



Digitization & Accounting

Index

- 1 Accountancy
- 2 Book-keeping
- 3 Accounting Software
- 4 Cloud Computing for MSME
- 5 Goods and Services Tax(GST)
- 6 Access to Finance–Digital Approach
- 7 Digital Financial Transactions



Index

8

Udyam Registration

9

Key Takeaways



Lesson Plan

The module introduces the participant to the concept of Accountancy and Bookkeeping, Accounting software, the Goods and Services Tax(GST), Cloud Computing and Access to Finance using the Digital approach.



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Objectives/Expectations

- To introduce the concept of Accountancy and book-keeping and the key accounts to be maintained by the business.
- Participants will get to know the names of the accounting software available in India and choose the one appropriate for them.
- To introduce the concept of cloud computing and its benefits for business.

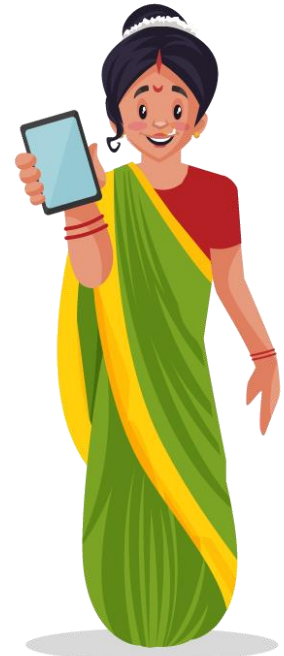


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Objectives/Expectations

- To help the participants understand the concept of GST and the rates applicable to various goods and services and handhold them by helping them register for Goods and Services Tax (GST).
- To introduce the participants to Digital Financial Inclusion and ways and means of Digital Access to finance.



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Material Required

- Soft copy and hard copy of the Module: Digitization, Accounting and Finance and Assessment Sheet.
- Blank A4 size sheets
- Projector
- Laptop
- Whiteboard
- Duster
- Writing Pen (for whiteboard)





Accountancy

01



Accounting

“Accounting is the art of recording, classifying and summarising in a significant manner and in terms of money, transactions and events, which are, in part atleast, of a financial character, and interpreting the result thereof.”

- *American Institute of Certified Public Accountants*

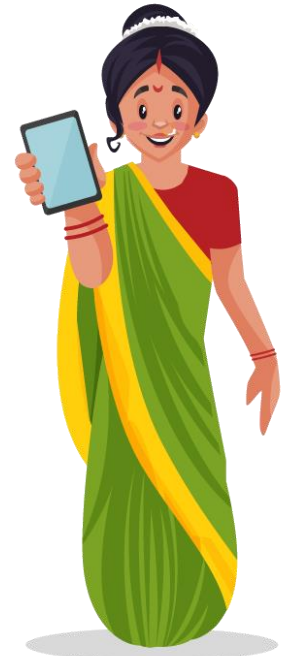


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Accounting Process

Accounting Process starts with recording of business transactions in the journal or subsidiary books and passing through the ledger and trial balance. It results in the preparation of final accounts i.e., Trading & Profit and Loss A/c and Balance Sheet.



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Advantages of Accounting

- The following are the advantages of accounting to a business:
- It helps in having complete record of business transactions.
- It gives information about the profit or loss made by the business at the end of a financial year and its financial conditions. The basic function of accounting is to supply meaningful information about the financial activities of the business to the owners and the managers.
- It provides useful information for taking economic decisions.



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Advantages of Accounting

- It facilitates comparative study of current year's profit, sales, expenses with those of the previous years.
- It supplies information useful in judging the management's ability to utilise enterprise resources effectively in achieving primary enterprise goals.
- It provides users with factual and interpretive information about transactions and other events which are useful for predicting, comparing and evaluation the enterprise's earning power.



Advantages of Accounting

- It helps in complying with certain legal formalities like filing of income- tax and sales-tax returns. If the accounts are properly maintained, the assessment of taxes is greatly facilitated.
- It enables better lending decisions and helps in unlocking access to credit and more complex financial services for the business.

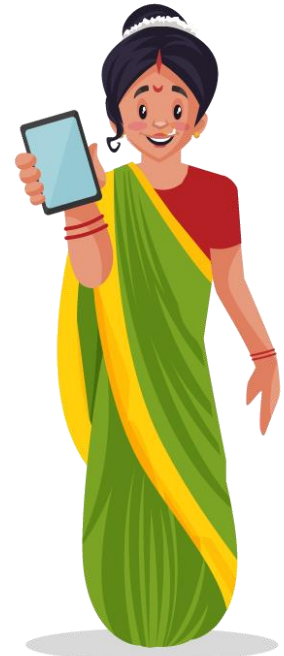


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Accounts to be Maintained

- Journal
- Ledger
- Cashbook
- Petty Cashbook
- Bank Reconciliation Statement
- Profit and Loss Account
- Balance Sheet



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Key Accounting Reports

Balance Sheet

The balance sheet contains information about the total liabilities, assets, and stockholder equity. It gives information about the company's resources and how these sources are being financed. A balance sheet can help you make better business decisions.



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Key Accounting Reports

Profit & Loss Statement

The profit and loss statement is also known as P&L and income statement. It shows the revenues and expenses of a business over a period of time. A business is going in the right direction when the profits exceed its losses.



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Key Accounting Reports

Statement of Cash Flows

This report summarizes the cash that is received or paid. It doesn't reflect the non-cash transactions that take place such as purchases made on the basis of credit. It contains three parts; investing, operating, and financing. It gives information about cash generation.



