**1. Introduction**

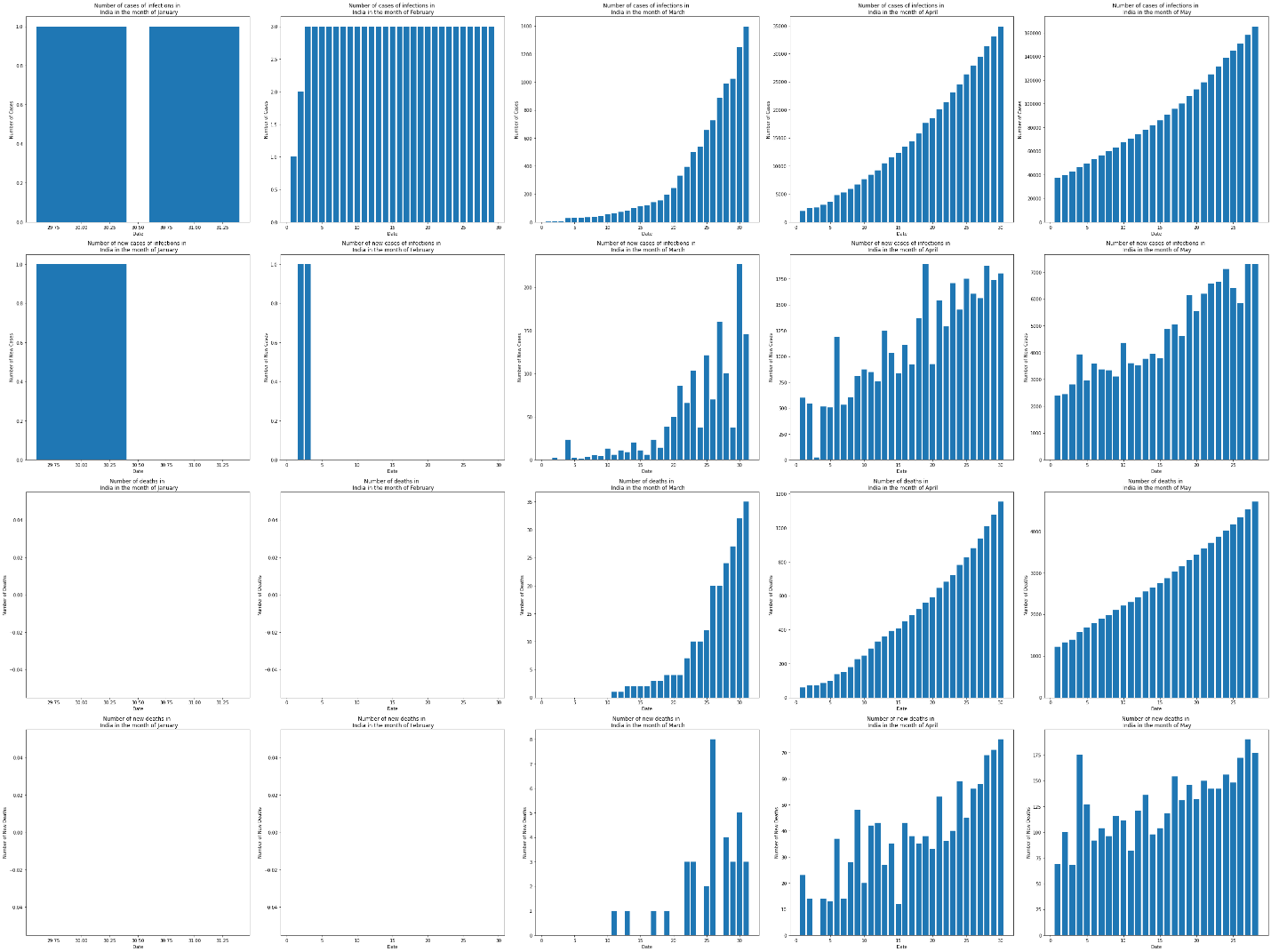
Over the past couple of years, the GDP growth rate has been falling, 2018(6.8%), 2019(4.2%) and was expected to be 4.6% percent in 2020. However, due to the imposed lockdown recent conservative estimates place the growth rate to be 1.8% while extreme estimates suggest that the growth rate might be in negative territory (for the first time since 1979).

