SETU

The future of bill payments in India

A report on the BBPS infrastructure

The success of UPI or Unified Payments Interface has propelled India to one of the most exciting fintech markets in the world. While UPI has grabbed the spotlight for all the right reasons, it's important to understand and acknowledge another payment infrastructure that has been very instrumental in India's digital journey— **BBPS** or **The Bharat Bill Payment System.**

The Bharat Bill Payment System (BBPS) is a payment ecosystem introduced by the **National Payments Corporation of India (NPCI)** to simplify and streamline the process of bill payments in India.

Let us explain it further with an example.
A lot of us today probably can't remember the last time we visited a physical office to pay an electricity bill. We usually open our favourite UPI app, and in a few clicks, we're done with the payment. The next bill is next month's problem.

This level of convenience is powered by BBPS. Popular payment apps have all BBPS-enabled businesses available on them. This means that any user can open their preferred payment app, find their bill for a BBPS business and pay with ease, without having to go to any other website or a physical outlet.

This is powerful, because India has a lot of recurring payments to make—electricity bills, water bills, mobile recharges, loan EMIs and OTT subscriptions, to name a few. For most customers, it's quite a task to remember the due dates for all their bill payments. And when they do remember, visiting an offline payment point or using a service provider's website to pay is nothing short of an ordeal.

This report provides an in-depth understanding of BBPS, its objectives, architecture, benefits, challenges, and its impact on the Indian payment landscape.

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Introduction

BACKGROUND

The Bharat Bill Payment System (BBPS) emerged as a transformative payment system in India, aiming to modernise and simplify bill payments across the country. Here's a closer look at the background and key milestones in the evolution of BBPS:

2010

Inception and early concept development

- The idea for a unified bill payment system in India began to take shape in the early 2010s.
- The National Payments Corporation of India (NPCI), an organisation tasked with developing and managing retail payment systems in India, led the initiative.

2013-2014

Pilot phase

- The initial discussions and planning for BBPS took place between 2013 and 2014.
- The foundations of the RBI initiated a nationwide study via the Government Internal Revenue Order (GIRO) advisory committee in 2013.

2014

Approval from Reserve Bank of India (RBI)

- In 2014, the RBI granted in-principle approval for the establishment of BBPS.
- This was a pivotal step that allowed NPCI to move forward with the development and implementation of the system.

2015-2017

Testing and launch

- BBPS started with a pilot phase, involving a limited number of billers and Payment Service Providers (PSPs) to fine-tune the system.
- The pilot phase laid the foundation for the eventual nationwide launch.

2017

National launch

- BBPS was officially launched on August 31, 2017.
- With this launch, it became a pan-India initiative, offering customers and billers a centralised platform for bill payments.

2018

Expansion and growth

- The system expanded its reach and services, including bill categories like electricity, water, gas, telephone, DTH, insurance premiums, and more.
- BBPS also expanded its tech capability to support newer categories like subscriptions, FASTag, donations, etc.

OBJECTIVES

The primary objectives of BBPS are:

1 To enhance customer convenience and accessibility to bill payment services.

2 To reduce errors and fraud in frequent bill payment transactions.

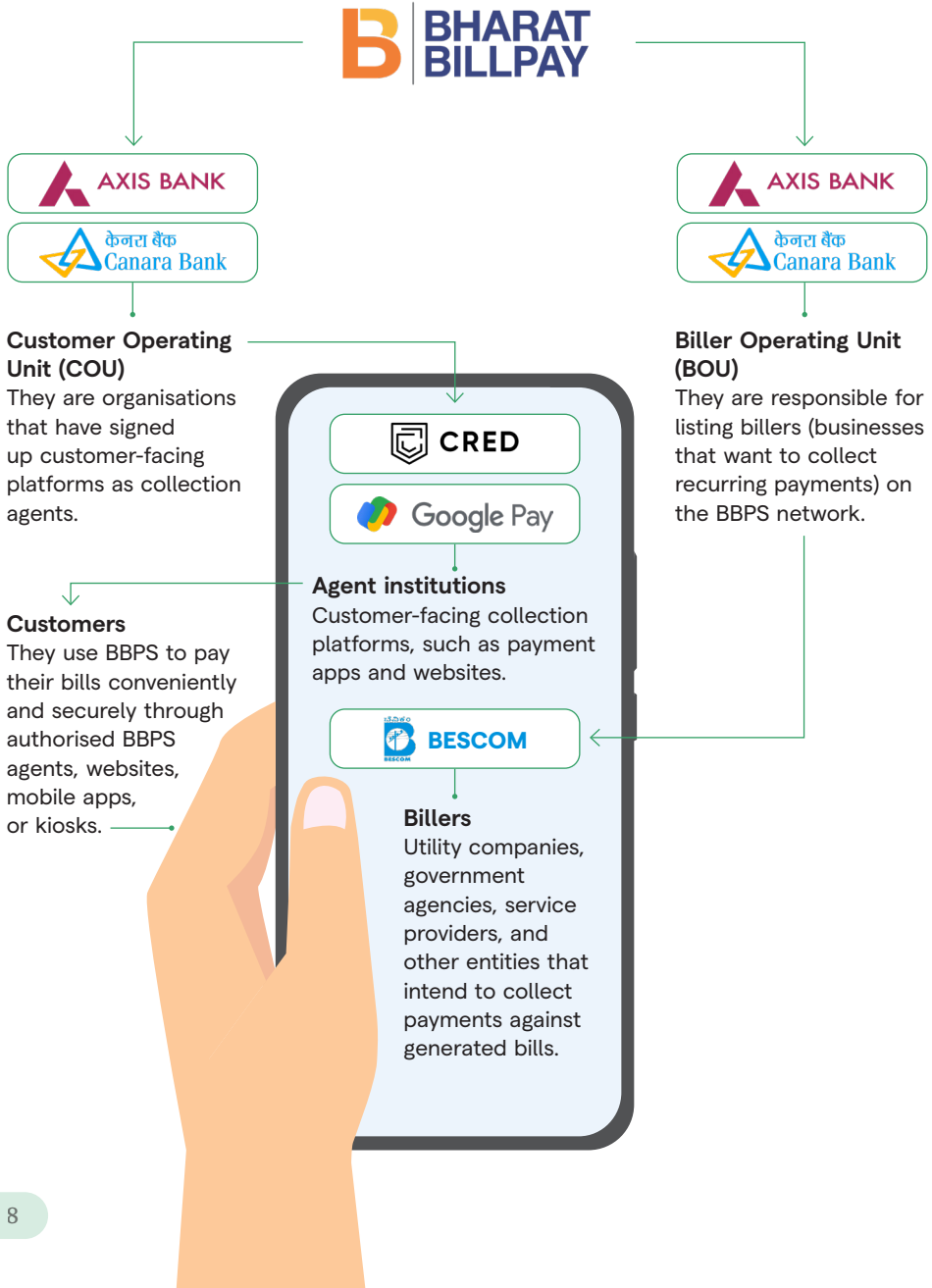**3** To promote digital payments and reduce cash dependency.

SCOPE

The scope of the Bharat Bill Payment System (BBPS) is multifaceted, encompassing a wide range of aspects that have a profound impact on India's payment landscape. This includes its architecture, key stakeholders, bill payment process, benefits, challenges, and its impact on India's payment landscape.

BBPS universe

BHARAT BILLPAY

AXIS BANK

केनरा बैंक Canara Bank

Customer Operating Unit (COU)
They are organisations that have signed up customer-facing platforms as collection agents.

AXIS BANK

केनरा बैंक Canara Bank

Biller Operating Unit (BOU)
They are responsible for listing billers (businesses that want to collect recurring payments) on the BBPS network.

CRED

Google Pay

Agent institutions
Customer-facing collection platforms, such as payment apps and websites.

Customers
They use BBPS to pay their bills conveniently and securely through authorised BBPS agents, websites, mobile apps, or kiosks.

BESCOM

Billers
Utility companies, government agencies, service providers, and other entities that intend to collect payments against generated bills.

REGULATORY FRAMEWORK

The regulatory framework under which the Bharat Bill Payment System (BBPS) operates is critical to ensure the security, integrity, and effectiveness of the system. BBPS is subject to oversight and guidelines from two primary regulatory authorities in India: the Reserve Bank of India (RBI) and the National Payments Corporation of India (NPCI).

