

A central illustration of a yellow notepad with three punch holes at the top. A blue pen with a red eraser is positioned at the bottom right corner of the notepad. A silver paperclip is attached to the top right edge. The background is white with various decorative elements: a grey paper corner at the top left, a green ruler at the bottom left, a red bookmark with a green ribbon at the top right, and several small decorative icons like stars and swirls scattered around.

# Digitization & Accounting



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- 1 Understanding OTP
- 2 Terms and Processes for Digital Financial Transactions
- 3 Credit Card and Debit Card
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- 6 Unified Payment Interface (UPI)
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# Lesson Plan

This module introduces the participants to Digital Financial Tools – Financial Literacy.



# Objectives/Expectations

- To introduce the Digital Financial Tools to enhance the participants Financial Literacy.
- To help the participants get acquainted with using the Digital Financial Tools to use them for business.



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# Material Required

- Soft copy and hard copy of to Digital Financial Tools – Financial Literacy.
- Blank A4 Size sheets
- Projector
- Laptop
- Whiteboard
- Duster
- Writing Pen(for Whiteboard)





One Time  
Password  
[OTP]

01



# What is an OTP?

- OTP also is known as a One Time Password
- It is generated and sent to the registered mobile number to validate the specific transaction.
- It is sent to your mobile number within a couple of seconds of you inputting the details of your transaction and stays on your phone only for 2 minutes.
- It offers an enhanced layer of security for the card and online transactions.
- OTP adds an extra level of protection over and above the password.



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# How is OTP generated and how to use it?

Example: When making purchase through Debit card and Credit Card following are the Steps involved:

- User makes an online purchase and selects the mode of payment.
- Online platform asks the user to enter the CVV code.
- OTP is generated and sent to your registered mobile number, email or a phone call or any dedicated channel chosen by bank.
- OTP is entered by the user.
- Transaction is complete.



# Precautions

- Never disclose your OTP and PIN number to any person.
- Banks will never ask you for credential like OTP, PIN, CVV and others.
- Information of these credentials make you vulnerable to cyber security threats.
- Don't attend any call or disconnect calls if the other person asks your OTP, PIN, CVV number or other credentials.
- If you receive a call from your "Bank Manager" ask him to talk to you in your mother tongue or tell him that you will visit the branch or ask him multiple questions until you are satisfied it is your real bank manager who is calling you.





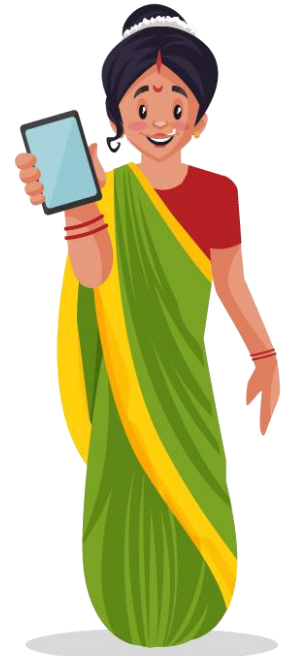
**Terms and  
Processes for  
Digital  
Financial  
Transactions**

**02**



# Digital ID

- Unlike a paper-based ID such as most driver's licenses and passports, a digital ID can be authenticated remotely over digital channels a digital ID could be issued by a national or local government.
- Example – Aadhaar ID from India



# Digital ID

## Features of Digital ID

- Verified and authenticated to a high degree of assurance
- Unique
- Established with Individual consent
- Protects user privacy and ensures control over personal data



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# Know your Customer

Know Your Customer or KYC as it is commonly known refers to the process of identity and address verification of all customers and clients by banks, insurance companies and other institutions either before or while they are conducting transactions with their customers. The Reserve Bank of India (RBI) has made KYC mandatory for all banks, financial institutions and any other digital payment companies who carry out financial transactions.



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# Know your Customer

## Documents required for KYC in India: Proof of Identity

- Unique Identification Number (UID) such as Aadhaar, Passport, Driving license and Voter ID card.
- PAN card
- Identity card or document with your photo, which is issued by any Statutory/Regulatory Authorities, Central/State Government, and their Departments.
- Identity cards issued by Scheduled Commercial Banks, Public Sector Undertakings, and Public Financial Institutions.
- Identity cards issued by Colleges, which are affiliated to Universities, Professional Bodies including ICAI, ICWAI, ICSI, and Bar Council to their Members.



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# Know your Customer

## Documents required for KYC in India: Proof of Address

- Passport, Voters Identity Card, Registered Sale or Lease Agreement of Residence, Ration Card, Driving License, Insurance Copy or Flat Maintenance bill
- Utility bills such as Landline Telephone Bills, Gas bill or Electricity bill (not more than three months old)
- Bank Account Statement or Passbook entries (not more than three months old)
- Self-declaration by the Supreme Court and High Court judges, which specify their new address





# Know your Customer

- Proof of residence issued by any of the following bodies:
- Bank Managers of Scheduled Commercial Banks
- Multinational Foreign Banks, Scheduled Co-Operative Bank
- Elected representatives to the Legislative Assembly
- Gazetted Officer, Notary public, Parliament
- Documents issued by any Government or Statutory Authority
- Identity card or documents with an address that are issued by the Central or State Government and their Departments, Statutory or Regulatory Authorities, Scheduled Commercial Banks, Public Sector Undertakings, Public Financial Institutions, and Colleges affiliated to Professional Bodies such as ICAI, ICWAI, Bar Council and ICSI to their Members.



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# Know your Customer

## How to do KYC in India?

You can do Aadhaar based KYC and offline KYC by following the steps mentioned below:

### Aadhaar based KYC or Online KYC

- Create your account on, the registered KYC registration Agency's official website and fill in your details such as name, date of birth and address
- Provide your Aadhaar card number, registered mobile number and verify them using OTP
- Upload a self-attested copy of e-Aadhaar after accepting the consent declaration terms for the e-KYC



# Know your Customer

## How to do KYC in India?

You can do Aadhaar based KYC and offline KYC by following the steps mentioned below:

### Offline KYC

- You can download the KYC application form from your insurance company or bank and fill in your details
- Sign and submit a physical copy of the KYC form to the relevant authorities
- Attach the attested photocopies of residence proof, ID proof, and your passport size photograph with the KYC





# Credit Card and Debit Card

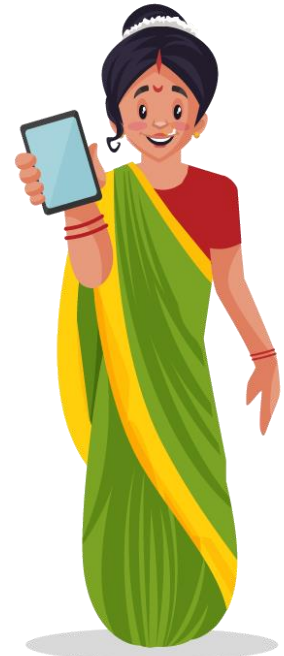
# 03



## Video Link -

<https://www.youtube.com/watch?v=XrSZ6CV2H0k>

Debit Cards and Credit Cards have become an integral way of life for customers today to make payments without the hassles of cash. It feels almost impossible in today's world to survive without these modes of payment



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# Commercial Cards

These include Instalment Card, Business Debit Card and Business Credit Card and are especially useful for small business in the following 3 stages of a businesses life – Establish, Grow and Expand.

