

What BHIM-Aadhaar Payment App Has to Offer?

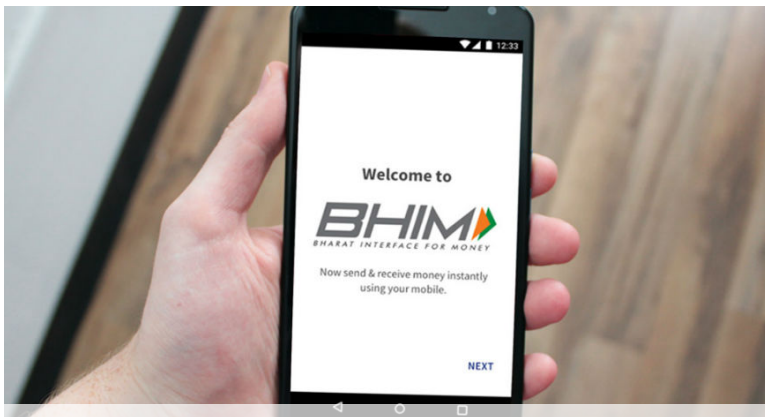
Citizens without any access to smartphones and internet, or debit or credit cards will also be able to transact digitally through the platform.



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by BW Online Bureau

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Prime Minister Narendra Modi on Friday launched merchant interface app BHIM-Aadhaar, which links the Bharat Interface for Money mobile application with biometric platform Aadhaar.

The new app will “pave the way for making digital payments by using the Aadhaar platform,” the government said in a statement.

Citizens without any access to smartphones and internet, or debit or credit cards will also be able to transact digitally through the platform.

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BHIM-Aadhaar – an upgrade on Aadhaar Pay – is a biometric-enabled payments solution that will allow customers to make purchases using their unique Aadhaar numbers that are linked with their bank accounts. A device will scan a customer's fingerprint for authenticating

transactions.

BHIM, which competes with privately-owned digital wallets, including Paytm and MobiKwik, has been built on the Unified Payments Interface (UPI) – a platform that is linked to the user's bank account directly and does not store money, unlike other wallets.

The government said 27 major banks have already tied up with 7.15 lakh merchants for accepting payments using BHIM-Aadhaar, and all public sector banks have been instructed to go live with Aadhaar Pay.



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The Rs 495-crore Bet

The government, which had launched the BHIM app for individual users in December 2016, plans to go the whole hog on its digital wallet promotion. It has set aside a budget of Rs 495 crore to promote the app for the next six months.

It has also decided new incentive schemes for the BHIM app – from cashback for merchants to referral bonuses for individual users.

Under the referral bonus scheme, both existing users, who refers BHIM, and the new user would get a cash back of Rs 10 credited directly to their account. The scheme is valid till 14 October. The merchants will get a cash back on every transaction using BHIM-Aadhaar.

Paytm, MobiKwik make it count

Many mobile wallet companies, including Paytm, MobiKwik and Freecharge, are likely to take a hit with the growing popularity of the BHIM-Aadhaar app.

India's largest wallet firm Paytm has a huge marketing budget. In 2016, the company had spent nearly Rs 2,046 crore in acquiring customers, and had said that it had set aside an additional Rs 500 crore for its marketing spends for 2017.

Gurgaon-based MobiKwik had recently announced its Rs-300 crore 2017 budget to acquire customers, as it looks to increase its market share in the highly-competitive digital payments market.



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Aadhaar-based Payments Through BHIM App For Merchants Launched