Digital India
Power To Empower

Ministry of Electronics and Information Technology
Government of India
सत्यमेव जयते

CSC
e-Governance Services India Limited

GO CASHLESS...
GO DIGITAL...

HANDBOOK ON
Facilitating Digital Financial Inclusion, Awareness & Access through CSCs

UPI

USSD

e-Wallet

Aadhaar Enabled Payment System

Cards, POS

HANDBOOK ON DIGITAL FINANCIAL AWARENESS AND ACCESS

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1. Introduction

India is a developing economy with focus on achieving sustainable development. To achieve sustainable development, it is important that all sections of the society get equal opportunity and participate in nation building.

Lack of awareness of digital financial literacy, especially among the rural population is a major challenge in the country, more so in light of the Government's recent demonetization and plans to make India a cashless economy. There is an urgent need to create awareness among the citizens, especially in rural and semi-urban areas regarding digital finance services and also enable/support in access to digital finance services options.

The aim of this project is to enrol and impart digital financial literacy to 25 (Twentyfive) lakh merchants and 1 (one) Crore citizens with the help of 2,00,000 CSCs across all 2,50,000 panchayats in the country. The objective is to enable the CSCs to become Digital Financial Hubs, by hosting awareness sessions on government policies and digital finance options available for rural citizens and supporting in use of various mechanisms of digital finance services such as IMPS, UPI, Bank PoS machines, etc. by various stakeholders. The focus would be to enable citizens to access and use electronic payment system (EPS); sensitizing and enabling merchants at Panchayat level to use EPS and creating awareness in rural India.

Steps to achieve Digital Financial Inclusion include:

Sensitize	Enable	Access

The implementation agency for this programme is CSC e-Governance Services India Ltd., a Special Purpose Vehicle (SPV) set up by Govt. of India. CSC SPV through its network of Common Service Centres (CSCs) has the desired infrastructure and capability to undertake such initiatives across the country through the intervention of technology.

2. Common Service Centres (CSCs): An Introduction

Common Services Centers (CSCs) are the access points for delivery of various e-governance and business services to citizens in remote, rural and semi-urban areas of the country. It is a pan-India network catering to regional, geographic, linguistic and cultural diversity of the country, thus enabling the Government's mandate of a socially, financially and digitally inclusive society.

Technology is one of the key aspects through which large number of people especially from rural India can be reached. Common Service Centres (CSC) function as last mile delivery points of government and public services for citizens in rural and remote areas of the country. Due to their spread and availability of ICT infrastructure, the CSCs have been given the mandate of spreading financial inclusion in rural and remote areas through services ranging from opening of bank accounts, banking facilitation, disbursing MGNREGS and various social security schemes entitlements, insurance and pension, etc. As such, CSCs can be leveraged to provide the rural population with awareness and access of Digital Financial Services to bring them under formal financial system.

For successful implementation of the project, CSC SPV will carry out the following activities across the nation:

- Organize Workshops for awareness
- CSC Interaction with Communities
- Involve Local leaders/Opinion Makers
- Session in College/School
- Information Drive in Market Haats
- Coverage of Semi Urban Municipalities
- Organize local level Marathons
- Competitions
- Radio/TV Talk Shows

3. Mode of Information dissemination:
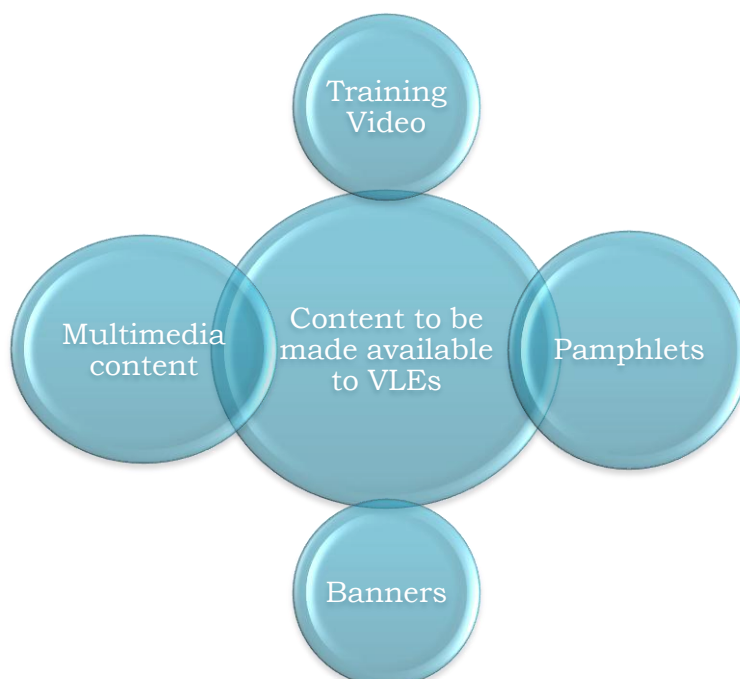
The project will involve **Government Functionaries** at State Govt./District Administration; NIC- SIO/DIO; Banks; and Panchayats. It will also cover **agencies** such as Merchant Associations; Market Haats; Merchants/Traders etc. and **communities** such as Semi Urban/Rural population; Schools/Colleges as well as Women, farmers and marginalized sections.