## Benefits of Commercial Cards

- Increased control since it helps comply with regulations and reduces risk of fraud and misuse
- Direct Savings
- Efficiency – It offers paperless solutions and accounting services
- Safety and Security and emergency cash
- Brand recognition and assistance



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# Commercial Cards

## Installment Card

It is a type of commercial card which converts the amount spent on purchases into installments for the users convenience.

### Benefits of Installment Card

- Familiarity – Users are accustomed to making payments in installments, the card is based on similar principle for small businesses.
- Limited Credit Risk
- Flexible and Customisable installment size
- Helps in digital onboarding of users



# Debit Card

Debit Card allows customers to make payments which get directly deducted from the account on a single tap.

## Debit Card number

- 16-digit number on the front side of your Debit Card
- It is unique and primarily represents and identifies your Debit Card.



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# Debit Card

## Business Debit Card

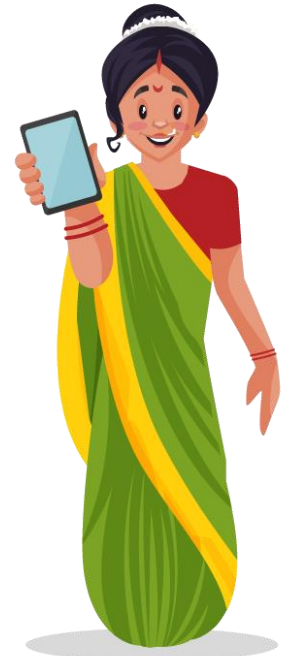
- It is a type of Debit card that is designed for use by businesses. It helps track and monitor business expenses.
- It offers convenience of making payments
- Allows the business to maintain a budget.
- Easy to obtain as compared to a Business Credit Card and offers higher security.



## Credit Card

A credit card allows cardholders to borrow funds with which to pay for goods and services with merchants that accept cards for payment. Credit cards impose the condition that cardholders pay back the borrowed money, plus any applicable interest, as well as any additional agreed-upon charges, either in full by the billing date or over time.

**Business Credit Card:** It is designed for business expenses and not for personal use. A business can pay for its expenses using this card once a month. These cards help keep track of the expenses.



# Credit Card

Why should a business use a Business Credit Card?

- Interest Free Repayment Period
- Monthly Instalment Option
- Rewards for Expenses – The card holder may get cashback , reward points.
- Cash Advance Facility – Card holders can also opt for a this facility where they can get a certain amount of cash from the ATM by swiping the card.
- Simpler Management – Category wise spend tracking and report generation.
- Lifestyle benefits
- Customer Service – The business owner can get in touch with the card issuing bank and get the matter resolved.



# Uses of Debit and Credit Cards

- Swiping at PoS machine
- Shopping for Groceries, Kirana store or luxury goods
- Paying Utility bills
- Paying Uber,OLA, etc
- Accepting payments at business



# Benefits of Debit and Credit Cards

- Creating a favourable working environment
- Ease in expense managing and monitoring
- Complete Control and Setting Limits
- Dashboards and Complete visibility
- Easy payment option for other Business Expenses



## Precautions for use of Debit/Credit Card

- Do sign your card on the backside, immediately on receipt from the bank.
- Always erase the 3-digit CVV number on the backside of the card. Memorize it for your use.
- Do not share your Credit / Debit Card numbers, PIN number with anyone, not even with the bank officials.
- Do not write down your PIN number anywhere. Memorize it.
- Do not share your OTP (One Time Password) with anyone over phone or mail.
- Do not carry out financial transactions while using public networks, i.e., Internet café, free Wi-Fi, etc





**Current  
Account and  
Savings  
Account**

**04**



# Current Account

- Current Account is a bank account for people who run businesses. It is designed for carrying out day-to-day business transactions easily.
- A Current Account is a bank deposit that can be withdrawn by the depositor at any time. The depositor is at liberty to operate this account any number of times in a day unlike Savings Accounts where only limited transactions are allowed.
- This account is generally opened by people who are engaged in trade, businesses and professions.



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# Savings Account

- A savings account is a financial instrument that helps you ensure the security of your funds in addition to earning you additional interest.
- Savings Account is fundamental to manage your personal finances. Be it to pay utility bills, transfer/withdraw funds, shop, and address contingency needs or even to invest in other financial instruments.



# Difference between Savings Account and Current Account

- **Meaning**

A savings account is a deposit account which allows limited transactions, while a Current Account is meant for daily transactions.

- **Suitability**

A savings account is most suitable for people who are salaried employees or have a monthly income, whereas, Current Accounts work best for traders and entrepreneurs who need to access their accounts frequently.



# Difference between Savings Account and Current Account

- **Interest**

Savings accounts earn interest at a rate of around 4%, while there is no such earning from a Current Account. A Current Account is actually a no interest-bearing deposit account.

- **Overdrawing**

When you withdraw more money from the account, than is actually there, then your account is said to be overdrawn. In the case of a savings account, banks neither offer nor allow overdraft facilities, whereas this facility is provided with a Current Account.



# Difference between Savings Account and Current Account

- **Minimum Balance**

The minimum balance required to maintain a savings account is usually low, but for a Current Account it is much higher in comparison.





**PoS - Point of Sale**

**05**



# What is a POS device?

Video Link -

<https://www.youtube.com/watch?v=A0dXHbxgW6A>

- PoS or Swipe Machine as it is popularly known is a technological instrument provided to a Merchant Establishment (ME) to carry out the sale of goods or services to customers in a cashless environment. All the customer has to do is swipe his/her Debit, Credit or Prepaid Card.



## Features & Benefits

- Faster application processing and terminal installation.
- Superior connectivity.
- Settlements on T+1 basis.
- Helpdesk with assured TAT.
- Nominal fee / Monthly charges
- No hidden charges
- EMI facility available
- Bank accepts varieties of cards like Visa, Master, Rupay card and Discover cards.



