

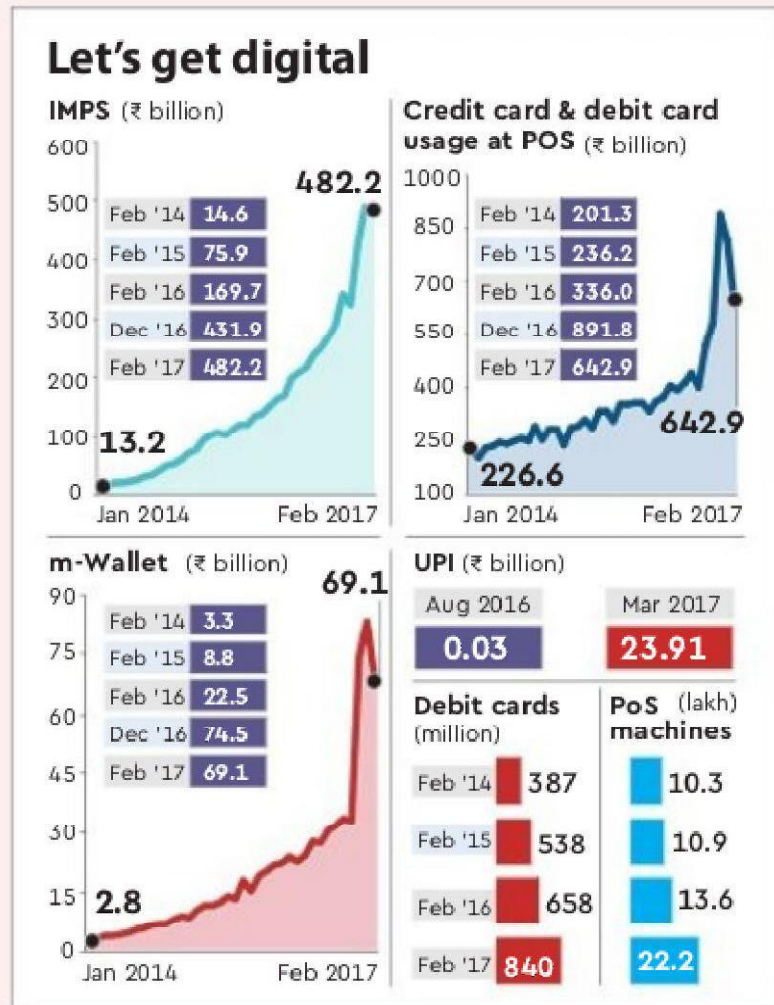
# AadhaarPay takes off with 7 lakh shops already on it

₹495 cr outlays for cashback-referral can pay for 20 lakh merchants at cap of ₹1,800 for a period of six months

**SHRITAMA BOSE & ISHAAN GERA**  
 Mumbai/New Delhi, April 14

WITH OVER 7 LAKH merchants already on-boarded by 27 banks—each of the 96,000 branches of PSU banks had a target of getting five shops but surpassed this — and a plan to triple this over the next six months, Bhim-Aadhaar is off to a flying start. At its launch at Nagpur on Bhimrao Ambedkar's 126th birth anniversary, Prime Minister Narendra Modi said that while people have ridiculed the illiterate as 'angoothachaaps' — those who sign with their thumb prints — "to day, that same angootha will empower you".

Apart from banks, others such as fintech start-up Benow — it is incubated by Mastek — are also enrolling merchants and helping develop B2B solutions. Benow, which is working with retailers in Mumbai and Thane, is also trying to convince large distributors to move on to its platform — Thakkar Trading, one of Hindustan Unilever's eight distributors in Mumbai, has already encouraged 100 of its 6,000 retailers to accept payments through UPI and hopes to get a fifth to adopt it in six months.



Modi said the app, which allows even those without smartphones or those who shop in places that don't have credit/debit card point-of-sale (PoS) swipe machines to make digital payments, would soon become a case study in global universities and B-schools. A simple biometric card reader attached to the shopkeeper's phone would be the only payment machine required instead of expensive PoS machines right now. Bhim is available in 12 languages already.

Though Reserve Bank of India data show a fall in digital payments as more cash has

come into the system after demonetisation, as the above graphics show, IMPS payments have risen from ₹16,970 crore in February 2016 to ₹48,220 crore in February 2017, card payments from ₹33,600 crore to ₹64,290 crore (though this is lower than ₹89,180 in December 2016) and mobile wallets from ₹2,250 crore to ₹6,910 crore. The number of debit cards rose from 658 million to 840 million and PoS machines from 1.4 million to 2.2 million in the same period.

Continued on Page 2

## AadhaarPay takes off with 7 lakh shops already on it

While the Bhim app has already got around 19 million downloads since it was launched in December, just around a fourth are actual users. AP Hota, managing director and chief executive officer at NPCI — which built and runs Bhim — feels this would no longer be an issue since, with the government pushing for linking Aadhaar numbers with bank accounts, potentially every Indian with a bank account could use it.

With a maximum merchant cashback of Rs 1,800 in six months, getting 20 lakh merchants on board would entail an outlay of Rs 360 crore, leaving Rs 135 crore for onboarding customers — at Rs 35 per customer, including the incentive for the referral as well as downloading the app, that's almost 40 million customers.

Paytm, the most successful mobile wallet — Bhim-Aadhaar is not a wallet but is also used for making payments — claims it has 850,000 merchants and 150 million customers on board and has processed Rs 24,000 crore payments in FY17. According to RBI data, all mobile wallets, including those of banks, processed Rs 45,930 crore of transactions in April-February 2017.