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

Reserve Bank of India (RBI):

- Authorisation and licensing
- Security and data privacy
- Customer protection
- Interoperability
- Reporting and compliance

NPCI
भारतीय राष्ट्रीय भुगतान निगम
NATIONAL PAYMENTS CORPORATION OF INDIA

National Payments Corporation of India (NPCI):

- Onboarding and compliance
- Transaction processing
- Standardisation
- Dispute resolution
- Training and awareness

TECHNICAL SERVICE PROVIDERS (TSPs)

TSPs are specialised entities that play a crucial role in providing technical support and expertise within the BBPS ecosystem. They assist billers, Payment Service Providers (PSPs), and Operating Units (OUs) in the technical aspects of integrating with the BBPS platform.

SETU'S ROLE IN THE BBPS ECOSYSTEM

Setu sits in the middle of the BBPS ecosystem as a certified Technical Service Provider or TSP. Using Setu's APIs, you can integrate with—

BBPS BOU, for billers

On-board your business on BBPS and in turn, be discoverable across all popular payment apps like PhonePe, GooglePay, Paytm, BHIM and offline touch points.

BBPS COU, for customer-facing platforms

Become a digital bill payment end-point to collect bill payments from all your customers, and earn revenue for every bill you collect through your platform.
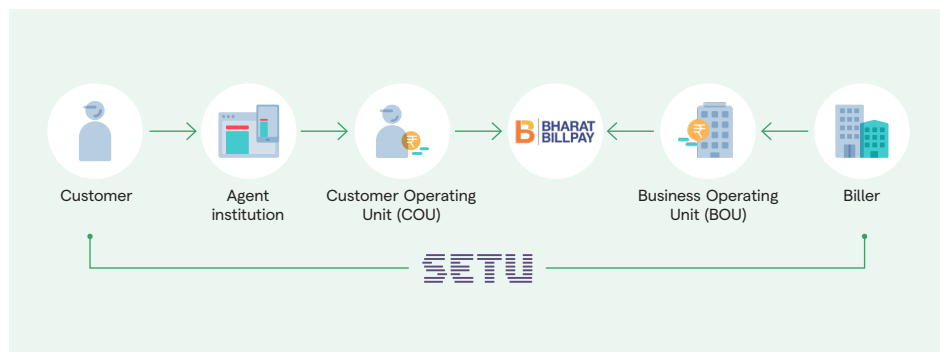
The bill payment process

The BBPS bill payment process is designed to simplify and streamline the payment of various bills, ensuring a convenient and secure experience for

01 BILLER ONBOARDING

Billers, which can be utility companies, government agencies, loan providers, or any entity that collects recurring bills, must register and onboard onto the BBPS platform.

During this process, billers provide essential information and integration details, including:

- ✓ Biller information
- ✓ Bill details
- ✓ Integration specifications

Once billers are successfully onboarded, their bills become available for payment through the BBPS platform.

BILLER GENERATION

After onboarding, billers continue to generate bills as per their regular schedule. These bills can be for various services, such as electricity, water, gas, telephone, insurance premiums, and more.

Billers need to ensure that the bill format and data conform to the standards specified by BBPS to ensure a seamless payment process.

02

customers. It involves several steps, from biller onboarding to payment confirmation and settlements. Let's delve deeper into each of these steps—

03 **BILL PRESENTATION**

Customers receive their bills through authorised BBPS agents or agent institutions. These agents can be banks, payment service providers, mobile apps, websites, or in-person kiosks. The bills can be presented in either physical or electronic form, depending on the customer's preference.

Electronic bills can be accessed through email, SMS, or a dedicated customer portal, making it easier for customers to view and pay their bills.

PAYMENT INITIATION

Once customers receive their bills, they can initiate the payment through the BBPS agent institution of their choice —Google Pay, PhonePe, Paytm, offline agents, etc.

04 BBPS ensures that the payment process is secure and that customer information is protected.

PAYMENT SETTLEMENTS

   In Bharat Bill Payment System (BBPS), agent institutions of BBPOUs can collect payments for different billers, even those not registered with their own BBPOUs. This creates two types of transactions: ON-US (where the biller and agent are onboarded on the same BBPOU) and OFF-US (where they are each onboarded on different BBPOUs).

ON-US transactions—

Definition   ON-US transactions occur when the biller and the payment-collecting agent belong to the same Bharat Bill Payment Operating Unit (BBPOU).

