



**Baghel
Institute**

Digital financial Tools and It's Application



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Digital Financial Tool

In today's world, everything is digitalized, which means we can access or get every service in digital format through mobile phones, computers, tablets, etc. The invention of computer and smartphone has created a huge impact of financial service.

OTP (One Time Password)

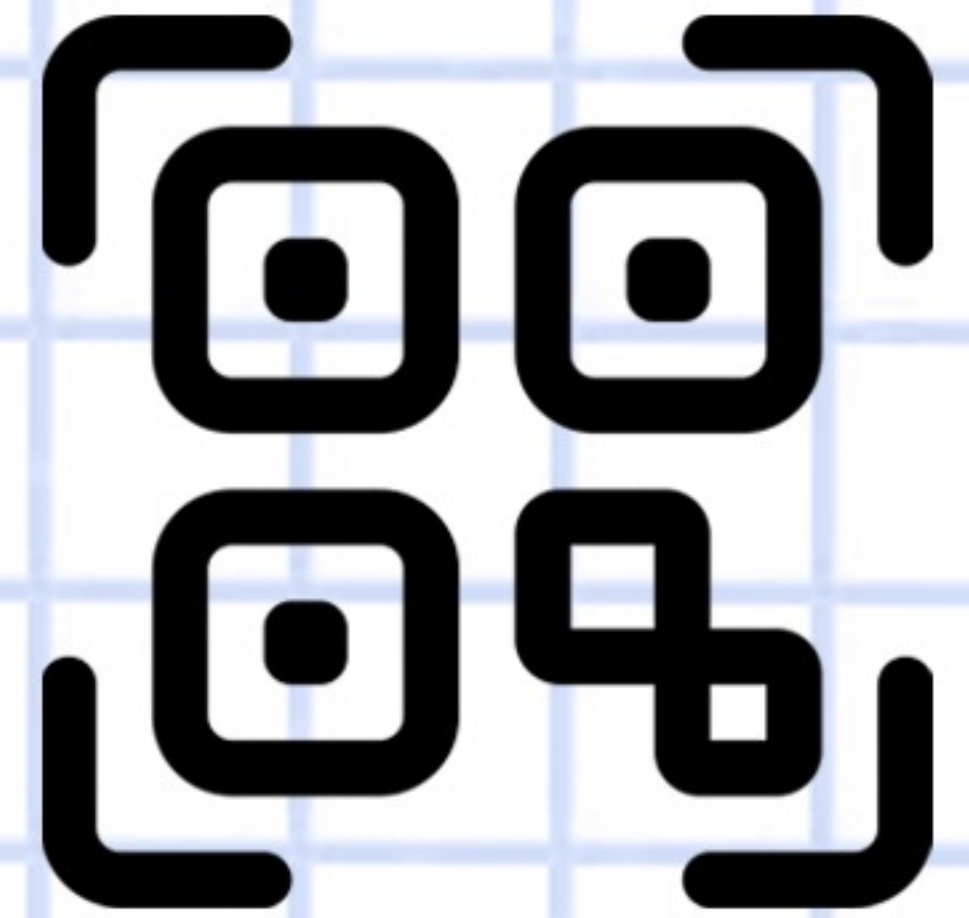
OTP stand for One Time Password
OTP can be sent to the users phone through SMS or push messaging.

It is valid for only one login session or transaction.

It is providing much better protection to e-banking. Corporate networks and other system containing sensitive data.



QR(Quick Response code)



- QR stand for quick response code. It is invented in 1994 by the Japanese corporation "DENSO WAVE" (Developer Name :HARA MASAHIRO).
- A barcode is a machine readable optical label that contain information about the item to which it is attached.
- When you scan such a QR code application take you to a website or other information.
- Other information like business detail, banking detail, geographical locations, URL of website, Facebook, etc.

NPCI

(National Payments Corporation of India)

- National Payments Corporation of India (NPCI), an umbrella organisation for operating retail payments and settlement systems in India, is an initiative of Reserve Bank of India (RBI) and Indian Banks' Association (IBA).
- NPCI conducted a pilot project launch with 21 member banks. The pilot project launch was on 11 April 2016 by Dr. Raghuram G Rajan, Governor, RBI at Mumbai.

