
The Payments Banks of India

CHAPTER 1

INTRODUCTION

India is now emerging economic power with potential to rank among the first 5 major nations of the 21st century. India is one of the fastest growing economies of the world along with China. For economic development it is necessary to invest savings in meaningful way to maximize its potential and ensure opportunity gains by deploying back to the economy.

In the main period of incorporation various distinctive channels have risen. Microfinance foundations (MFI), Business journalists (BCs) and Prepaid Instrument Suppliers (PPI) have gone about as a scaffold amongst banks and recently included populace by offering minimal effort administrations at the doorstep of clients. Telecom organizations likewise give minimal effort settlement offices utilizing their systems. A component shared among every one of these models is that they fund their operations either from value or borrowings from banks. The following period of the procedure is consolidating the efficiencies of different channels with ease stores.

A payments bank can play out every one of the elements of an ordinary bank aside from administration of loaning. Along these lines, it will acknowledge stores, pay bills, acknowledge checks and drafts however won't loan. They can hold an adjust of up to Rs. 1 lakh and can open and work branches and ATM's. They are relied upon to take into account transient workers, low-salary family units and independent companies by offering bank account and settlement administrations with low exchange costs.

This is the thing that a payments bank will be. The principle capacity will be to acknowledge stores from people in general which will be completely secured by store protection and put the returns in government securities hence shielding them from any credit chance. So far the Indian saving money segment is very directed with hardened passage boundaries. May be the time has come to shed this careful approach and adopting a more liberal strategy if comprehensive development is the target. The payments banks are disturbing the money related biological system of India through new age saving money channels and inventive items outline that weren't common earlier and how they've possessed the capacity to remonetise India and getting the economy on track. One of the primary contemplations would be the manner by which the wander would be fiscally practical without giving credit items and just accepting deposits.

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CHAPTER 2

LITERATURE REVIEW

Literature Review was done by referring previous studies, articles and books to know the areas of study and analyze the gap or study not done so far. There are various studies were conducted relating to Ecommerce sector, challenges and issues they face in India.

Srinivas, G. (2017), "Financial Inclusion-Role of Payment Banks in India" has made an attempt focus on m-Banking, the Department of Posts, Pradhan Mantri Jan-Dhan Yojana and the India Post Payments Banks.

Similarly, Goel and Manrai (2016) discuss the regulatory framework of payment banks in India. They also evaluate the electronic and mobile banking experiences in other developing countries. In a similar effort, Gupta (2016) outlined the regulatory structure of payment banks in India and discussed case studies of certain payment banks.

Goel (2015) discussed the need for payment banks and its suitability in the Indian context. In a different stream of research, Kumar, Sethi and Krishnakumar (2015) analysed the existing business operations of payment banks and proposed a theoretical model as an improvement over the existing model.

Nidhi B. (2016) has made an attempt to study the ease of using payment banks In India with suitable application of software technology.

CHAPTER 3

RESEARCH METHODOLOGY

Objectives of the Study

- a. To study how payment bank have revolutionised the banking sector
- b. To analyse how the Indian financial inclusion has been able to create an independent room non-banking participants to provide depository and payment services.
- c. To deal with the study how payment banks are in the process of creating a transformational saving product design.

Research problem

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To see how the payment banks are disrupting the financial ecosystem of India through new age banking channels and innovative products design that weren't prevalent before and how they've been able to remonetise India and getting the economy on track. One of the main considerations would be how the venture would be financially viable without providing credit products and only accepting deposits.

Scope

The scope would mainly curtail to the students and also the millennial that would be technologically driven. The primary component of research mainly focuses on the consumer's perception about how aware they are of the system of payments banks. Data is collected mainly from the people between age of 18-25 as well as 25-35 and residing in South Mumbai. Secondary data available on Internet is used to understand the next generation banking.

Limitations

1. Challenges would be awareness and acceptance of payment banks as a channel
2. Certain restrictions like limit on deposits would impact the decisions for those unbanked getting to get banked
3. . Limitations would further be extended due to psychological barriers like daily and regular remittance of cash

Method of data collection

A common classification is based upon who collected the data.

Primary data

Data collected by the investigator himself/ herself for a specific purpose. Secondary data: Data collected by someone else for some other purpose (but being utilized by the investigator for another purpose). In this research primary data is used to understand the awareness of payments banks in the age next generation banking. Data is collected by carrying out online survey among the people who are aware and think that payments banks can redefine banking. Secondary data is collected from various websites and journals to understand the real goal of payments banks. This has been used to study the conceptual framework, definition, present trends and some of the challenges faced by the economy to turn into a cashless economy. All the data included in secondary base have proper references given wherever necessary.

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Research design

Research design is the set of methods and procedures used in collecting and analysing measures of the variables specified in the research problem research. This research is a combination of descriptive and exploratory in nature.

Sampling Design

Sampling is a means of selecting a subset of units from a target population for the purpose of collecting information. This information is used to draw inferences about the population as a whole. The subset of units that are selected is called a sample. Data is collected from 110 respondents out of which majority of people are in the range of 18-25 ages.

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