

E-Donation in India: Trends, Challenges, and Opportunities

Sumit Dutt, Aanchal Rao, Sadhana Kumari, Sonali

R.D Engineering College, Duhai, Ghaziabad

Master of Computer Applications

AKTU Lucknow

ABSTRACT

The advent of digital technology has significantly transformed philanthropic giving, particularly in India, where e-donation platforms are increasingly popular. This paper explores the evolution, current trends, benefits, and challenges of e-donations in India. It also analyzes the role of government initiatives like Digital India and UPI, and the impact of the COVID-19 pandemic on donation behaviour. The study concludes with recommendations for improving transparency, accessibility, and trust in digital giving platforms.

E-donation, the process of giving through digital platforms, has witnessed exponential growth in India, especially in the aftermath of the COVID-19 pandemic and the rise of fintech innovations. Recent reports from NASSCOM Foundation (2023), RBI (2023), and platforms like Give India and Ketto reveal that digital philanthropy in India is becoming more mainstream, driven by increased smartphone penetration, the adoption of UPI, and growing trust in online payment systems. Crowdfunding for medical emergencies, education, and disaster relief has surged, with over ₹2,000 crores raised collectively by major platforms in 2023 alone. However, challenges such as digital literacy gaps, data privacy concerns, and compliance with FCRA regulations persist. The government's Digital India initiative and corporate CSR contributions via digital channels have further accelerated the shift. This abstract aims to capture the evolving landscape, major drivers, and emerging barriers in the e-donation ecosystem of India, based on recent data and sectoral analysis.

Keywords:- E-Donation

1. INTRODUCTION

India has a long-standing tradition of charitable giving, rooted in cultural, religious, and moral obligations. With the rapid adoption of digital technologies, this giving is increasingly occurring through electronic channels. E-donations, or digital donations, refer to the process of giving to charitable causes via online platforms, mobile apps, digital wallets, and direct bank transfers.

The evolution of technology has significantly transformed various aspects of human life, including the way people contribute to social and charitable causes. One such transformation is the emergence of **e-donation**, or electronic donation, which allows individuals and organizations to donate to various causes using digital platforms and payment systems. In India, e-donations have gained momentum in recent years, particularly with the rise of mobile applications, digital wallets, Unified Payments Interface (UPI), and crowdfunding platforms. The **Digital India** initiative, launched by the Government of India, has played a vital role in promoting digital transactions and financial inclusion

across the country. This initiative, coupled with the increasing penetration of smartphones and internet access, has created a favorable environment for the growth of e-donation platforms. Major platforms like **Give India**, **Ketto**, **Milaap**, and **ImpactGuru** have enabled donors to support medical emergencies, education, disaster relief, and other social causes with just a few clicks.

For **MCA students and IT professionals**, the e-donation ecosystem presents a unique intersection of technology, security, and social impact. It involves concepts like secure payment gateways, user interface design, blockchain for transparency, data analytics for donor behaviour, and mobile-first development. However, the system also faces challenges such as digital fraud, lack of transparency, low digital literacy in rural areas, and regulatory compliance, especially under the **Foreign Contribution (Regulation) Act (FCRA)**.

This research paper aims to explore the current landscape of e-donations in India, analyze its technological and social aspects, examine the challenges

and opportunities, and propose recommendations for building a more secure, inclusive, and transparent digital donation ecosystem.

II. OBJECTIVES OF THE STUDY

The primary aim of this study is to understand the evolving landscape of e-donations in India and analyze its technological, social, and regulatory dimensions. The specific objectives are:

- **To study the growth and current trends** in e-donation platforms and digital giving in India.
- **To identify the key technologies** enabling e-donations, including mobile apps, UPI, payment gateways, and crowdfunding systems.
- **To evaluate user behavior and motivations** behind choosing digital platforms for charitable giving.
- **To examine the challenges** faced by donors, NGOs, and platforms in adopting and managing e-donation systems (e.g., trust issues, security, digital literacy).
- **To analyze the role of government initiatives** like Digital India and regulatory frameworks such as FCRA in shaping the e-donation ecosystem.
- **To suggest practical recommendations** for improving transparency, user experience, and trust in e-donation platforms from a technological perspective.
- To understand the current landscape of e-donations in India.
- To analyze the key drivers and barriers to e-donation adoption.
- To examine the role of government and private platforms in promoting digital philanthropy.
- To offer suggestions for enhancing the e-donation ecosystem.

