

What is Aadhaar eKYC and How Aadhaar Based KYC Works ?

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In brief

Aadhaar eKYC is an electronic version of the traditional Know Your Customer verification process that uses your Aadhaar number to confirm your identity digitally.

Nowadays most of us heard about the term Aadhaar eKYC and what eKYC exactly means and how it works? Today we will go through that. eKYC is an electronic version of KYC which is the short form of Know Your Customer. So before going to eKYC, we will check what is KYC.

KYC in expanded form Know your Customer, which is in simple terms is the verification of a customer. In general KYC verification was existing from the beginning, the term KYC became popular in the near past only.

For example in Bank and all, if we need to open an account we need to submit valid proof for Name, Date of Birth, Address, etc to the bank official for verification and for documentation the bank will keep a copy of the document with them. We usually provide Voter's ID, Driving License, Pan Card, etc earlier.

(Also see: SBI Launched New Age Banking Mobile App Called YONO)

So after verification, the account will be opened since the Bank verified the customer details and they have valid documents too. So this process generally called KYC. In simple words, it is just identifying or validating a customer.

And when the Aadhaar Number came into existence, we are using Aadhaar Card as a valid proof for Identification. So we can use the Aadhaar Card as the primary proof for KYC. This KYC process is existing in all fields, like for taking a SIM Card, for Insurance, etc.

Now, when Aadhaar Number is being used widely for all sorts of verification, eKYC came into existence. As we already said, it is the electronic version for the old conventional verification process. This can be done in two ways.

1. Verification From Home itself

Here the verification can be done from the home itself, we don't need to go anywhere to prove our identity. Some services now a day provide this eKYC which is also known as Aadhaar OTP based authentication.

In this process, we can do the verification by providing our Aadhaar Number and after that, an OTP (One Time Password) will be sent to the mobile number registered with that particular Aadhaar Card. Then we need to enter the received OTP to complete the Verification. So, in this method, the verification can be done in a few minutes.

(Also see: UMANG - All you need to know about India's All in One Digital App)

2. Verification using a biometric device

In this method, we need to visit the center and we have to provide our Aadhaar number and thumb impression using the biometric device and the system will read our details and upon verification, the system will automatically take the details associated with your Aadhaar Number.

This process will also take only a few minutes. Currently, SIM Card verification is done using this method and From January 1st we can do the same as the 1st method mentioned above, from your Home Itself.

As we can see that all the verification is being used now are based on the Aadhaar Card, in the near future, all the KYC procedure will be converted to eKYC. So it will be better to make sure that your Aadhaar is having your Mobile number updated in it.