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GOVERNMENT OF INDIA

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**TASK FORCE ON AN AADHAAR ENABLED UNIFIED PAYMENT  
INFRASTRUCTURE SUBMITS REPORT TO FINANCE MINISTER;  
FM CALLS FOR UPSCALING AND IMPLEMENTATION OF PILOT  
PROJECTS IN MORE AREAS**

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The Union Finance Minister Shri Pranab Mukherjee said that Aadhaar-Enabled E-payment system would help not only in ensuring the timely payments directly to the intended beneficiaries but would also help in reducing the time taken, transaction costs and the leakages among others. The Finance Minister said that this would also help in bringing transparency in the system and reducing avoidable delays. The Finance Minister Shri Pranab Mukherjee was speaking after receiving the Final Report of the Task Force on Aadhaar-Enabled Unified Payment Infrastructure presented to him by Shri Nandan Nilekan, Chairman UIDAI and the Task Force, here today. The Finance Minister Shri Mukherjee further said that pilot projects be upscaled and implemented in more areas and in more States. So far pilot projects are mainly implemented in the areas of LPG, kerosene, fertilizers and MGNREGS which can be further expanded, the Minister added. Today's meeting was also attended among others by the Union Agriculture Minister, Shri Sharda Pawar, Rural Development Minister, Shri Jairam Ramesh, Minister of State (Independent charge) for Consumer Affairs, Food and Public Distribution, Shri K.V. Thomas, the Minister of State for Chemicals and Fertilizers, Shri Srikant Jena, Secretaries of various Departments/Ministries and senior officials of Ministry of Finance and Planning Commission among others.

Earlier, the Chairman UIDAI and the Task Force, Shri Nandan Nilekani made a presentation highlighting the various recommendations made by the Task Force in its Final Report. Shri Nandan Nilekani said that a strategic transformation of the governance can be brought about by the usage of electronic payments across the board. Shri Nilekani said that the Task Force has recommended a systematic platform based approach for the electronic payments.

The Task Force which was chaired by Chairman, UIDAI, Shri Nandan Nilekani also included Secretaries of the Departments of Expenditure, Financial Services, Fertilisers, Petroleum, Agriculture, Rural Development, and Food and Consumer Affairs among others. The members also included DG, UIDAI, Controller General of Accounts (CGA), representatives from the NIC, RBI, IBA and NPCI. The Task Force was constituted in September 2011 to recommend, inter alia, a detailed solution architecture for direct transfer of subsidy through a payments bridge wherein funds can be transferred into any Aadhaar-enabled bank account on the basis of the Aadhaar number.

The salient recommendations of the Task Force include that beneficiaries of all social safety net programs (MGNREGS, SSP, JSY, IAY, scholarships, etc.) and recipients of direct subsidy transfer payments (LPG, Fertilisers, kerosene, etc.) can greatly benefit by receiving their payments electronically, directly into accounts of their choice at either banks or post offices. The Task Force recommends that frontline development workers such as school teachers, Anganwadi workers, ASHA workers, etc. who often do not receive their salaries on time, can also receive their salaries by direct deposit into their accounts at banks and post offices. It also recommends that a network of 10,00,000 interoperable microATMs operated by Business Correspondents will have to be set-up across the country for people to access their accounts at their own convenience. In order to set-up this network quickly, the Task Force has recommended that a last mile transaction fee of 3.14% with a cap of Rs.20 per transaction be paid by Government to banks for Government payments. This will also lead to positive network externalities such as reduction in leakages and achieving financial inclusion. In order to reduce the use of cash in the economy, the Task Force also recommends that Government and Government owned institutions accept electronic payments at all locations where they collect payments from citizens, without any additional surcharge. The Task Force also recommends that over a period of time, all payments of Government over the sum of Rs.1,000 should be made or received electronically. Transacting all Government business using electronic payments will help reduce graft, and bring about greater transparency and accountability. This reform will require a systematic platform-based approach to payments. For this the Task Force has recommended the adoption of the following:

1. Government e-Payments Gateway (CGA): Enable straight-through processing and release of funds from Ministry of Finance to the Line Ministries;
2. Aadhaar account opening and authentication platform (UIDAI): Provides electronic account opening capability along with real-time authentication of residents;

3. Aadhaar Payments Bridge (NPCI): An interoperable system operated by NPCI for transferring funds into accounts at banks and post offices on the basis of Aadhaar number;
4. MicroATM network (Banks and India Post): An interoperable network of Business Correspondents deploying MicroATMs for balance query, deposits, withdrawals, and remittances; and
5. Mobile banking: Provide self-service banking capabilities through mobile phones for everyone. The Union Finance Minister accepted the Task Force Report in-principle and stated that necessary steps would be taken to implement the recommendations of the Report. The Task Force report is available on the Ministry of Finance website i.e. [www.finmin.nic.in](http://www.finmin.nic.in)

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