III. LITERATURE REVIEW

The concept of e-donation, or digital giving, has emerged as a significant component of modern philanthropy, particularly in technologically advancing countries like India. With the rapid expansion of internet services and the rise of fintech, charitable donations have shifted from traditional methods to online and mobile platforms. This review explores existing studies and reports to provide a theoretical and practical foundation for understanding e-donations in the Indian context.

3.1 Evolution of Philanthropy in India

India's giving tradition is historically embedded in religious and community norms (Mohan, 2011). With digitization, platforms like GiveIndia, Ketto, Milaap, and the PM CARES Fund have emerged as key players (Kumar & Mishra, 2020).

3.2 Digital India and Financial Inclusion

The Government of India's Digital India initiative and UPI (Unified Payments Interface) have enabled faster and more secure transactions, significantly aiding digital donations (RBI, 2021).

3.3 Impact of COVID-19

The pandemic accelerated digital transformation and increased the volume of online donations, especially for health-related causes (NASSCOM Foundation, 2021).

3.4 Evolution of Digital Giving

Mohan (2011) explains that India has a deeply rooted culture of charitable giving, influenced by religious and cultural norms. However, with the digitization of financial services, the mode of giving has evolved. Platforms such as GiveIndia, Ketto, and Milaap have enabled a digital infrastructure that simplifies the donation process while enhancing transparency.

3.5 Challenges in E-Donation Adoption

Despite growth, challenges remain. Singh & Bansal (2022) discuss the issues of **digital trust**, **data privacy**, and **fraud**, which can deter users from donating online. Another concern is the **digital divide**, especially in rural areas where access to smartphones and the internet is limited. NGOs also face hurdles in complying with **Foreign Contribution (Regulation) Act (FCRA)** requirements, which restrict the receipt of foreign funds.

3.6 Trends and User Behavior

Studies suggest that donors are more likely to contribute when platforms provide real-time updates, visual storytelling, and easy sharing options (GiveIndia, 2023). Younger, tech-savvy users prefer platforms that integrate with UPI or social media, while older donors often rely on bank transfers.

3.7 E-Donation During COVID-19

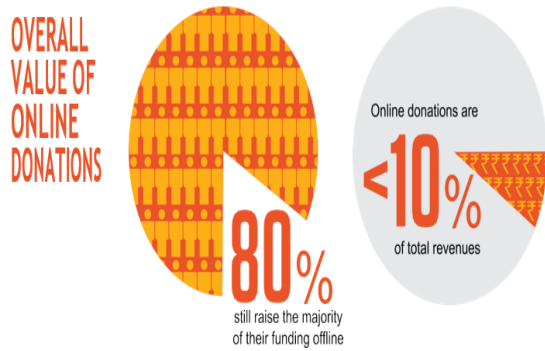
The COVID-19 pandemic marked a turning point for digital philanthropy. According to a NASSCOM Foundation report (2021), there was a surge in online donations, particularly for healthcare and emergency relief. Crowdfunding platforms reported exponential growth, driven by social media awareness and the urgency of medical causes.

3.8 Role of Technology in E-Donations

Several studies highlight the importance of technology in shaping user-friendly and secure donation platforms. According to Kumar & Mishra (2020), the integration of mobile wallets, UPI (Unified Payments Interface), and real-time tracking systems has increased donor confidence and convenience. From a technical standpoint, these platforms leverage secure payment gateways, cloud infrastructure, and mobile-first design to ensure seamless experiences.

3.9 Impact of Government Initiatives

The Government of India's **Digital India** campaign has significantly impacted the adoption of digital services, including e-donations (MeitY, 2020). Moreover, platforms like **PM CARES Fund** and **Bharat Ke Veer** have showcased how public trust can be built around transparent digital giving mechanisms. The Reserve Bank of India (2021) further emphasizes the role of digital payment regulations and infrastructure in strengthening the ecosystem.



IV. METHODOLOGY

This study adopts a qualitative approach through secondary data collection from government reports, NGO databases, academic journals, and online donation platforms between 2018 and 2024.

This study adopts a **qualitative and descriptive research methodology**, focusing on the recent developments in the e-donation ecosystem in India. The aim is to explore the trends, technological advancements, and user behavior related to e-donations using current and reliable secondary data sources.

