

# How To Pay Using



## How To Pay Using Aadhaar Card – Make Aadhaar Enabled Payments

After demonetisation, Government is facilitating Aadhaar number-enabled financial transactions through mobile phones as part of its drive to convert the country into a cashless economy. Now people will be able to make payments using their Aadhaar cards. This post will tell you **how to pay using Aadhaar card**.

**Economic Times** quoted the director general of Unique Identification Authority of India (UIDAI), Ajay Pandey saying, "Aadhaar-enabled transactions are card-less and pin-less. This would enable Android phones users to digitally transact using their Aadhaar number and fingerprint/iris authentication".

As you know, India is moving towards a cashless society. This transition phase from cash to no cash transactions enabled many E-Wallet companies like **Paytm** (<https://paytm.com/>) & **Freecharge** (<https://www.freecharge.in/>) to grow exponentially. To continue day to day life payment system is a must. People have started using different alternatives to tackle cash crunch India is facing after demonetisation. People use plastic money more than ever before. Paytm is a name that has grown immensely popular. Even road side vendors have started using Paytm to accept payments.

Now Government wants **Aadhaar-enabled payment** to replace debit, credit cards. People can now pay using aadhaar card. It means you don't need to have plastic money or e wallets anymore. All you need is an aadhaar card to make payments.

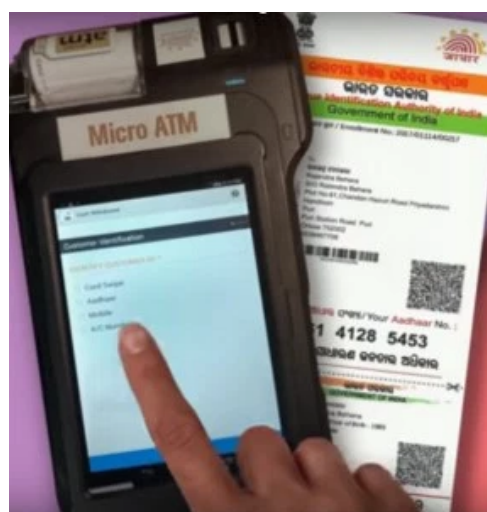
The initiative can help the government deal with situations like recent demonetisation. Also it will help curb black money menace and bring in more financial transaction transparency.

The government is working on developing a common mobile phone app. This app can be used by shopkeepers and merchants for receiving Aadhaar-enabled payments bypassing credit and debit cards, pin and password.

## How To Pay Using Aadhaar Card ?

### AEPS in its initial form

AEPS (Aadhaar Enabled Payment System) in its basic form is a machine known as **micro ATM**. This machine is similar to POS machines that accept credit/debit cards. The only difference is that instead of any card you need to authenticate your payments using your bio metrics (usually fingerprint).



### How does AEPS machine work?

A merchant who needs to accept payment will enter the aadhaar number and the amount in the machine using the touch interface provided. The customer then needs to authenticate the payment using his/her fingerprint. The amount will be deducted from a bank account that is linked to customers aadhaar number and credited to the merchants bank account.

### Aadhaar Pay Merchant App (AEPS recently introduced)

A merchant will have a smartphone with a finger print scanner connected to it via an **application**. You will have to place your finger on that scanner to pay using aadhaar. Your bank, which is already linked to your aadhaar number will be debited with the amount you pay to the shopkeeper.

# Aadhaar Pay Merchant App – How it works?

UIDAI has introduced the much awaited **Aadhaar Pay Merchant App**. Using this **aadhaar payment app**, merchants can accept payments which will be **cashless, cardless** and **pinless**.

- To accept payments, merchants needs to register on the app using the **aadhaar number**. The registration needs to be authorised using the **fingerprint** of the merchant.
- Now to accept any payment from the customer, the merchant needs to enter the customer details which include customer **aadhar number, customer bank name, and amount** to be paid by the customer.
- An option to continue or to reject the payment will be provided. Once choosen to proceed, the payment needs to be authorised using the **customer's finger print**.
- After successful authentication, the amount will be transfered from the **customer's aadhaar linked bank account to merchant's aadhaar linked bank account**.