a standard business.

2. REVIEW OF LITRATURE:

SHAMSHER SINGH (2017) This study is conducted on "Study of consumer perception of digital payment mode" mobile penetration and government initiative like Digital India ar acting as catalyst that ends up in exponential growth in use of digital payment. natural philosophy client group action created at purpose of sale (POS) for services and product either through net banking or mobile banking mistreatment good phone or card payment ar known as as digital payment. The patron perception of digital payment features a important. The structured form was used as analysis tool for understanding client perception of digital payment. Primary knowledge was collected from a hundred and fifty respondents in Old Delhi.

TANZILA AIYAZ SAYED (2018) this study is conducted on "A study of customer satisfaction level and customer perception of e-payment app services with special reference to Pune city" The growth of recent. Digital payments see electronic client transactions, that embody payments for merchandise and services that are revamped the web, during this paper a trial has been created to review the client satisfaction level of the those who are victimization E-PAYMENT APPS. this text seeks to know the dynamics of Pune's E-

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Payment App by learning varied factors just like the rating, client behaviour, market share, revenue models, app convenience, etc.,

Dr. M SUMATHY (2019) this study is conducted on "Customer perception towards mobile – wallets among youth with special reference to Thrissur city" implementation of electronic gadgets became the half and parcel of the life. Mobile notecase has modified the world's payments system by providing multiple digital services right from utility payment to e-tailing. In India, the growing adoption of the good phone's and mobile net has given a lift to the mobile notecase trade in Asian country.

Dr. G. PASUPATHI(2020) this study is conducted on "A study on customers' perception towards mobile wallet with special reference to Google pay" The mobile notecase is reflective of the increasing presence of mobile devices in lifestyle. Google Pay (stylized as G Pay; once Pay with Google and mechanical man Pay) could be a digital notecase platform and on-line, facultative users to form payments with mechanical man phones, tablets or watches. The study is tried to analyse the customers' perception towards mobile notecase with special relation to Google pay. The study was done supported well-structured form with150 respondents in Tiruchirappalli.

SAYANTAN KHANRA (2021) this study is conducted on "Factors influence the adoption postponement of mobile payment services in the hospitality sector during a pandemic" In the post-COVID-19 era, the cordial reception sector might. However customers might put off adoption of MPS in look ahead to a additional engaging iteration. Our analysis model extends the innovation resistance theory by as well as. we tend to analysed knowledge from 308 respondents UN agency had antecedent purchased accommodation and transportation services mistreatment MPS, using structural equation modelling to check the analysis model.

3. OBJECTIVES OF THE RESEARCH

a) To understand the concept of Mobile Wallet.
b) To study the awareness of Mobile wallets in Mysore city.
c) To examine the perception of users towards the mobile wallet.

4. RESEARCH METHODOLOGY

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This study relies on each primary and secondary knowledge. Primary knowledge were collected through a form consisting of each shut terminated queries whereas additional specializing in shut terminated queries. Secondary knowledge assortment was done through relevant publications and websites. The population of the analysis was the Mobile-Wallet users. one hundred residents in Mysore town United Nations agency square measure victimization this mobile wallets because the sample by victimization convenient sampling methodology. And analyse the info chi-square check, T check square measure employed in order to analyse the info.

5. ANALYSIS AND INTERPRETATION

Demographic Profile of the respondent:

The demographic profile of the respondents is given in Table 1. Out of the 100 respondents taken for the study 71 per cent are male remaining are female. 42 per cent have completed their studies up to graduation and 33 per cent have studies post-graduation. Regarding the monthly income 29 per cent respondent earning 25000-35000 after that below-25000 26 per cent respondent are there. Majority of the respondent it means 42 per cent are using Google pay, 31 per cent they are using Paytm and 22 per cent respondents are using Phonepe.

DEMOGRAPIC PROFILE

In order to analyse demographic profile of the respondents I have used chi-square test. The decision rule used to find out the significant factor is chi-square test P value > o and sigma < .05 accordingly. The Gender, Educational qualification and preferred M-Wallet are rejected because their sigma value is less than 0.05 for that reason hear null hypothesis has been rejected alternative hypothesis has been accepted. And only factor that is monthly income of the respondent has been accepted because that sigma value is more than 0.05 for that reason here null hypothesis has been accepted and alternative hypothesis rejected.

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Source: Field Survey

Factors	Categories	No. of Respondents	Percentage
Gender	Male	71	71.00
	Female	29	29.00
Education	+2	25	25.00
	Graduation	42	42.00
	Post Graduation	33	33.00
Monthly Income	Below 25000	26	26.00
	25000-35000	29	29.00
	35000-45000	23	23.00
	Above 4500	22	22.00
Preferred M-Wallet	Paytm	31	31.00
	GooglePay	42	42.00
	Phonepe	22	22.00
	Others	05	05.00
Factors	Categories	No. of Respondents	Percentage
Gender	Male	71	71.00
	Female	29	29.00
Education	+2	25	25.00
	Graduation	42	42.00
	Post Graduation	33	33.00
Monthly Income	Below 25000	26	26.00
	25000-35000	29	29.00
	35000-45000	23	23.00
	Above 4500	22	22.00
Preferred M-Wallet	Paytm	31	31.00
	GooglePay	42	42.00
	Phonepe	22	22.00
	Others	05	05.00

Table No.1 (a)
Chi-Square Results

Variables	Chi-square	P-value	Hypothesis
Gender	3.387	0.000	Ho=Rejected
Educational Background	4.123	0.001	Ho=Rejected
Monthly Income	3.240	0.088	Ho=Accepted
Preferred M-Wallet	1.123	0.004	Ho=Rejected

Source: Field Survey

In order to search out the factors Preference towards exploitation M-wallets 07 attributes which will influence the respondent so as to use the mobile-wallet. The respondents were then requested to specific their level of opinion on the influence of these factors on a five purpose Likert-scale. The output of t-test performed to spot the numerous factors Preference towards exploitation M-wallets is shown in Table a pair of.

The below table shows the factors that ar important for motivating ladies entrepreneurs. the choice rule accustomed determine the numerous issue is t worth > o and letter < .05.

Consequently 04 factors. Recharge, Transportation, transfer cash and different are these factors proved to be important. Hence, the remaining 03 factors particularly Utility bill payments food/ film tickets and on-line searching proved to be insignificant.

Preference towards using M-wallets
One Sample T Test

Particulars	Mean	SD	T-Test	P-Value	Hypotheses
Recharge	4.850	1.217	1.5620	0.001	Significant
Utility Bill Payments	2.500	1.465	1.5038	0.077	Not-Significant
Transportation	4.400	1.327	1.5498	0.000	Significant
Food/Movie tickets	3.750	1.090	1.3773	0.065	Not-Significant
Online Shopping	3.325	1.227	1.4935	0.032	Not-Significant
Transfer money	3.650	1.244	1.4793	0.000	Significant
Any other	2.108	1.011	1.4213	0.000	Significant

Source: Field Survey

In order to find out the factors Reasons for using M-wallet payment 09 attributes that can influence the respondent in order to choose the mobile-wallet. The output of t-test performed to spot the numerous factors Reasons for victimization M-wallet payments shown in Table three.

