WHAT IS CLAIMED IS:

1. A method for dynamically processing financial transactions, the method comprising:

displaying, by an electronic device, at least one selectable option via a display of the electronic device, the at least one selectable option comprising a selectable option to fetch funds, the electronic device comprising at least one of a Point-of-Sale (POS) terminal or a kiosk device;

receiving, by the electronic device, a selection of the selectable option to fetch funds and a personal identification number (PIN) associated with a payment instrument from a merchant, wherein the payment instrument is used at the electronic device by the merchant for transfer of a payment from a merchant account into an account associated with the payment instrument;

generating, by the electronic device, a transaction request to transfer the payment from the merchant account into the account associated with the payment instrument in response to verifying the PIN associated with the payment instrument, the transaction request comprising at least one unique identifier field comprising an indication that the transaction request is for transferring the payment into the account associated with the payment instrument during a first funding period, wherein the first funding period is earlier than a second funding period, wherein the first funding period is associated with a first merchant discount rate, and wherein the second funding period is associated with a second merchant discount rate that is lower than the first merchant discount rate;

receiving, by an acquirer server from the electronic device, the transaction request to transfer the payment into the account associated with the payment instrument, the payment comprising a first portion of an amount available in the merchant account, wherein the first portion is related to the first merchant discount rate and the first funding period;

authorizing, by the acquirer server, the transaction request received from the electronic device based on one or more predetermined rules;

generating, by the acquirer server, a direct fund transfer message based on the at least one unique identifier field upon authorization of the transaction request;

modifying, by the acquirer server, the at least one unique identifier field of the direct fund transfer message to include a special indicator, the special indicator comprising the first merchant discount rate;

transmitting, by the acquirer server, the direct fund transfer message including the special indicator to an issuer server associated with the merchant account for authentication of the direct fund transfer message;

in response to receiving and authenticating the direct fund transfer message including the special indicator, requesting, by the issuer server, an approval from the acquirer server;

confirming, by the acquirer server, a future settlement amount corresponding to the payment is available in the merchant account based on the direct fund transfer message including the special indicator;

in response to confirming the future settlement amount is available in the merchant account, communicating, by the acquirer server, an approval to the issuer server;

after receiving the approval, authenticating, by the issuer server, the direct fund transfer message including the special indicator; and

transferring dynamically, by the issuer server or the merchant, the payment from the merchant account to the account associated with the payment instrument within the first funding period in response to the direct fund transfer message including the special indicator comprising the first merchant discount rate being authenticated by the issuer server, wherein a second portion of the amount available in the merchant account is transferred during the second funding period, and wherein the second portion of the amount is related to the second merchant discount rate and the second funding period.

2. The method as claimed in claim 1, wherein the one or more predetermined rules comprise at least one of the following: a POS PIN, a POS identifier, a merchant identifier, capital balance in the account, a past daily average capital amount, or any combination thereof.

3. The method as claimed in claim 1, wherein the direct fund transfer message comprises at least one of the following: International Standards Organization (ISO) message format, Association for Payment Clearing Services (APACS) message

format, Australia Standards 2805 (AS2805) message format, ISO 20022 message format, message format defined under Representational State Transfer (REST), XML based Simple Object Access Protocol (SOAP), or any combination thereof.

4. The method as claimed in claim 1, wherein the authentication by the issuer server is based on at least one of the following: an issuer's eligibility for transferring payment, a daily limit to perform a direct fund transfer, network failure in a transaction path, compliance to business rules, compliance to fraud prevention rules, or any combination thereof.

5. A transaction processing system for dynamically processing financial transactions, the transaction processing system comprising:

at least one processor of an acquirer server; and

a memory communicatively coupled to the at least one processor of the acquirer server, wherein the memory stores processor-executable instructions, which on execution, cause the at least one processor of the acquirer server to:

display at least one selectable option via a display of an electronic device, the at least one selectable option comprising a selectable option to fetch funds, the electronic device comprising at least one of a Point-of-Sale (POS) terminal or a kiosk device;

receive a selection of the selectable option to fetch funds and a personal identification number (PIN) associated with a payment instrument from a merchant, wherein the payment instrument is used at the electronic device by the merchant for transfer of a payment from a merchant account into an account associated with the payment instrument;

generate a transaction request to transfer the payment from the merchant account into the account associated with the payment instrument in response to verifying the PIN associated with the payment instrument, the transaction request comprising at least one unique identifier field comprising an indication that the transaction request is for transferring the payment into the account associated with the payment instrument during a first funding period, wherein the first funding period is earlier than a second funding period, wherein the first funding period is associated with a first merchant discount rate, and

wherein the second funding period is associated with a second merchant discount rate that is lower than the first merchant discount rate;

receive the transaction request to transfer the payment into the account associated with the payment instrument, the payment comprising a first portion of an amount available in the merchant account ,wherein the first portion of the amount is related to the first merchant discount rate and the first funding period;

authorize the transaction request received from the electronic device based on one or more predetermined rules;

generate a direct fund transfer message based on the at least one unique identifier field upon authorization of the transaction request;

modify the at least one unique identifier field of the direct fund transfer message to include a special indicator, the special indicator comprising the first merchant discount rate; and

transmit the direct fund transfer message including the special indicator to an issuer server associated with the merchant account for authentication of the direct fund transfer message;

at least one processor of the issuer server; and

a memory communicatively coupled to the at least one processor of the issuer server, wherein the memory stores processor-executable instructions, which on execution, cause the at least one processor of the issuer server to:

in response to receiving and authenticating the direct fund transfer message including the special indicator, request an approval from the acquirer server;

wherein the instructions further cause the at least one processor of the acquirer server to:

confirm a future settlement amount corresponding to the payment is available in the merchant account based on the direct fund transfer message including the special indicator; and

in response to confirming the future settlement amount is available in the merchant account, communicate an approval to the issuer server; and

wherein the instructions further cause the at least one processor of the issuer server to:

after receiving the approval, authenticate the direct fund transfer message including the special indicator; and

transfer dynamically the payment from the merchant account to the account associated with the payment instrument within the first funding period in response to the direct fund transfer message including the special indicator comprising the first merchant discount rate being authenticated by the issuer server, wherein a second portion of the amount available in the merchant account is transferred during the second funding period, and wherein the second portion is related to the second merchant discount rate and the second funding period.

6. The transaction processing system as claimed in claim 5, wherein the one or more predetermined rules comprise at least one of the following: a POS PIN, a POS identifier, a merchant identifier, capital balance in the account, a past daily average capital amount, or any combination thereof.

7. The transaction processing system as claimed in claim 5, wherein the direct fund transfer message comprises at least one of the following: International Standards Organization (ISO) message format, Association for Payment Clearing Services (APACS) message format, Australia Standards 2805 (AS2805) message format, ISO 20022 message format, message format defined under Representational State Transfer (REST), XML based Simple Object Access Protocol (SOAP), or any combination thereof.

8. The transaction processing system as claimed in claim 5, wherein the authentication by the issuer server is based on at least one of the following: an issuer's eligibility for transferring payment, a daily limit to perform a direct fund transfer, network failure in a transaction path, compliance to business rules, compliance to fraud prevention rules, or any combination thereof.