The objective of this handbook is for the user to understand the concepts of Digital financial services and its types which can be used by common people of the country.

4. Digital Financial Services

Digital financial inclusion refers to digital access to and use of formal financial services by excluded and marginalised sections of society. To serve this purpose, the services introduced are known as Digital Financial Services (DFS). These are designed to suit customers' needs and are delivered responsibly at a cost which is both affordable to customers and sustainable for providers. There are three key components of any such digital financial services: a digital transactional platform**,** retail agents, and the use by customers and agents of a device, usually a mobile phone, to transact via the platform.

It's a means by which *unbanked* population is increasingly gaining access to financial services through digital channels. Banks, microfinance institutions, mobile operators, and third party providers are leveraging mobile phones, point-of-sale devices, along with networks of small-scale agents, to offer basic financial services at greater convenience, scale and lower cost than traditional banking allows.

The major types of DFS discussed in this handbook are as follows:

1. **Cards**
2. **USSD**
3. **AEPS**
4. **UPI**
5. **Wallet**

4.1. CARDS

4.1.1. What are cards?

These are usually issued by banks and can be classified on the basis of their issuance, usage and payment by the card holder. There are three types of cards: Debit cards, Credit cards and Prepaid cards.
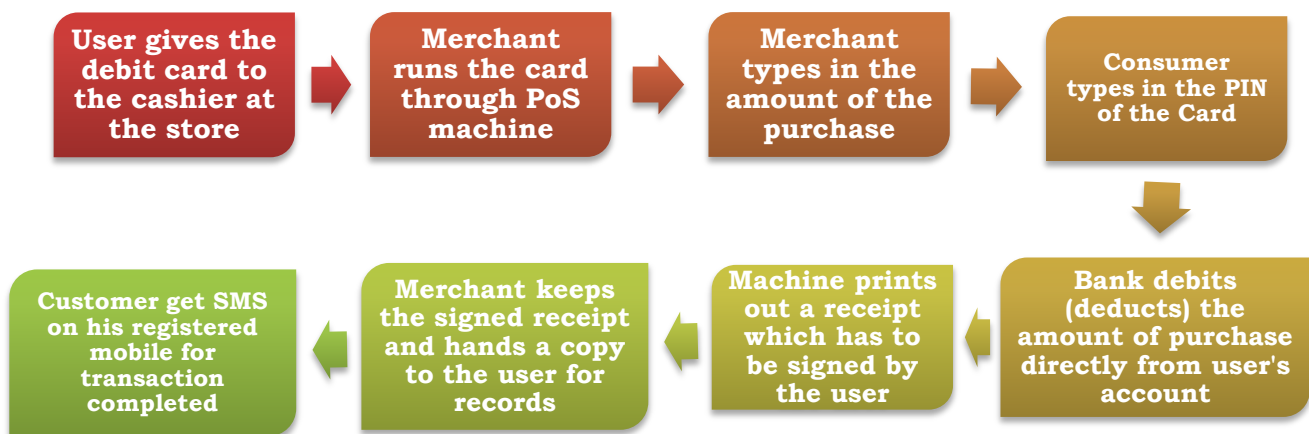
4.1.2. What are different types of cards?