The below table shows the factors that square measure vital for motivating ladies entrepreneurs. the choice rule wont to resolve the numerous issue is t price > o and alphabetic character < .05. Consequently 06 factors. The provision of mobile payment services,. Acceptance of the services at completely different stores, to require the advantage of loyalty/reward points and discounts, Interacting with mobile notecase is useful, Trust the service suppliers of mobile notecase and Time Saving through digital payment mode square measure These factors verified to be vital. Hence, the remaining 03 factors particularly Convenience of the mobile payment services, snug with the protection of the mobile payments and Secured dealing verified to be insignificant.

Reasons for using M-wallet payment
One sample T-test

Particulars	Mean	SD	T-Test	P-Value	Hypotheses
The availability of mobile payment services	3.77	1.365	2.18	0.001	Significant
Convenience of the mobile payment services	4.73	1.516	2.41	0.081	Not-Significant
Comfortable with the security of the mobile payments	4.33	1.415	3.74	0.044	Not-Significant
Acceptance of the services	3.21	1.365	3.17	0.003	Significant

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at different stores					
To take the advantage of loyalty/reward points and discounts	3.01	1.167	2.11	0.000	Significant
Interacting with mobile wallet is helpful.	2.01	1.551	2.38	0.000	Significant
Trust the service providers of mobile wallet	3.23	1.449	3.01	0.001	Significant
Secured Transaction	3.55	1.221	3.22	0.532	Not Significant
Time Saving through digital payment mode	3.45	1.112	3.45	0.000	Significant

Source: Field Survey

6. FINDING OF THE STUDY

a) The majority of the respondents it means 71 per cent are male respondents only few mean 29 female.

b) The educational qualification of the respondents means 42 respondents qualification is graduation.

c) When nearly 42 respondents come to preferred mobile-wallet majority respondents are using Google pay.

d) Most of the respondents they are telling they are using the mobile wallet because of money transfer.

e) Most of the respondents are strongly agreed and that telling mobile-wallet payments Convenience of the mobile payment services.

f) Majority of the respondents are strongly agreed that and they are using mobile wallet payments for Convenience of the mobile payment services.

7. SUGGESTIONS OF THE STUDY

a) Majority are male customers only using M-wallet they have to attract the female customers also then only the number of users will increase.

b) Majority graduates only using this M-wallets they also attract other educational background users.

c) Most of the respondents are telling they till they are don't know the in order to use this M-wallet for that reason the company has to give some detailed information regarding use this app.

d) Till today some many do not trust this M-wallets for that reason they take necessary action towards those people.

8. CONCLUSION OF THE STUDY

The use of those apps for creating on-line payments has created an enormous growth in few years. The quantity of user's victimization these apps is increasing considerably day by day. The pocketbook facility of those apps attracts loads of users. The study makes an attempt to look at the perception of m-wallets among customers in Mysore town. The study reveals that the bulk of the respondents square measure aware of m-wallets and that they square measure victimization the m-wallets for creating payments. Phonepe, Google pay, Paytm is taken into account because the most acceptable payment entry. The services provided by m-wallet gateways square measure satisfactory and that they like m-wallets owing to the ability of instant payments. Network issues and security problems square measure the foremost issues long-faced by m-wallets. The study appearance in too few of the impediments and recommends to live therefore on promote the expansion of the e-payment. selling and promotion programmes ought to be conducted to make awareness among non-users. Discount offers and reward points on creating payment through digital pocketbook will increase its quality and adoption yet.

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FINANCIAL LITERACY FOR ENTREPRENEURSHIP

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Abstract: *Financial literacy is a crucial aspect of entrepreneurship as it enables individuals to make informed financial decisions and manage their finances effectively. This research paper aims to explore the relationship between financial literacy and entrepreneurship, highlighting the importance of financial literacy in the success of entrepreneurial ventures. Through a comprehensive literature review, this paper examines various concepts and models of financial literacy and entrepreneurship and identifies the key factors that contribute to financial literacy among entrepreneurs. Additionally, this paper provides an overview of the current state of financial literacy education and training programs available for entrepreneurs, along with their effectiveness in improving financial literacy. The findings of this study suggest that financial literacy plays a critical role in the success of entrepreneurial ventures, and there is a need for more effective financial literacy education and training programs tailored to the specific needs of entrepreneurs. This research paper contributes to the on-going discourse on financial literacy and entrepreneurship and provides insights for policymakers, educators, and practitioners on how to improve financial literacy among entrepreneurs and this research paper explores the relationship between financial literacy and entrepreneurship, highlighting the importance of financial literacy for the success of entrepreneurial ventures.*

Keywords: *financial literacy, entrepreneurship, decision-making, education, and success.*

1. INTRODUCTION

Financial literacy is an essential component of entrepreneurship. In order to be successful in starting and managing a business, entrepreneurs must have a solid understanding of financial concepts and practices. This literature review explores the concept and definition of financial literacy and entrepreneurship, the importance of financial literacy for entrepreneurs, the current state of financial literacy education and training programs available for entrepreneurs, and the effectiveness of these programs.

2. CONCEPT AND DEFINITION OF FINANCIAL LITERACY AND ENTREPRENEURSHIP:

Financial literacy refers to the knowledge and skills necessary to make informed and effective decisions about financial matters. This includes understanding the basics of financial management, such as budgeting, saving, investing, and borrowing, as well as the ability to navigate financial institutions and products, such as banks, credit cards, and loans. Entrepreneurship, on the other hand, refers to the process of creating, managing, and growing a business venture with the aim of making a profit. It involves identifying a need in the market, developing a product or service to meet that need, and managing the operations of the business to ensure its success. Financial literacy and entrepreneurship are closely related, as financial literacy is a critical component of entrepreneurship. Entrepreneurs need to understand the financial aspects of their business ventures, such as cash flow management, financial planning, and risk management, in order to make informed decisions that support the growth and success of their businesses. Moreover, financial literacy is essential for entrepreneurs to access finance and manage their financial resources effectively. Entrepreneurs need to understand the different types of financing options available, such as loans, lines of credit, and venture capital, and be able to evaluate their costs and benefits. They also need to be able to manage their cash flow effectively to ensure the sustainability of their businesses.

In conclusion, financial literacy and entrepreneurship are closely linked concepts that are essential for the success of any business venture. Financial literacy provides entrepreneurs with the knowledge and skills necessary to make informed decisions about financial matters, while entrepreneurship requires a deep understanding of financial management and the ability to navigate financial institutions and products.

3. IMPORTANCE OF FINANCIAL LITERACY FOR ENTREPRENEURS:

Financial literacy is critical for entrepreneurs for several reasons. First, it enables them to make. Examples of these programs include the Small Business Administration's Financial Education and Training Network, the National Association of Small Business Owners' Financial Education Program, and the Kauffman Foundation's FasTrac program. Informed financial decisions that can impact the success of their business. For example, entrepreneurs who are financially literate are better able to manage cash flow, allocate resources effectively, and make sound

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investments. Second, financial literacy provides entrepreneurs with the skills necessary to secure financing for their business. This includes understanding the different types of funding available, how to prepare a loan application, and how to negotiate with lenders. Finally, financial literacy is essential for managing risk. Entrepreneurs who are financially literate are better equipped to identify potential risks and take steps to mitigate them.