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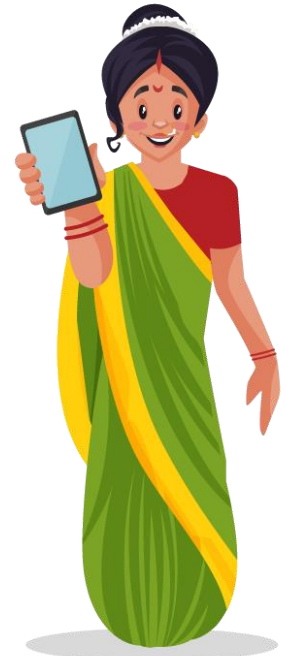
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MIS Systems

Management Information System helps a business assess their performance.

Need for MIS

- Effective decision making
- Facilitates communication within and outside the organization
- Record Keeping



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MIS Systems

Types of MIS Reports

- Accounting reports
- Financial Reports
- Inventory Reports
- Management Control Reports



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Book-Keeping

02



Book-Keeping involves the recording, on a regular basis, of a company's financial transactions. With proper bookkeeping, companies can track all information on its books to make key operating, investing, and financing decisions.



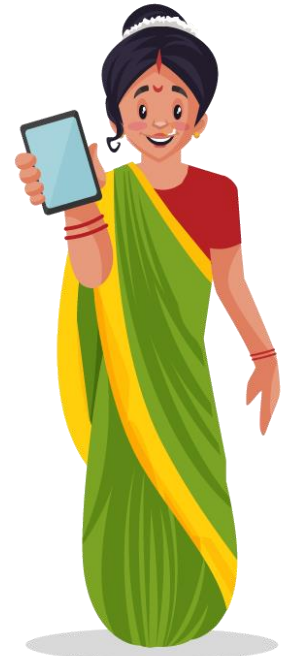
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Elements of Book-Keeping

Journals

In the system of Bookkeeping, the journals are the first place you can look to find complete information about a transaction. The general journal, used by many businesses that employ a double-entry accounting system, records the debit and credit amounts for each account as transactions occur. It may also list a short description of the transaction. For example, some businesses may have specialized journals, each for recording a specific kind of transaction depending on their needs.



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Elements of Book-Keeping

Ledgers

Ledgers group transactions according to account and the effect it has on the business. Such grouping or categories in the ledger may include assets, liabilities, expenses and revenue. Transactions from business journals get posted or recorded to the ledgers periodically. And with the help of ledgers, the financial position of the business can be easily ascertained as well.



Elements of Book-Keeping

Financial Statements

Balance sheet: It gives a description of a company's financial position for a particular date, by listing details of its assets, liabilities and shareholder's equity.

Income Statement: It displays the businesses net earnings for a specific period.



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Elements of Book-Keeping

Financial Statements

Cash flow statement: It picturizes the increases and decreases in cash for a period as it relates to business operations, investment and financing activities of a business.

Statement of shareholders: It displays the changes in the company's retained earnings, by listing items like net income for the year and dividends paid to shareholders.

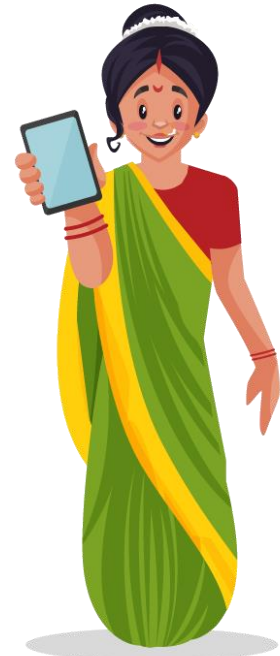


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Chart of Accounts

- It is an index of all the financial accounts in the general ledger of the company which gives the investors and shareholders a clearer insight in to the company's financial health.
- For a small company the following is a suggested list of Chart of Accounts to be maintained:



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Chart of Accounts

Assets Category

- Cash
- Savings Account
- Petty Cash Balance Account
- Accounts Receivable
- Undeposited funds
- Inventory Assets
- Prepaid Insurance
- Vehicles and Buildings



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Chart of Accounts

Liabilities Category

- Company Credit Card
- Accrued Liabilities
- Accounts Payable
- Payroll Liabilities
- Notes Payable



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Chart of Accounts

Shareholder's Equity

- Common Stock
- Preferred Stock
- Retained Earnings



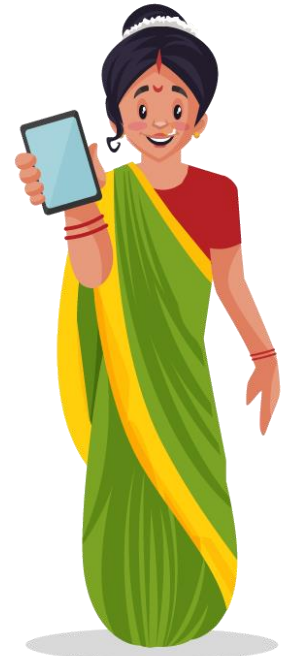
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Chart of Accounts

Budgeting & Forecasting

- **Budgeting** – A Budget is a forecast of revenue and expenses over a specified future period. Budgeting for companies serves as a plan of action for managers as well as a point of comparison at a periods end.
- **Forecasting** – It uses historical data as inputs for making estimates that help in determining the direction of future trends, Businesses use forecasting to determine their budget planning





Accounting Software

03



An accounting software solution is one that cultivates under the same roof where all systems and applications are dedicated to manage and process financial data. Professional accountants and bookkeeping teams use these programs to govern accounts and automate systematic operations, while certain systems are also enabled to record accounting data, measure indicators and report on the company's financial activity.



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Types of Accounting Software

Accounting software are classified based on the types of operations the business handles, and accordingly, they are classified under the following different categories.



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Types of Accounting Software

Billing/Invoicing Software

Accounting software in the operational field of invoicing/billing takes care of companies' basic billing activities. And they also serve the day-to-day tasks which a business undertakes including cheque writing and informing customers on their due payments.