1. **Prepaid Cards:** These are pre-loaded from a customer's bank account. Can be used for limited amount of transaction. These can be recharged like mobile recharge. Safe to use.

2. **Debit Cards:** Issued by the Bank where you have an account. Linked to the bank account. Debit cards are issued to account holders (current/savings/overdraft) and any expenditure made is immediately debited to user's account. User can use this card to withdraw cash up to the limit present in his/her bank account. It can also be used only for domestic fund transfer from one person to another.

3. **Credit Cards:** These are issued by banks / other entities approved by RBI. Can be used domestically and internationally (provided it is enabled for international use). Unlike debit cards, in case of credit cards, a customer can also withdraw beyond the amount of money present in his bank account. But there is a limit for each credit card up to which extra money can be withdrawn.

Also there is a time limit up to which the extra money withdrawn should be paid back. This amount of money is paid back to the bank along with interest charges as applied by the issuer of card, in case of delays beyond the specified period.

4.1.3. How to use Debit/Credit Cards?

1. To withdraw money from an ATM, user needs to insert his/her debit/credit card and type in your unique PIN Number (4 digits) which is provided by the bank. The maximum amount that can be withdrawn per day is set by the bank.

2. With debit card, user can also use the ATM to carry out other financial and non-financial transactions such as finding out bank balance, depositing cheque or money, getting a mini statement, etc. without visiting the bank branch.

3. While shopping at major retail stores and shops, follow the process below:

User gives the debit card to the cashier at the store	→	Merchant runs the card through PoS machine	→	Merchant types in the amount of the purchase	→	Consumer types in the PIN of the Card

Customer get SMS on his registered mobile for transaction completed	←	Merchant keeps the signed receipt and hands a copy to the user for records	←	Machine prints out a receipt which has to be signed by the user	←	Bank debits (deducts) the amount of purchase directly from user's account

4.1.4. Why should I use these cards?

- Use your card to shop anywhere.
- Can be used to pay at shops, ATMs, wallets, Micro ATMs, online shopping.
- Both Debit and Credit cards can be used to withdraw cash from ATM, purchase of goods and services at Point of Sale (POS) and online purchase.
- Can be used to pay all kinds of utility bills
- Consumer can book Tickets (Airline/Railway/Bus), book hotels, and can use at restaurants to make payments.
- Use your card to pay for any service at any location where there is a Card reader / POS machine.

4.1.5. How to get a Card

Consumers can apply for Debit/ Rupay/Credit cards at all the Public and Private sector Banks.

- Citizens can get a debit card by submitting the application to his respective bank branch.
- Citizens can also exchange their debit cards with Rupay Card
- Citizens who do not have bank account has to first open the account to get the card.
- As per Government orders, all the Jhan Dhan account holders will be issued Rupay Cards.

4.2. USSD (Unstructured Supplementary Service Data)

4.2.1. What is USSD?

USSD stands for Unstructured Supplementary Service Data. It is a service which aims to take banking services to every common man in the country. The service allows every customer to access banking services with a single number irrespective of the telecom service provider, make of the mobile handset or the region. It is offered through a National Unified USSD Platform (NUUP) on a short code *99#. Can be used for payments upto Rs. 5000 per day per customer.

4.2.2. What do you need?

- Account in a bank
- Any mobile phone on GSM network
- Consumers Account should have registered mobile number in the bank.

4.2.3. How do I use it?

1. Visit your branch to link your mobile number to your bank account (Can be done at ATM or online)
2. You will get Mobile Money Identifier (MMID) and Mobile Pin (MPIN)
3. Remember the MPIN

4.2.4. What are the benefits of USSD?

Simple and easy to use

Works on almost all GSM handsets

GPRS connection (Internet data plan) not required

Works even while on the move

More secure than SMS

4.2.5. Steps to use USSD facility

It is as easy as checking your prepaid balance from your phone! It is possible to transact even a normal mobile phone.

- Link your mobile number to your bank account
- Dial *99# from your phone
- Fill in the first 3 letters of your bank against short name or first 4 letters of IFSC
- Choose "Fund-Transfer-MMID" option
- Enter the payee's mobile number and MMID
- Enter the amount and your MPIN, leave a space and enter the last 4 digits of your account number.

By doing the above mentioned steps you will be able to transfer your money.