4. CURRENT STATE OF FINANCIAL LITERACY EDUCATION AND TRAINING PROGRAMS AVAILABLE FOR ENTREPRENEURS:

While financial literacy is critical for entrepreneurship, many entrepreneurs lack the necessary knowledge and skills. According to a study by the National Financial Educators Council, only 15% of entrepreneurs have received formal financial education. However, there are a growing number of financial literacy education and training programs available for entrepreneurs. These programs range from online courses and workshops to mentorship programs and accelerator programs.

5. INDIA'S GROWING FINANCIAL LITERACY:

India's financial literacy has been growing steadily in recent years due to several factors such as government initiatives, technological advancements, and increased awareness among the population. One of the key government initiatives that have helped in promoting financial literacy is the Pradhan Mantri Jan Dhan Yojana (PMJDY) program launched in 2014. This program aims to provide financial services to the unbanked and underbanked population of the country. As of September 2021, over 44.26 crore bank accounts have been opened under this program, which has enabled millions of people to access basic financial services like savings accounts, insurance, and pension schemes. These initiavtives helped in improving India's financial literacy, as the Number of transactions with respect to digital payments in India grew 5times from 2016-17 to 2020-21. Additionally, the value of fintech transactions is expected to rise at a CAGR of 20% to US$ 138 billion in 2023 from US$ 66 billion in 2019.
In addition, there has been a growing awareness among the population about the importance of financial planning and investments. This has been reflected in the increasing number of people investing in mutual funds, stocks, and other financial instruments. To further promote financial literacy, the government has launched various campaigns and initiatives such as the Digital India program, the Atal Pension Yojana, and the Sukanya Samriddhi Yojana, which aim to educate people about financial products and services, and encourage them to save and invest for their future.

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Source: National Centre for Financial Education report, 2015 & Financial Literacy and Inclusion in India Survey Report, 2019.

6. IMPORTANCE OF FINANCIAL LITERACY IN INDIA:

Financial literacy is crucial for the economic development and well-being of any country, and India is no exception. Here are some reasons why financial literacy is important in India:

a) **Empowerment:** Financial literacy empowers individuals to make informed decisions about their money. It helps them understand the importance of savings, investments, and insurance, and make financial decisions that are beneficial in the long run.

b) **Economic Growth:** Financial literacy is crucial for the economic growth of the country. It helps individuals and businesses to make investments that generate income and create jobs. This, in turn, drives the economy forward and contributes to overall growth.

c) **Avoiding Scams:** Financial literacy helps people to identify and avoid financial scams and frauds. This is particularly important in a country like India, where there are many cases of financial fraud and mismanagement.

d) **Retirement Planning:** India has a large aging population, and financial literacy is essential for retirement planning. People need to understand the importance of retirement planning and start saving for their retirement from an early age.

e) **Credit Management:** Financial literacy is also crucial for managing credit effectively. It helps individuals understand the importance of credit scores, interest rates, and other factors that impact credit management.

f) **Reduction of financial stress:** Financial literacy can help to reduce financial stress by teaching people how to manage their finances effectively. It can help individuals to create and stick to a budget, avoid debt traps, and plan for their financial goals.

g) **Promotion of financial inclusion:** Financial literacy is a critical tool for promoting financial inclusion in India. It can help to bridge the gap between the financially

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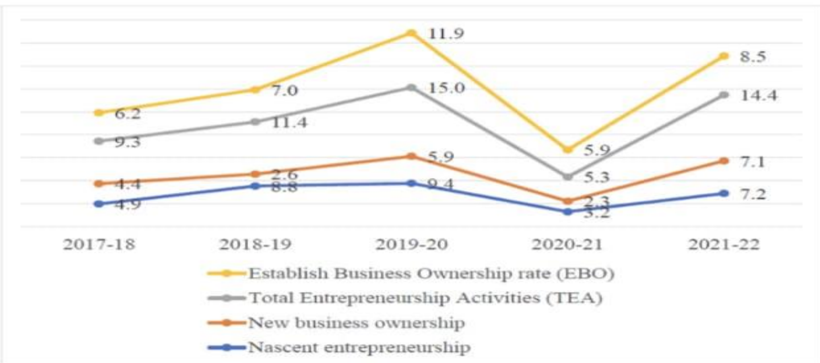
excluded and the mainstream financial sector, by providing individuals with the knowledge and skills they need to access and use financial services.

h) **Growth of MSMEs:** financial literacy has played a significant role in the growth of MSMEs in India, as it has enabled these enterprises to access finance, manage their finances better, and adopt digital technologies, among other benefits. According to a report by the International Finance Corporation (IFC), financial literacy has the potential to unlock $2.5 trillion in GDP and create 30 million jobs in India by 2030. The report also notes that financial literacy can help MSMEs to access finance, manage their cash flows, and adopt digital technologies, which can lead to increased growth and profitability

i) **Entrepreneurship:** Financial literacy is vital for entrepreneurs who need to understand financial management, cash flow, improving profitability, making informed decisions, risk management and investment planning. This enables them to make informed decisions about their business and ensure its financial sustainability.

Overall, financial literacy is essential for individuals, businesses, and the country as a whole. It helps people to make informed decisions about their money, avoid financial pitfalls, and contribute to the economic growth of the country.

9. Total Entrepreneurship Activities in India in Last Five Years



Source: GEM India Report 2021-22

7. EFFECTIVENESS OF FINANCIAL LITERACY EDUCATION AND TRAINING PROGRAMS:

The effectiveness of financial literacy education and training programs for entrepreneurs varies widely. Some programs have been shown to have a positive impact on the financial literacy of participants, while others have had little to no effect. A study by the Kauffman

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Foundation found that entrepreneurs who completed its FastTrac program were more likely to secure financing and report higher revenue growth than those who did not participate in the program. Similarly, a study by the University of Illinois found that entrepreneurs who participated in the Illinois Small Business Development Center's financial education program reported greater confidence in their financial management skills. However, other studies have found that financial literacy education and training programs have little impact on the financial performance of entrepreneurs.

a) Impact of Financial Literacy on Decision-making:

Financial literacy has a significant impact on the decision-making process of entrepreneurs. A study by the National Bureau of Economic Research found that entrepreneurs who were financially literate were more likely to make profitable investments and less likely to default on loans. Additionally, entrepreneurs who were financially literate were better equipped to make informed decisions about their business operations, such as pricing strategies and marketing campaigns.

b) Impact of Financial Literacy on Education:

Financial literacy education is an essential component of entrepreneurship education. A study by the Kauffman Foundation found that entrepreneurs who received financial literacy education were more likely to secure financing and report higher revenue growth than those who did not receive such education. Additionally, financial literacy education helps entrepreneurs navigate the complex financial landscape and make informed decisions about their business operations.

c) Impact of Financial Literacy on Success:

Financial literacy has a significant impact on the success of entrepreneurs: A study by the University of California, Los Angeles found that entrepreneurs who were financially literate were more likely to succeed in their business ventures. Specifically, financially literate entrepreneurs were more likely to generate revenue, create jobs, and make profits.

