



A STUDY ON POSITIVE IMPACT OF COVID-19 ON DIGITAL PAYMENTS WITH REFERENCE TO NEFT, RTGS AND MOBILE BANKING CHANNELS Ms. Poonam Popat*
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ABSTRACT

The global pandemic has not only affected every single individual's life but also the whole industrial sector across the world. The banking sector of India is not an exception as it has incorporated huge changes in its lending pattern, collection pattern, pattern of tackling issues related to increasing Non-Performing Assets (NPA) due to many concessions, waivers and extension of moratorium period as suggested by relaxing norms of Reserve Bank of India (RBI). On one hand the Indian Banking sector is still struggling to come out of the negative effects of this global pandemic in form of huge NPA and changes in NPA provisioning norms as prescribed by RBI. On the other hand, one positive change was observed in the banking sector in form of accelerated digital payment modes adopted for transacting during and after the period of Covid-19. The research paper is an attempt to understand the trends and progressions observed in the use of NEFT, RTGS and Mobile Banking transactions by people for doing their routine and business transactions and enlighten on the positive steps taken by government to promote digital payments. The research paper is based on primary and secondary data and statistical techniques like graphs, charts and percentages are used for interpretation of data. The research paper concludes that covid 19 is a blessing in disguise for banking sector as increased payments are now transacted through digital platforms.

Keywords : Banking sector, NEFT, RTGS, Mobile Banking, Digital payments, RBI

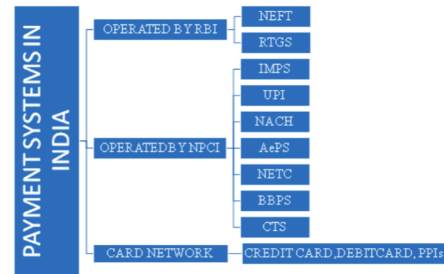
1. Introduction :

Banking sector is the backbone of any economy. Progress in banking sector leads to an overall development in the financial sector of the Country. The traditional banking was done by way of physical visits to the bank branches and submission of documents like residence proof, identity proof and other documents in physical mode. With e-banking e-kyc etc everything is online, completely ruling out the need to visit the bank branches. Digital India is a program launched by the Government of India in the year 2015 for digital empowerment. Even though the digital mode of payments like NEFT, RTGS and mobile banking evolved way back in 2004, the acceptance has increased in the last 5 years and especially during the period of covid -19.

The broad structure of Payment systems in India is

as follows:

Table: 1.1: Payment Systems in India



(source: <https://rbi.org.in/Scripts/Statistics.aspx>)

A) National Electronic Funds Transfer (NEFT) :

NEFT is a nation-wide centralised payment system owned and operated by the Reserve Bank of India

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