

IDFC Bank takes the lead, launches Aadhaar Pay

Now transact with fingerprint as your digital identity

OUR BUREAU

New Delhi, March 7

IDFC Aadhaar Pay, the country's first Aadhaar-linked cashless merchant solution, was officially launched on Tuesday, following successful pilots across 16 States.

Speaking at the launch event, Amitabh Kant, Chief Executive Officer, NITI Aayog, said IDFC Bank had set the trend and all other banks should now roll out a similar facility.

"You will not need micro-ATMs anymore in the country. Anybody with a mobile phone and small dongle can turn into a merchant for everyone else and start accepting payments," he said.

Kant highlighted that the IDFC Aadhaar Pay was significant as it was not charging any merchant discount rate, which was a pain-point for merchants.

"IDFC Bank will have winner's advantage. Other banks should follow IDFC in on-boarding merchants throughout the country. If they do not follow the lead that IDFC has set, technology will make them redundant," Kant said.

He said the IDFC Aadhaar Pay launch was significant as it would "enable us to reach the bottom of the pyramid" where people do not have either GSM or mobile phone.

Given the slew of innovative measures taken in the last few months, India is poised to take a major leap towards financial in-



(from left) Ajay Pandey, CEO, UIDAI, Rajiv Lall, MD & CEO, IDFC Bank, Amitabh Kant, CEO, NITI Aayog, and Aruna Sundarajan, Secretary Electronics & IT, at the launch of IDFC Aadhaar Pay, in New Delhi, on Tuesday KAMAL NARANG

clusion and revolution in the coming days, Kant added.

Rajiv Lall, Founder Managing Director and CEO, IDFC Bank, said the launch (of IDFC Aadhaar Pay) was an important milestone in the journey to financial inclusion.

He pointed out that all the innovation that one had read about recently was focussed on that segment of population that had smart-phones. Only 350 million have smart-phones out of the total population have 1.2 billion. "The differentiating feature of the Aadhaar Pay technology

Customers can pay the merchant by selecting the bank's name and filling only one field on the merchant's phone — the Aadhaar number. The customer's fingerprint is the password used to authenticate the transaction.

that we are launching officially today is that it makes cashless transactions possible even to people who have no phones," he said.

Individuals with Aadhaar-seeded savings accounts in any bank can transact on IDFC Aadhaar Pay using fingerprint as digital identity to make cashless payments at merchant points.

Over the next 36 months, IDFC Bank will look to on-board as many as one lakh merchants across the country to its IDFC Aadhaar Pay solution, Lall said.

In the pilot phase spanning three months, over 1,500 merchants have enabled digital transactions for customers of all banks, using IDFC Aadhaar Pay on their smart-phones.

How it works?

IDFC Aadhaar Pay is an Aadhaar-linked interoperable banking software application developed by IDFC Bank. This app is made available on a merchant's smart-phone. Customers can pay the

merchant by selecting the bank's name and filling only one field on the merchant's phone — the Aadhaar number. The customer's fingerprint is the password used to authenticate the transaction.

Customers need not use debit or credit cards, download mobile applications or even carry a mobile to make cashless transactions. This solution eliminates the hassles of remembering passwords, account numbers, setting up virtual payment addresses and using USSD codes to transfer money.

Aruna Sundarajan, Secretary, Ministry of Electronics & IT, lauded IDFC Bank for this pioneering initiative, stating that it signalled a paradigm change in the financial inclusion journey.

Describing the launch of IDFC Aadhaar Pay as "historic", Sundarajan said this is equal liberation for the merchant. "We are truly hoping that hundreds of thousands of merchants will benefit and easily accept digital payments," she added.