8. INDIA'S GOVT. HAS TAKEN MANY STEPS TO AMELIORATE FINANCIAL LITERACY IN INDIA. SOME KEY STEPS TAKEN BY THE GOVERNMENT:

Launch of financial literacy programs: The government has launched several financial literacy programs such as the National Institute of Securities Markets (NISM), the Financial Literacy and Credit Counselling Centres (FLCCs), and the National Centre for Financial Education (NCFE) to promote financial literacy among entrepreneurs and the general public.

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Inclusion of financial literacy in school curriculum: The government has recognized the importance of financial literacy and has included it in the school curriculum. Students learn about financial concepts, such as budgeting, saving, and investment, from a young age.

Launch of online resources: The government has launched several online resources, such as the Reserve Bank of India's Financial Education Website and the Securities and Exchange Board of India's (SEBI) Investor Education Website, to provide information and resources on financial literacy and entrepreneurship.

Promoting financial inclusion: The government has taken several steps to promote financial inclusion and increase access to financial services for entrepreneurs. Initiatives such as the Pradhan Mantri Jan Dhan Yojana and the Mudra Yojana have helped entrepreneurs to access credit and other financial services.

Support for start-ups and entrepreneurs: The government has launched several schemes, such as Start-up India, Stand-up India, and the Aatma Nirbhar Bharat Abhiyan, to support start-ups and entrepreneurs. These initiatives provide funding, mentorship, and other support to entrepreneurs to help them start and grow their businesses.

Overall, the Government of India has recognized the importance of financial literacy for entrepreneurship and has taken several steps to promote it. By providing access to financial education, resources, and support, the government is helping entrepreneurs to make informed financial decisions and grow their businesses.

7. CONCLUSION

Financial literacy is an essential skill for entrepreneurship. It impacts decision-making, education, and success. Entrepreneurs who are financially literate are better equipped to manage their finances effectively, secure financing, and mitigate risk. While there are a variety of financial literacy education and training programs available for entrepreneurs, further research is needed to determine the most effective approaches to financial literacy education and training for entrepreneurs

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A DISCOURSE ON GENDER GAP IN THE CASE OF FINANCIAL INCLUSION IN INDIA

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Abstract: *Financial literacy is the knowledge or understanding of finance i.e., investments, borrowing, savings, personal finance etc and the ability of using that knowledge to meet one's essential financial needs. On the other hand, financial inclusion is "the process of promoting affordable, timely and adequate access to a wide range of regulated financial products and services and broadening their use by all segments of society through the implementation of tailored existing and innovative approaches including financial awareness and education with a view to promote financial well-being as well as economic and social inclusion" (Atkinson and messy, 2013). COVID 19 pandemic has increased the use of digital financial service. The existence of gender gap in financial inclusion has become the centre of discussion now a days. The world bank Global FINDEX report 2021 highlighted that when it comes to the use of digital financial service in India only 5.98% women are using phone or internet to pay bills where as in case of men it's 13.5%. Same is case of the use of Bank accounts, as compared to men inactive accounts of females are more i.e., male 22.89% and female 32.32%. It is observed that lack of financial literacy and unemployment among women are the major reason behind inactive accounts, low savings, low borrowings, less use of mobile banking or internet banking etc, in India. Indian women are facing many psychological, cultural, financial and physical barriers in becoming financially literate. For promoting financial inclusion and financial literacy government of India has launched many schemes like Vittiya Saksharta Abhiyan (VISAKA), Pradhan Mantri Jan Dhan Yojana, Mudra bank Yojana etc. The prime objective of this paper is to know what are the gender gap in financial literacy and financial inclusion in India and understanding what are the obstacles faced by women in becoming financially literate, how these barriers are creating hindrance and what are the initiatives taken by government to reduce this gap. Financial literacy and the use of financial inclusion will make women more independent and empowered which will ultimately leads to nation growth.*

In the words of Swami Vivekananda, "It is impossible to think about the welfare of the world unless the condition of women is improved. It is impossible for a bird to fly on only one wing."

Keywords: *Financial Inclusion, Financial literacy, Gender Gap, Global FINDEX report, India*

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1. INTRODUCTION

All over the world discussion on financial inclusion has increased specially after COVID19 pandemic. The financial inclusion can boost economic growth and reduce poverty and can bring financial stability in the country. During COVID19 pandemic when social distancing and lockdown all over the world was imposed, e-financial services became the lifeline of many people. The problem of Gender gap in the usage of financial services specially in underdeveloped countries are common. Inequalities are unfortunately the common characters in all the societies and fighting against them is the unique symbol of the new era (Sholevar & Harris, 2020). Inequalities has also been observed in financial inclusion. Due to the socio-economic factors women are denied of basic education, they are dependents, some are not allowed to take financial decision even after being financially independent. Because of this patriarchal society they are still dependent on the male members of their family for financial decision making. Since women hold around 50% of the population of India, it would be unjust if only rest of the 50% will be taking the financial decisions. The major reason behind such issue is the lack of financial literacy among women. The survey by NCFE clearly exhibits that the financial literacy percentage among the women in India is quite low which needs special focus (Dwivedi et al., 2015). To achieve financial stability in the country financial inclusion is needed and to achieve financial inclusion financial literacy is necessary and with 50% of population being lagging behind in financial literacy will hinder the growth of India. Though there is disparity in financial literacy among women as compared to men, however, the level of financial literacy is also not satisfactory among men as well. Government of India has launched many schemes like Vittiya Saksharta Abhiyan (VISAKA), Pradhan Mantri Jan Dhan Yojana, Beti Bachao, Beti padhao Yojana, Sukanya Samridhi yojana, National centre for financial education etc to promote financial inclusion in India and to reduce financial gender gap. This study will attempt to find out what are the different indicator of financial inclusion where women are lagging behind male, the study will be based on the World Bank's Global Findex Report 2021. Further attempt will be made to understand what are the obstacles coming in the path of the women in getting financially literate and will also study the various interventions and schemes made by government of India to boost financial inclusion among women in India. The study will contribute to literature by extending the basic understanding of financial inclusion and financial literacy and problems faced by Indian women.

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2. LITERATURE REVIEW

Dwivedi et al., (2015) analysed the report of NCFE report on financial literacy and financial inclusion on the basis of geographical area, gender mix and occupation in India. Also evaluated how universities can help boost financial literacy. It was found out that urban population is more financially literate and scored more in financial inclusion than rural population. Further in urban and rural both males are more financially literate than females.

Ghosh & Hom Chaudhury, (2019) evaluated the gender gap in financial inclusion in India using the database of World Bank's Global Findex report 2017. Fairlie Decomposition model was used to analyse the various variables of socio-economic channels and found out that low education and low employment status among women are the major reason which prohibit them from using financial services.

Baluja, G. (2016) discussed the issues faced by Indian women in getting financially literate. And analysed the various programme run by the government for promoting financial literacy among women. Also discussed what are the measures should be taken to boost financial literacy. At the end concluded that for the growth of nation financial literacy of women should be promoted and government and institutions should work together to remove physical, cultural, financial and psychological barriers faced by Indian women.

Rink et al., (2021) investigated the difference between financial literacy of men and women and role of culture in that. Analysed the data of National Data Survey on Savings Patterns of Indians (NDSSP) using blinder-oaxaca decomposition method and found out that in matrilineal states (Nagaland, Mizoram and Meghalaya) women have more financial knowledge as compared to patriarchal states.

