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PayU India, Paytm get in-principle approvals for consumer bill payment services

By [Gulveen Aulakh](#), ET Bureau | Updated: May 16, 2016, 01:26 PM IST

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PayU India and Paytm have got amongst the first in-principle approvals for operating as a Bharat Bill Payments Operating Unit (BBPOU), allowing them to offer interoperable bill payment service to consumers.

Consumers will be able to pay all their bills anytime and anywhere under the Bharat Bill Payment System (BBPS), and the companies will provide platforms to offer these services.

Vijay Shekhar Sharma, founder of One97, said Reserve Bank of India has laid some conditions to get the final authorisation.

"We're planning to launch the payments unit by August-September, alongside our payments bank," said Vijay Shekhar Sharma, founder of One97, adding that the permits have come with some conditions laid down by the Reserve Bank of India that need to be fulfilled.

Companies with in-principle approvals would have to meet two conditions, including a certification from National Payment Corporation of India (NPCI) for adherence to BBPS standards and system readiness. A system audit would also have to be conducted to evaluate the hardware, software, critical applications and security.

In November 2015, RBI had granted in-principal approval to NPCI to function as Bharat Bill Payment Central Unit.

Shailaz Nag, co-founder of PayU India said that the license along with the company's technology will offer a cost effective and efficient alternative to existing payment options, thus increasing consumer convenience.

RBI had received 62 applications for authorisation from non-bank entities and 80 requests in all for approvals from banks for operating as a payment operating unit under BBPS. Till now, it has given approvals to 33 applicants including Oxigen, aggregators like BillDesk and banks including SBI, ICICI, HDFC and others.

BBPS is an integrated bill payment system that will enable payment services online or through an offline network. Payment can be made through multiple modes and the users will get instant confirmation.

It will function as a tiered structure for operating the bill payment system in the country with a single brand image providing convenience of 'anytime anywhere' bill payment to customers.

Once the system is up and running, consumers will be able to pay a variety of bills such as utility bills, and going forward payments like school or university fee, municipal taxes.

The move is needed as India lacks interoperability in the bill payment processes and a vast majority of customers do not have access to various modes of electronic payments.

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