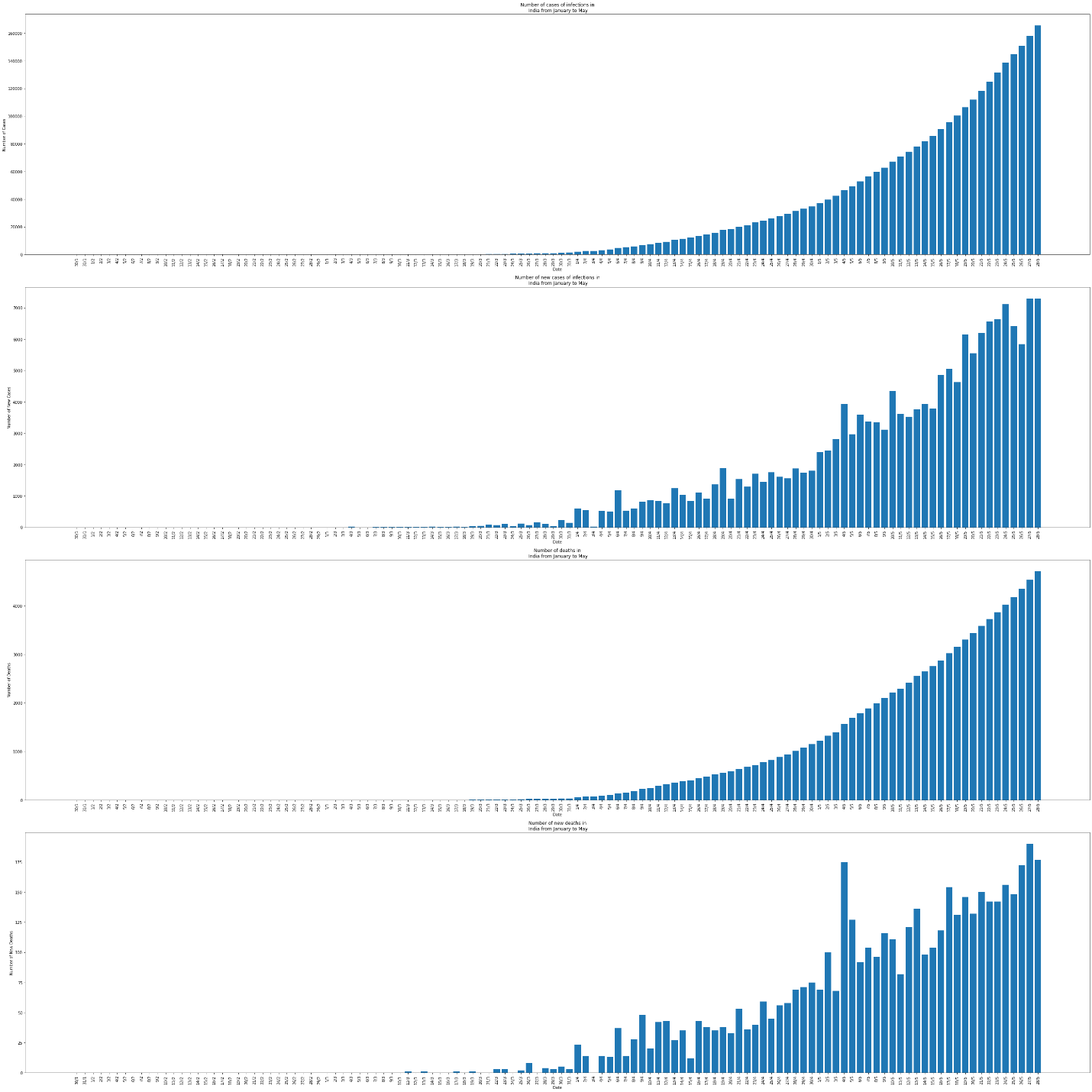
Due to extreme contagious nature of the COVID-19 virus, the Government of India has had to implement several restrictions to curb the outbreak. The brunt of the economic consequences of the restrictions has been faced majorly by the aviation, tourism and hospitality sector. Since the lockdown allows only the essential sectors to continue to function, the spending of disposable income is expected to reduce drastically. The impact of this would be seen in the volume and amount of the several of methods of payments such as UPI, NEFT, RTGS and so on.