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Types of Accounting Software

Payroll Management System

This category of accounting software India manages the companies' payroll registers, performs an array of different tasks, including calculating employees' salaries, cutting deductions, depositing the salary directly into staff members' bank accounts, producing tax forms and payslips and more.



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Types of Accounting Software

ERP Systems

This category of accounting software solution handles the operational portfolio that combines all systems used for product planning, material purchasing, inventory management and control, distribution, accounting, marketing, finance and Human Resource.



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Benefits of Accounting Software

To Simplify Accounts

These systems enable the business owners to complete all accounting operations and comply with legal standards with ease and simplicity.



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Benefits of Accounting Software

To Save Cost

The accounting software solutions automate most of the core calculations and administrative procedures and thereby also take control of the revenue framework so that businesses will not be required to outsource finance management to an external expert.



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Benefits of Accounting Software

Accurate Forecasting

The accounting solution gives numbers a meaning, helping the management to understand where to save on the expenses or where to invest more.



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Benefits of Accounting Software

Productivity

Accounting software is a complete package of digitized services which makes the most cumbersome, day-to-day tasks of companies look easier, and collects, organize, and analyze their outcomes.



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Benefits of Accounting Software

Complying with Tax Laws

Accounting software automatically complies with taxation laws as part of its internal structure, so the businesses can avoid penalties and other consequences on defaults.



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Benefits of Accounting Software

Maintaining Customer Relationships

The accounting systems work around effective billing and invoicing and prevent all sorts of delays and miscommunication and thus, make companies' performance appear more professional and credible.



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Benefits of Accounting Software

Data Security

They prevent accounting from being jeopardized by theft by providing passwords and administration IDs and setting up as who can view what.



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Names of Accounting Software Available in India

- Tally
- Zoho Books
- QuickBooks India
- Busy Accounting Software
- ProfitBooks
- Logic
- MargERP 9+
- myBooks
- Vyapar
- Saral



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**Cloud
Computing for
MSME's**

04





- Industry 4.0 is right around the corner and enterprises are undergoing paradigm shifts in operations, employing new technologies, and as a result, how they are doing business. Cloud computation is one such means which is fast heralding the digitisation of industries the world over and makes operations more mobile and accessible for a team.



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- The three main cloud service offerings of Infrastructure-as-a-Service (IaaS), Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS), make operations extremely easy as all they need is internet access and are ready to be utilised across a range of mediums like laptops, smartphones, tablets etc.



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Benefits of Using Cloud Computing

Accessibility of Data

Relevant Business data is available to all relevant stakeholders at any given point in time and at any place thereby simplifying collaboration and teamwork.



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Benefits of Using Cloud Computing

Cost Effective

It economises operations for MSMEs by offering Software as a Service(SaaS) applications which are available to SMEs on the go and without any massive investment costs at their end. Also , MSME's don't have to maintain hardware on premises which are susceptible to humidity, theft, natural calamities.



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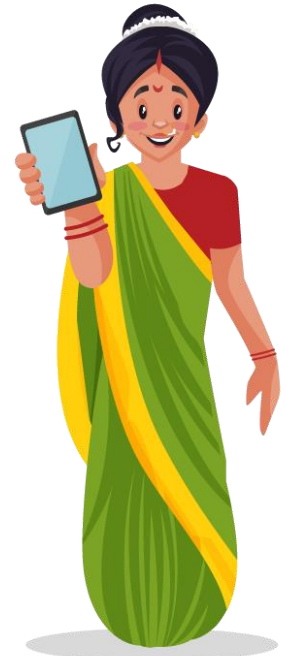
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Benefits of Using Cloud Computing

Customised Solutions

Highly customisable applications which can be modified as per one's requirements, from the number of users to the features available, these applications can be maximised and upgraded along with the growing needs of the company.

These products include front and back-office software like CRM solutions. There are software development companies that provide SMEs with specific solutions that are built from scratch and are tailored to the individual SME's specific business needs.



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Benefits of Using Cloud Computing

Data Security

The basic key to securing data on the cloud is to ensure proper authorisation for logins and access, monitor user activity closely and maintain a data backup and recovery account.



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**Goods & Service
Tax**

05



What is Goods and Services Tax?

- It is a destination-based tax on consumption of goods and services. It is proposed to be levied at all stages right from manufacture up to final consumption with credit of taxes paid at previous stages available as setoff. Only value addition will be taxed, and burden of tax is to be borne by the final consumer.
- GST is proposed to be a dual levy where the Central Government will levy and collect Central GST (CGST) and the State will levy and collect State GST (SGST) on intra-state supply of goods or services.

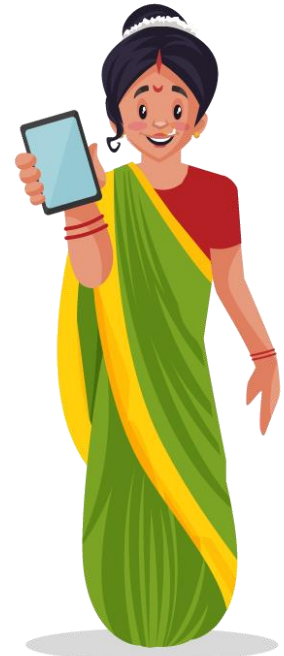


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What is Goods and Services Tax?

- The Centre will also levy and collect Integrated GST (IGST) on inter-state supply of goods or services.
- GST is a unifier that is going to integrate various taxes being levied by the Centre and the State at present and provide a platform for forging an economic union of the country.
- This tax reform will lead to creation of a single national market, common tax base and common tax laws for the Centre and States.



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What is Goods and Services Tax?

- Another very significant feature of GST will be that input tax credit will be available at every stage of supply for the tax paid at the earlier stage of supply. This feature would mitigate cascading or double taxation in a major way.
- This tax reform will be supported by extensive use of Information Technology [through Goods and Services Tax Network (GSTN)], which will lead to greater transparency in tax burden, accountability of the tax administrations of the Centre and the States and improve compliance levels at reduced cost of compliance for taxpayers.

