

A Study on Recent Trends in Digital Banking in India with special reference to Aadhaar Enabled Payment System (AePS)

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Abstract: *This study explores the recent trends in digital banking in India, with a special focus on the Aadhaar Enabled Payment System (AePS), a pivotal initiative that leverages India's biometric identification system, Aadhaar, to facilitate secure and seamless financial transactions. As digital banking continues to evolve, the introduction of AePS has played a critical role in promoting financial inclusion, particularly among underserved and rural populations. The study examines the growth of digital banking in India, the role of government policies, and the integration of AePS in ensuring effective delivery of financial services. Key features, benefits, and challenges associated with the system are analyzed, with an emphasis on its impact on cashless transactions, government welfare schemes, and overall financial accessibility. Despite the progress, challenges such as infrastructure limitations, cybersecurity issues, and digital literacy gaps remain, which could hinder the full potential of AePS. This study concludes by providing recommendations for improving the implementation and adoption of digital banking technologies like AePS, ensuring their long-term success and contributing to India's digital financial landscape.*

Keywords: Aadhaar Enabled Payment System (AePS), digital banking, biometric identification system