4.1 Research Design

The research is exploratory in nature and uses a **secondary data analysis approach**. It investigates how digital technologies have influenced the donation landscape, especially after the COVID-19 pandemic and the rapid adoption of fintech solutions such as UPI, mobile wallets, and crowdfunding platforms.

4.2 Data Sources

The study primarily relies on **secondary data** collected from:

- Recent **government reports** (e.g., MeitY Digital India reports, RBI payment system statistics)
- **NGO and crowdfunding platform publications** (e.g., GiveIndia, Ketto, Milaap annual reports)
- **Industry whitepapers** (e.g., NASSCOM Foundation reports on digital giving)
- **Academic journals and conference proceedings**
- **News articles and online databases** highlighting trends in online giving from 2020 to 2024

4.3 Tools and Techniques

- **Content Analysis:** Qualitative analysis of textual data from reports and publications to extract recurring patterns, emerging trends, and key challenges.
- **Comparative Analysis:** Comparing various digital donation platforms based on parameters such as ease of use, security, transparency, and user engagement.
- **Statistical Review:** Evaluation of available data on donation volumes, platform growth, and donor demographics from 2020 to 2023 to identify growth trends and shifts in donor behavior.

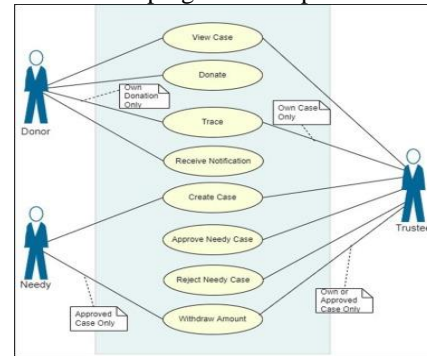
4.4 Time Frame of Study

The data reviewed focuses on the period from **January 2020 to December 2023**, which includes major developments such as:

- The rise of donations during the COVID-19 pandemic
- Growth of UPI and mobile payment adoption
- Increased crowdfunding for medical and social causes

4.5 Limitations

- The study is limited to **secondary data** and does not include primary data such as surveys or interviews.
- Availability of consistent and verified statistics from all platforms is a challenge due to a lack of centralized reporting.
- The study focuses on India and may not generalize to other developing or developed economies.



V. TRENDS IN E-DONATIONS

The e-donation landscape in India has undergone significant transformation in recent years, driven by technological innovation, changing donor behavior, and socio-economic events like the COVID-19 pandemic. The following trends have been observed based on recent reports and platform data:

5.1 Rise in Crowdfunding Platforms

Crowdfunding has become a popular method of raising funds for medical emergencies, education, and community welfare. Platforms like **Ketto**, **Milaap**, and **ImpactGuru** have seen exponential growth:

- **Ketto** reported over ₹1,100 crores raised in FY 2022–23.
- **Milaap** noted a 200% increase in medical fundraisers post-2020.

5.2 UPI and Mobile Wallet Integration

With the massive adoption of **Unified Payments Interface (UPI)**, e-donations have become quicker and more accessible:

- As per **NPCI data (2023)**, UPI recorded over 8.7 billion monthly transactions, a significant share of which is linked to donation and charity apps.
- Platforms like **PhonePe**, **Google Pay**, and **Paytm** now have dedicated donation sections.

5.3 Surge During COVID-19 Pandemic

The pandemic catalyzed a behavioral shift towards online giving:

- **GiveIndia** saw a **4x rise** in individual donations during 2020–2021.
- Donation causes shifted focus to oxygen supplies, vaccination drives, and food distribution.

5.4 Corporate and CSR Integration

Corporate Social Responsibility (CSR) spending has moved online:

- Many companies now route CSR funds via verified platforms for greater transparency.
- Digital dashboards for real-time CSR impact tracking are increasingly used.

5.5 Use of Social Media for Fundraising

Social media platforms like **Instagram**, **Facebook**, and **WhatsApp** are widely used to amplify fundraising campaigns:

- "Share to donate" models and QR-code based appeals are now common.
- Influencers and celebrities are often roped in to boost reach.

