

# Digital Payment :A Case Study Using In Paytm

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**Abstracts:** Electronic payment are financial transactions made without the use of paper documents such as cheques. electronic payments include debit card, credit card, smart card, e-wallet, e-cash, electronic cheques etc. e-payment systems have received different acceptance level throughout the world; some methods of electronic payments are relatively low. This study aimed to identify the issues and challenges of electronic payment systems and offer some solutions to improve the e-payment system quality.

**Keyword :** Introduction ,and objectives are methods provides e-payments, conclusions, reference, RAM (random access memory) ROM (read only memory) etc.

## I. INTRODUCTION

Electronic payment system is a mode of payments over an electronic network such as the internet. In other words we can say that e-payment is a method in which a person can make online payments for his purchase of goods and services without physical transfer of cash and cheques, irrespective of time and location. Electronic payment system is the basis of on-line payments and on-line payment system development is a higher form of electronic payments. It makes electronic payments at any time through the internet directly to manage the e-business environment.

## II. OBJECTIVES OF DIGITAL PAYMENT

1. To create awareness about various methods of online payment systems.
2. To create awareness about various frauds electronic payments
3. To motivate people to use online payments systems.
4. To make online payments safe and secure.

## III. DIGITAL PAYMENT METHOD

There are was the digital payment method are the following:

1. Unstructured Supplementary Service Data (USSD)
2. Unified Payment Interface (UPI)
3. Banking Cards (credit, smart, debit, cyber cash, prepaid, other)
4. E-Wallet (SBI buddy, paytm)
5. AADHAR Enabled Payment System (AEPS)  
<https://www.sarkariyojna.co.in>

### 1. USSD

USSD banking or \*99# Banking is a mobile banking based digital payment mode. You do not need to have a smartphone or internet connection to use USSD banking. USSD banking is as easy as checking your mobile balance. You can use this service for many financial and non-financial operations such as checking balance, sending money, changing MPIN and getting MMID. USSD banking has a transaction limit of Rs. 5000 per day per customer.

### 2. UPI

UPI unified payment interface is a payment mode which is used to make fund transfers through the mobile app. You can transfer funds between two accounts using UPI apps. You will have register for mobile banking to use UPI apps. Currently, this service is only available for android phone users. You need to download a UPI app and create a VPA or UPI ID.

### 3. Banking cards

Cards are provided by banks to their account holders. These have been the most used digital payment modes till now. Many of use cards for transferring funds and making digital

payments. Credit cards, debit cards, prepaid cards etc.

### **3.1 Credit cards**

Are issued by banks and some other entities authorized by RBI. These cards give you the ability to withdraw or use extra money. Credit cards are used for domestic as well as international payments. cards are issued by bank. unique 16-digit number and an expiration date. the third party authorization companies verify purchases. a major problem for E-commerce.

### **3.2 Smart cards**

A smart card was first produced in 1977 by Motorola. It is a thin, credit card sized piece of plastic which contains a half-inch-square area that serves as the card's input-output system. A smart card contains a programmable chip, a combination of RAM and ROM storage and can be refilled by connecting to the bank.

### **3.3 Cyber cash**

Cyber cash is a web based service that automatically processes and verifies customer's credit card information then debiting the customer's account and crediting the merchant's account electronically. Cyber cash servers act as a gateway between the merchant on the internet and bank's secure financial network. For the purpose of security in electronic payments system this system use the digital signatures

**3.4 Debit cards** : A Debit card is a banking card enhanced with Automated Teller Machine and point of sale features so that it can be used at merchant locations. A Debit card is linked to an individual's bank account, allowing funds to be withdrawn at ATM and point of sale without writing a cheque. A Debit card holder pay directly through bank for his purchases. It replaces physical cash and cheque. In debit card system customers deposit in advance into the bank and withdraw at the time of purchase. There are two types of debit card which are used in real world.