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# Eligibility

- The merchant should have a current account with a branch of the bank with a satisfactory account operation.
- The merchant should be in retail/over the counter trade and shall not be in Visa/MasterCard negative list for malpractices.
- The turnover of the merchant of the merchant through cards should be over Rs. 50000/Month.
- The merchant shall have a fixed landline connection for Normal EDC Terminal otherwise they will have to apply for GPRS based machine.





## How to Apply?

- It's a simple process where the merchant has to fill up an enrolment form and enter into an agreement with the bank.
- This application has to be processed through the bank branch where the merchant has the current account.



# Types of PoS?



PHYSICAL POS

Physical Card Swiping – PTSN with landline / GPRS enabled



MPOS

Phone connected with external POS device through jack / Bluetooth



V-POS

Virtual E-payment Gateway

**1** SWIPE A DEBIT/CREDIT CARD ON THE POS MACHINE



**2** ENTER AMOUNT TO BE PAID AND PIN



**3** GENERATE RECEIPT



# Installation of Physical PoS

- Open/ identify current account for transactions
- Fill in the application form (online/ at the branch)
- Identify type of PoS required (Landline/ GPRS)



# Installation of Physical PoS

Submit following documents:

- Proof of business (any one)
- Shop & establishment registration certificate
- VAT certificate
- Sales tax

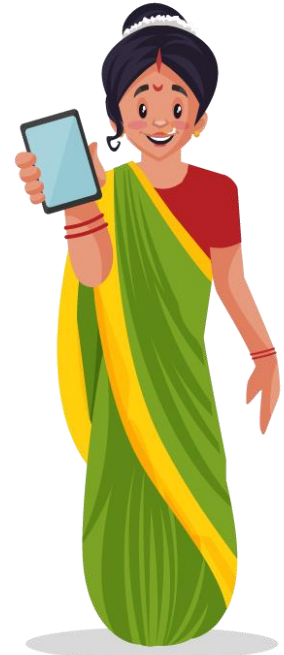
Proof of address

- Photo identity proof of proprietor / partner
- Financial details
- Bank statement
- Income tax return



# Installation of Physical PoS

- Acceptance of MDR by merchant
- Execution of Merchant Establishment Agreement



# Installation of Mobile PoS



Note: mSwipe is used as an example of MPOS here



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# Installation of V-PoS

- No PoS machine required
- QR code used for payment to bank account of merchant
- Complete privacy of merchant bank account



## Must do Practices

- Register your mobile number at bank for regular information SMS for every transaction
- Never share your PIN to anyone
- Transact at only trusted merchants
- While at ATM, ensure no one is looking over your shoulders



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# Best Practices for Securing your POS System (for Businesses)

- Install Antivirus software.
- Use Encryption.
- Monitor terminals with video surveillance.
- Secure your network using Strong passwords.
- Implement a POS monitoring device.
- Regularly Update software of POS devices.
- Regularly test your systems by running security checks.
- Enable Multifactor authentication and use complex passwords
- Physically secure your POS device by locking it down or installing alarm systems.





**Unified Payment  
Interface [UPI]**

**06**



## Video Link-

<https://www.youtube.com/watch?v=VSNCgeLXH34>

Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood.

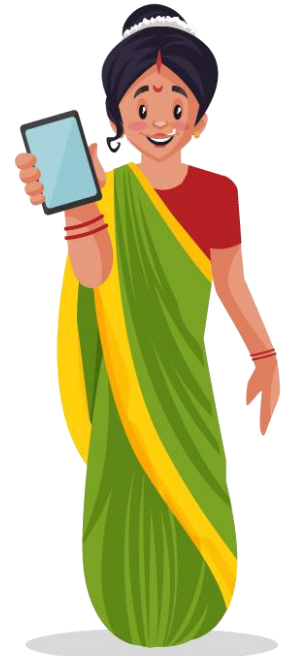


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# Unique Features of UPI

- Immediate money transfer through mobile phone round the clock 24\*7 and 365 days.
- Single mobile application for accessing different bank accounts.
- Single Click 2 Factor Authentication – Aligned with the Regulatory guidelines, yet provides for a very strong feature of seamless single click payment.
- Bill Sharing with friends.
- No Cash on Delivery hassle, running to an ATM or rendering exact amount.

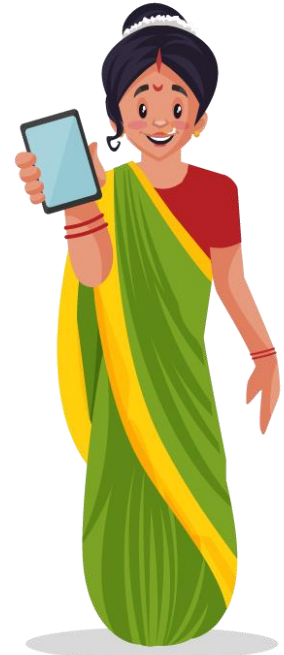


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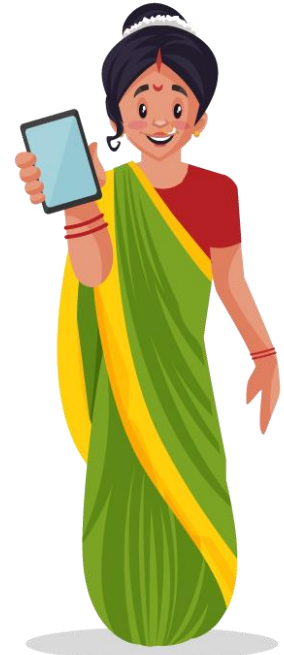
# Unique Features of UPI

- Merchant Payment with Single Application or In-App Payments.
- Utility Bill Payments, Over the Counter Payments, Barcode (Scan and Pay) based payments.
- Raising Complaint from Mobile App directly.