This report presents the extent to which COVID-19 and the subsequent nationwide lockdown has impacted the financial transactions of the nation.

**2. India’s COVID-19 situation**

The first case of COVID-19 was reported in January end. While the number of cases remained low in the month of February, there was a steep rise in the number of cases in the month of March which led the government to implement a nationwide lockdown in the country. The current mortality rate of COVID-19 in India stands at 5.63% while the recovery rate is at 41%. The number of new cases is constantly increasing as can be seen in the graphs below.





**3. Impact of COVID on these 9 payment systems**

**3.1. RTGS**

The Volume of transactions of RTGS has remained generally constant for the past two fiscal years up until the month of February 2020, however, it fell by almost more than 10% in the month of March 2020. This drop may be attributed to the week-long nationwide lockdown as a precautionary measure against COVID-19 in the last week of the month of March.

A contrasting trend is observed in the amount of RTGS transactions. Since July 2019 there has been a downward trend in the amount of transactions for RTGS which could have been the result of the economic slowdown of India since the 2nd quarter of the current fiscal year (2019-20).

**3.2. NEFT**

A continuous upward trend has been observed in the volume of NEFT transactions for the past two fiscal year and it is seen that there has been no impact of the lockdown in the month of March on the volume of transactions.

A similar effect is observed in the amount of NEFT transactions, where the almost stagnant trend over the past two fiscal years experienced an almost 15% increase in the amount of NEFT transactions.

**3.3. IMPS**

A constant upward trend has been noticed in the volume of IMPS transactions; however, a downfall is experienced since the month of January. A 8% fall was experienced in the month of February, this drop was further accentuated in the months of March (14%) and April (42%).

Similarly, the amount of NEFT transactions experienced a upward trend until January 2020 and then experienced drops in the months of February (4%), March (15%) and April (40%).

**3.4. UPI**

Like the other payment methods, the volume of UPI transactions experienced a constant upward trend followed by a steep downfall in the months of March and April. A moderate 5% fall in March followed by a steep 20% downturn in the month of April.

Similarly, the amount of UPI transactions experienced a upward trend until February 2020 and then experienced drops in the months of March (6%) and April (27%).

**3.5. NACH**

Over the past two fiscal years volatility in the volume of UPI transactions has been experienced. However, the total volume increased in the month of March showing no effect of the COVID-19 lockdown.

Similarly, the amount of NACH transactions experienced an unusual rise of 30% in the month of March in contrast to the COVID-19 lockdown.

**3.6. Credit Cards**

The volume of Credit card usage at ATMs has been increasing slowly over the last two fiscal years, however it fell steeply in the month of March 2020 and stands just a little above the May 2018 level. Similarly, the amount of Credit card usage at ATMs fell in March 2020 by 5% and stands almost at par with May 2018.

The volume of Credit card usage at POS and the amount of Credit card usage at POS experienced a steep downfall in the month of March 2020 of 12% and 20% respectively.

**3.7. Debit Cards**

The volume of transactions of Debit Cards at ATMs has remained constant from April 2018 until October 2019 after which it has been in a downward trend. The volume fell by 12% in the month of March 2020. Similarly, the amount of transactions of Debit Cards at ATMs has suffered a 11% setback in March 2020.

The volume of transactions of Debit Cards at POS has been increasing gradually until February 2020 and since then has been falling. The fall in February might be a result of a slowdown in economy while the near 11% fall in March 2020 could have resulted from the lockdown. Similarly, the gradual growth of the amount of transactions of Debit Cards at POS has been dealt a 17% fall in March 2020.

**3.8. Wallets**

The upward trend in the volume of PPI wallets transactions has been marked with a 12% decrease in the month of March 2020 which could be attributed to the lockdown due to COVID-19. Similarly, the amount of PPI wallets transactions fell by 7% in March 2020.

**3.9. CTS**

The volume of CTS transactions saw a downfall in the month of March 2020 of 12% accompanied by a fall of 14% in the amount of CTS transactions in the month of March 2020.

**4. Conclusion**