### **3.5 Prepaid cards**

Are another type of cards which you use to pay digitally. You must have to recharge these cards before using just like prepaid SIM cards

Pre-loaded from your bank account

Safe to use, limited amount of transaction

Can be recharged like mobile recharge

### **4. E-Wallet**

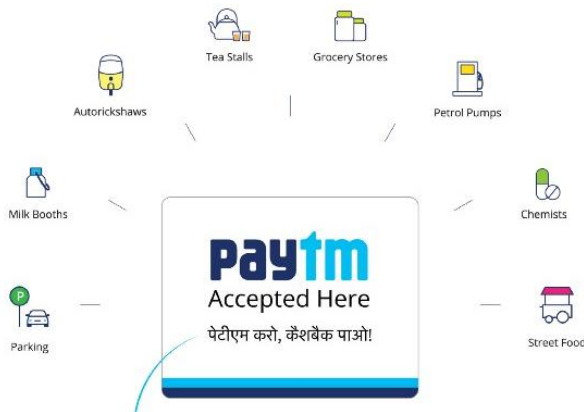
E-wallet /mobile wallet is the digital version of your physical wallet with more functionality. You can keep your money in an E-wallet and use the E-wallets to recharge your phone, pay at various places and send money to your friends. If you have a smartphone.

#### **4.1 SBI Buddy**

State Bank Buddy by State Bank of India's mobile wallet application which is available in 13 different Indian languages and is made available for even non-SBI customers too. It allows users to set reminders for money transfers, to clear dues, view mini-statement bil payments and much more. It is available in Android and iOS.

#### **4.2 PAYTM**

Paytm, a digital payments platform that allows you to transfer cash into the integrated wallet via online banking, debit cards, and credit cards, or even by depositing cash via select banks and partners. Using the money in the Paytm wallet, you can pay for a number of goods without using cash. Paytm are use recharge, payment, boking shopping etc, as well as postpaid  
<https://blog.paytm>  
<https://paytm.com>



### company

Paytm is an Indian payment and commerce company based out of Delhi NCR, India. Launched in August 2010, it is the consumer brand of One97 Communications

**CEO:** Vijay Shekhar Sharma (Dec 2010)

**Founder:** Vijay Shekhar Sharma

**Headquarters:** Noida

<https://en.wikipedia.org>

### History

- Founded in 2010, Paytm started as a prepaid mobile recharge website.
- Currently its business is not only limited to recharge but has expanded as online payment platform including mobile recharges, utility bill payment, wallet payment and wallet to wallet and wallet to bank transfers for many leading internet based companies like Bookmyshow, Makemytrip, FoodPanda, IRCTC and many others.
- of Vijay Shekhar Sharma and has got the first mIt was founded under the implemented idea over advantage in the mobile industry.
- The name Paytm is supposedly an acronym for Pay Through Mobile.
- The company has been backed up by Alibaba group and Ratan Tata. The firm raised \$575 million from Alibaba group for a share of 25% in the company.

### IV. HOW TO USE PAYTM FOR PAYMENT

As said that Paytm Wallet is just like our leather wallets full of cash that can be used for various purposes. One needs to register with the Paytm Wallet app and verify the account. After that the user can easily use it for various payment purposes through money balances. The process of registration is easy for any user.

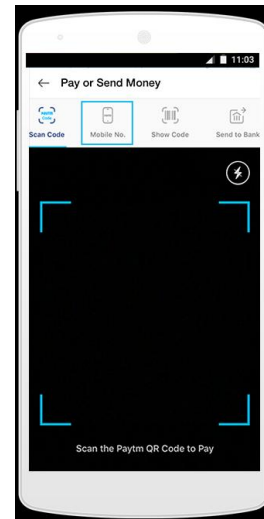
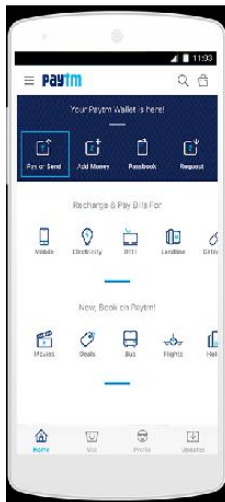
- Download the Paytm App on your phone from Google Store or Apple Store and open the app.
- Sign up on your Paytm app by entering a valid mobile number and follow the next procedures shown on your screen.
- Go to the cart on the right top of the screen and click on the Wallet button to confirm whether your account is verified or not. If there is a blue tick under your name then your account is verified, if not then you need to verify the account.
- To verify the account one needs to request for the OTP. The One Time Password will be sent to your registered mobile number.
- Step Enter the OTP to the dialogue box shown on your mobile screen and click on done/verify button. Your account will be verified within no time.