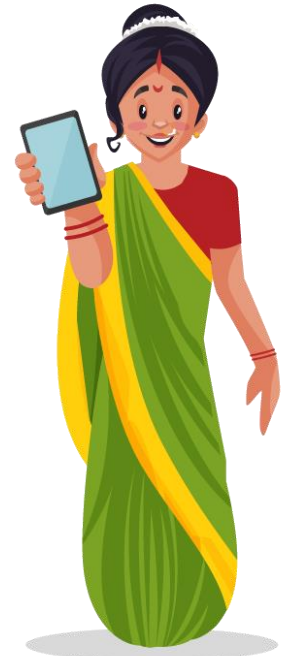


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What is Goods and Services Tax?

- Studies indicate that introduction of GST would instantly spur economic growth and can potentially lead to additional GDP growth in the range of 1% to 2%.



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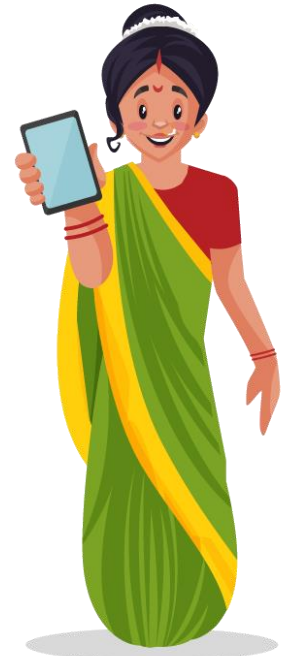
Advantages to Trade & Industry

- Increased ease of doing business
- Reduction in multiplicity of taxes that are at present governing our indirect tax system leading to simplification and uniformity
- Elimination of double taxation on certain sectors like works contract, software, hospitality sector.
- Will mitigate cascading of taxes as Input Tax Credit will be available across goods and services at every stage of supply.
- Reduction in compliance costs - No multiple record keeping for a variety of taxes - so lesser investment of resources and manpower in maintaining records.



Advantages to Trade & Industry

- More efficient neutralization of taxes especially for exports thereby making our products more competitive in the international market and give boost to Indian Exports.
- Simplified and automated procedures for various processes such as registration, returns, refunds, tax payments.
- Average tax burden on supply of goods or services is expected to come down which would lead to more consumption, which in turn means more production thereby helping in the growth of the industries manufacturing in India.



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Who is liable to pay GST under the proposed GST regime?

- Under the GST regime, tax is payable by the taxable person on the supply of goods and/or services. Liability to pay tax arises when the taxable person crosses the turnover threshold of Rs.20 lakhs (Rs. 10 lakhs for NE & Special Category States) except in certain specified cases where the taxable person is liable to pay GST even though he has not crossed the threshold limit.
- The CGST / SGST is payable on all intra-State supply of goods and/or services and IGST is payable on all inter- State supply of goods and/or services. The CGST /SGST and IGST are payable at the rates specified in the Schedules to the respective Acts.



Register on GST Portal

Website - <https://www.gst.gov.in/>

For help regarding registration Please click on the link below:

- <https://www.gst.gov.in/help/enrollmentwithgst>



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Process for Registration

- Visit the gst.gov.in website and make an application for GST Registration
- On submission of all the details and documents, an acknowledgement number is allotted.
- After due verification by the GST officer, the registration process is completed by allocation of GST Identification Number (GSTIN).
- In the process, you will also get username and can set password for GST gov login.

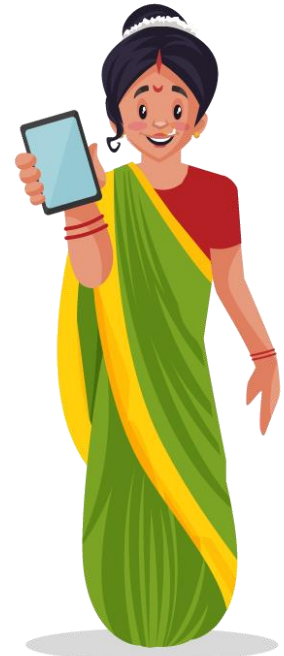


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Documents Required for Registration

- PAN card
- Aadhaar Card
- Identity and Address proof of Promoters/Director with Photographs
- Address proof of the place of business
- Bank Account statement/Cancelled cheque
- Digital Signature
- Letter of Authorization/Board Resolution for Authorized Signatory



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Filing GST Returns Online

What is a GST return?

- A GST return is a document that mentions all details related to GST invoices payments and receipts for a specific period.
- A tax-payer is liable to declare all transactions related to the revenue of the business based on which the authorities will calculate the amount of tax to be paid by the business.
- Business owners can file GST online on the official portal provided by GST.



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Filing GST Returns Online

Steps to file GST return online

- Make sure that you are registered under GST and have the five-digit GST identification number with you based on your state code and PAN. In case you do not have this number first register online to get it.
- Next, visit the GST portal.
- Click on the services button
- Click on the returns dashboard and then, from the drop down menu, fill in the financial year and return the filing period.
- Now select the return you want to file and click on prepare online.



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Filing GST Returns Online

Steps to file GST return online

- Enter all the required values including the amount and late fee, if applicable.
- Once you have filled in all the details, click on 'Save' and you will see a success message displayed on your screen.
- Now click on submit at the bottom of the page to file the return.



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Filing GST Returns Online

Steps to file GST return online

- Once the status of your return changes to submitted, Scroll down and click on the 'Payment of tax' tile. Then, click on 'Check balance' to view cash and credit balance, so that you know these details before paying tax for respective minor heads. Next, to clear your liabilities, you need to mention the amount of credit you want to use from the credit already available. then click on 'offset liability' to make the payment. when a confirmation is displayed, click on 'Ok.