4.2.6. Services available:

4.2.6.1.   *Non- Financial services:*

- ✓ **Balance Enquiry -** User can check the available balance of the bank account linked to the mobile number.
- ✓ **Mini Statement -** User can generate mini account statement for the bank account linked to the mobile number.
- ✓ **Know MMID *(Mobile Money Identifier) -** User can know the MMID allotted by the bank to the account during mobile banking registration.
- ✓ **Generate/Change M-PIN -** User can Generate/Change the M-PIN (Mobile PIN) which is like a password and used for authenticating financial transactions.

4.2.6.2.   *Financial services:*

- ➢ **Fund Transfer using Mobile No. and MMID-** User can transfer funds by using MMID and Mobile number of the Beneficiary.
- ➢ **Fund Transfer using IFSC and Account No. -** User can transfer fund by inputting IFS code and Account number of the Beneficiary.

You can refer to your respective Bank's website for more instructions.

4.3. AEPS (Aadhaar Enable Payment System)

My Mobile… My Bank… My Wallet…
Transactions without Cash
It's Possible!

Aadhaar
Enabled Payment System

Why rely on your bank, when you can bank on Aadhaar! Now link your Aadhaar card with your bank account You can then carry out:

- • Funds Transfer
- • Balance Enquiry
- • Cash Deposit or Withdrawal
- • Inter-bank transactions

✅ You can avail of this service at shops too

4.3.1. What is AEPS?

AEPS stands for Aadhar Enabled Payment System. It is a payment service empowering a bank customer to use Aadhaar as his/her identity to access his/ her respective Aadhaar enabled bank account and perform basic banking transactions. It allows bank-to-bank transaction at PoS (MicroATM) with the help of Banking Correspondent (BC)/VLE. The user has to seed his/her account with their Aadhar number at bank or with the help of BC/VLE. User can do as many transactions at any AEPS point without any PIN or password.

4.3.2. What do I need to activate AEPS?

The only inputs required for a customer to do a transaction AEPS are:-
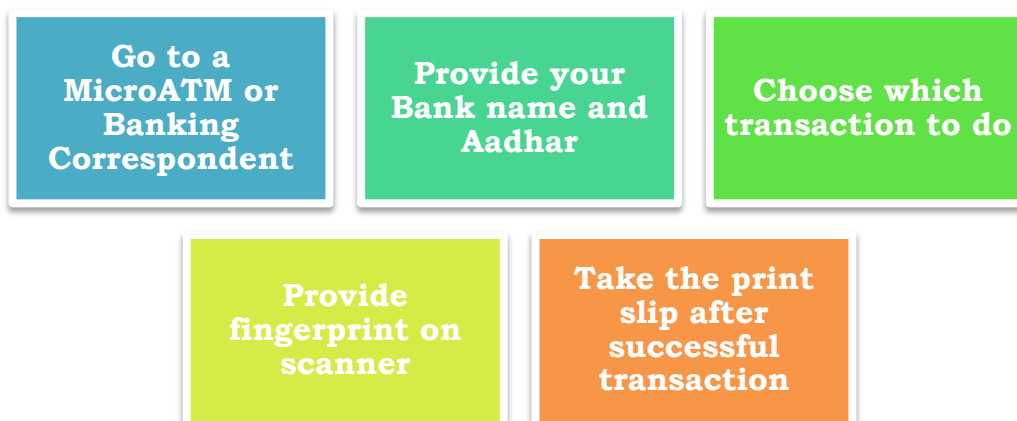
- IIN (Identifying the Bank to which the customer is associated)
- Aadhaar Number
- Fingerprint captured during their enrolment

4.3.3. Why should I use it?

You can do the following types of banking transactions with AEPS:-

- Balance Enquiry
- Cash Withdrawal
- Cash Deposit
- Aadhaar to Aadhaar Funds Transfer
- Purchase at Fair Price Shops with AEPS

4.3.4. Following are the key steps for AEPS transaction:

Go to a MicroATM or Banking Correspondent	Provide your Bank name and Aadhar	Choose which transaction to do
Provide fingerprint on scanner	Take the print slip after successful transaction	