# Participants of UPI

- Payer PSP
- Payee PSP
- Remitter Bank
- Beneficiary Bank
- NPCI
- Bank Account holders
- Merchants



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# UPI – Benefits to the Ecosystem participants

## Benefits for Merchants:

- Easy fund collection from customers.
- No risk of saving customer's payment instrument data.
- Tap customers not having credit/debit cards.
- Suitable for e-Com & m-Com transaction.
- Resolves the Cash on Delivery issue.
- Single click two factor authentication facility for the customer
- In-App Payments



# UPI – Benefits to the Ecosystem participants

## Benefits for end Users:

- Round the clock availability
- Single Application for accessing different bank accounts
- Use of Virtual ID is more secure, no credential sharing
- Single click authentication
- Raise Complaint from Mobile App directly



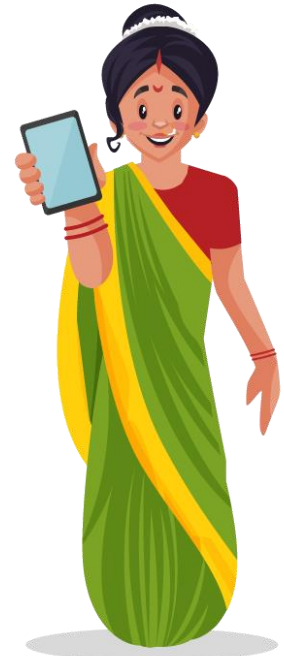


# UPI – Benefits to the Ecosystem participants

## How to Register in UPI enabled application

### Steps for Registration:

- User downloads the UPI application from the App Store/Banks website
- User creates his/her profile by entering details like name, virtual id (payment address), password etc.
- User goes to “Add/Link/Manage Bank Account” option and links the bank and account number with the virtual id

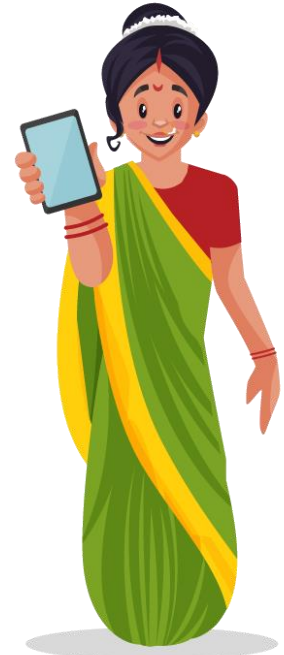


# UPI – Benefits to the Ecosystem participants

## Steps for Performing a UPI Transaction

### Sending money using virtual address:

- User logs in to UPI application
- After successful login, user selects the option of Send Money/Payment
- User enters beneficiary's/Payee virtual id, amount and selects account to be debited
- User gets confirmation screen to review the payment details and clicks on Confirm
- User now enters UPI PIN
- User gets successful or failure message



# UPI – Benefits to the Ecosystem participants

## Steps for Requesting money using UPI:

- User logs in to his bank's UPI application
- After successful login, user selects the option of collect money (request for payment)
- User enters remitters/payers virtual id, amount and account to be credited
- User gets confirmation screen to review the payment details and clicks on confirm



# UPI – Benefits to the Ecosystem participants

## Steps for Requesting money using UPI:

- The payer will get the notification on his mobile for request money
- Payer now clicks on the notification and opens his banks UPI app where he reviews payment request
- Payer then decides to click on accept or decline
- In case of accept payment, payer will enter UPI PIN to authorize the transaction
- Transaction complete, payer gets successful or decline transaction notification
- Payee/requester gets notification and SMS from bank for credit of his bank account



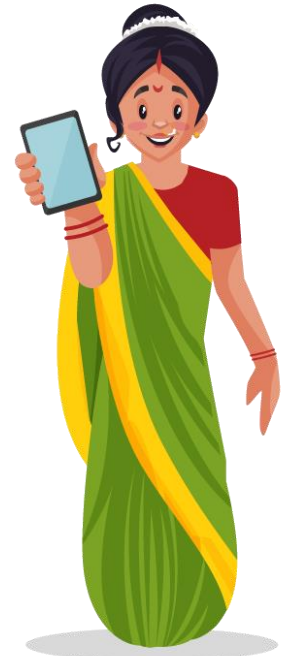
# Precautions

## Know to whom are you transferring money to

- Verify the UPI ID of the person before making the payment.

## Keep your UPI PIN confidential

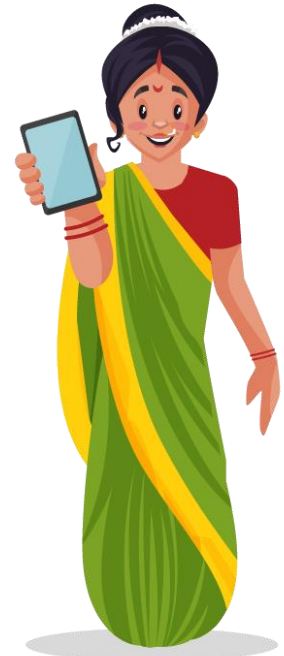
- Never share your UPI PIN with anyone and enter it only on the UPI PIN page.



# Precautions

## Check the debited amount on SMS notifications

- Confirm the debit via the SMS received – you will immediately get to know how much money was debited from your bank account.
- An SMS also works as an instant alert for any money debited from your account.



## Check the 'UPI Help' section on the UPI app for any issues

- If there's an issue with the payment process or with a particular transaction, seek immediate resolution on the UPI app itself through UPI Help.
- The UPI Help section is fully equipped to sort out your issues.





**Aadhaar  
Enabled  
Payment  
System [AEPS]**

**07**





## Video Link -

[https://www.youtube.com/watch?v=zMsXQEIzie8&list=RD-CMUCIQdid8n\\_ATBDek-k7Oj9Fw&index=3](https://www.youtube.com/watch?v=zMsXQEIzie8&list=RD-CMUCIQdid8n_ATBDek-k7Oj9Fw&index=3)

AEPS is a bank led model which allows online 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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## How to get AEPS

- Provide Know Your Customer (KYC) information to open a new account
- Aadhaar Number should be linked with Bank A/C.



## Services Offered

- Balance Enquiry
- Cash Withdrawal
- Cash Deposit
- Aadhaar to Aadhaar funds transfer



# Transaction Requirements

- Micro ATM
- Remember Aadhaar
- Give Bank name
- Present self (Aadhaar holder) with Bio-metrics (Finger and/or IRIS)
- Assisted mode



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## Benefits of AEPS

- Easy to use
- Safe and secure payment method
- Interoperable across various banks
- Encourages financial inclusion and serves the underbanked sections of society
- Bank account holders will be able to access their bank accounts through Aadhaar authentication
- Information required to initiate a transaction is Aadhaar number and biometric information.



## Benefits of AEPS

- AEPS facilitates disbursements of Government schemes like NREGA, Social Security pension, Handicapped Old Age Pension etc. of any Central or State Government bodies using Aadhaar authentication.



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# Steps for AEPS Transaction

- Go to a micro-atm or banking correspondent
- Provide your bank name and Aadhar
- Choose which transaction to do
- Provide fingerprint on scanner
- On successful transaction take the print slip
- Process completed



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# Precautions

- Please do not share the unmasked Aadhaar number, in any physical form or as a KYC document
- Do not use greasy, sweaty and dry fingers, while performing the biometric authentication based transaction
- Performing transactions with mehndi or tattoo on your hands, will increase the chances of an authentication failure
- Never give your fingerprint, except for processing of any transaction
- In case a customer gets a U3 (Biometric mismatch) more than once, then he/she may use their iris for authentication or must switch to the other mode of transaction
- Do not use third-party Aadhaar for doing authentication.