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Filing GST Returns Online

Steps to file GST return online

- Lastly, check the box against the declaration and select an authorised signatory from the drop down list. Now click on file form with DSC or 'File form with EVC' And then click on 'Proceed'. make the payment in the next step for your respective GST.



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Pay GST Online

To make the GST payment post-login to the GST Portal once the challan is generated, perform the following steps:

1. Access the <https://www.gst.gov.in/> URL. The GST Home page is displayed.
2. Login to the GST Portal with valid credentials.
3. Access the generated challan. Click the Services > Payments > Challan History command.
4. Select the CPIN link for which you want to make the payment.



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Select the Mode of E-Payment

In case of Net Banking

- Select the Bank through which you want to make the payment.
- Select the checkbox for Terms and Conditions apply.
- Click the MAKE PAYMENT button



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Select the Mode of E-Payment

In case of Credit/ Debit Cards

- In the Please select a payment gateway, select the payment gateway option.
- Select the checkbox for Terms and Conditions apply.
- Click the MAKE PAYMENT button



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Select the Mode of E-Payment

In case of Over-the-Counter payment

- a. In the Payment Modes option, select the Over the Counter as payment mode.
- b. Select the Name of Bank where cash or instrument is proposed to be deposited.
- c. Select the type of instrument as Cash/ Cheque/ Demand Draft.



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Select the Mode of E-Payment

- d. Click the GENERATE CHALLAN button.
- e. Take a print out of the Challan and visit the selected Bank.
- f. Pay using Cash/ Cheque/ Demand Draft within the Challan's validity period.
- g. Status of the payment will be updated on the GST Portal after confirmation from the Bank.



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Select the Mode of E-Payment

In case of NEFT/ RTGS payment

- a. In the Payment Modes option, select the NEFT/RTGS as payment mode.
- b. In the Remitting Bank drop-down list, select the name of the remitting bank.
- c. Click the GENERATE CHALLAN button.
- d. Take a print out of the Challan and visit the selected Bank. Mandate form will also be generated simultaneously.

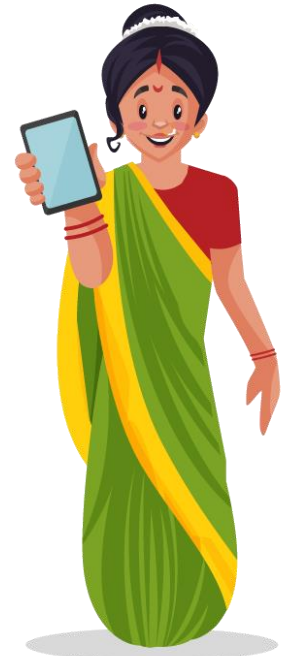


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Select the Mode of E-Payment

- e. Pay using Cheque through your account with the selected Bank/ Branch. You can also pay using the account debit facility.
- f. The transaction will be processed by the Bank and RBI shall confirm the same within <2 hours>.
- g. Once you receive the Unique Transaction Number (UTR) on your registered e-mail or mobile number, you can link the UTR with the NEFT/RTGS CPIN on the GST Portal. Go to Challan History and click the CPIN link. Enter the UTR and link it with the NEFT/RTGS payment.

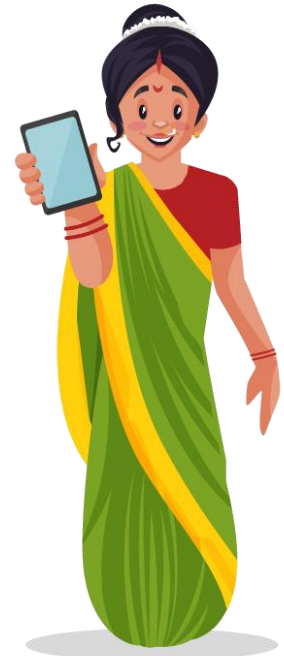


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Select the Mode of E-Payment

- h. Status of the payment will be updated on the GST Portal after confirmation from the Bank.
- i. The payment will be updated in the Electronic Cash Ledger in respective minor/major heads.



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Rates Applicable to your Business

Exempted GST Rate Slab (No Tax)

Some of these that are of regular consumption include fresh fruits and vegetables, milk, buttermilk, curd, natural honey, flour, besan, bread, all kinds of salt, jaggery, hulled cereal grains, fresh meat, fish, chicken, eggs, along with bindi, sindoor, kajal, bangles, drawing and coloring books, stamps, judicial papers, printed books, newspapers, jute and handloom, hotels and lodges with tariff below INR 1000 and so on.



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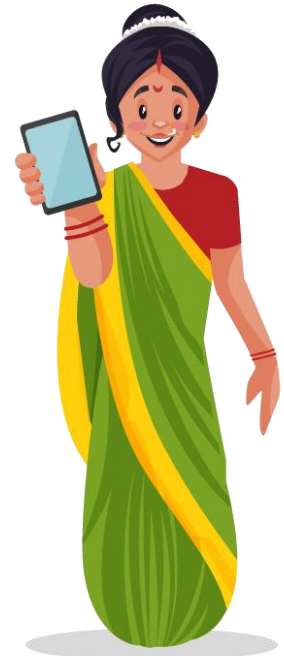
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Rates Applicable to your Business

5% GST Rate Slab

14% goods and services fall under this category

Some of these include apparel below INR 1000 and footwear below INR 500, packaged food items, cream, skimmed milk powder, branded paneer, frozen vegetables, coffee, tea, spices, pizza bread, rusk, sabudana, cashew nut, cashew nut in shell, raisin, ice, fish fillet, kerosene, coal, medicine, agarbatti (incense sticks), postage or revenue stamps, fertilizers, rail and economy class air tickets, small restaurants, and so on.