Jatty, (2018) evaluated the financial behaviour of Indian people regarding savings, investments, borrowings etc and analysed their decision-making behaviour associated with that. For the study 378 working women of information technology companies of Bengaluru were administered and found out that financial behaviour has a positive impact on decision-making behaviour.

Joseph & Varghese, (2014) analysed the usage of debit card and credit cards, number of bank branches, ATM etc of five state bank group and five private bank and tried to find out the impact of financial inclusion on economic growth of country.

Agnew et al., (2017) investigated the gender gap in financial socialization of children in home using social cognitive theory of gender development. Concluded that differential experience of financial socialization for boys and girls depends on the gender of the parent present when spending.

Prasad et al., (2018) examined the digital financial literacy among the people of Udaipur. Further investigated how personal characteristics impact digital financial literacy. For analysing took 268 household samples from Udaipur city of Rajasthan. It was concluded that government should run awareness campaign to encourage people to go cash less and use digital e-services. And government should also work towards reducing financial gender gap.

3. OBJECTIVE OF THE STUDY

a) To know what are the statistic of gender gap in different indicator of financial inclusion in India.
b) To understand what are the obstacles faced by women in becoming financially literate and how these barriers are creating hindrance.
c) To discuss what are the initiatives taken by government to reduce this gap.

4. DIFFERENT INDICATOR OF FINANCIAL INCLUSION BY GENDER

Financial inclusion cannot be achieved without financial literacy and the basic parameters for financial literacy are financial behaviour, financial attitude and financial knowledge. Where financial behaviour comprises of household budget preparation and management, keeping a watch on financial affairs etc. Financial attitude includes spending, borrowing, saving etc. Financial knowledge includes having knowledge of inflation, loan interest calculation, knowledge of use of technology-based e-services etc (Dwivedi et al., 2015).

The descriptive statics reported by World Bank's Global Findex report are shown in Table-01. As per this report, in 2017 where formal account of male was 82.94% and female 76.64%, in 2021 no much difference is found in having formal account between male and female (i.e. male 77.15% and female 77.47%). It became possible because of Pradhan Mantri Jan-Dhan Yojana which aimed at opening of basic savings bank deposit account of every unbanked adult with zero balance and zero charges. This was the first and very effective steps taken by the government towards financial inclusion.

Even after opening of saving account, it is found that 32.32% of female accounts are inactive and in male it is 22.89%. There is also gap in the use of financial services. Savings at

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financial institutions of male is 13.48% and female is 11.97%, when it comes to borrowing from financial institution only 10.19% female take loan where as in males it is 13.27%.

After COVID19 the use of mobile or internet to pay bills has been increase. But when it comes to gender 13.5% male are using mobile or internet to pay bills whereas only 5.59%female are using this service. Financial illiteracy or financial dependency can be the reason for this. Gender gap is also visible in the use of debit or credit card.

Table 01 Financial Inclusion by Genders in India

SL. No.	VARIABLES	2017		2021	
		MALE	FEMALE	MALE	FEMALE
1	Accounts at financial institution	82.94	76.64	77.15	77.47
2	Borrowings from financial institution	10.02	6.21	13.27	10.19
3	Savings at financial institution	22.42	16.69	13.48	11.97
4	Inactive account	26.71	34.67	22.89	32.32
5	Owns a Credit Card	3.68	2.3	6.72	3.38
6	Owns a Debit Card	42.77	22.34	34.52	19.08
7	Use of mobile phone or internet to pay bills	3.49	1.88	13.5	5.98

(Source: Global FINDEX database 2017 & 2021)

5. FACTORS AFFECTING FINANCIAL LITERACY IN INDIAN WOMEN

Financial literacy among Indian women is influence by many factors. Some of those factors are-

Lack of education- In India, the literacy level of women is 77% while that of male is 84.7% as per governments NSSO survey report. Thus, lack of proper education and lack of technical knowledge is the reason behind low financial literacy in Indian women.

Lack of Independence- In India women even after getting financially independent still depend on their male family member for taking investing decision, women do not have the freedom to manage their own earnings. And women are allowed to spend only small amount of her earnings on herself and all the investing decisions are taken after considering well-being of the family. Hence women are not being able to use financial services fully.

Culture- "Culture also comes in as a factor that acts as a hindrance in spreading financial education among women. Some cultures do not allow women to take part in financial matters of the family. It is a usual practice that men take control of financial matters whereas women are supposed to take care of domestic duties. This disrupts their confidence and restrains them in becoming financially literate." (Baluja, G. 2016)

Financially dependent- In India population of non-working women are high, they depend either on their father or on their spouse for finance. Hence this can be also one reason why women lack freedom in financial decisions and why they lack financial inclusion.

Lack of accessibility- mostly in rural areas financial institutions, banks and financial education centre are located far away from their home, hence women find it difficult or expensive to reach nearest town for banking. Hence this can be the one of the reasons why women lack financial inclusion. (Mathivathani and Velumani, 2014).

Lack of women centric financial schemes: "Most financial institutions have generic financial services and do not develop women specific financial schemes. Also, the high and stringent requirements to access the services restrict the women to take financial decisions and learn financial jargons. Products that only focus on business and does not focus on the woman household also act as a barrier in financial literacy among women." (Baluja, G. 2016).

6. INITIATIVES TAKEN BY INDIAN GOVERNMENT

6.1. Pradhan Mantri Jan-Dhan Yojana- PMJDY is a national mission for financial inclusion launched in year 2014 with the aim of providing universal access to various banking facilities like basic savings bank account, financial literacy, credit facilities, insurance etc. It provided a platform for three social security schemes viz. Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).

6.2. Vittiya Saksharta Abhiyan- Aims at cashless transactions in the country. Under this youth and students are encouraged to motivate all the payers and payees who also include their own family members and friends to use digital cashless methods for transfer of funds. NSS and NCC volunteers go to shops, vendors and associations in the market and educate them and request them to go cashless.

6.3. Financial Literacy and Credit Counselling Centres (FLCC): Government of India establishes financial literacy and credit counselling centres for providing free financial education in the country specially among weaker sections like women. Hence help spreading financial inclusion in India.

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6.4. Girl Child Prosperity scheme or Sukanya Samridhi yojana- launched on 2015 by prime minster Narendra Modi with the aim of abolishing gender discrimination, sex determination, protection of girls, higher education etc. This would ensure the financial support to females which will encourage the financial literacy as well.

6.5. Beti Bachao, Beti padhao Yojana- This is a Government of India scheme that aims to generate awareness and improving the efficiency of welfare services meant for women. It aims to address the issue of the declining child sex ratio (CSR).

6.6. National centre for financial education (NCFE)- National centre for financial education has been set up to implement national strategy for financial education (NSFE), under this many e-learning course free of charges on financial education like banking, insurance, pension, securities markets etc were taught. These topics are further subdivided into 20 sub topics like managing income and expense, long term financial planning, scams and frauds, financial safety nets and insurance etc. This course will financially literate the people and make them informed and enabled better financial decision making financial wellbeing which will lead country to financial inclusion.