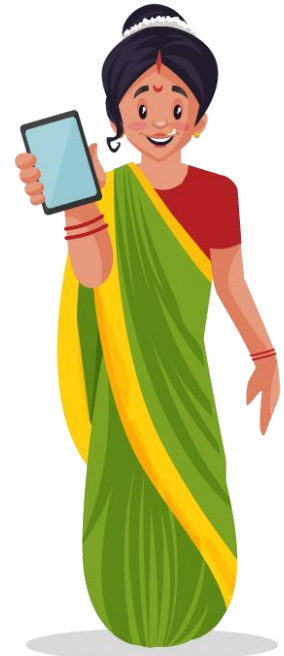
**USSD -  
Unstructured  
Supplementary  
Service Data**

**08**



## Video Link

[https://www.youtube.com/watch?v=zz6\\_HMH-S-o](https://www.youtube.com/watch?v=zz6_HMH-S-o)



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# What is USSD?

- USSD is a technology platform through which information can be transmitted through a GSM network on a basic phone.
- This service is available on all mobile phones with SMS facility.
- Unstructured Supplementary Service Data (USSD) allows users without a smartphone or data/internet connection to use mobile banking through the \*99# code.
- USSD-based mobile banking can be used for fund transfers, checking account balance, generating bank statement, among other uses.



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# What is USSD?

- The main objective of the innovative \*99# payments service is to allow financial inclusion of the underbanked and economically weaker sections of the society, and integrate them into mainstream banking.
- In an effort to make this service accessible to all, the service is available in 12 languages, including English and other Indian languages such as Hindi, Tamil, Bengali, and Kannada, to name a few.



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# Send Money Using USSD \*99# Using MMID & Mobile Number

- Register bank account with mobile number and dial \*99#
- The interface will open up and you can: Type 3 letters of your bank short name or first 4 letters of bank IFSC or 2-digit bank numeric code, proceed to click 'Send'
- Now, choose number '3' to send money and proceed key in payee/beneficiary mobile number
- Proceed to key in the beneficiary/payee MMID, transaction amount
- Key in MPIN and last 4 digits of your bank account number



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# Send Money Using USSD \*99# Using IFSC Code & Bank Account Number

- Dial \*99# from your registered mobile number
- Proceed to key in 3 letters of your bank short name or first 4 letters of bank IFSC or 2-digit bank numeric code
- Choose the option to transfer funds using IFSC code and mobile number
- Enter beneficiary/payee account number, IFSC code and transaction amount
- Key in MPIN and last 4 digits of your bank account number. A confirmation message will be displayed on screen



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## Features & Benefits of USSD \*99# Service

- Works without data connection on a basic phone
- Works round the clock
- Easy to use
- Works on all GSM handsets
- Highly secure interface



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## Information / Details Required for USSD Fund Transfer

- MMID
- MPIN
- Registered mobile number



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## IFSC CODE

- IFSC code is a 11-digit alphanumeric code that is designed by the Reserve Bank of India (RBI) to identify each bank branch.



# MMID

- MMID, also known as Mobile Money Identifier, is a 7-digit code that is issued to bank customers. This code is used during the fund transfer process.



## Precautions while using USSD

- Handset compatibility issue – Users must check if their device is compatible for using USSD.
- Technical Error/Declined Request – Do check the SMS for details.
- Wrong User Inputs – Be careful while entering IFSC Code, Account Number.





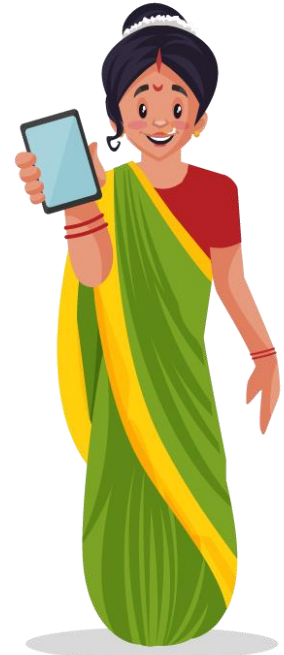
**E Wallet**

**09**





- Video Link -  
<https://www.youtube.com/watch?v=Cci3JcL727Q>
- E-wallet is a type of pre-paid account in which a user can store his/her money for any future online transaction.
- An E-wallet is protected with a password.
- With the help of an E-wallet, one can make payments for groceries, online purchases, and flight tickets, among others.

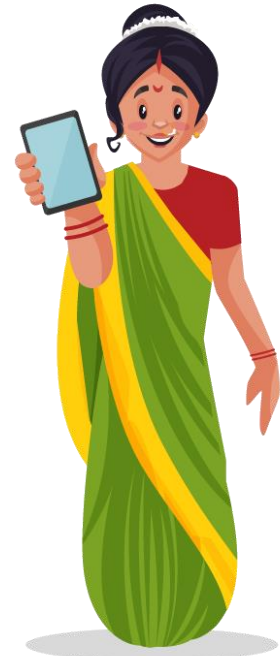


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## How to Setup an E-wallet?

- For setting up an E-wallet account
- The user needs to install the software on his/her device, and enter the relevant information required.
- After shopping online, the E-wallet automatically fills in the user's information on the payment form.
- To activate the E-wallet for payment, the user needs to enter his password.
- Once the online payment is made, the consumer is not required to fill the order form on any other website as the information gets stored in the database and is updated automatically.



## How does an E-Wallet work?

- A digital wallet saves card details of the user and lets him/her make purchases online.
- For example
- A wallet asks customers to first register for the service by entering card details.
- The information then has to be verified through an OPT authentication process, post which, registration will be complete.
- After this process is complete, one can choose the 'Buy with MasterPass' option as a payment mode on e-commerce websites that have this option.
- The payment can be made by entering the MasterPass card ID and password and the transaction will be authenticated through a 3D-secure pin or OTP



# QR Code

- A QR code is a type of barcode that can be read by a digital device such as a smart phone and which stores information in a square-shaped grid. QR codes are used in an E wallet to send and receive money.



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# QR Code

## Precaution while using QR Code

- Modus Operandi
- Fraudsters often contact customers under various pretext and trick them into scanning QR codes using payment apps. This allows the fraudsters to withdraw money from customer's account.

## Precaution

- Be cautious while scanning any QR codes using payment apps. QR codes have embedded account details in them to transfer amount to particular account.