UPI

Unified Payment Interface



- It is an instant real time payment system which allow user to transfer money between two bank account on mobile app like phone pay, Paytm, Airtel payments etc. It was developed by National Payment Corporation of India (NPCI) facilitating interbank transaction.
- To carry out any transaction, a user will only have to use a virtual address known as virtual payment address (VPA)
- Per day transaction limit is up to 1,00,000.

USSD

Unstructured Supplementary Service Data

- USSD stand for Unstructured Supplementary Service Data.
- It works on *99# key.
- This service allow mobile banking transaction using basic features mobile phone.
- There is no need to have mobile Internet data facility. Can be accessed in 12 different languages, including Hindi and English as on 30 November 2016.
- Fund transfer limit:-
Rs5000 /- per day
Rs50,000/- Per annum.



Debit Card



A debit card is a card that is linked to the bank account of the cardholder and provides the cardholder electronic access to his bank account for financial transactions.

Functions of Debit Card

- A debit card is a link to your bank account.
- Anytime you use the debit card to buy something, money is deducted from your account as soon as transaction occurs.
- It is also used to conveniently withdraw cash from ATM.
- You can only spend the money you have available to you.

Advantages of Debit Card

- Easy To Obtain
- Convenience,
- Safety
- Readily Accepted

Disadvantages of Debit Card

- Fees
- No grace period
- Less protection
- No credit allowed

Credit Card



A credit card is a card issued by financial institution and it enables the cardholder to borrow funds from that institution. Card holder agreed to pay the money back with interest,

Advantages

- Purchasing power
- Rewards
- Convenience
- Traceability
- Use during an emergency

Disadvantages

- Overspending
- Interest And Fees
- Fraud
- Mounting Debt.

Credit cards are issued in four categories

Standard card

simply extend a line of credit to their users.

Reward card

offer cash back travel points or other benefit to customer.

Secure Credit card

required an initial cash deposit.

Charge

have no preset spending limit, but often do not allow unpaid balance to carry over from month to month.

e-Wallet

Wallet, sometimes called a digital wallet. It is a secure place that contain one or more currency purse.



Benefit of e-Wallet

- You can easily add money to your wallet via net banking, credit card or debit card.
- Electronic wallet usually stored credit and debit card
- Convenience.

Some e-wallets are ;

amazon pay

paytm

MobiKwik

Point of Sale



- Point Of Sale is a stage at which a customer make payment to the merchant in exchange of goods or service.
- POS refers to where consumer takes their purchase goods and pay for the items.
- Supermarket store and other business from make use of a POS system.

