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INCREASE OF E MARKET IN FINANCIAL SERVICES AFTER DEMONITISATION

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ABSTRACT

This study is about the e market and financial services growth after demonetization. The day 8 Nov 2016 Indian government had launched Demonetization plan to drive a great success in drawing out tax dodgers and eliminating graft. The objective of demonetization is to make less cash dependent, shrink the black economy, reduce corruption and boost growth.

This resulted in 219 million Indians opened bank accounts and over 14million downloading banking apps. Within few days, digital payment use surged up to 80% among India's 260million smart phone owners.

By the demonetization each and every business companies had touch their business to the floor due to unflow of currency. India became the cashless and the cash less transactions are urging by the businesses from the time.

This situation had mostly influenced the business for business transactions for e payment transactions. The opportunity had grasped by the companies such as pay tm, debit and credit cards, Ola money etc. The e markets like Amazon, flip cart, Snap Deal have succeeded in on line transactions for small scale and large scale businesses. This became the point of sale for the customers.

This study is going to show how the increase or decrease of e market in financial services after demonetization. The information gathered from the newspapers, internet and banks data.

INTRODUCTION OF E MARKET AND FINANCIAL SERVICES:-

E market is an electronic market place where business to business buyers and sellers can trade efficiently. Electronic market markets are more flexible,

convenient and generally less costly than physical markets.

Recently Indian Government has also launched a **Government e market** for flexible selling and buying of goods for companies as well as customers.

The main advantage of G e market will minimizing price while maximizing ease, efficiency and transparency. The other advantage of G e market is enhance processes in ways such as demand aggregation, real time price discovery and prompts automated payments. It was completely neglected the facial interaction by the companies by this corruption will be reduced.

Financial services is a process by which funds are mobilized from a large number of savers and make them available to all those who are need of it and particularly to corporate customers such as bank, shareholders etc.

Companies like IBM, AMAZONE, etc are providing the financial services in the market. Financial services are playing prominent role in the Indian market before demonetization and after demonetization.

Financial services are the economic services provided by the Finance industry, which encompasses a broad range of businesses that manage money, including, credit, bank credit cards companies.

Companies, insurance companies, accountancy companies, consumer-finance companies, stock

brokerages investment funds and some government enterprises. Financial services companies are present in all economically developed geographic locations and tend to cluster in local, national, regional and international financial centers.

OBJECTIVES OF THE STUDY

- The objective of the study is how the demonetization effected the businesses.
- The other objective is how the new entries i.e new online payment cards are entered in the market.
- This study involves how the financial services and e market are increased in digital payments and online payments.
- This study involves an how the public had faced the demonetization problems.
- This study involves how a pay tm company has enhanced a 10,000 employment only in Hyderabad region within few days after the demonetization.

ABOUT DEMONITIZATION

Demonetization is the act of stripping a currency unit of its status as legal tender. It occurs whenever there is a change of national currency. The current form or forms of money is pulled from circulation and retired, often to be replaced with new notes or coins. Sometimes, a country completely replaces the old currency with new currency.

The opposite of demonetization is remonetization, in which a form of payment is restored as legal tender.

The day 8 November 2016 the Indian government had stripped the currency of 500 and 1000 rupee notes from the night to reduce the black money, corruption and to make some corrections to real estate. The decision taken by Indian government had created a sweat to tax dodgers.

The impact of demonetization was faced by a business as well as a common man. As the India become the cashless from the day the e market had created market to the businesses and had succeeded in the businesses and created to themselves also.

PROBLEMS OF COMMON MAN AFTER DEMONITIZATION

After demonetization an end number of problems had faced by the common man in India. Having a cup of coffee is difficult to a common man due to no exchange of money. The government had restricted the ATM with drawls 2000 per day .The government has proposed the new limits on ATM withdrawals being restricted to Rs.2000 per day, withdrawal from bank account is Rs.10000 a day and Rs.20000 a week.

It indicates that card transactions will slowly replace the cash transactions in our daily prone activities. By the ATM withdraw limits the common man has suffered a lot to buy are sell anything in the market.

The time created market to the e market even a tea stalls are also had purchased a point of sale machine for rs.10 transaction. The demonetization had effected every sector of common man as from the rich to poor as even the people below the poverty line and a millionaire become one and the same at that day.

NUMBER OF NEW ENTRIES OR NEW ONLINE PAYMENTS IN THE E MARKET

After the demonetization India became cashless and cash less transactions are became the major source for business transactions. The government has also announced an GO CASH LESS AND GO DIGITAL for payments to avoid an interruption in the business transactions.

No of digital financial services had taken place in the Indian market. The major types of Digital financial services are CARDS, USSD, AEPS, UPI, and WALLET. These are the digital financial services which have been entered in the Indian market for successful running of the businesses.

CARDS: - These are usually used by banks and can be classified on the basis of their issuance, usage and payment by the card holder. There are three types of cards Debit cards, Credit cards and prepaid cards.

Prepaid cards are preloaded from customers bank account .Can be used for limited amount of transaction. This can be recharged like mobile recharge and also it is safe to use ex visa, maestro etc..