Example   If both the entity issuing the bill (biller) and the entity collecting the payment (agent) are part of the same BBPOU, it is considered an ON-US transaction.
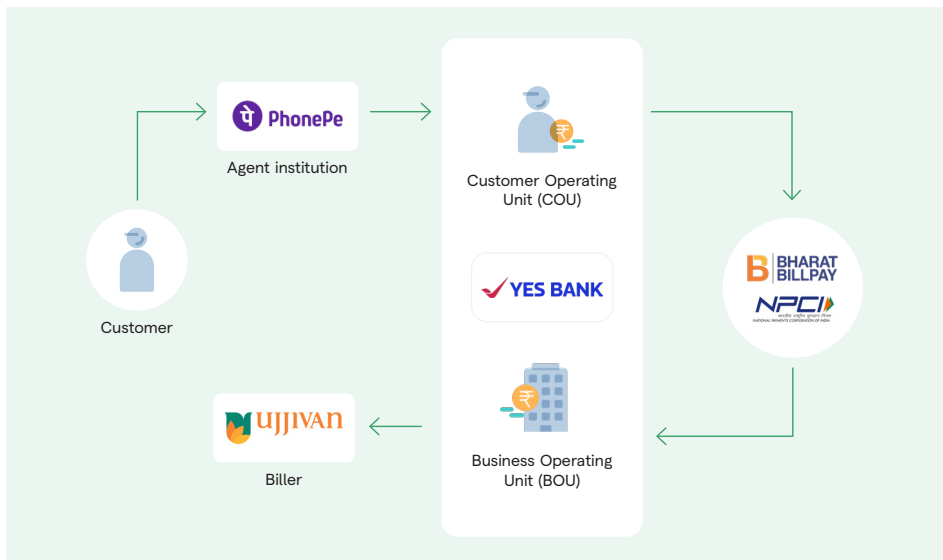
Settlement process—

- Settlement for ON-US transactions is handled entirely by the respective BBPOU involved.
- The BBPCU (Bharat Bill Payment Central Unit) does not play a role in the clearing and settlement process for ON-US transactions.
- The BBPOU manages the end-to-end process, including the collection of payment from the customer, settling funds between the agent and the BBPOU, and making the final settlement to the biller's account.
  — This process adheres to the standards set within the BBPS framework.

OFF-US transactions—

Definition OFF-US transactions occur when the payment-collecting agent and the biller belong to different BBPOUs.

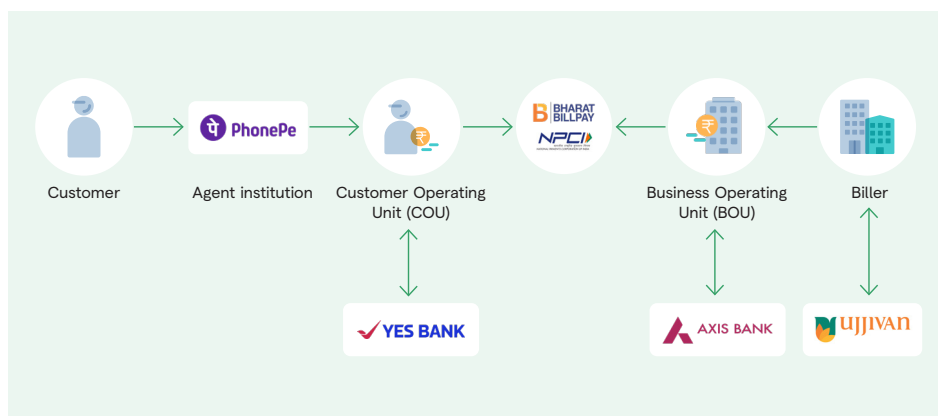**Example** If the entity collecting the payment (agent) and the entity issuing the bill (biller) are associated with different BBPOUs, it is considered an OFF-US transaction.

Settlement process—

- For OFF-US transactions, the BBPCU plays a central role in the clearing and net settlement process.
- BBPOUs report their OFF-US transaction data to the BBPCU.
- The BBPCU calculates the net settlement for each BBPOU, considering the overall transactions across the entire BBPS ecosystem.
- Based on the net payment obligation determined by the BBPCU, each BBPOU initiates fund transfers through a settlement bank arrangement established by the BBPCU.
- The BBPCU also provides transactional data related to the settlement to the concerned BBPOUs, enabling them to make payments to the respective billers.