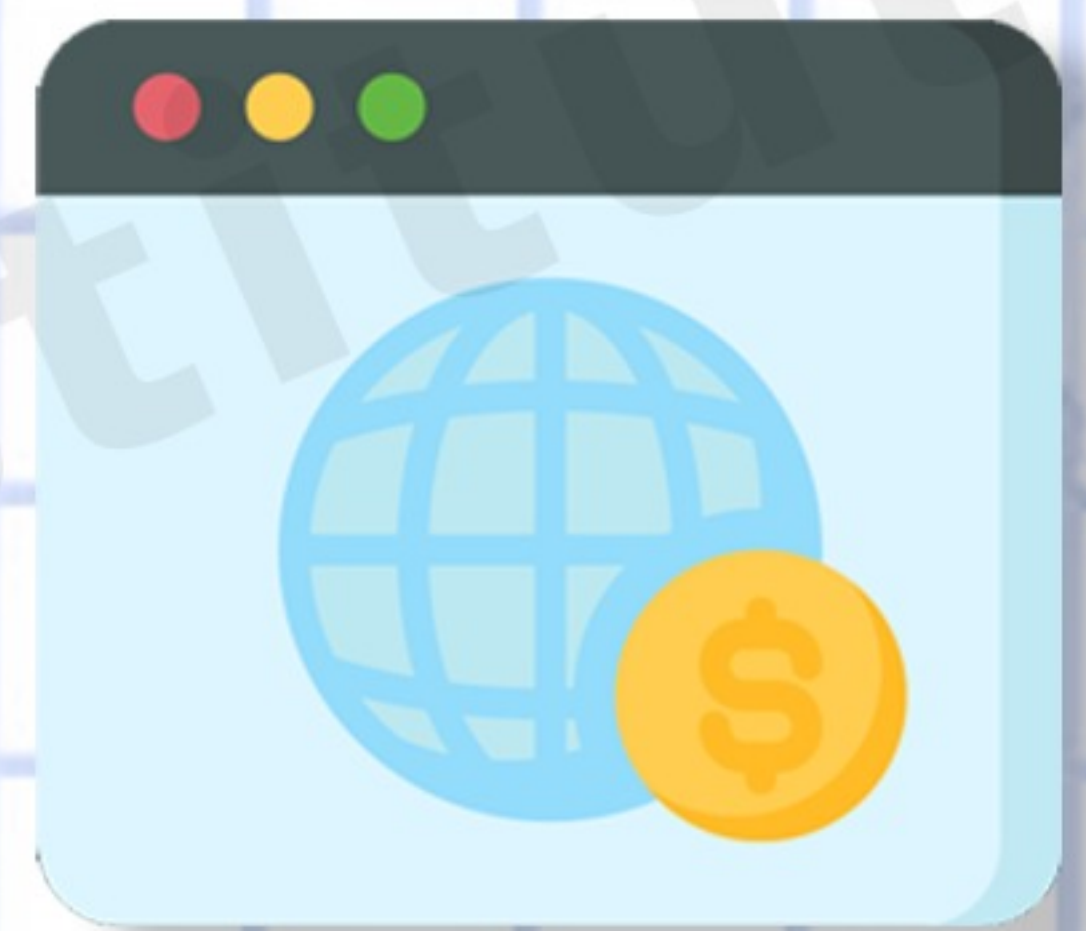
Component of a POS system

- Monitor Or Tablet
- Barcode Scanner
- Credit Card Reader
- Receipt Printer
- Cash Drawer
- POS Software

Internet Banking

Internet banking, or E banking, means any user with a personal computer and a borrower can get connected to user bank website to perform any of the virtual banking functions.

Features



The bank can do the following:-

- Greater reach to customer,
- Quicker time to market for market.
- Ability to introduce new product and services quickly and successfully,
- Ability to understand its customer needs
- Greater customer loyalty for bank.

