

Govt may give Bhim users cashback bonanza on I-Day

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Bengaluru: This Independence Day, the government will offer higher cashbacks if consumers opt for digital transactions using the Bhim app. Operated by the National Payments Corporation of India (NPCI), the Bhim app works on the Unified Payments Interface (UPI). The Prime Minister had unveiled Bhim in December, after demonetisation, to boost digital payments.

NPCI MD & CEO A P Hota told **TOI** the proposed approval of increased cashback incentives by the government for Bhim usage is expected to come into effect by August 15. This also coincides with the planned rollout of a new version of Bhim. "We have communicated to the government that the cashback incentives need to be increased so that more people will start using it. We are waiting for the approval from the government which is expected by August 15," Hota said. At present, these cashbacks are

between Rs 10 and Rs 25.

Hota's push for higher incentives for Bhim users also comes on the back of other payment apps in the country offering cashback incentives aggressively for customer

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—A P HOTA | MD & CEO, NPCI

acquisition and repeat transactions. Companies like Paytm and PhonePe, which are backed by global investors, have relied on these discounts to lure users onto their platforms. Currently, if a person refers Bhim to another, s/he will get Rs 10 as bonus and the person referred to will get Rs 25 as cashback.

TOI reported last month that banks may cut UPI charges for merchants in a move aimed at proping up the number of transactions made through UPI. After demonetisation, the government had allocated over Rs 450 crore for cashback incentives to be used for a period of six months starting April 14, which was B R Ambedkar's birth anniversary. The payments app recently crossed a user base of 16 million with 4 million active customers at the end of June.

"We are also in the final stages of launching version 1.4 of Bhim, which will make transactions smoother on the app. Among other updates, Bharat quick response (QR) code will be integrated into the app which should be another booster for increasing transactions on Bhim," Hota said. Bharat QR enables shops to accept electronic payments from cards or UPI with the customer scanning the QR. Since demonetisation, the government has been actively pushing digital payments.