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Rates Applicable to your Business

12% GST Rate Slab

17% of goods and services fall under this category.

Edibles like frozen meat products, butter, cheese, ghee, dry fruits in packaged form, animal fat, sausages, fruit juices, namkeen, ketchup & sauces, ayurvedic medicines, all diagnostic kits and reagents, cellphones, spoons, forks, tooth powder, umbrella, sewing machine, spectacles, indoor games like playing cards, chess board, carom board, ludo, apparels above INR 1000, non-AC restaurants, business class air ticket, state-run lottery, work contracts and so on attract a 12% GST.



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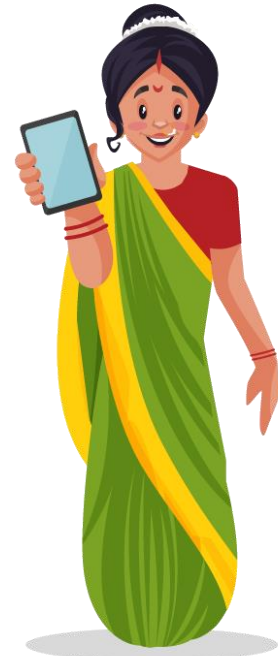
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Rates Applicable to your Business

18% GST Rate Slab

43% of goods and services fall under this category

Pasta, biscuits, cornflakes, pastries and cakes, preserved vegetables, jams, soups, ice cream, mayonnaise, mixed condiments and seasonings, mineral water, footwear costing more than INR 500, camera, speakers, monitors, printers, electrical transformer, optical fiber, tissues, sanitary napkins, notebooks, steel products, headgear and its parts, aluminum foil, bamboo furniture, AC restaurants that serve liquor, restaurants in five-star and luxury hotels, telecom services, IT services, branded garments and financial services and so on attract an 18% GST.

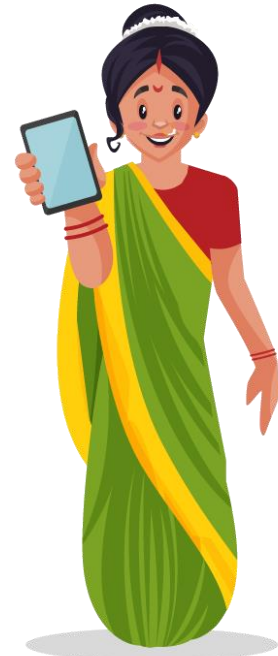


Rates Applicable to your Business

28% GST Rate Slab

19% of goods and services fall under this category.

The rest of edibles like chewing gum, bidi, molasses, chocolate not containing cocoa, waffles and wafers coated with chocolate, pan masala, aerated water, personal care items like deodorants, shaving creams, after shave, hair shampoo, dye, sunscreen, paint, water heater, dishwasher, weighing machine, washing machine, vacuum cleaner, automobiles, motorcycles, 5-star hotel stays, race club betting, private lottery and movie tickets above INR 100 etc. have been clubbed together under the 28% GST slab.



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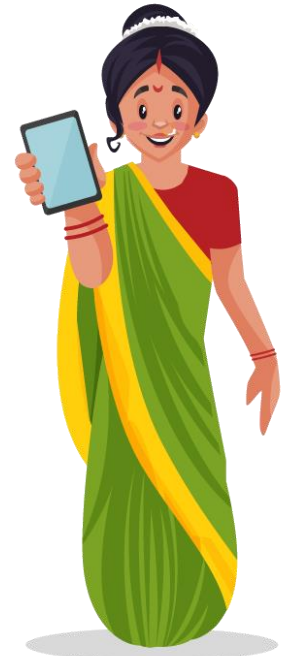
**Access to
finance – Digital
Approach**

06



Digital Financial Inclusion

It entails the deployment of the cost-saving digital means to reach currently financially excluded and underserved populations with a range of formal financial services suited to their needs that are responsibly delivered at a cost affordable to customers and sustainable for providers.



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Digital Transactional Platforms

They enable the customers to make or receive payments and transfers and to store value electronically through the use of devices that transmit and receive transaction data and connect to a bank or non-bank permitted to store electronic value.



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Devices

It is used by the customers, they can either be digital devices (mobile phones, etc) that transmit information or instruments (payment cards, etc) that connect to a digital device such as a point-of-sale (POS) terminal.



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Retail Agents

Retail Agents with a digital device connected to communications infrastructure to transmit and receive transaction details enable customers to convert cash into electronically stored value ("cash-in") and to transform stored value back into cash ("cash-out").

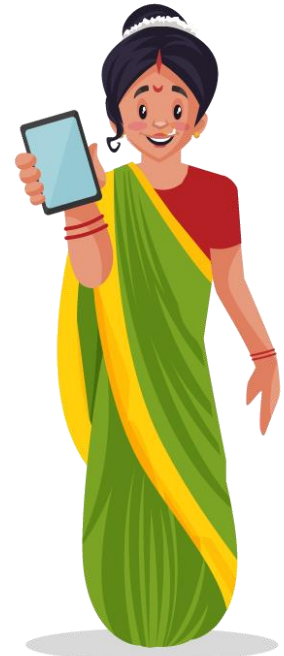


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Additional financial services via the digital transactional platform

Offered by banks and non-banks to the financially excluded and underserved. The services offered are - credit, savings, insurance, and even securities often relying on digital data to target customers and manage risk.