4.3.5. Why should I use it?

- ❖ Easy to use, safe and secure payment platform to avail benefits by using Aadhaar number & finger prints.
- ❖ Based on the demographic and biometric/iris information of an individual, it eliminates the threat of any fraud and non-genuine activity.
- ❖ Facilitate disbursements of Government entitlements like NREGA, Social Security pension, Handicapped Old Age Pension etc. of any Central or State Government bodies, using Aadhaar authentication.
- ❖ Facilitates inter-operability across banks in a safe and secured manner
- ❖ Enable banks to extend financial services to the unreached clients beyond their branch network as beneficiaries of the BCs are mostly located at unbanked and under banked areas.
- ❖ No transaction charges are levied at present.
- ❖ No need to remember bank account number.
- ❖ Consumers having biometric device can do the transactions at home using computer, android Phone/Tablets. Some Tablets with inbuilt biometric devices are available and can be used for doing transactions.
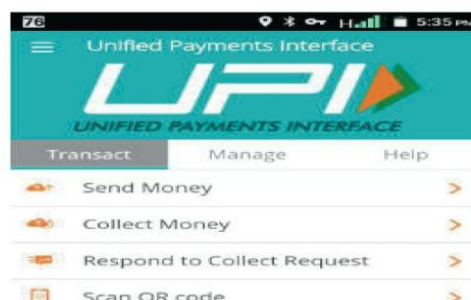
4.4. UPI (Unified Payments Interface)

4.4.1. What is UPI?

UPI stands for Unified Payments Interface. It is a system for instant, electronic payments through user's smart phone. It is an advanced version of Immediate

Payment Service (IMPS) which was used to transfer money between bank accounts. Like IMPS, UPI will facilitate round-the-clock funds transfer service.
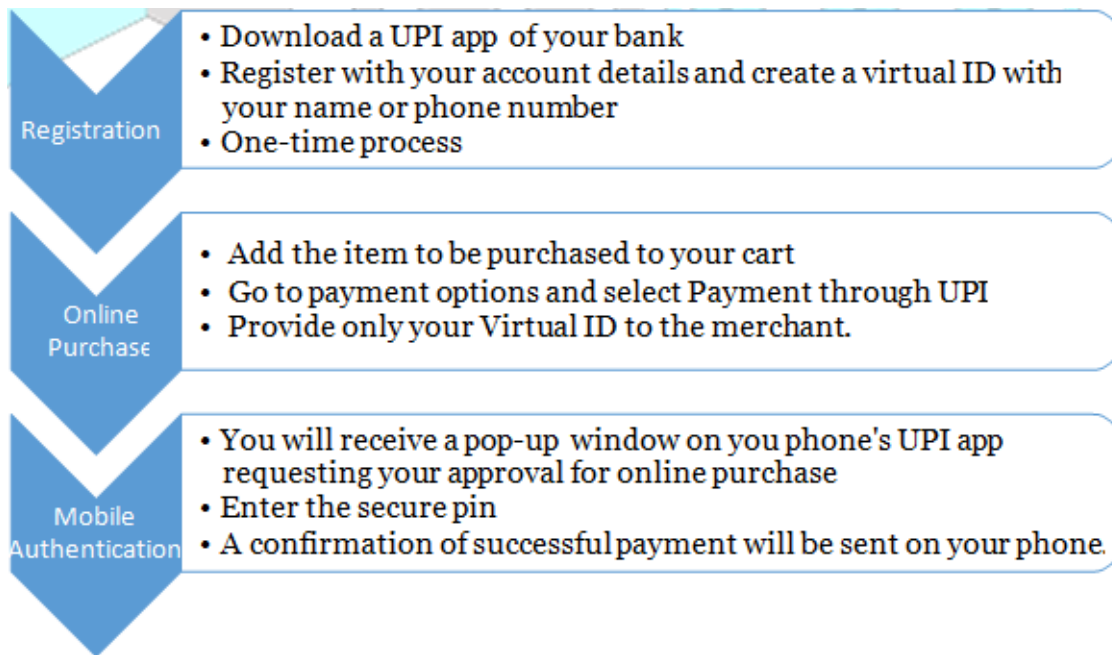
- It authenticates the identity of the user like a debit card does using the phone as a tool instead of a separate card.
- It works 24x7, 365 days.

