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Common backend provider for all micro ATMs on the AEPS

By [Dheeraj Tiwari](#), ET Bureau | Updated: Nov 28, 2016, 12.11 AM IST

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NEW DELHI: A common backend provider for all micro ATMs operational on the Aadhaar Enabled Payment System (AEPS) is in the works to ease the problem of last mile access to bank accounts and cash in rural areas.

Depending on the bank, business correspondents currently operate through different solution providers, which often lead to banking transactions being declined, said a government official aware of the deliberations. "We are in discussion with different stakeholders. It is being worked out," said the above quoted official, requesting anonymity.

AEPS is a bank-led model that varies from bank to bank.

It allows for transactions across banks using Aadhaar authentication, but inter-operability has been an issue resulting in transactions of other banks being declined. [National Payments Corporation of India \(NPCI\)](#) chairman [AP Hota](#) also confirmed the development and said they are in discussion with [Unique Identification Authority of India \(UIDAI\)](#).

Easing Banking Transactions

- ▶ **BUSINESS CORRESPONDENTS** currently operate via different solution providers on micro ATMs running on AEPS
- ▶ **THIS LEADS TO** banking transactions being declined
- ▶ **NPCI IS IN TALKS** with UIDAI to have a common solution provider for all AEPS transactions

"The idea is to rapidly expand micro ATMs across the country. We are examining various possibilities to be developed quickly," he added. There are 1.26 lakh bank mitras in the country which operate primarily through these micro ATMs or hand held point of sale terminals.

The government is also looking to provide micro ATMs to more than one lakh ration or fair price shops by March 2017 and banks have been advised to upgrade them as business correspondents. There are nearly 5.5 lakh fair price shops across the country.

A common solution provider for AEPS transactions will ensure that various issues related to decline in banking transactions are taken care off and other interoperability issues, said the above quoted government official.

"We have also asked the urban development ministry to fast track the process of National Common Mobility Card," he said, adding that this card is aimed to promote cashless travel in metro cities across different modes.

NPCI is already working to roll out a contact less platform for the same. The proposed model can be used for travelling by any means of transport and also enables account based retail applications.

The national task force for promotion of payments through cards and digital means has also directed to install about 1.55 lakh post offices, which will be further strengthened with the opening of [Post Bank](#). While debit cards registered a growth of 64% between October 2013 and October 2015, number of ATMs grew about 43% while point-of-sale machines increased nearly 28%.

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