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Digital Financial Services (DFS) Ecosystem

Digital Financial Services providing entity

- Banks
- Other Financial
- Licensed Non-Banks

Uses of Digital Financial Services

- Storing Funds
- Buying
- Paying Bills
- Sending/Receiving
- Borrowing
- Saving
- Insuring Assets and Risks



Digital Financial Services (DFS) Ecosystem

Digital Financial Services

- Transaction Accounts
- Payments Services
- Savings Account
- Investment Services
- Loans
- Insurance

Users of Digital Financial Services

- Consumers
- Merchants
- Business
- Government
- Non-Profit Group



Digital Banking

Digital banking allows bank customers to avail banking services using the bank's website on a laptop or through a mobile app on a smartphone/tablet.

These services include:

- Checking account balance
- Transferring funds to another account
- Ordering a cheque book
- Changing passcodes



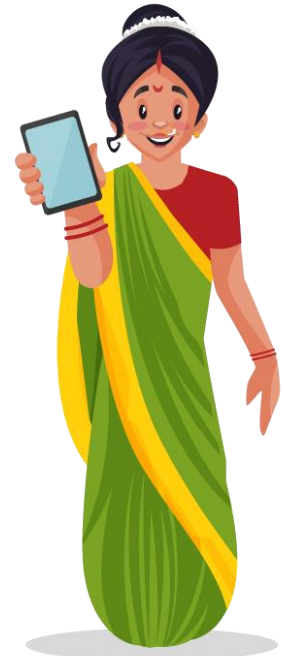
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Savings

Savings refers to the money that a person has left over after they subtract out their consumer spending from their disposable income over a given time period and is kept in the form of cash or cash equivalents.

It is a net surplus of funds for an individual or household after all expenses and obligations have been paid.

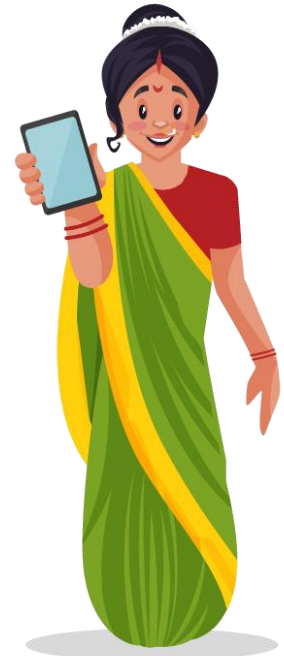


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Deposits

Deposit is a financial term that means money held at a bank. A deposit is a transaction involving a transfer of money to another party for safekeeping.



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Loan

The term loan refers to a type of credit vehicle in which a sum of money is lent to another party in exchange for future repayment of the value or principal amount.

It is a form of debt incurred by an individual or other entity. The lender—usually a corporation, financial institution, or government—advances a sum of money to the borrower. In return, the borrower agrees to a certain set of terms including any finance charges, interest, repayment date, and other conditions. In some cases, the lender may require collateral to secure the loan and ensure repayment.



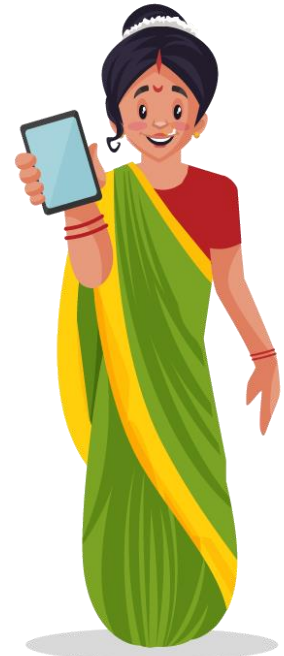
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Insurance

Insurance is a contract, represented by a policy, in which an individual or entity receives financial protection or reimbursement against losses from an insurance company

There is a multitude of different types of insurance policies available, and virtually any individual or business can find an insurance company willing to insure them—for a price. The most common types of personal insurance policies are auto, health, homeowners, and life.

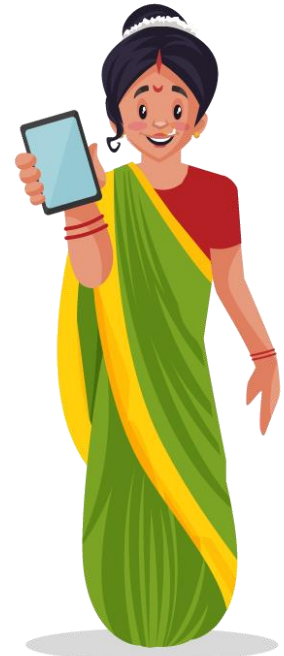


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Deposit Insurance

Bank deposit upto Rs 5,00,000 in respect of each depositor is fully insured by the Deposit Insurance and Credit Guarantee Corporation. Banks operating in India such as commercial banks (including Regional Rural Banks), cooperative banks in Union Territories and states are registered as insured banks with the corporation. The corporation will swing into action if a bank is being liquidated or if a bank is reconstructed/amalgamated.

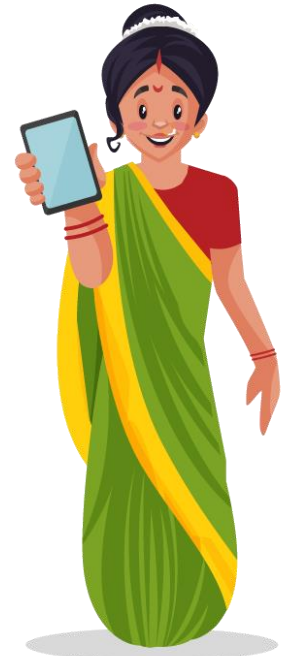


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Factoring

Factoring is type of financing in which a company sells its account receivables to a third party (“factor”) at a discount. Factoring can be on with recourse or without recourse basis, commonly used models include direct factoring and two factor system.