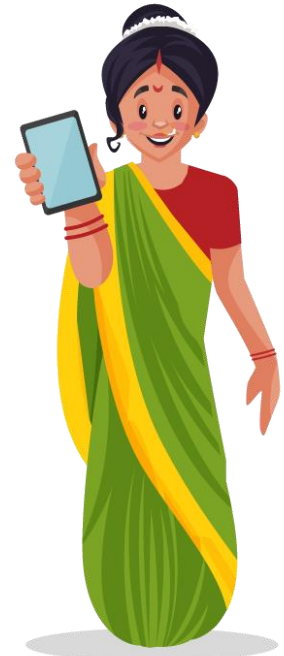
## How to Pay Using a Digital Wallet on an E-commerce Site?

- Log into the e-commerce site. Add the respective product to a cart
- Under payment mode, select 'Wallet'
- Choose the respective wallet
- Make payment



# Application/Scope of Digital Wallets

- Digital wallets can be used to make online purchases from e-commerce websites
- To pay various utility bills such as electricity, prepaid recharge, booking movie tickets, telephone bills, etc
- Can be used to order food online
- Can be used for travel bookings
- Online fund transfer can be made through a digital wallet
- Many financial products such as mutual funds and insurance can be purchased



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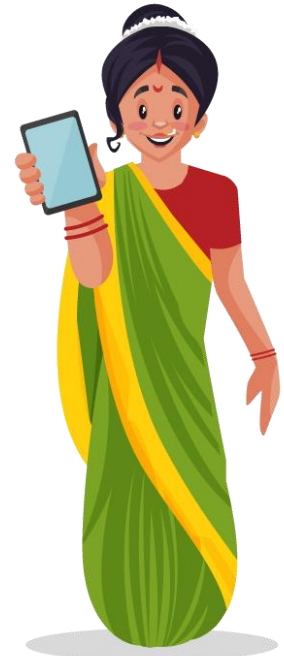
# How can Indians stay safe online?

## Use Secured Connections only

- Go only for advanced comprehensive security software for your PCs and smartphones. Carry out financial transactions over VPN networks and be wary of public Wi-Fi.

## Download digital wallets directly from official websites

- Do not click on links received via e-mails or messages. They may contain malware or could lead to compromised websites. Instead download from official websites of your bank or from the App Store or Play Store.



# How can Indians stay safe online?

## Uncheck the 'save card' box

- This is a security measure that will help protect your bank account details if your account, or the site, gets compromised.

## Use multi-factor authentication

- Use a password management tool to help you store and create complex passwords, and enable multi-factor authentication on your devices and online accounts.



# How can Indians stay safe online?

## Beware of Phishing scams

- Avoid replying to e-mails from strangers and opening attachments or links without prior verification. Be mindful of what you share online and never divulge your bank or personal details to tele callers purportedly from your bank.





Internet  
Banking

10



# What is Net Banking?

- Net Banking, also known as online banking or Internet Banking, is an electronic payment system.
- It allows you to conduct many different types of transactions such as transferring funds or checking transaction statements through the internet from the comfort of your home.



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# How does Internet banking work?

- To do financial transactions online, you just need to log into your bank's website.
- You only need a personal computer, laptop, or even a mobile phone and an internet connection to log into your online banking account.
- Once you have logged in, you can easily use a host of financial services offered by your bank online without the need to personally visit the bank.



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# How to set up internet banking?

- Most banks nowadays open an online banking account for you when you apply for a new account.
- You can also get in touch with your bank for creating an Internet Banking account for you.
- Bank will provide you with a User ID and Password for your online banking account through e-mail or by post.
- You can use these credentials to log in to Internet Banking.



# Key benefits of Internet Banking

- Saves time
- Convenience
- Allows you to do financial transactions 24x7
- Complete safety
- Mobile access



# Important tasks made easy with Internet Banking

- Funds transfer
- Checking account statement
- Opening Fixed Deposit (FD)
- Applying for a new cheque book
- Applying for new Debit Card PIN
- Paying taxes, utility bills, insurance premium, etc.
- Applying for loans.



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# Customer ID

The Customer ID is a unique identification number given to every Customer holding a Savings or a Current Account.



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# Precautions while using Internet Banking

- Use Virtual Keyboards
- Change your passwords regularly and update them on a periodic basis.
- Do not use public computers to login
- Do not share your details with anyone
- Keep checking your savings account regularly
- Always use licenced anti-virus software
- Disconnect the internet connection when not in use
- Type your internet banking URL



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**National  
Electronic Fund  
Transfer (NEFT)**

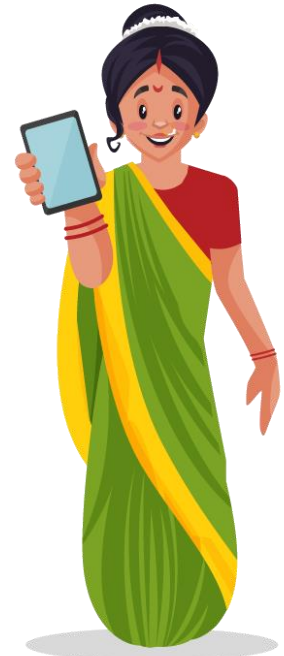
**11**



## Video Link

<https://www.youtube.com/watch?v=j-0omV0Bqik>

National Electronic Funds Transfer (NEFT) is a nation-wide centralised payment system owned and operated by the Reserve Bank of India (RBI)



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# Advantages of using NEFT system for Funds transfer and Receipt

- Round the clock availability on all days of the year.
- Near-real-time funds transfer to the beneficiary account and settlement in a secure manner.
- Pan-India coverage through large network of branches of all types of banks.
- Positive confirmation to the remitter by SMS / e-mail on credit to beneficiary account.
- Penal interest provision for delay in credit or return of transactions.
- No levy of charges by RBI from banks.



# Advantages of using NEFT system for Funds transfer and Receipt

- No charges to savings bank account customers for online NEFT transactions.
- Besides funds transfer, NEFT system can be used for a variety of transactions including payment of credit card dues to the card issuing banks, payment of loan EMI, inward foreign exchange remittances, etc.
- Available for one-way funds transfers from India to Nepal.

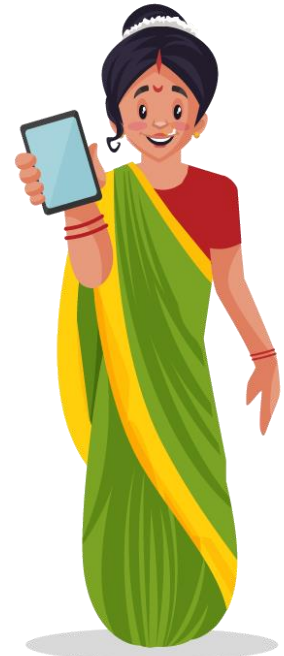


# How does the NEFT System operate?

Following is the step-wise flow of NEFT transaction.