7. CONCLUSION

Now a day all over the world financial inclusion has become the centre of discussion among researchers. Financial inclusion can bring economic stability in the country. In India nearly 50% of population comprise of women and they are lagging behind men and this has also seen in financial inclusion and financial literacy. The exclusion of women from financial services may lead to their exclusion from social and economic activities, which means potential economic growth of the country will hinder. Government of India is putting lot of efforts for promoting financial inclusion in the country. Many schemes are launched to financially literate people with special focus on vulnerable groups like weaker sections, women, low-income group etc. Many policies are adopted to reduce the gender gap in financial inclusion even though the disparity exists in income, education, employment status of women in the society until this gap filled full financial inclusion in the country cannot be achieved. The government should first focus on the root cause of inequality in India like what are causing Indian women not to come forward, what problem they are facing and then should work on financial literacy. However, over the time women are realizing the importance of financial inclusion in improving their individual and family condition. They themselves are trying to get financially literate. Financial institutions, banks, government and women herself should work together for promoting financial literacy and financial inclusion so that each and every person of this country can contribute towards the growth and development of nation as a whole.

As said by Swami Vivekananda- "It is impossible to think about the welfare of the world unless the condition of women is improved. It is impossible for a bird to fly on only one wing."

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INFLUENCE OF FINANCIAL LITERACY AND PERSONALITY TRAITS ON STOCK MARKET INVESTMENT DECISION

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Abstract: *Individuals are increasingly investing in financial instruments with their hard earned money. While a growing number of individuals are taking responsibility for their own financial security, they are faced with increasingly more complex financial instruments. Further, the concept of financial engineering has resulted in the introduction of several complex financial products. However, there is limited information about whether investors have the financial knowledge and skills to navigate this new environment. The objective of this study is to understand financial literacy and personality trait and its relation to financial self-efficacy as well as risk propensity in stock market participation. Financial literacy is measured using questions related to numeracy, working of inflation and interest rates and advanced questions about financial instruments (stocks, bonds, and mutual funds). The study intends to find out the importance of financial literacy by studying its relation to investment decision in stock market participation. The population of the study is capital market investors of India who are registered under SEBI. The data collection will be confined to investors registered with various stockbrokers in Kerala. Multi-stage random sampling will be used. According to the SEBI, there are approximately 4800 stock brokers in India. The initial details of the investors will be taken from stock broking agencies,which is considered as the sampling frame. Questionnaire using Likert scale is used for data collection and SPSS for analysis. The present study will enable financial advisors, strategists and brokers to effectively understand investor's psychology, allowing them to construct behaviorally adapted portfolios based on their customer needs.*

Keywords: *Financial Literacy, Personality Traits, Financial Self-Efficacy, Risk Propensity, Stock Market Investment Decision*

1. INTRODUCTION

A global survey by Standard and Poor (S&P) presents evidence to the fact that about 76% of Indian adults do not adequately understand key financial concepts, including risk diversification, inflation and compound interest, this financial literacy percent is lower than the word wide average of the financial literacy. This survey also brings about the facts that

India is having the lowest financial literacy even among the major emerging economies of BRICS. As per the RBI household finance committee report (2017), non-financial assets account for 95 per cent of the average household assets, which unusual in the international context. The financial literacy is crucial while taking a loan from a financial institution in order to purchase a car, a home and while doing retirement planning and investing funds as part of wealth management. The proposed research work is an attempt to measure how the financial literacy and big five personality traits, impacts the investment decision on stock market participation.

Today, many researchers believe in the test score of these traits in predicting how people behave in a variety of real life situations, are five core personality traits namely Big Five Model. Evidence of this theory has been growing for many years, beginning with the research of D. W. Fiske (1949) and later expanded upon by other researchers including Norman (1967), Smith (1967), Goldberg (1981), and McCrae & Costa (1987)

This work measures the effect of individual factors on financial risk taking behavior which diversifies with financial literacy. This study investigates the Financial Self-Efficacy in mediating the association between impacts of financial literacy on investment decision of investor's stock market.

1.1 STATEMENT OF THE PROBLEM

Classical finance assumes that capital markets are efficient, investors are rational and it's not possible to outperform the market over the long term. The conventional models are not able to explain fully the movement in share prices. It is therefore suggested that understanding investors' behavior would comprehend the psychological consequences of the financial market's investment decision-making process. The study intends to deal with the behavioural and psychological influences of investors and their intention towards stock market investments in a behavioural finance dimension as well as the financial literacy aspect. This area of study is less studied but has to be explored more so that as an investor one can know about diversified portfolio investments and become a part of the financial freedom.

Financial literacy is a life skill that allows an individual to make informed and effective decisions with all their financial resources. There is actual as well as perceived financial literacy. RBI recently launched the National Strategy for Financial Education

(NSFE) 2020-25 with an aim at inculcating financial literacy concept among the people, encourage their active savings behaviour and boost participation in financial markets.

The study is an attempt to identify whether the effect of personality traits and individual factors on financial risk propensity of the investors, diversify with their knowledge in finance. It identifies various precedence of Financial Literacy, Financial Self-efficacy, Risk Propensity and Big Five Model of Norman's personality traits. It is necessary to measure financial literacy of individuals in Kerala and to identify the effect of Big Five Model – Openness, Conscientiousness, Extraversion, Agreeableness and Neuroticism on risk taking behaviour of investors in general. The study also tries to explore the mediation effect of financial self-efficacy mainly on long time investors.

1.2 SIGNIFICANCE OF THE STUDY

Kerala is a state in India, that have much higher level of education and income. However only a certain percentage of people are investing in stocks or mutual funds, though the long run average return is considerably higher than that of other investment instruments. This percentage is much lower than the national average and much lower than that of certain states with lower level of average income and savings like Maharashtra and Gujarat. Hence there are factors other than income and savings that decides the aptitude for stock or Mutual fund investments. The risk taking capacity is investigated by others. Hence this study tries to understand the role of investor's personality traits in this investment behavior. The study also tries to understand the role played by financial self-efficacy in this dynamics.

The proposed research study is done to analyze whether involvement of financial literacy and big five personality traits brings in an adverse effect on retail individual investors decision making in stock market participation. Individual investors are classified as 22-40 years (early working age) 41-54 years (prime working age), 55-64 years (mature working age), 65 years and over (elderly) irrespective of the gender, education, marital status, employment status, expertise and annual income is considered for the study.

An investor is any individual who commits capital in securities market (stock market) with the expectation of receiving financial returns. This study will help to understand whether the impact of financial literacy on investment decision of stock market investors' will diversify with Norman's Big Five personality traits and risk propensity when financial self-efficacy mediates among these long time stock investors.

Very few studies are done in Indian market which explains the interrelationship among financial literacy and personality traits. This study considers different factors that affect the financial literacy and investors risk taking behaviour. Financial literacy questions itself is been divided into two, that is, basic financial literacy questions and advanced financial literacy questions. This study will help to understand the effect of individual factors and big five personality traits on financial risk taking behaviour, whether diversify with financial literacy.

1.3 OPERATIONAL DEFINITION OF VARIABLES

Financial Literacy: The ability to understand and effectively use various basic and advanced financial skills, including earning, saving & investing, spending, borrowing and protecting and utilising these actual and perceived knowledge for better investment decision making in stock market participation.

Personality Traits: Enduring characteristics like Openness, Conscientiousness, Extraversion Agreeableness and Neuroticism that describe an individual investors' behaviour in making stock market investments, if he is financially literate and risk seeker.

