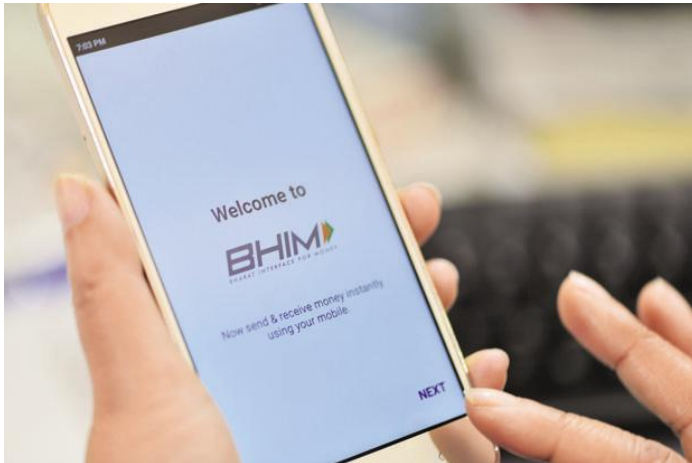# From BharatQR code to Aadhaar Pay, here are India's govt backed payment apps

Mint cuts through the clutter of various digital payment options to decode them for you

Komal Gupta

The highlight of the BHIM app is that all the UPI transactions are combined into a single app.
Photo: Mint

New Delhi: The cashless push by the government, especially after demonetisation, has provided a plethora of digital payment options. The new options like the BharatQR code, Unified Payments Interface (UPI) and the BHIM app are in addition to existing modes such as internet banking, mobile banking and Immediate Payment Service (IMPS). While the various modes will help hasten India's movement towards a less-cash economy, the choice can also end up confusing the consumer.

Mint decodes some of the new payment options.

BharatQR code

It is a quick response (QR) code mandated by the government to enable digital payments without card swiping machines. It works as a common interface for RuPay cards, MasterCard, Visa and American Express, providing a solution to the largely closed QR code-based acceptance systems which had been existing in the country.

As a customer, to use BharatQR code, you need to have a smartphone and must download the bank app that is compatible with BharatQR code. Credit, debit and prepaid card holders with the member bank can use this service.

Also read: [BharatQR code unveiled: An explainer](#)

While most banks have multiple apps, BharatQR code has been implemented only on select apps. Every bank has chosen one or two apps. For instance, ICICI Bank Ltd has chosen Pockets and ICICI Mobile Banking app.

The code eliminates the need of entering the merchant's ID or phone number to make payments. The customer can simply make payments by scanning the QR code and entering the transaction amount. The amount gets transferred directly from the bank account without the need of a swiping machine.

Currently, BharatQR code works on Android and iOS platforms and not on Windows.

Unified Payments Interface (UPI)

It is a payment system which facilitates fund transfer between two bank accounts on the mobile platform instantly. It eliminates the hassle of typing your card details, or net banking /wallet password. All you need is a mobile banking personal identification number (MPIN)ô a four-digit (six digits in some banks) secret code similar to the ATM PIN which acts as a password while making transactions through mobile phones, and a virtual payment address (VPA)ô an address used in place of a bank account address which is linked to it.

The VPA resembles an email ID. For example, you can have a VPA as rishi21@axis or shruti@icici. You only give your merchant this address, which can store your payment details against this. They never even get to see your bank account number. It is very simple to create a VPA of your choice and even change it.

Banks supporting UPI payment have their own UPI-enabled applications on Android and iOS platforms.

Bharat Interface for Money (BHIM)

It is an app developed by the National Payments Corp. of India (NPCI) to promote digital transactions using UPI.

Currently, 37 banks are already integrated to BHIM, including both public and private sector banks like State Bank of India, Axis Bank, HDFC Bank, ICICI Bank, IDBI Bank, Union Bank of India and Kotak Mahindra Bank. By the end of this month, all public sector banks are expected to be integrated to its interface.

Since the app operates on UPI platform, a mobile number linked to the bank account is needed to make transactions. The highlight of the BHIM app is that all the UPI transactions are combined into a single app— the consumer need not download different UPI-linked banking apps to make transactions. Other than sending, receiving and requesting for money, the consumer can also check the account balance and switch between accounts in case of multiple bank accounts.

The app also helps send money to non-UPI supported banks using an IFSC code and an account number. Recently, a new feature has been added which allows customers to transfer money to the Aadhaar number linked with a beneficiary's bank account by choosing the 'Pay to Aadhaar Number' option.

Currently, the app is available on Android and iOS platforms.

Aadhaar-enabled payment system (AEPS)

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 like balance enquiry, cash deposit, cash withdrawal or remittances through a bank agent or business correspondent (BC).

The customer can simply carry out transactions by scanning his/her fingerprint at any micro ATM or biometric point-of-sale (POS) terminal, and entering the Aadhaar number linked to the bank account.

Except fund transfer, you can perform all the transactions through the BC of any bank. For fund transfer, you need the BC of your own bank.

AEPS is emerging as an important tool for digital financial inclusion due to the large number of Aadhaar number holders in the country.

Aadhaar Pay

This soon-to-be-launched service is the merchant version of AEPS. The Aadhaar Pay app lets consumers pay without any physical payment instrument. It runs on the Android platform and has to be installed by merchants.

Merchants need to first download the Aadhaar Pay app and then register to start using it. After registration, the merchant's mobile phone needs to be linked to an Aadhaar biometric reader. Once the merchant has this infrastructure in place, the consumers can start transacting.

To make a payment, the consumer has to just enter the Aadhaar number. The fingerprint is the password for the transaction. To use this service, the customer has to first link his/her bank account to the Aadhaar number.

The government believes that this method of payment will specifically be beneficial for those who do not have debit cards, mobile wallets and mobile phones. However, a bank account and Aadhaar number is essential to avail the services.