5.6 Transparency and Donor Trust Features

Modern e-donation platforms emphasize **transparency**:

- Real-time updates, donor walls, impact reports, and tax receipts are now standard features.
- Some platforms are experimenting with **blockchain** for donation tracking and anti-fraud mechanisms.

5.7 Focus on Micro-Donations and Subscription Giving

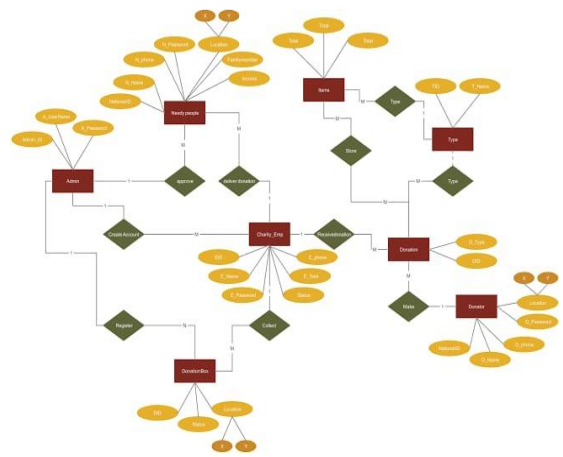
Donors are increasingly opting for:

- **Micro-donations**: As little as ₹10–₹100 via QR codes or wallet apps.
- **Recurring donations**: Monthly or weekly subscriptions for causes like child education or elderly care.

5.8 Localization and Vernacular Outreach

To reach Tier II and III cities, platforms are now:

- Offering apps and websites in **regional languages**.
- Supporting **local payment methods** and **rural NGOs**.
- **Growth of Crowdfunding**: Platforms like Ketto and Milaap have democratized donations for individual causes.
- **Corporate and CSR Donations**: Many companies now channel CSR funds through verified digital platforms.
- **Increased Use of UPI and Digital Wallets**: Google Pay, PhonePe, and Paytm are popular for quick donations.
- **Integration with Social Media**: Fundraisers are promoted via Instagram, Facebook, and WhatsApp.



VI. BENEFITS OF E-DONATION

The adoption of e-donation platforms in India has brought multiple advantages for donors, non-profit organizations (NGOs), and the broader philanthropic ecosystem. These benefits are driven by technology, accessibility, and evolving user behavior. The key benefits are as follows:

6.1 Convenience and Accessibility

E-donations allow users to contribute to causes from anywhere, at any time, using their smartphones or computers. The availability of multiple payment options—such as UPI, credit/debit cards, and mobile wallets—simplifies the process and encourages participation.

6.2 Wider Reach and Inclusivity

Digital platforms enable NGOs and individuals to reach a **global audience** beyond geographical and physical limitations. Donors from India and abroad can contribute to causes in real-time, making philanthropy more inclusive and widespread.

6.3 Transparency and Accountability

Most e-donation platforms offer real-time tracking of donations, impact reports, and digital receipts. This transparency helps build trust among donors and ensures that funds are being utilized as promised.

6.4 Cost and Time Efficiency

Digital donations reduce the need for physical paperwork, manpower, and operational costs associated with traditional fundraising methods. This allows NGOs to use a higher percentage of funds directly for impact-driven programs.

6.5 Personalization and Donor Engagement

Using technology like data analytics and machine learning, platforms can offer personalized donation suggestions based on donor preferences, past contributions, and social causes of interest. Donors also receive timely updates, thank-you messages, and stories from beneficiaries.

6.6 Environmental Sustainability

By replacing physical forms, receipts, and donation boxes with digital alternatives, e-donations contribute to eco-friendly and sustainable operations.

6.7 Tax Benefits and Documentation

E-donation platforms often provide instant digital receipts and automatically calculate tax deductions under **Section 80G** of the Indian Income Tax Act, making it easier for donors to claim benefits.

6.8 Integration with CSR and Government Schemes

Digital platforms streamline **Corporate Social Responsibility (CSR)** donations by offering dashboards, impact analytics, and FCRA-compliant reporting tools. They also complement government initiatives such as **PM CARES Fund**, **Bharat Ke Veer**, and **Digital India**.