POST-SETTLEMENT RESPONSIBILITIES

After settlement, the BBPOU is obligated to provide transactional details of the settlement to both billers and agents under its purview. This information is crucial for activities such as Management Information Systems (MIS), reconciliation, and customer service or grievance redressal.

Additionally, the billers receive the aggregated principal amount collected, determined either by the actual collected amount or according to commercial arrangements between BBPOUs and biller merchants. Simultaneously, agents are compensated with a commission or fee based on the agreed-upon terms for the payment of the commission or fee.

This transparent post-settlement information flow ensures accountability, facilitates reconciliation, and enhances customer service in the Bharat BillPay ecosystem.

Benefits of BBPS

CONVENIENCE AND ACCESSIBILITY

BBPS provides a centralised and user-friendly platform, allowing customers to pay their bills through multiple channels, such as mobile apps, websites, banks, and kiosks, enhancing convenience and accessibility for users.

REDUCED ERRORS

By standardising bill presentation and payment processes, BBPS significantly reduces errors in bill payments, ensuring that customers pay the correct amounts to the right billers, leading to enhanced accuracy in transactions.

ENHANCED SECURITY

BBPS prioritises security, employing robust encryption and authentication measures to protect customer data and transactions, thereby minimising the risk of fraudulent activities and unauthorised access.

TRANSPARENCY

BBPS offers transparency through real-time updates on payment status, transaction history, and bill details, empowering customers to track their payments and maintain a clear record of their financial obligations.

FINANCIAL INCLUSION

BBPS's digital accessibility extends to underserved and remote areas, bridging the financial inclusion gap by making bill payment services available to individuals who previously had limited access to such services, thereby promoting financial empowerment.

Challenges and concerns

01 INTEGRATION CHALLENGES

Integrating billers and Payment Service Providers (PSPs) into the BBPS platform can be a daunting task, as it often involves complex technical and administrative processes. The onboarding process requires aligning the biller's existing systems with BBPS standards, which can be time-consuming and resource-intensive, potentially leading to delays in expanding the BBPS network. TSPs, however, can simplify this process by providing clean APIs or a simple CSV option to onboard and integrate.

AWARENESS AND ADOPTION

While BBPS offers significant benefits, there remains a need for broader customer awareness and adoption, particularly in rural areas. Many potential users, especially in remote regions, may not be familiar with the convenience and security offered by BBPS. Raising awareness and educating customers about its advantages is essential to ensuring widespread adoption and reaping the full benefits of the system.

02

03

FRAUD DETECTION MECHANISMS

Concerns related to security, data privacy, and the risk of fraud are paramount in the digital payment landscape. BBPS must continuously address these issues to maintain trust in the system. Implementing robust security measures, stringent data protection policies, and fraud detection mechanisms is critical in safeguarding customer data and financial transactions.

COMPETITION AND MARKET DYNAMICS

BBPS operates in a competitive environment alongside existing payment platforms. The growth and success of BBPS could be influenced by the strategies and market dynamics of competitors. To thrive, BBPS must continue to innovate and offer unique value propositions to both billers and customers, differentiating itself from other payment options and attracting a larger user base.

04

Impact of BBPS

Let's check out the tangible impact of BBPS as we delve into real-life examples.

A leading NBFC-MFI (Non-Banking Financial Company—Microfinance Institution)

The company offers microfinance loans, micro-enterprise loans, housing loans, and various other financial services to women entrepreneurs, farmers, and small business owners.

5000 STAFF   **20 STATES**   **366 DISTRICTS**

Annapurna provides financial services in 366 districts across 20 states in India, Annapurna Finance has about 5000 staff on their payroll engaged in repayment collection. The staff used to collect physical cash from the customers and carry it to the branch. In the branch, valuable time and resources were spent to manually reconcile these cash collections and then the staff took the reconciled cash to deposit in the bank branch.

There are risks of looting and theft involved—

1. When the staff collect the physical cash and bring it to the branch, and
2. While going to deposit the cash from branch to bank in remote locations.
3. In case of bank holidays and technical issues at the bank's end, the branch ends up holding huge cash which also poses issues like risk of theft and loss of interest on idle cash.

Annapurna Finance integrated **Setu's BBPS APIs to centralise their loan collection process** and **reduce the huge risk of cash collection.**

This has **optimised the risk of cash misappropriation** along with significant OPEX reduction because of the digital process.