Adding Money -adding money to paytm wallet is simple. you need to open the app and go to cart. there tap on the wallet. once you will redirect to wallet you need to enter ho much money you want to put in your wallet. once you enter the amount tap on the 'add money to wallet'.

### V. TRANSFER MONEY

wallet works as your net banking process as well. if your friend is out of balance in his paytm wallet you can easily send them money whenever you want. it is just like the normal bank accounts where we make online payments.to send money to your

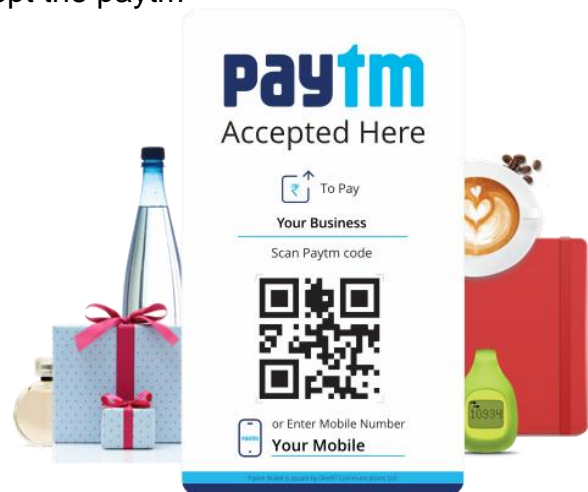
friends just go to ‘send money’ option on the app and enter your friend’s registered mobile number.



### How to use Paytm for offline payments

You can make cash-less payments using Paytm Wallet even without internet connectivity. If a retailer accepts Paytm as a mode of payment, you can either use QR codes or bar codes, along with a One-Time Password (OTP) to pay them. To do this, you need to open the app, select the ‘Pay or Send’ option, and choose between QR code or bar codes (provided in two separate tabs). Just scan the code and enter the OTP to authorize the payment offline. This feature can be especially useful right now, when the whole country is facing a cash crunch and internet connectivity is still not good enough to facilitate online transactions.

Accept the paytm



### VI. USE PAYTM IN PAYMENT WALLET

- Set up a Paytm account using your mobile number and email ID
- Add some money to your Paytm Wallet using netbanking, debit card, or credit card.
- To transfer money to someone else, select the 'Pay or Send' option.
- You can make payments to others or to bank accounts on Paytm by scanning a QR code.

### VII. AEPS

Aeps is an Aadhaar based digital payment mode. The term AEPS stands for Aadhaar Enabled Payment Service. Customer needs only his or her

Aadhaar number to pay to any merchant. AEPS allows bank to bank transactions. It means the money you pay will be deducted from your account and credited to the payee's account directly. You need to link your Aadhaar number with your bank account to use AEPS. You can withdraw or deposit cash, send money to another Aadhaar linked account with it. It uses your fingerprint as a password. No one can forge your fingerprints, thus it is the most secure digital payment mode.

#### VII. ADVANTAGE

We can earn cashback on recharge, bill payment, bus tickets booking, hotel booking, data card recharge, shopping and many more. Refer your friend and earn cashback on wallto. You can pay using paytm wallet on various online shopping by using cashback. Let start to recharge via paytm app or web.

#### VIII. CONCLUSIONS

E-payment refers to the mode of payment which does not include physical cash. It includes debit card, credit card, smart card, e-wallet etc. E-commerce has its main link in its development online in the use of payment methods, some of which we have analysed in this work. The risk to the online payments are theft of payments data, personal data and fraudulent rejection on the part of customer. Therefore, and until the use of electronic signatures is wide spread, we must use the technology available for the moment to guarantee a reasonable minimum level of security on the network. With respect to the payments methods they have been analysed in this work, it is impossible to say that any one of them is perfect, although each one of them has advantages as opposed to others. If the client wants to maintain privacy, then they choose those payment methods which guarantee a higher level of privacy such as e-cash or net bill checks. If the priority is security, they should use smart cards. Both consumers and service providers can benefit from e-payment systems leading to increase national competitiveness in the long run. The successful implementations of electronic payment systems depends on how the

security and privacy dimensions perceived by consumers as well as sellers are popularly managed in turn would improve the market confidence in system.

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