4.4.2. What do you need?

- A smartphone with UPI application (app)
- A bank account

4.4.3. How does it work?

A simple 3 step process to make Online Transactions through UPI

Registration
- Download a UPI app of your bank
- Register with your account details and create a virtual ID with your name or phone number
- One-time process

Online Purchase
- Add the item to be purchased to your cart
- Go to payment options and select Payment through UPI
- Provide only your Virtual ID to the merchant.

Mobile Authentication
- You will receive a pop-up window on you phone's UPI app requesting your approval for online purchase
- Enter the secure pin
- A confirmation of successful payment will be sent on your phone.

4.4.4. What are the features and benefits?

➢ UPI eliminates the need to share User's name, bank account number, IFSC code, or bank branch.
➢ UPI also eliminates the use of physical tools like debit cards.
➢ No need to use multi-step processes like net-banking, which are prone to phishing due to insecure frameworks.
➢ Very simple application and can be used by anyone.
➢ Instant and secure authentication and can be initiated anywhere.
➢ Opens up the pathway for a completely cashless digital society.
➢ Can be used to send a request for money, like an invoice.

- ➢ Customers can also use UPI to make online payments of utility bills and school fees.

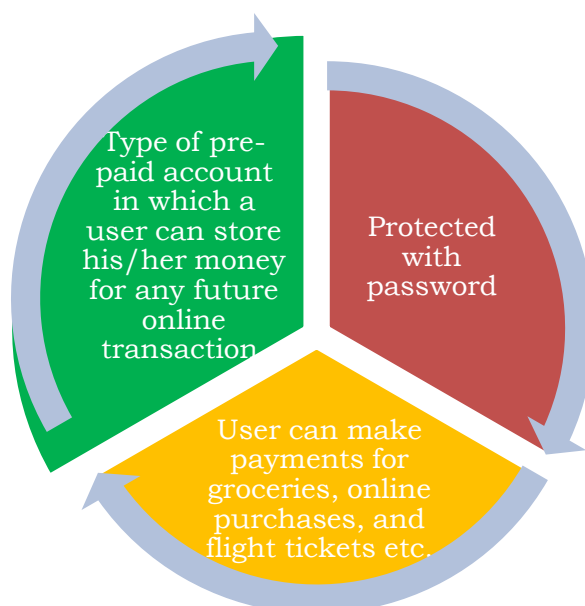## 4.5. e-Wallet

4.5.1. What is e-Wallet?

E-wallet stands for electronic wallet. It is a type of electronic card which is used for transactions made online through a computer or a smartphone. The utility of e-wallet is same as a credit or debit card. An e-wallet needs to be linked with the individual's bank account to make payments. The main objective of e-Wallet is to make paperless money transaction easier.

4.5.2. Features of e-Wallet

4.5.3. How does it work?

E-wallet has mainly two components, software and information.

Software component stores personal information and provides security and encryption of the data whereas *information component* is a database of details provided by the user which includes their name, shipping address, payment method, amount to be paid, credit or debit card details, etc.

4.5.4. How do I use e-Wallet?

4.5.4.1.   For Consumer:
- Download the app on your device.
- Sign-up by entering the relevant information. The user will receive a password.
- Load money using debit/credit card or Netbanking
- After shopping online, the e-wallet automatically fills in the user's information on the payment form.
- Once the online payment is made, the user is not required to fill the order form on any other website as the information gets stored in the database and is updated automatically.

4.5.4.2.   For Merchant:
- Merchant downloads the app on his/her device
- Sign-up by entering the relevant information. The user will receive a password.
- Self-declare yourself as a merchant.
- Start accepting payments.

4.5.4.3.   What do I need to start using an e-wallet?
1. Bank Account
2. Smart phone
3. 2G/3G/4G connection
4. A free wallet app

4.5.4.4.   Must Do Practices
- ✓ Register your mobile number at bank for regular information by 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 shoulder.