With Setu's BBPS, Annapurna Finance was able to easily collect EMI dues and gradually transition its collection strategy from a completely physical to a primarily digital one.

BBPS enabled the company to **provide a convenient, secure, and easy way to make loan repayments. Their customers could make repayments using their preferred mode of payment app, without ever having to visit a branch or a collection agent.**

12
MONTHS

12X
GROWTH

70%
LOAN
REPAYMENTS

In the last 12 months, their loan repayments via BBPS have seen a massive growth of 12X! Today, BBPS powers about 70% of all Annapurna Finance's loan repayments.

Success stories

Piramal Finance

PAYMENT PAINS TO DIGITAL GAINS

The problem

As Piramal Finance grew its books and disbursed huge numbers in loans, challenges in collections started to crop up. **Piramal was relying on their feet-on-street—or collection agents**—who would visit each borrower on the EMI due date and collect each payment manually. These agents then would rush to deposit these payments in one of the Piramal branches where it was reconciled by an army of finance executives. Since these were physical collections, **managing customer availability was a constant pain.** The headaches of registering payments on time and reconciliation of these payments were also growing.

Piramal was also relying on payment gateways for handling digital collections. Still, **exorbitant fees and a lack of easy-to-use payment methods** were just some of the reasons why this channel didn't have a strong impact.

The tug-of-war between these operational hindrances and their digital-first ethos was evident.

| Collection agents | Borrower | Collect payment | Piramal branch office |
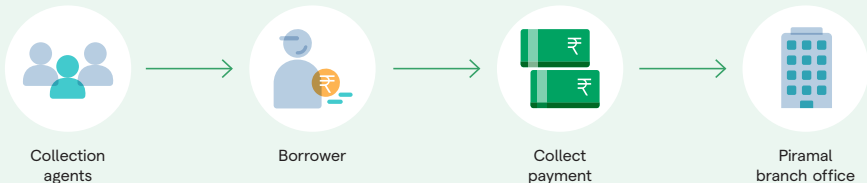
The solution

With a swift integration process of fewer than two weeks, Setu's BBPS BOU **onboarded Piramal Finance on all the UPI apps in the country.**

Now, any of Piramal's customers could open their favorite UPI application, find Piramal Finance, and make a **direct EMI payment to them with just a few clicks.**

Their collection agents never have to deal with last-minute customer reschedulings or hectic payment registrations.

The results

The impact was transformative. **In less than five months, the company collected ₹120 crores in EMI payments.**

Payments could be made 24/7 and reflected promptly in customer accounts. Reconciliation and registration became significantly more efficient.

The operational improvements were staggering; the company could **reduce its dependency on call centres,** improve its collection efficiency, and now has witnessed a surge in customers migrating to digital payment methods.
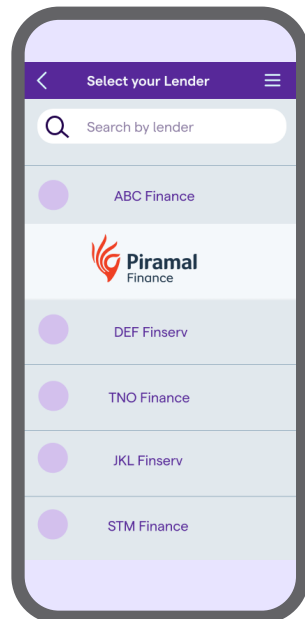
khyaal

INDIA'S #1 APP FOR SENIOR CITIZENS

The problem

Every day, over 15,000 Indians enter the senior citizen category. However, few startups are trying to solve any of their challenges. Khyaal, founded in 2020 during the height of the COVID-19, identified a surge in loneliness among seniors. They noticed a significant trust deficit, especially in digital financial services, hindering seniors from online transactions, like bill payments.

The solution

Khyaal recognised this trust deficit and created a secure bill payment platform for seniors. Leveraging Setu's BBPS COU APIs, Khyaal developed a fully customised bill payment product, seamlessly integrated within the app, allowing seniors to make bill payments for basic utilities like electricity, water, and gas. This not only addressed the trust issues but also empowered seniors to transact independently.

