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INDIAN ECONOMY IMPORTANCE OF DIGITALIZATION IMPACT

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India is the fastest growing economy in the world. The Indian economy is the seventh largest economy in the world in terms of GDP and the third largest economy by purchasing power parity (PPP) after the US and China. By allowing LPG (liberalization, privatization and globalization) under the then Finance Minister Manmohan Singh in 1991, the Indian economy has undergone many changes, from becoming self-sufficient to opening the door to global trade. Each column has its own significance, complexity in implementation and is a catalyst for the overall growth of the country. Digital platforms can help farmers with information, context and market information. Mobile and internet banking can improve the country's economic inclusion and create a win-win situation for all parties in the value

chain by creating an interoperable ecosystem and revenue sharing business model. If the telecom operator gets additional revenue flow, banks can reach new customer groups for the least possible cost. According to analysts, the Digital India plan could increase gross domestic product (GDP) to \$ 1.25 trillion by 2025. It can play an important role in broader economic factors such as GDP growth, job creation, labor productivity, growth in many businesses.

KEYWORDS: Indian Economy, Digitalization, Digital India**INTRODUCTION:**

In the 1990's, technology was introduced in India and people were introduced with the use of personal computers. If not handled properly, start a war. But in a developing country like India, the process of digital soundness is slow and when denomination shook everyone, there was a huge push to go digital. Even though our Hon'ble Prime Minister Shri Narendra Modi has taken various initiatives like Make in India, Swachh Bharat Abhiyan, Digital India etc. Our government has emphasized on ongoing cashless as it will make transactions smooth and transparent and end the existence of parallel economy which would threaten the peace in our country and also help in their economic inclusion plan and denomination opened accounts under PM. Jan Dhan Yojana implemented. As Rajat Gandhi rightly said on financial inclusion, "No matter how many banks are opened and no matter how many shoes you have on the ground, if a person does not know the financial options open to him, then policies, plans and financial instruments are few. It is important for a person to know what to look for and to consider the



benefits. So financial literacy becomes more important. Financial inclusion is a quantitative term and financial literacy is more about quality.

Digitization is more about converting all our data into bits format and digitization is the use of different technologies / methods to change the business process. Although there are subtle differences between the two, the fact that the two terms are interchangeable means the use of digital methods to improve business processes. Undoubtedly, the present government under the leadership of Hon'ble Prime Minister Narendra Modi has taken major initiatives. He has carried forward the initiatives started by the previous government. All in all, we should all see positive results. And while the results are more visible, we have unknowingly been a part of digitization for the past several years.

Recent Trends in Indian Economy:

- Large increase in registered indirect and direct taxpayers.
- The formal non-farm pay is much higher than expected.
- The prosperity of the state is positively linked to their international and interstate trade.
- India's firm export structure is more egalitarian than that of other large countries.
- The garment incentive package boosted exports of readymade garments
- Indian parents do not start having children until they get the children they expect unless there is a government avoidable lawsuit in the tax sector that could reduce government action.
- To rekindle growth, it is more important to increase investment than to increase savings.
- Direct tax collection by Indian states and local governments is significantly lower
- Than their counterparts in other federal countries.
- Excessive rainfall adversely affects agricultural production

Indian Banking Sector and Digitalization Role:

With digital transactions, one must have the right bank account and the necessary documents. Banks are a part and parcel of our daily lives. Banking includes ATM transactions, online payments and transfers. Due to the digitization of their processes, banks have saved costs and customers have been able to avail cashless transactions using ATMs, credit cards, debit cards, etc. Banks today are moving away from the path of adopting the latest technology. To, enhance the customer experience. Another amazing example of digitization is mobile banking where banking can be done on mobile phones. The feature allows you to literally operate your bank account from your mobile phone. Digitization in banks has not only reduced human error and saved time but has also led to cashless a transaction which has reduced the spread of counterfeit currency in the market. This has a positive effect on our economy. 2016 is a year that will always be linked to dematerialisation. Rs. 500 and Rs. 1000 currencies are in circulation in India as of November. After the announcement of denomination, cashless payments increased by 25% in October 2016 as compared to October 2015, which shows that Indians have been increasingly adopting various digital payment methods since 2015.

Growth in Mobile Banking:

Gone are the days when mobile phones were used only for making calls, sending messages and taking pictures. An increasing number of us are using our phones for financial transactions. According to the Reserve Bank of India's (RBI) annual report for 2017-18, mobile banking services grew by 94% per cent and 15% in terms of volume and value, respectively. At the end of March 2018, the number of registered customers increased by 55% to 255 million from 168 million at the end of March 2017. In general, the share of electronic payments in

the total volume of retail payments has increased. The share of electronic transactions in the total volume of retail payments increased to 92.8% in 2017-18, up from 89.2 per cent in the previous year, and the share of paper-based clearing instruments declined by 11.3 per cent in 2016-17 to 7.4 percent in 2017-18, the proportion and value of payment and settlement systems increased by 45.3% and 12.3% respectively in 2017-18.

Indian Economy and Digitalization Impact:

Digitization has played an important role in the prosperity of the Indian economy. The employment opportunities created in the country for the youth is the biggest example. In addition to the above, the "Make in India" campaign has given a huge impetus to the youth to think of creative ideas to start new start-ups and contribute to the digitalization of India. The government is finally encouraging the Indian people to become cashless and reduce their dependence on cash transactions. The goal is for us to adopt digital payments. Digital transactions motivate us to follow a legal path that is conducive to the prosperity of the economy. The use of plastic money gives freedom and security to the citizens of the country as it works for technical reasons. Digital payments will be useful for the world. Since cash transactions are the primary transaction in money laundering and terrorism funds, the digital society will deter such laundering and terrorism.

CONCLUSION:

The backbone of digital infrastructure is the availability of high-speed internet. With the introduction of better and faster mobile internet connection, services have been provided to the citizens of the country in an efficient way through digitalization. In addition to the above, the government is taking initiatives like "Aadhaar card" or digital identity for every citizen. This decision is expected to give every citizen a unique and authentic identity. This step means faster subsidy distribution, reduced corruption and some other effects on our economy. Digital India has made mobile banking easier. Banks are the biggest beneficiaries of digitization. They now have processes where fewer employees can do more. Digitization is helping businesses simplify their processes by gradually removing dependencies from documents. Digital India has empowered its citizens with digital power as we do not have to carry any physical documents while traveling. We can show a soft copy of the ticket and identity card that serves the purpose. The government is promoting digitalization in the country by promoting e-services to every citizen. Digital India is about driving growth and creating opportunities for a new India in terms of jobs, technology and transparency through digitalisation. Digitally connected India can help improve people's social and economic status through the development of non-agricultural economic initiatives, as well as provide access to education, health and financial services.

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