

Stronger layer of validation introduced for govt services

Merchants and vendors are being sensitised to install Aadhaar-enabled PoS machines to ease transactions

Dhaval Kulkarni
dhaval.kulkarni@dnaindia.net

With the transition to a less-cash economy raising concerns about digital security, the Maharashtra government is ensuring that government to citizen (G2C) service delivery and payments go digital with a stronger layer of authentication through the Aadhaar Enabled Payment System (AEPS).

It is also roping in merchants and vendors to install acceptance infrastructure through biometrics-based Aadhaar-enabled point of sale (PoS) machines.

In AEPS, customers can use their UIDAI number and fingerprints for transactions like cash deposits, withdrawals, and remittances through PoS (micro-ATM) machines with business correspondents. However, Aadhaar numbers have to be seeded with the bank accounts.

"AEPS is going to be the de facto standard for payment delivery in the country," said Kaustubh Dhavse, Officer on Special Duty, Chief Minister's Office.

Apart from 93 per cent tele-density, Maharashtra has almost 100 per cent Aadhaar coverage and 73 per cent Aadhaar seeding, which will enable the roll-out. It also has 1.6 crore Jan Dhan accounts and 1.23 crore Rupay cards.

"We are encouraging the use of AEPS," said Vijay Kumar Gautam, Principal Secretary, Information Technology (IT), adding that this biometrics-based authentication would overcome security concerns associated with conventional PoS machines. He added, they were also encouraging private vendors to adopt AEPS and had held workshops across Maharashtra. These machines will be installed at establishments like that of fertiliser and seed dealers for cashless payments.

Gautam said from April 1, all G2C transactions and the 372 services covered under the Right to



Citizens complete formalities to apply for an Aadhaar card at one of the centres —FILE PHOTO

The AEPS system is more convenient for people without smartphones or debit cards, and for those who cannot handle PINs and passwords.

— **Ajay Bhushan Pandey**,
CEO, UIDAI

Services (RTS) Act would go cashless. It is rolling out AEPS-based POS machines in all 30,000 Aaple Sarkar E-Sewa Kendras or Citizen Service Centres (CSC), with 4,200 micro-ATMs, equipped with swipe facilities being installed. The entire ecosystem will be covered by March-end. These CSCs will organise village-level engagement workshops for local merchants.

"All government cash receipt

points...where payments for charges like water tax are made will be covered under AEPS," said Gautam. The CSC operators will also help citizens open bank accounts and seed them with Aadhaar numbers.

"AEPS is more convenient because there are around 30 crore people without smart phones, feature phones, and debit cards or cannot handle PINs and passwords. For them, making payment through AEPS is more convenient," Ajay Bhushan Pandey, CEO, UIDAI, said, adding that this method was more secure. "We have offered this facility to banks and are requesting them to use it," he said, adding that these financial institutions may allow fingerprints to be used for both low-value and high-value transactions, given that both the PIN and biometrics are used.

THE DIGITAL WAY FORWARD

In his Budget speech, Finance Minister Arun Jaitley announced that Aadhaar Pay — a merchant version of an Aadhaar-enabled payment system — would be launched. The IDFC Aadhaar Pay App for merchants would help eliminate the long waiting period and hassle of getting a new PoS (Point of Sale) machine. At present, there are only 15 lakh PoS machines deployed by the banks across the country. SBI alone has deployed over 3 lakh terminals, followed by HDFC bank and ICICI bank.