| 10:34 AM \| 21 NOV **MARKET STATS ▼** | SENSEX 25,930 ▼ -220.32 | NIFTY 50 7,995 ▼ -79.50 | GOLD (MCX) (Rs/10g.) 29,021 ▲ 84.00 | USD/INR 68.21 ▲ 0.07 | CREATE PORTFOLIO | Download ET MARKETS APP | CHOOSE LANGUAGE ENG |

Aadhaar's e-sign awaits RBI nod

By *Surabhi Agarwal*, ET Bureau | Updated: Sep 13, 2016, 06.57 AM IST

Post a Comment

NEW DELHI: The ministry of electronics and IT (MEIT) had written to the Reserve Bank of India (RBI) last week requesting for clear directions from the banking regulator for the use of esign — an Aadhaar-based electronic signature mechanism developed by the government. Even though the e-sign system is fully developed and operational, many agencies have apprehensions using it since there are no explicit directions from RBI on whether it is permitted or not.

The service is being pitched as a convenient alternative for the current process of getting a digital signature, through a dongle, which is cost intensive, time consuming and relatively unsafe and can be used to authenticate documents for a myriad of government services such as filing income-tax returns, availing financial and telecom services and getting different kind of certificates on the fly.

E-sign takes away the hassle from digitally signing documents by using the real-time Aadhaar-based authentication system.

E-sign takes away the hassle from digitally signing documents by using the real-time Aadhaar-based authentication system and is pegged to be one of the major components of driving Modi government's ease of doing campaign.

Signature Move

Current mechanisms used to digitally sign a document

- Get a pen drive or a dongle from one of the authorised service providers
- Get a key from one of the online agencies which is stored in the computer

- **Both mechanisms** are susceptible to fraud
- **These mechanisms** cost anywhere between ₹650 and ₹2,000
- **Current transaction** will take anywhere between **60 seconds and 90 seconds**

Aruna Sundararajan, newly appointed secretary of MEIT told ET that the ministry has sent a letter to the RBI explaining the concept (of e-sign), and asking them to allow this. "So this will be a much cheaper alternative to the digital signature and much convenient as well. We have taken up the matter institutionally with RBI," she added.

The e-sign framework has been developed by the Centre of Development for Advanced Computing (C-DAC), the government's in-house research and development arm. Private agencies such as eMudhra and nCode Solutions are also offering e-signature facility along with C-DAC. Additional Secretary in MEIT, Ajay Kumar tweeted on Monday saying: "Major milestone in #eSign journey of @_DigitalIndia . @eMudhra-Limited crosses 1million mark on Sep 10. Congrats @eMudhraLimited @GoI_DeitY."

Despite its ease of use, its uptake has been limited since many agencies such as those in the banking sector are concerned about its validity. "RBI has not said that you can't use it, but it has also not said that you can use it. So, agencies are confused," said an industry official adding that more clarity on this will certainly help increase the popularity of e-sign by leaps and bounds.

Businesses are interested since, once operational, this will relieve the citizens as well as firms of the hassles of obtaining a digital signature certificate to verify their documents and could be a more authentic means to do it.

"Because of the Unique Identity number, the Unified Payment Interface, the Digital Locker and e-sign, the entire ecosystem is coming off age," said Sundararajan. She added that her ministry is continuously pursuing the matter with the department of financial services and the regulators to ensure the new services get the required push.

Currently, to digitally sign a document, one has to get a pen drive or a dongle from one of the authorised service providers or get a key from one of the online agencies which is stored in the computer.