5.   VLEs and their role in the project:

Trained VLEs will identify and mobilize the community as per the selection criteria which are as follows:

1. One person from each household to be selected in consultation with the Panchayat representatives;

2. Each CSC would cover 40 participants, one from each household i.e. each CSC to cover 40 households from the catchment area.
3. Account activation for average 40 citizens by each CSC.
4. VLE would cover an average of 10 merchants per panchayat to support them in accessing digital payment platform and activate account.
5. Awareness at District level and block level for Govt. functionaries and others on digital financial platforms.
6. VLEs to collect evidence/records of citizens using the cashless facility after training.
7. VLEs to upload all the information related to this project on online monitoring tool developed by CSC-SPV

Mobilization of CSCs	**District, Block level Session**	**Registration of the participants**
Content customization	**Identification and mobilization of the community by VLEs**	**Conduct of session**
Development of IEC materials and OMA	**Master Training of VLEs**	**Impact Assessment**

8. VLE to use other innovative ways to promote digital financial awareness/access. VLEs may do the following activities:
   a. Visit Schools/Colleges and engage with students to adopt the tools/technologies.
   b. Use the NSS Volunteer in creating awareness
   c. Mobilise self help groups and other voluntary organisations
   d. Organise marathon with support of local Government agencies
   e. Meeting with Merchant Association/Traders/Hawkers for creating awareness
   f. Visiting market days and enabling hawkers/Vendors to adopt cashless transactions
   g. Engaging with farmers and mandies .

5.1. Role of VLE Society

- The VLE Society shall help in making respective districts as "Cashless" while the VLE can help in making the Panchayats/Local area "Cashless".

5.2. Incentives

- VLE and the society concerned will be given awards for making panchayat/society cashless.

5.3. Suggestions for VLEs

- One of the significant aspects is to enable every Trader/Merchant/Hawker to use/adopt digital financial technologies/tools. Once the transaction points have these facilities to enable cashless transaction, the acceptability by citizen can be easily addressed
- Citizens shall also be encouraged/motivated to make payment only through digital tools
- A comprehensive area based approach can act as a stimuli's/model for others to adopt and accept

6. Support

CSC-SPV District Managers/State Team and District Information Officer (DIO) of NIC at district level will provide desired support to VLEs and the VLE Society in enabling to achieve the desired objective

Banner to be used by VLEs:

My Mobile… My Bank… My Wallet…
Transactions without Cash
It's Possible!

Cards, PoS

Make basic payments at most places with your prepaid, debit or credit card

- Swipe your card
- Put in your pin
- Get a receipt

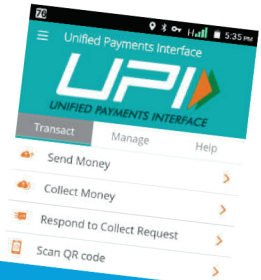✅ It's done!

You can even transact with your card online!

UPI
(Unified Payments Interface)

It's as easy as sending a message from your phone! Every bank has its own mobile app – so it's now possible to transact on your smart phone

- Register your mobile number at Bank/ATM
- Download the UPI app on your mobile
- Make your unique ID
- Set your UPI pin

✅ You can now transact from anywhere!

Unified Payments Interface

UPI
UNIFIED PAYMENTS INTERFACE

| Transact | Manage | Help |

- Send Money ›
- Collect Money ›
- Respond to Collect Request ›
- Scan QR code ›

Aadhaar
Enabled Payment System

Why rely on your bank, when you can bank on Aadhaar! Now link your Aadhaar card with your bank account You can then carry out:

- Funds Transfer
- Balance Enquiry
- Cash Deposit or Withdrawal
- Inter-bank transactions

✅ You can avail of this service at shops too

e-Wallet

It's as easy as sending photos through your phone! Through the E-Wallet money transactions are possible with Mobile or Computer:

- Many e-wallets are available in the market
- Download a wallet like SBI Buddy
- Register with your mobile number
- Link this with your debit or credit card or through net banking

✅ Your phone is now your Wallet!

USSD
(Unstructured Supplementary Service Data)

It is as easy as checking your prepaid balance from your phone! It is possible to transact even on a normal mobile phone

- Link your mobile number to your bank account
- Dial *99# from your phone
- Fill in the first 3 letters of your bank against Short Name OR first 4 letters of IFSC
- Choose "Fund Transfer-MMID" option
- Enter the payee's mobile number and MMID
- Enter the amount and your MPIN, leave a space and enter the last 4 digits of your account number

✅ You have just transferred your money!

For any queries you may call toll free 180030003468 or email shahnawaz.rashid@csc.gov.in/surbhi.sharma@csc.gov.in

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