Financial Self-Efficacy: Level of confidence or belief an individual/retail investor has on his or her ability to access, use financial products and deal with the complex financial situation in order to achieve financial goals.

Risk Propensity: An Individual Investor's current tendency towards taking or avoiding risks, but mainly found to be positively related to risk-taking behaviour/willingness to take risk.

Investment Decision: The proportion of a retail investor in making stock market investments as compared to other investment spectrum. The decision made by long term individual investors of stock market are considered

1.4 OBJECTIVES OF THE STUDY

a) To study the influence of financial literacy on investor's investment decision in stock market participation
b) To understand the influence of personality traits on investment decision in stock

market participation

c) To analyse the moderating role of risk propensity between financial literacy and personality traits that influences the investor's inclination towards investments

d) To study the mediating role of financial self-efficacy in the relationship between financial literacy and personality traits while making investment decision in stock market.

1.5 HYPOTHESES OF THE STUDY

H_1: There is a significant influence of Financial Literacy on stock market investment decision

H_2: There is a significant influence of Personality Traits on stock market investment decision

H_3: Financial self-efficacy mediates the relationship between financial literacy and stock market investment decision

H_4: Financial self-efficacy mediates the relationship between Personality traits and stock market investment decision

H_5: Risk propensity moderates the relationship between financial literacy and stock market investment decision

H_6: Risk propensity moderates the relationship between Personality Traits and stock market investment decision

1.6 RESEARCH QUESTIONS

a) Do the effects of individual factors on financial risk taking behaviour diversify with financial literacy?

b) Does financial literacy influence the retail individual investors in stock market participation?

c) Do personality traits influence the stock market investment decision of individual investors?

d) How the financial self-efficacy mediates the effect of financial literacy on investment decision of individual investors with regard to risk propensity?

e) Do financial literacy and personality traits influences stock market investors in investing proportionately less than any other investment avenues?

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1.7 RESEARCH GAP

Even though many people invest in many investment avenues, proportion of stock market participation is considered less. There is little or no data about whether people have the financial knowledge and skills to explore and navigate in the complex and emerging financial environment. Despite the fact that numerous investigations were done as such as to discover the relationship between financial literacy and risk tolerance, risk tolerance and stock market participation, and financial literacy and stock market participation, no much studies were done so as to find the interrelationship among financial literacy, Big five personality traits, Financial Self efficacy, Risk propensity and stock market participation. Very few studies are done in Indian market which explains the interrelationship among financial literacy and stock market participation. This research intends to measure financial literacy and personality traits and the influence of these variables to stock market participation**.**

2. REVIEW OF LITERATURE

A literature review is instrumental to exploring previous studies and research in the related areas of the subject because it helps to bridge the research gaps that already exist. The reviews were compiled from various studies conducted by academicians, practitioners, and researchers regularly.

Bongomin, Munene, Ntayi & Malinga (2018) focused on testing the association between financial inclusion and financial literacy of the lower class in rural Uganda. The study has a

Cross-sectional quantitative research design.

Shusha (2017) studied on the relationship between financial literacy and risk tolerance. This study was done in Egypt and the sample for this study consisted of 386 respondents. The results of this study was that financial literacy and financial risk tolerance has a positive relationship with education and annual income, gender and age has a negative impact on financial risk tolerance, and that financial literacy has a positive impact on risk tolerance, or in other words, the tendency to take up risk for an individual depends upon the financial literacy.

Au Yong and Tan (2017) studied on the influence of financial literacy towards risk tolerance. This study focused on the financial literacy of the youth in Malaysia. The research was done based on a questionnaire and from this study they concluded that not having financial literacy or financial illiteracy can lead to the choosing of a wrong or unstable financial assets by the youth. It was also concluded that students who had high financial literacy and knowledge had a good attitude towards financial management as they were ready to take up the risk and that women should be given more focus as they didn't have much knowledge even about the basic financial concepts.

Chatzoglou, & Sevic (2017) examined whether the personality traits of investors affect their trading behaviour in the market. The study used structural equation modelling for analysing the data collected from 345 Greek investors. The findings of the study suggest that the trading behaviour and performance of Greek investors are influenced by their personality traits. The results indicate that trading volume has a positive effect on trading frequency.

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3. RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

Research design tells about how the data for the study is collected and how the analysis is done so as to meet the research objectives (Cooper & Schindler, 2006). The research design used for this study is Descriptive Research which studies about the personality of different people with the emphasis laid on financial literacy and financial risk propensity.

a) Research Approach and Research Methods

Quantitative form of research is being used in this study. The nature of the variables associated with research problem consists of personality traits and the measure of risk in the contest of financial literacy. The quantitative form of the research is made by using five point Likert scale.

b) Pilot Study

Pre-Testing of the instrument is done through Pilot Study. It will be conducted among small sample size of 100 respondents from small sectors and fields from Kerala, to check the reliability of the questionnaire.

3.2 POPULATION AND SAMPLING TECHNIQUE

Population refers to a full set of groups from which a sample is taken. The population of the study is retail investors of stock market who are registered under SEBI. The data collection will be confined to investors registered with various stockbrokers in Kerala because the research covers the study of the investors across the state. The sampling technique intend to be used in this study is multi-stage random sampling. According to the

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statistics of SEBI (Securities and Exchange Board of India), there are approximately 4800 stock brokers in India. From those stockbrokers, we are focusing on stockbrokers in Kerala. Some of the stockbrokers like Geojit Financial Services, Hedge Equities, Angel One is randomly selected. The initial details of the investors will be taken from these stock broking agencies, which is considered as the sampling frame.

3.3 Universe of the study

Individual investors are classified as 22-40 years (early working age) 41-54 years (prime working age), 55-64 years (mature working age), 65 years and over (elderly) irrespective of the gender, education, marital status, employment status, expertise and annual income is considered for the study

3.4 Sample Size

600 respondents will be taken, on the basis of calculation using Power Test in IBM SPSS. Sample size will also be determined using the sample size calculator formula. This sample size calculator is presented as a public service of Creative Research Systems service software.

3.5 Sampling Frame

Investors of 3 different age groups from 3 different districts of Kerala.

3.6 DATA COLLECTION TOOL

The present study will be progressed using a questionnaire to collect the primary data from the investors of Kerala. Close-ended questions were used for the study. The close-ended questions will be developed on a five-point Likert scale ranging from 5 (strongly agree) to 1 (strongly disagree). Secondary data will be collected from articles in journals, scholarly publications, books, magazines, and the internet which were related to the variables. The questionnaire is classified into two parts. The first part of the questionnaire includes the various demographic variables like age, gender, income, marital status, and work experience. The second part deals with the questions regarding the various factors influencing the investor's decision making towards stock market investments with regard to financial literacy and personality traits.

3.6.1 Techniques of Data analysis

The analysis of data will be done with the help of the Statistical Package for Social Sciences (SPSS). Descriptive statistics such as frequency tables will be used to assess the demographic profile of the respondents to make the analysis more meaningful, clear, and

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easily interpretable. The findings will be presented using percentages, frequency, and statistically generated tables. The Cronbach alpha coefficient for each research variable will be computed to test for reliability. Hypotheses will be tested using multiple regression analysis, ANOVA, and Independent t-test respectively.