Debit cards are issued by bank where you have account. After the demonetization debit card users become very high when compared to before demonetization 50% of

payments had made through the cards these creates huge market for the banks.

Credit cards are also issued by banks and can be used domestically and internationally unlike debit cards, in case of credit cards, a customer can also withdraw beyond the amount of money present in his bank account. The transaction which has been done in the business is cashless transactions. After demonetization credit cards had also raised up their business in the market

Amazon and flip kart had benefitted highly when compared to other online shopping's. The business of Amazon and flip kart had raised up to 60% when previously compared to before demonetization.

The Indian government had also announced transactions on e-wallets have increased from 17 lakh per day to 63 lakh per day and value of transactions has increased from RS 52 crore to 191 crore.

The other card which had highly used in the market is rupay card the volume of transactions using Rupay card has increased from 38.5 lakh per day to 16 lakh per day and value from RS 39.17 crore to RS 236 crore.

MOBILE WALLETS SEE A SOARING GROWTH POST-DEMONETIZATION

Increase of PAYTM services after demonetization:-

Since the announcement of demonetization, Pay tm has been raking in money like never before. One of the biggest beneficiaries of demonetization has been Pay tm as people have moved to cashless payments owing to crunch.

Within 12 days, Pay tm has witnessed over 7 million transactions worth Rs 120 crore a day.

The mobile wallet is now four months ahead of its target and crossed \$5 billion GMV sales.

Gross Merchandise Value (GMV), which is an industry term for estimating the total worth of goods sold through a digital platform, for Pay tm was \$3 billion last year.

"Pay tm is registering over 7 million transactions worth Rs 120 crore in a day as millions of consumers and merchants across the country mobile payments on the Pay tm payment platform for the first time.

The company is currently doing more transactions than the combined average daily usage of credit and debit cards in India.

Mobile wallet companies including Pay tm have seen manifold growth in transactions and new users coming on board with people turning to digital platforms as serpentine queues outside ATMs continuing to hassle cash-strapped public.

"Offline transactions now contribute to over 65 per cent of the overall business from 15 per cent about six months ago. Pay tm are also working on expanding an merchant network by 150,000 additional merchants.

Pay tm has over 150 million mobile wallet users currently.

Mobile payment transaction value in India is also likely to register over 150 per cent CAGR and cross Rs 2,000 trillion by FY 2021-22 from just over Rs 8 trillion as of FY 2015-16, the study titled Indian M-wallet market said.

After the demonetization pay tm has created an employment to 10000 people. During the demonetization the 7 million transactions had made per day by the mobile app.

Other mobile wallet companies such as MobiKwik and Snap deal-owned Free charge also witnessed steep growth. State Bank of India's SBI Buddy wallet became the fourth largest mobile wallet in the country.

HT had reported earlier that every day India has been adding about a million wallet users. One reason for the rise of mobile wallets is the lack of point-of-sale machines in the country to swipe debit or credit cards. There are only 1.5 million of them, mostly with large shop owners.

Apart from the cards the point of sales machines had also have market after the demonetization.

Before demonetization point of sale machines in India is 1 million but post demonetization it increased to 1.5 million machines. Even having a large number POS machines will not be enough at the time. From these the mobile app has highly increased in the market.

After demonetization in India 219 million Indian opening bank accounts and over 14 million downloading banking apps. Within few days, digital payments use surged up to 80fold among India's 260 million Smartphone owners .

The government of India had also launched a new app for digital payments. Prime minister Narendra Modi released Aadhaar base payment mobile APP Called BHIM APP. BHIM App is Bharat Interface for Money, it a re branded version of UPI (unified payment Interface) and USSD (Unstructured Supplementary Service Data). PM launched BHIM aadhar payment App on December 30th 2016 at digi dhan Mela.

VISION OF PRIME MINISTER FOR CASHLESS ECONOMY IN THE COUNTRY:-

The other important aspect of demonetization in India is the vision of PM. The vision of PM is cashless economy and cash less transactions to the country. Demonetization had led the companies to deal with cash less transactions and this demonetization has converted the common man from cash transactions to make a cashless transactions. The main aim of Prime minister about cash less transactions is to reduce the corruption and make every transaction transparent to common man. The Indian government is encouraging digital payments, online payments adopting new applications for various financial services. It

is not far with all the above measures we can achieve the vision of Prime Minister.

CONCLUSION

After the demonetization India has depended on the digital payments. Due to cashless in the country the entire transactions became the cashless transactions. When compared to before demonetization and after demonetization the E Market has a peek increase in financial sector. Here the vision of Prime Minister may also come true for the certain period. If the government became successful in creating a awareness among the cashless transactions to the people the country will be free of corruption. It leads to a successful increase of countries economic growth.

The limitation of demonetization in India 40% illiterates doesn't have awareness about digital payments. Because of cash crunch the ill literates had lost their market due to no exchange of money. But fully and acknowledge the e market had created their place in demonetization by new innovative. E market became the major source to make the country currency to cash less.