**Abstract**

India is moving forward to the most significant digital revolution and cashless transaction will be a main landmark in the establishment of cashless economy in the coming years. Cashless transaction is an electronic medium that allows consumers to make electronic commerce transactions for their purchase and also for financial transactions. The main objective of the study is to know the source and use of cashless transactions, the aids of cashless transactions and the problems faced while using cashless transactions. The study is based on primary data and secondary data. Simple percentage analysis and rank analysis is used for the purpose of study and the primary data were collected from 150 respondents by using simple random technique in Coimbatore city. The Secondary data is collected from journals, magazines, newspapers and websites. The study concludes that people prefer cashless transaction due to its convenience, and one of the major problem in working of cashless transaction is lack of welfare and security. The government must take necessary steps to support internet security from protection against online fraud and also government must provide proper campaign to get more aware about the latest update of cashless transactions.