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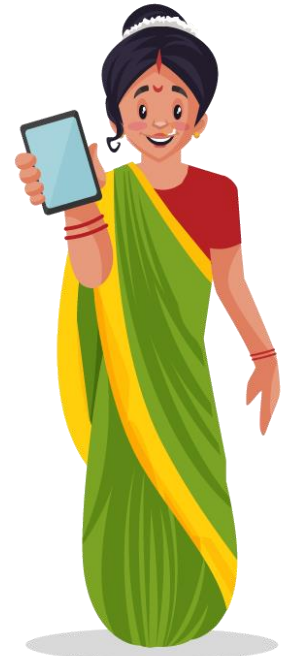
Factoring

Parties Involved in a domestic factoring transaction

Assignor: The seller of goods/services who is availing the facility and whose receivables the Bank is purchasing.

Debtor: The buyer of the goods/services on whom the Bank will be taking exposure in case of without recourse factoring.

Assignee: The financial institution who purchases the receivables from the assignor, factors the inland bills and funds the assignor for the invoices presented.



Transaction Based Lending

It involves using the data to evaluate a business's financial health to approve or deny a loan to the said business. The following information is used – Purchase and Payment data, customer evaluations, product handled etc.



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**Digital Financial
Transactions**

07



Card Payments – Debit Card and Credit Card

- Debit Cards and Credit Cards are an important mode of Digital Financial Transaction and allows the user to transact in a hassle free manner without relying on cash. Card Payments are used for personal as well as business transactions.
- Example – Debit Card, Credit Card, Commercial Cards – Instalment Card, Business Debit card and Business Credit Card.



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Internet Banking

Internet banking allows you to transact on your bank account over the internet using your laptop, tablet or smartphone. When you transfer an amount using Internet Banking it can be done through different methods:



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Internet Banking

National Electronic Funds Transfer (NEFT)

- NEFT is a nation-wide centralised payment system owned and operated by the Reserve Bank of India (RBI). The payment mode enables companies and individuals to transfer funds electronically to other companies and individuals.
- The account holder needs to register the beneficiary account details such as account holder name, account type (savings etc.), account number and Indian Financial System Code (IFSC) which helps to identify individual bank branches.



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Internet Banking

Real-Time Gross Settlement (RTGS)

RTGS is a real-time settlement system which allows for fast processing of money transfer between any two accounts. 'Real Time' means the processing of instructions at the time they are received; 'Gross Settlement' means that the settlement of funds transfer instructions occurs individually. The payments made via RTGS are final and irrevocable.



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Internet Banking

Immediate Payment Service (IMPS)

IMPS is a product made available by the National Payments Corporation of India (NPCI). It allows for 24x7 instant funds transfer service that can be accessed on multiple channels like Mobile, Internet, ATM and SMS.



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Unified Payment Interface (UPI)

A system developed by the National Payments Corporation of India (NPCI), UPI helps combine the power of multiple bank accounts into one single mobile app. UPI helps in seamless fund routing and merchant payments. In addition, it also caters to the “Peer to Peer” collect request which can be scheduled and paid as per requirement and convenience.



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Aadhaar Enabled Payment System (AEPS)

AEPS is a bank led model which allows online interoperable financial transaction at PoS (Point of Sale / Micro ATM) through the Business Correspondent (BC)/Bank Mitra of any bank using the Aadhaar authentication



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E-Wallet

E-wallet is a type of pre-paid account in which a user can store his/her money for any future online transaction.



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**Udhyam
Registration**

08



Link to the Website -

<https://udyamregistration.gov.in/Government-India/Ministry-MSME-registration.htm>



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Udyog Aadhaar Number

Udyog Aadhaar Number was launched on September 2015 by the Ministry for Medium, Small and Micro Enterprises to provide MSME owners with ease of registration and easy access to coverage of various schemes under the Central and State governments.



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Udyam Registration

To conform to the new definition and to promote ease of doing business in India the Government of India has launched the Udyam Registration in place of the Udyog Aadhaar Number.



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Udyam Registration

Portal for Registration –

For New Entrepreneurs who are not yet registered as MSME or those with EM-II

Link –

<https://udyamregistration.gov.in/UdyamRegistration.aspx>



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Udyam Registration

Migrate to Udyam (Re – Register)

For those having registration as UAM –

<https://udyamregistration.gov.in/UdyamRegistrationExist.aspx>

Existing registration as UAM through assisted filing –

https://udyamregistration.gov.in/Udyam_AssistedMigration.aspx



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Salient features of Udyam Registration

Fully digitalized and paperless process, no need to upload any document.

Registration Process is free, No cost or fees is to be paid to anyone for registration on the portal.

For a more comprehensive list of salient features please see the following link -

https://udyamregistration.gov.in/docs/Benefits_of_UR.pdf



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Requirements for Registration

- Aadhaar Number
- PAN and GST Number



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Benefits of Udyam Registration

- Permanent registration and Basic Identification Number for an Enterprise
- MSME registration is paperless and based on Self Declaration
- Any number of activities including manufacturing or service, or both may be specified or added in one registration
- MSME becomes eligible for priority sector lending.
- Udyam registration may also help MSME's in availing benefits of Schemes of Ministry of MSME such as Credit Guarantee Scheme, Public Procurement Policy, additional edge in government tenders and protection against delayed payments.





Key Takeaways

09



Key-Takeaways

- Good accountancy and book-keeping practices along with usage of accounting software helps a business saves costs, enhance productivity, comply with tax laws and develop better customer relations.
- The Goods and Services Tax simplifies and automates procedures related to registration, returns, refunds and tax payments which leads to an Ease of Doing Business and reduction in compliance costs since businesses are not required to maintain multiple records.
- Financial Inclusion using Digital Approach works by using cost saving digital means to provide financial services which are suited to the needs of individual and business.



Key-Takeaways

- Learning about terms associated with Finance will improve financial literacy of the participant.
- Awareness about the modes of Digital Financial Transactions and concepts of Digital ID and Know Your Customer (KYC) benefits business by saving time, reducing cost and increased convenience.



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Thank You!!!



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