## Step-1:

- An individual / firm / corporate willing to transfer funds through NEFT can use the internet/mobile banking facility offered by his/her bank for initiating online funds transfer request.
- The remitter has to provide details of beneficiary such as, name of the beneficiary, name of the bank branch where the beneficiary has an account, IFSC of the beneficiary bank branch, account type and account number, etc. for addition of the beneficiary to his/her internet/mobile banking module.



# How does the NEFT System operate?

Following is the step-wise flow of NEFT transaction.

## Step-1: Continue

- Upon successful beneficiary addition, the remitter can initiate online NEFT funds transfer by authorizing debit to his/her account.
- Alternatively, the remitter can also visit his/her bank branch for initiating NEFT funds transfer through branch/off-line mode.
- The customer has to fill-in the beneficiary details in NEFT application form available at the bank branch and authorize the branch to debit to his/her account to the extent of the amount requested in NEFT application form.



## How does the NEFT System operate?

- Step-2: The originating bank prepares a message and sends the message to its pooling centre, also called the NEFT Service Centre.
- Step-3: The pooling centre forwards the message to the NEFT Clearing Centre, operated by the RBI, to be included for the next available batch.
- Step-4: The Clearing Centre sorts the funds transfer transactions beneficiary bank-wise and prepares accounting entries to receive funds from the originating banks (debit) and give the funds to the beneficiary banks (credit). Thereafter, bank-wise remittance messages are forwarded to the beneficiary banks through their pooling centre (NEFT Service Centre).



## How does the NEFT System operate?

- Step-5: The beneficiary banks receive the inward remittance messages from the Clearing Centre and pass on the credit to the beneficiary customers' accounts.



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# What is Indian Financial System Code (IFSC)?

- IFSC or Indian Financial System Code is an alpha-numeric code that uniquely identifies a bank-branch participating in the NEFT system.
- It's a 11-digit code with the first 4 alpha characters representing the bank, and the last 6 characters representing the branch.
- The 5th character is 0 (zero). IFSC is used by the NEFT system to identify the originating / destination banks / branches and also to route the messages appropriately to the concerned banks / branches.



# Essential details required for remitting funds through NEFT system?

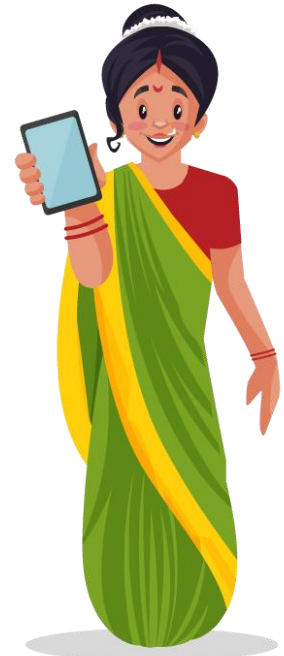
- The essential elements of beneficiary's identification are:
- Beneficiary's name
- Beneficiary's Branch Name
- Beneficiary's Bank Name
- Account Type
- Account No.
- Beneficiary Branch IFSC





# Precautions

Check the Account number of the beneficiary before you transfer the funds.





**Real Time Gross  
Settlement  
(RTGS**

**12**





- Simply put, it is the process of continuous (real-time) settlement of funds, which occurs individually, on an order by order basis, without netting.
- Considering that the settlement of funds takes place in the books of the Reserve Bank of India, the payments made through RTGS are final and irrevocable.



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## Using RTGS, you can pay for transactions like:

- Cash Management Transfer
- Hedging
- Interest payments
- Loan payments
- Securities transactions
- Supplier payments
- Tax payments
- Trade payments
- Trade Settlement payments
- Goods and Services Tax (GST) payment



# What is the process of RTGS Funds Transfer?

- The process of Real-Time Gross Settlement (RTGS) funds transfer begins with adding a beneficiary.
- Once a beneficiary is added, you can go on to make a fund transfer.
- For online transactions, both Internet Banking and third-party funds transfer facilities should be in the active state.



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## Steps to add Beneficiary for RTGS:

- Log in to XYZ Bank Internet Banking/iMobile app with your user ID and password.
- Go to 'Funds Transfer' tab under the 'Payments and Transfer' tab.
- Click on 'Add a Payee', and then select the Beneficiary Type 'Other Bank Payee'
- Enter the Beneficiary Account details or Credit Card number
- Select the Beneficiary's IFSC, using the bank and branch name
- Click on 'Add', then click on 'Confirm'
- Authenticate the registration using OTP. Once successfully authenticated, the payee is available for transactions.



# Steps to make your RTGS Funds Transfer

- Log in to Internet Banking
- Go to the 'Fund Transfer' tab
- Select 'Beneficiary' from the list of registered beneficiaries
- Select the Debit Account, enter the amount and add remarks (optional)
- Select RTGS as the payment method
- Review the details, and, if all is correct, click on 'Confirm' to complete the process
- Authenticate the transaction using OTP and click on 'Submit'



## Precautions

- Originating and destination bank branches are part of the RTGS network.
- Beneficiary details such as beneficiary name, account number and account type, name and IFSC of the beneficiary bank branch should be available with the remitted.
- Extreme care should be exercised in providing the account number of the beneficiary, as, during processing RTGS transactions, the credit will be given to the customer's account solely based on the account number provided in the RTGS remittance instruction / message.







**Immediate  
Payment  
Service (IMPS)**

**13**



Immediate Payment Service (IMPS) provides robust & real time fund transfer which offers an instant, 24X7, interbank electronic fund transfer service that could be accessed on multiple channels like Mobile, Internet, ATM, SMS.

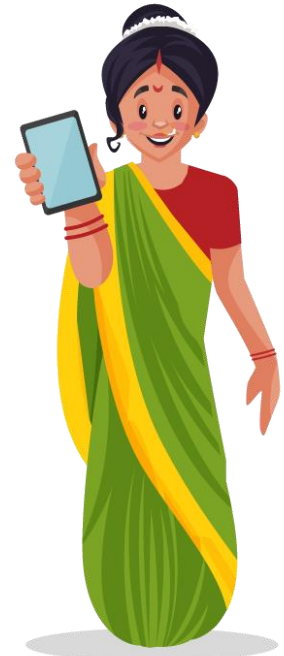


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# Objectives of IMPS

- To enable bank customers to use mobile instruments as a channel for accessing their banks accounts and remit funds.
- Making payment simpler just with the mobile number of the beneficiary.
- To sub-serve the goal of Reserve Bank of India (RBI) in electronification of retail payments.
- To facilitate mobile payment systems already introduced in India with the Reserve Bank of India Mobile Payment Guidelines 2008 to be inter-operable across banks and mobile operators in a safe and secured manner.
- To build the foundation for a full range of mobile based Banking services.