3.7 RESEARCH MODELS AND VARIABLES OF THE STUDY

The nature of the variables associated with research problem consists of personality traits and the measure of risk propensity in the contest of financial literacy. The quantitative form of the research is made by using Questionnaire with five point Likert scale.

a) Independent variables: Financial Literacy and Personality Trait
b) Dependent variables: Investment Decision
c) Mediating Variable: Financial Self Efficacy
d) Moderating Variable: Risk Propensity

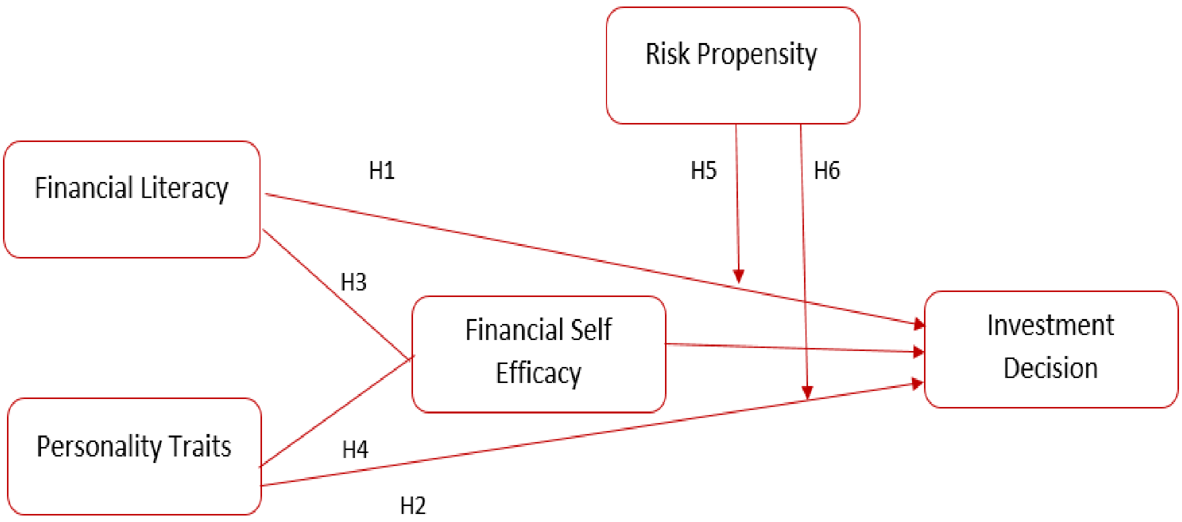

Fig.1 *Proposed Model*

4. ANALYSIS

The questionnaire also consists of questions related to stock market participation and demography of the respondents. Hypotheses testing and reliability analysis to be done by using Structural Equation Modeling. Descriptive as well as inferential statistical measures to be used. Descriptive Analysis, that is, average and percentages to be found out with the help of SPSS

Here the study aimed to get the influence of Financial Literacy and personality traits on stock market investment decision in Kerala. Compared to other paradigms of Financial

Management and Behavioral Finance, Financial Literacy and Personality trait is a novel and not so explored area of the finance field. But before the introduction of the concept of behavioral finance itself, the somewhat related practices and research involving this arena has started. Results show that the themes of financial literacy and personality trait have evolved over a period of time as an interdisciplinary field. In the initial stages, researchers focused on demographic and socioeconomic determinants, but gradually the field embraced topics like behavioral and psychological constructs influencing financial behaviour.

The available records on the systematic review of the works of literature on the topic of Financial Literacy and Personality Trait discussed the past trends and focused areas of the topic. But these trends are not always static, especially the paradigm like Financial Literacy which has diverse reflections, and external and internal influences. So, here the author is capsulizing some of the major trends and development of the research paradigm in International and Indian academics by the summary table provided below which is embodied by the authors of the article, short summary and the focused area.

This study considers two different factors that affect the stock market participation, that is, financial literacy and personality traits. Defining and appropriately measuring financial literacy is essential to understand educational impact as well as barriers to effective financial choice. Financial literacy measurement tool has two sets of questions, to distinguish high skilled and low skilled investors. Further, the risk propensity, financial self-efficacy and stock market participation are measured and interrelationships are analyzed. This study will help to understand the role of financial literacy, personality traits and financial risk taking behaviour in stock market participation which is a key to the overall socio-economic growth.

5. CONCLUSION

India being a developing economy, the objective of eradication of poverty can be achieved to a great extent by making the middle and poor classes of people well aware of the financial management. Financial literacy is considered an important adjunct for taking financial decisions. Also, most investments are associated with certain levels of risk. Hence measuring financial literacy and understanding personality trait of a retail investor and considering how much risk one can tolerate are essential in successful investment decisions.

Stock market participation which have taken popularity in the recent times has proven its benefits. As per NDSL (National Securities Depository Ltd) and CDSL (Central Depository Services India Ltd), approximately 3 crores Indians invest in Stock Market which

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is less than 2.5% of the Indian population. Financial literacy and financial risk tolerance being the key factors contributing to the stock market participation, it is very imperative to understand its role in motivating people for stock market participation. The proposed research is useful for policy making bodies like SEBI.

The results of the review explain the development of Financial Literacy during the time period from 1992 to 2022 in Indian and global context. Over the past two decades, the research field of Financial Literacy has gained comparably enough attention in the management discipline. Most of the prominent journals like Emerald Insights, Science Direct, Taylor & Francis, Wiley Online Library, SAGE publications, Springer Link and Inder Science Publishers have been giving focused attention to the subject area since its introductory time.

The journal which has highly contributed to the knowledge base is the *Review of Behavioral Finance* by Elsevier and Journal of Behavioral and Experimental Finance. The Journal of Consumer Affairs and the Journal of Pension Economics and Finance were observed to be the most active journals. Lusardi A and Mitchell OS were the two most active authors, and the documents written by Lusardi and Mitchell, Van Rooij, Fernandez, and Huston were identified as the most popular documents. From this review of reliable literature from 1992 to 2022, it is evident that Financial Literacy is highly significant in ensuring environmental and organizational sustainability and competitiveness in the present business world through organizational and individual involvement. The systematic study contributed to the literature to get knowledge on the concept and to get updated on the status of the area at present and it is tried to find the major focus areas used by the scholars and finally, it is an aid to find the contemporary scenario of Indian scholarship in the Behavioral Finance research. From this study, it was found that even after so much growth in annual scientific production and global trends in financial literacy research, India had very little number of the publications in this area.

The relevance of the proposed study is immense for society too. Even though the economic growth in India aims at bringing in its benefit to all sections of the society, a large number of people are never being exposed to the revolutionary changes in the financial environment. The popular financial products and services related to the stock market have been focusing only on the top levels of society which also have created a negative mindset among the people that modern financial products and services are not meant for the layman. This brings in the importance of financial literacy among the people to ensure the empowerment of entire society irrespective of the classes. Stocks offer a higher return and a higher volatility as compared to investments such as treasury bills which are less volatile. Also, a person can be financially successful not just by having financial literacy, but also by being financially risk tolerant. Financial literacy would benefit the general population who are financially excluded by helping them understand the advantages and the approaches to join the formal financial system. It would likewise benefit the general population who are financially included by helping them settle on great and right decisions about the products and services accessible in the market.

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