- **Convenience and Accessibility**
- **Transparency and Real-time Tracking**
- **Wider Reach:** Donors from India and abroad can easily contribute
- **Data Analytics:** Allows NGOs to understand donor behavior

VII. CHALLENGES

- While the e-donation ecosystem in India has shown significant growth, it is not without its limitations. Various technological, social, and regulatory challenges hinder the seamless adoption and expansion of digital donations. The following are key challenges identified in recent studies and reports:
- **7.1 Digital Trust and Security Concerns**
- One of the major barriers to e-donation is the **fear of online fraud**, phishing scams, and data breaches. Many potential donors hesitate to share their financial information online due to concerns about **cybersecurity** and **misuse of funds**.
- **7.2 Lack of Transparency in Fund Utilization**
- Although many platforms strive for transparency, some campaigns lack clear documentation on how the funds are being utilized. This reduces donor confidence and can discourage future donations.
- **7.3 Digital Literacy and Accessibility**
- A significant portion of the Indian population, particularly in **rural and semi-urban areas**, still lacks the digital literacy required to use e-donation platforms effectively. Limited access to smartphones and stable internet connections also adds to the problem.
- **7.4 Regulatory and Compliance Challenges**
- NGOs and donation platforms must comply with strict legal and regulatory frameworks, including the **Foreign Contribution Regulation Act (FCRA)** and **Income Tax laws**. Delays or lapses in compliance can result in legal issues and fund blocking.
- **7.5 Platform Authenticity and Scam Campaigns**
- The rise of fraudulent or fake fundraising campaigns on crowdfunding platforms has made it difficult for donors to distinguish between genuine and fake causes. This creates a trust deficit and affects the reputation of legitimate campaigns.

7.6 Limited User Engagement and Retention

- Many platforms struggle to retain donors after their first transaction. Without personalized content or follow-up on impact, users often do not return to contribute again.

7.7 Language and Localization Gaps

- Most digital platforms are still primarily in **English or Hindi**, creating barriers for regional language speakers. This affects outreach in non-English-speaking areas where digital giving is still underpenetrated.

7.8 Inadequate Technical Infrastructure for NGOs

- Smaller NGOs often lack the technical skills, digital infrastructure, and IT support required to integrate with modern donation platforms, limiting their ability to collect online funds.
- **Digital Divide:** Limited access in rural areas
- **Trust Deficit:** Donor skepticism due to lack of transparency in fund usage
- **Cybersecurity Risks:** Threat of phishing and fraud
- **Regulatory Hurdles:** FCRA compliance issues for NGOs receiving foreign donations

VIII. ROLE OF GOVERNMENT AND REGULATION

The Indian government plays a crucial role in shaping the landscape of e-donation through digital infrastructure, policy frameworks, regulatory compliance, and public trust. A structured and transparent regulatory environment is essential for maintaining the credibility and growth of digital philanthropy.

8.1 Digital India Initiative

The government's flagship **Digital India** program has been instrumental in promoting the use of digital platforms for financial and social services, including donations. It has improved internet access, digital literacy, and mobile connectivity, creating a foundation for the growth of e-donations across urban and rural regions.

8.2 Promotion of UPI and Digital Payments

Under the supervision of the **National Payments Corporation of India (NPCI)** and the **Reserve Bank of India (RBI)**, digital payment systems like **UPI**, **BHIM**, and mobile wallets have become widely accessible and secure. These platforms are now deeply integrated into e-donation systems, making it easier for individuals to contribute instantly.

8.3 Foreign Contribution Regulation Act (FCRA)

The **FCRA, 2010**, governs donations from foreign sources to Indian NGOs. All organizations receiving foreign donations must be registered under this Act. The **amendments to FCRA in 2020** have introduced stricter compliance requirements, such as:

- Mandatory opening of a dedicated SBI account in New Delhi for receiving foreign funds

- Restrictions on transferring funds to other NGOs
 - Enhanced scrutiny and audit of fund usage
- These rules aim to ensure **transparency** and prevent misuse, but they have also made it difficult for smaller NGOs to operate due to administrative burdens.

8.4 Income Tax Act and 80G Certification

To incentivize donations, the Indian government provides tax exemptions under **Section 80G** of the **Income Tax Act**. Donors contributing to registered charitable institutions can claim tax deductions. E-donation platforms often automate the issuance of digital receipts for this purpose.

8.5 Government-Backed E-Donation Platforms

The government has also launched official platforms for digital philanthropy, such as:

- **PM CARES Fund**: Set up during the COVID-19 pandemic for national relief efforts
- **Bharat Ke Veer**: For contributions to the welfare of armed forces personnel
- **MyGov and UMANG App**: Integrated donation options for various verified schemes

These platforms help enhance **credibility**, reduce fraud, and direct funds toward priority areas.