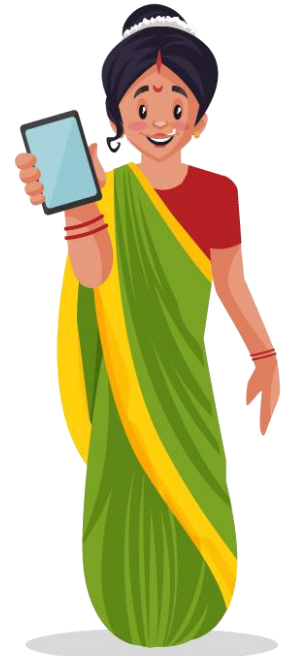


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## The participants for IMPS will be as follows:

- Remitter (Sender)
- Beneficiary (Receiver)
- Banks
- National Financial Switch - NPCI



# Pre-Requisites for Mobile Banking through IMPS

## Registration for Remitter:

- Register yourself with the mobile banking service of the bank.
- Get Mobile Money Identifier (MMID) and MPIN from the bank
- Download Software (Application) for mobile banking (ensure the compatibility of mobile with the application) or use the SMS facility in your mobile if your bank provides IMPS on SMS

## Registration for Beneficiary:

- Link your mobile number to the account in the respective bank.
- Get Mobile Money Identifier (MMID) from the bank



# Pre-Requisites for Mobile Banking through IMPS

## For Remitter (To send money):

- Login to the application and select the IMPS menu from the IMPS or use the SMS facility in your mobile if your bank provides IMPS on SMS
- Get Beneficiary Mobile number and MMID
- Enter Beneficiary Mobile number, beneficiary MMID, Amount and your MPIN to send
- Await confirmation SMS for the debit in your account and credit in beneficiary account



# Pre-Requisites for Mobile Banking through IMPS

## For Remitter (To send money):

- Note the transaction reference number for any future query
- Share your Mobile number and MMID with the remitter
- Ask the remitter to send money using your Mobile number and MMID
- Check the confirmation SMS for credit to your account from the remitter
- Note the transaction reference number for any future query



## Precautions while using IMPS

- Double check the details – The sender must be careful about the recipients details since the amount of an unintentional transaction cannot be refunded without the consent of the beneficiary
- Prefer sending money using Mobile Number and MMID: A wrong Mobile number or MMID will never match. Hence less chances of an unintentional fund transfer
- Online Frauds: Hackers use fake MMID and Mobile number to perpetrate a cyber attack.







**Online Bill  
Payment**

**14**



# How to Pay Bills Online

- Gather your bills, including account numbers and the addresses to where you mail the payments.
- Enter each biller's information into your bank's online bill pay platform.
- Choose when to send the payment.
- Select a recurring or one-time payment.
- Set reminders to track when each bill is due.



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# Different Types of Online Payment Method-

- Credit Card
- Debit Card:
- Net Banking:
- E-wallets:
- UPI-



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# Electricity Bills

Electricity Bills can be paid online through various methods mentioned below:

## Electricity board website

- Today the company which distributes electricity to you give you the option of paying the bill through their website. Steps include:
- Visit the official website of the electricity company and check the billing amount
- Then proceed to pay the amount via net banking, credit card or debit card, UPI, NEFT/RTGS, etc.
- You can also issue a standing instruction where the amount payable will be automatically deducted from your bank account on the due date.



# Electricity Bills

## UPI

- UPIs have become the most convenient mode to pay your electricity bill. You have BHIM UPI, Google Pay, PhonePe, etc.
- Steps include:
- Download the app on your mobile phone
- Search the options for electricity bill payment
- Then select your electricity service provider
- Enter your electricity board account number.
- You can then enter the amount payable and the amount will be automatically debited to the electricity service provider's account



# Electricity Bills

## E-Wallets

There are e-Wallets such as MobiKwik, Freecharge, PayTM through which you can pay your electricity bill.

- Open the app and select the electricity service provider.
- Enter the electricity board account number and the bill will be fetched for you by the e-Wallet company.
- Once you have viewed the bill, you can then proceed to make the payment.



# Electricity Bills

## Net banking

- Login to your bank's net banking portal
- Choose the electricity service provider,
- Enter the electricity board account number, and the amount payable.
- You can also issue a standing instruction where the billing amount is deducted from your bank account on the due date. However, use this facility only if you have sufficient amount of money in your bank account otherwise failure in payment may attract penalty.



# Water Bills

One common way to pay through different online payment modes:

- Log in to the Application through which payment would be made
- On the app, under bills and services, click on the 'Water' option
- Select the Water Board of your area
- Now enter customer identification number (such as Consumer Number, Connection Number, K Number etc), then click proceed
- You'll be presented with the details of your bill
- Click proceed after confirming the details and choose your payment method
- Complete the transaction by entering the required pin (depending upon the application).





# Telephone Bill (includes Internet Bill)

One common way to pay telephone bills through different online payment modes

- Log in to the Application through which payment would be made
- On the app, under recharges/ bills, click on the 'Broadband/ Landline' option
- Select the Operator and then the STD Number
- You'll be presented with the details of your bill
- Click proceed after confirming the details and choose your payment method
- Complete the transaction by entering the required pin (depending upon the application).



# Mobile Bills

- One common way to pay Mobile bills through different online payment modes
- Log in to the Application through which payment would be made
- On the app, under recharges/ bills, click on the 'Mobile/ Recharge' option
- Select whether Postpaid or Prepaid
- Select the Operator, enter the mobile number and then the Amount.
- Click proceed after confirming the details and choose your payment method
- Complete the transaction by entering the required pin



# Precaution while paying bills online

- Avoid saving card details – Erase your card information after completing your transaction.
- Use Private Window/Tab for online transactions
- Use secure connections that start with HTTPS:// for enhanced financial security.
- Don't share passwords, OTP, CVV.
- Avoid using public computers/WI-FI Networks
- Beware of fraudulent apps.





**Key Takeaways**

**15**



## Key Takeaways

- The participants knowledge about various modes of Digital Financial Transactions will improve their financial and digital literacy.
- This will help them offer more payments and money receiving options than before.
- This will improve customer experience, save costs and ultimately lead to better brand value for the business as a practitioner of Modern Digital Financial Tools.



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**Thank You!!!**

