

TURING

M2P

Aadhaar Enabled Payment System (AePS)

Case Study: Implementation in Gayatri Bank

How we powered Aadhaar Enabled Payment System (AePS) for Gayatri Bank

About Gayatri Bank

The Gayatri Bank is a co-operative urban bank in the Jagtial district, Telangana. Established in 2000 and functioning as a unit bank till 2009, the Gayatri Bank has grown to be the 2nd largest cooperative urban bank in Telangana with over 23 branches. They deliver economic support and hassle-free digitized financial services to the underbanked and unbanked population in India.

Challenges in ease of financial access, cost, and transaction volumes

Digital payment modes such as UPI, mobile wallets, contactless, and QR codes require the customer to either carry a smartphone or a card or remember a passcode or PIN. Only then can a transaction be successful.

In scenarios where the customer is a senior citizen, disabled or inerudite from remote unbanked corners, possessing a smartphone or remembering PINs is a huge challenge. Gayatri cooperative bank wanted support in fixing this issue and facilitating hassle-free financial access to people across all sections of society.

Another major challenge was the cost involved in opening new branches and ATMs, and issuing chequebooks and cards, and managing the KYC process. In underbanked rural regions, getting KYC documents in order and enabling efficient usage of branches and ATM machines is still a struggle for banks as well as customers.

Resolution: Aadhaar Enabled Payment Systems (AePS)

Requiring nothing more than an Aadhaar number and biometric identification (thumb impression), the mandate of Aadhaar Enabled payment system is to make financial services accessible to everyone.

AePS is a key initiative taken by the National Payments Corporation of India (NPCI) in association with the Unique Identification Authority of India (UIDAI) to encourage cashless transactions and financial inclusion in India. People can access their money, open bank accounts, and make money transfers and payments without carrying any document or smartphone.

Banks can cut costs by engaging with business correspondent agents to facilitate Aadhaar enabled transactions instead of investing in new branches, ATMs, chequebooks, and cards. Now, anyone can be a business correspondent agent. Even a local shopkeeper registered with the AePS bank and invested in a laptop and a biometric authentication machine can be a business correspondent agent. These agents increase penetration of financial services, as anyone can visit them to get transactions done with just Aadhaar number and biometric identification.

How we powered AePS for Gayatri Bank

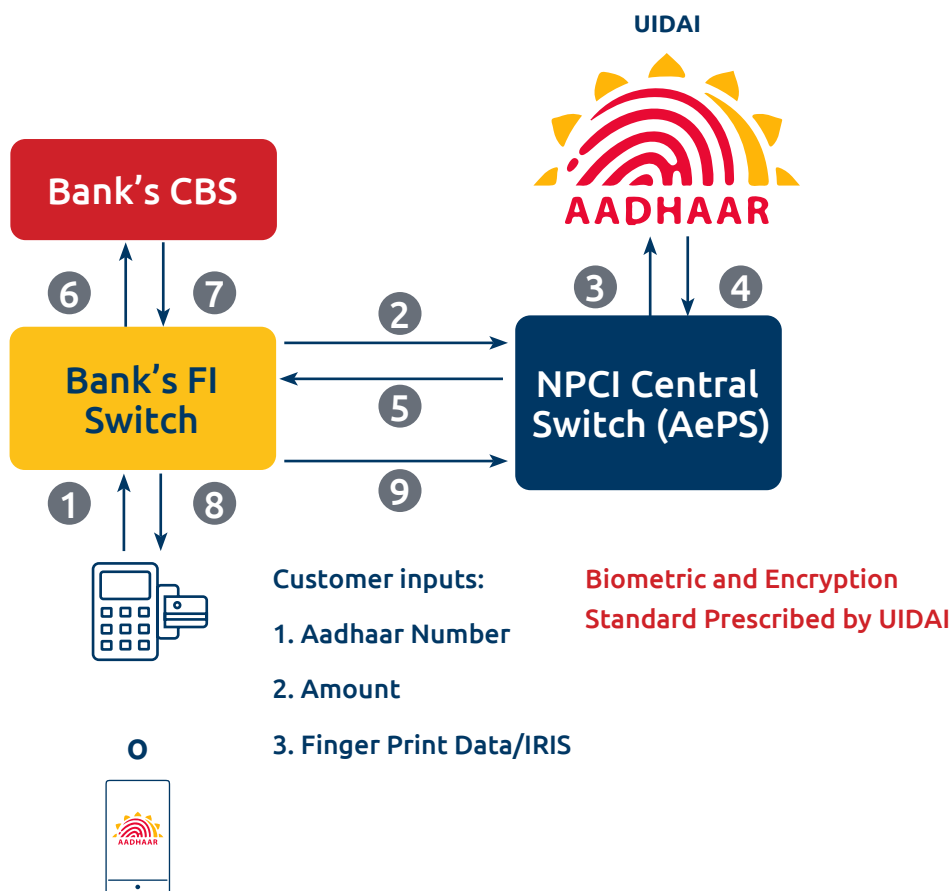
Gayatri Bank needed a fintech partner to enable AePS implementation and manage UIDAI authentication across their branches and business correspondent network. This was a strategic move for Gayatri Bank to drive inclusion, electronify retail payments, achieve interoperability, reach more customers, and cut costs.

We powered the AePS switch and helped customers use Aadhaar number and fingerprint as an identity to perform the following transactions through business correspondents

- Cash deposits
- Cash withdrawals
- Intra-bank or inter-bank fund transfers
- Balance enquiries
- Mini statement printing

We securely routed Aadhaar initiated inter-bank transactions through a central switching and clearing agency, and enabled disbursements of Government entitlements under National Rural Employment Guarantee Act (NREGA), social security pension, and handicapped old age pension schemes.

Process flow



In a nutshell, we built a solid foundation for Gayatri Bank to run a full-fledged Aadhaar enabled banking service across India.

Results achieved

On the very first day of AePS going live, over 500 business correspondents were onboarded from remote locations. Gayatri Bank experienced a significant boost in revenue and transaction volumes, as they were able to service more customers with greater convenience without incurring the costs of opening bank branches or ATM machines.

We enabled Gayatri Bank to deliver the following benefits to customers.

- Facilitate secure transactions using UIDAI Biometric Authentication
- Deliver 6X improvement in transaction efficiency
- Cut down execution time by 1/5th of the usual timing
- Financially empower senior citizens, and the differently-abled
- Eliminate the need to carry smartphones or cards
- Abolish the need to remember Passcodes, PINs or CVV numbers
- Enable secure transactions at remote locations without bank branches or ATMs

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