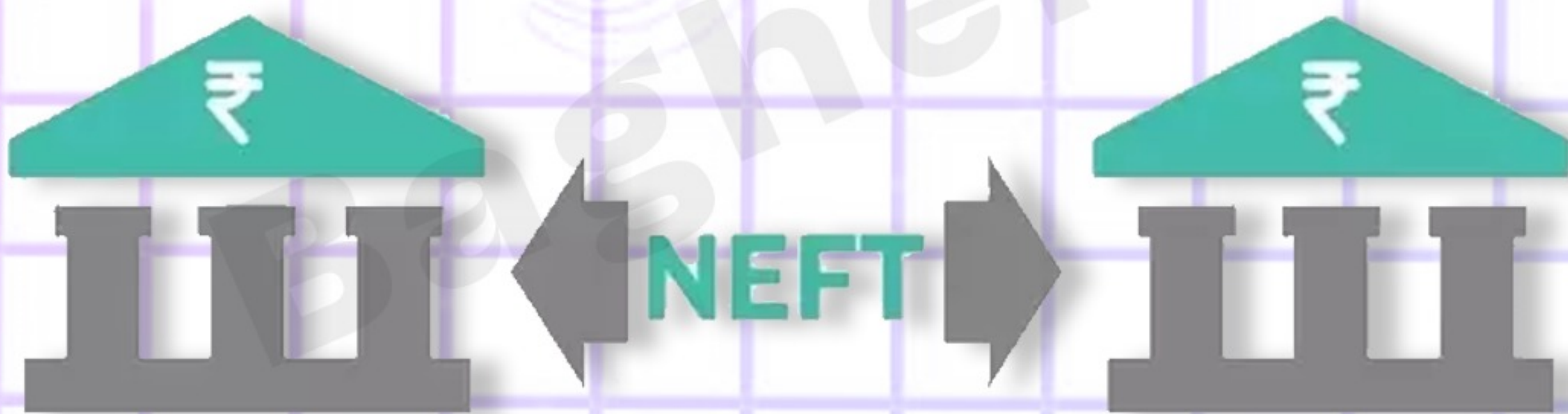
The user can do the following:-

- View Account Balance
- Download Statement
- Transfer Funds Between Account In Same Bank Or Other Banks
- Make payment or receive payment through RTGS. Create Fixed Deposits.
- Request For Demand Draft
- Order For Checkbook Request Debit Card
- Refill Prepaid Mobile Card, Or Pay Postpaid Mobile Bills,
- Make Investment,
- Purchase Or Sale Of Securities.

NEFT

National Electronic Fund Transfer

- NEFT stand for National Electronic Fund Transfer.
- Started on NOV 2005
- It is the most famous inter banking electronic fund transfer system of India.
- It is a “net” transfer facility executed in hourly batches.
- Which provide a facility to bank customer to transfer the easily and securely on a one to one basis.



Transaction Limit

- There is no minimum and maximum limit
- ₹50,000 per transaction is maximum.
- As per RBI guidelines December 16th, 2019
 - available 24 X7 for NEFT,
 - 10 July 2017 -settlement of Fund Transfer request in any NEFT system done on half hourly basis.

RTGS

Real Time Gross Settlement

- It is an interbank transfer system which transfer money from one bank to another on a real time.
- RTGS is available **24x7x365** with effect from December 14, 2020.
- The beneficiary bank has to **credit the beneficiaries account** within 30 minutes of receiving the fund transfer messages.
- Minimum amount to be remitted through RTGS is **Rs2,00,000** With no upper limit.
- RTGS is the **faster possible interbank money transfer facility** available through secure banking channel in India.
- **Safe and secure** real time money transferred.
- No need of physical check or demand draft

IMPS

Immediate Payment Service

- It is also work on interbank fund transfer system and it managed and controlled by NPCI (National Payments Corporation Of India)
- The main feature of IMPS is that we transfer funds immediately and it is great banking platform.
- You fund transfer anytime and anywhere and transaction limit is rupees 1 to rupees 2,00,000 per day for transfer fund using IMPS we need Internet connection, net banking or mobile banking.
- It is available for 24/7.

IMPS
IMMEDIATE PAYMENT SERVICE

IFSC

Indian Financial System Code



- 11 Digit code:-
- First 4 character- represent the bank
- Fifth character - 0
- Last 6 character- represent the branch
- It is an alpha numeric code that uniquely identifies a bank branch participating in the NEFT system.

AEPS

Aadhaar Enabled Payment Service

- Developed by NPCI.
- This system is a bank led model which allows online financial transactions at Point Of Sale / Micro ATM through the Business Correspondent / Bank Mitra of any bank using the Aadhaar authentication.

Facilities



- Cash Deposit,
- Withdrawal Balance Inquiry
- Mini Statement
- Aadhaar To Aadhaar Fund Transfer

Benefits

- Banking as well as non banking transaction can be performed through a banking correspondent.
- Banking correspondent of one bank can perform transaction of other bank as well.
- People don't have to furnish their debit or credit card for making transaction through AEPS.
- Fingerprint is needed for transactions.



Tips for safe use of Online Payment

- Don't respond to any bill paying service that ask for personal information directly through e-mail.
 - After you pay bills online, log out of your account to prevent anyone from accessing when you leave your computer.
 - Always use firewall software and antivirus software.
- Avoid clicking on any e-mail links and don't pay bill from a link in an e-mail.
- Don't share with unknown person, your bank detail and user ID or password of bank and OTP, Aadhaar number etc.

Difference between RTGS, NEFT, and IMPS

Basis of Comparison	NEFT	RTGS	IMPS
Minimum transaction value	Rs. 1	Rs 2. lakh	Rs. 1
Payment options	Online and Offline	Online and Offline	Online
Maximum transaction value	Varies bank to bank	Varies bank to bank	Rs. 5 lakh
Settlement type	Half hourly time basis	Real time	Real time
Service timing	24*7,365 days	24*7,365 days	24*7,365 days