8.6 Cybersecurity and Data Protection

The upcoming **Digital Personal Data Protection Act (DPDPA) 2023** is expected to impact e-donation platforms by mandating better **data privacy**, **consent-based sharing**, and **security** of donor information. Compliance with this law will be critical to maintaining public trust in digital transactions.

- **Digital India Mission**
- **Income Tax Exemptions** under Sections 80G and 35AC
- **FCRA Regulations** for foreign donations
- **PM CARES and Bharat Ke Veer** as government-endorsed platforms

IX. RECOMMENDATIONS

- Increase digital literacy and access, especially in rural India
- Improve transparency through public audits and real-time updates
- Strengthen cybersecurity measures
- Encourage partnerships between NGOs and fintech companies
- Simplify regulatory processes for NGOs

X. CONCLUSION

E-donations in India are evolving rapidly, driven by digital innovation and changing donor behavior. However, for the sector to reach its full potential, issues of trust, access, and regulation must be addressed. A collaborative approach involving government, private players, and civil society can ensure a robust and inclusive e-donation ecosystem.

To strengthen the e-donation ecosystem in India and enhance its accessibility, transparency, and trustworthiness, the following recommendations are proposed:

9.1 Strengthening Cybersecurity and Trust Mechanisms

- Implement **robust encryption**, **OTP verification**, and **AI-driven fraud detection** on donation platforms.
- Promote use of **blockchain technology** for transparent tracking of funds and tamper-proof donation records.

9.2 Enhancing Digital Literacy and Awareness

- Launch awareness campaigns to educate citizens—especially in rural areas—on the benefits and safe use of e-donation platforms.
- NGOs and government bodies can organize **digital training programs** to build trust in online giving.

9.3 Simplifying Compliance for NGOs

- Streamline the **FCRA registration and renewal process** for NGOs through a centralized digital portal with real-time status updates.
- Offer **government support or subsidies** to smaller NGOs for maintaining digital infrastructure and compliance requirements.

9.4 Encouraging Innovation and Localization

- Platforms should support **regional languages**, voice assistance, and offline-to-online bridge models to make e-donation accessible to non-English-speaking users.
- Introduce **micro-donation features** (₹1–₹100) integrated with mobile recharge apps, UPI platforms, and social media.

9.5 Public-Private Collaboration

- Encourage **public-private partnerships (PPPs)** to develop scalable, secure, and transparent e-donation infrastructure.
- Involve banks, fintech companies, and IT startups in building donation tools for verified NGOs.

9.6 Regular Audits and Impact Reporting

- Mandate that platforms and NGOs provide **impact reports**, **utilization certificates**, and **real-time donation dashboards** to boost transparency.
- Periodic third-party audits should be made mandatory for high-volume campaigns.

9.7 Integration with Government Portals

- Integrate major e-donation platforms with **UMANG**, **MyGov**, and **India Stack** to ensure seamless access to verified donation campaigns and government schemes.

9.8 Promoting Recurring and CSR Donations

- Encourage **subscription-based donations** for long-term projects like child education and elderly care.
- Corporates should be incentivized to integrate their **CSR funds** with transparent digital platforms for greater social impact.

REFERENCES

- [1]. Mohan, R. (2011). *Philanthropy in India: Promise to Practice*. Stanford PACS.
- [2]. Kumar, R., & Mishra, A. (2020). Online Crowdfunding in India: A Study of Ketto and Milaap. *Indian Journal of Marketing*, 50(5), 24–36.
- [3]. Reserve Bank of India. (2021). *Annual Report on Payment Systems*.
- [4]. NASSCOM Foundation. (2021). *Digital Giving and the Impact of COVID-19*.
- [5]. Ministry of Electronics and IT (MeitY). (2020). *Digital India Progress Report*.
- [6]. GiveIndia. (2023). *Annual Impact Report*.
- [7]. Press Information Bureau (PIB). (2020). PM CARES Fund and Transparency.
- [8]. Singh, P., & Bansal, A. (2022). Trust and Transparency in Digital Philanthropy. *Journal of Social Impact*, 7(2), 45–59.