The results

With Setu, Khyaal offered a white-label solution that reflected Khyaal's brand. This resulted in increased user engagement, with seniors now confidently making bill payments directly from the app, with Khyaal also earning a revenue share for each bill payment. The success of this partnership demonstrates the power of community-focused fintech solutions in transforming lives.
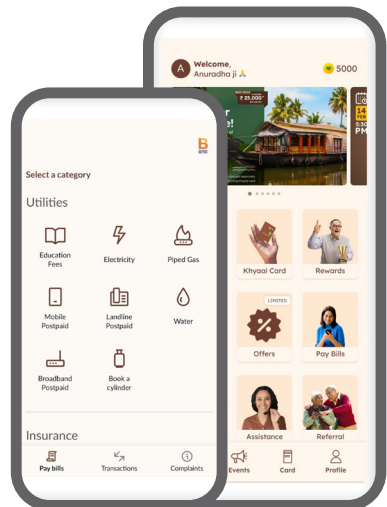
Future of BBPS

Bharat BillPay supports payments and collections for the following list of services.

Housing & utilities
- Electricity
- LPG
- Water
- Municipal taxes
- Housing maintenance
- Piped gas
- Rent

Communication
- Landline postpaid
- Mobile prepaid
- Mobile postpaid

Travel
- FASTag
- NCMC*

Finance
- Loan repayments
- Credit card payments
- Insurance
- Recurring deposit
- Education fees
- NPS*

Entertainment
- Broadband postpaid
- DTH
- Cable tv
- Subscriptions

Health
- Hospital & pathology
- Hospitals

Leisure
- Clubs & associations

Upcoming — National Common Mobility Card (NCMC) and National Pension Scheme (NPS)

AVENUES OF BILL PAYMENTS — (FROM THE COU SIDE)

Cross-border bill payments

With a growing number of Indians residing out of the country lending support in various ways to their families back home, there is good potential for inbound remittances towards bill payments. Many tend to support their families and ageing parents back home by paying utility bills, loan EMIs, monthly insurance premiums, school fees, etc.

BBPS has now opened up for cross-border payments to help NRIs,

OCIs, or anyone living in another country pay against a recurring bill back in India. NBBL has opened up conversations with OUs and exchange houses compliant with RBI MTSS to facilitate cross-border remittance flows for bill payments. Inbound remittances to India from NRIs increased from $89.1 bn in FY22 to $112.5 bn in FY23. While RBI has allowed BBPS to collect cross-border bill payments since September 2022, the ecosystem is yet to leverage the potential this category offers.

BBPS enhanced support for loan repayment options

As of May 2023, NBBL had released newer enhancements to BBPS APIs. This allows—

1. Billers to send multiple bills against a customer to the BBPS ecosystem.
2. Customers to select which specific bills to pay out from the list.
3. Customers to have the flexibility of how much of the total amount to pay, within certain minimum and maximum payment amount limits configured by the biller.

These enhancements apply to a lot of the existing and newer categories in BBPS. Many Loan providers, NBFCs/MFIs can benefit from this enhancement by extending collections to not just include EMI payments but also advance EMI payments, Part payments against an EMI, Overdue payments, Foreclosure payments, and more. Setu is now certified and compliant with these changes to help loan billers enable these collection types on BBPS.

Digitising cash collections through BBPS

At the 2023 Global Fintech Festival, BBPS unveiled a new initiative: the introduction of BBPS agents tasked with collecting cash for bill payments or loan repayments. This approach aims to diminish the reliance on centre

meetings conducted by Microfinance Institutions (MFI). Currently, these institutions heavily depend on centre or group meetings as their primary means of collecting repayments.

The introduction of BBPS Agents could represent a significant shift. These agents could collect cash from users, streamlining the process and reducing the necessity for all users to attend MFI meetings, many of whom are daily wage earners and need to manage work timings to attend the meetings. Moreover, these BBPS Agents would be equipped to handle cash repayments for all lenders affiliated with BBPS.

This change not only simplifies the collection process but also introduces a centralised approach to cash handling across borrowers from various MFIs within a specific geographic area. As a result, the overall cost associated with cash management is expected to decrease significantly.

SUPPORTING NEW USE CASES: NEW BILLER CATEGORIES INTO THE ECOSYSTEM — (FROM THE BOU SIDE)

Mobility use-case — Metros, NCMC

The RBI circular on expanding the scope of BBPS billers to non-recurring payments opened the mobility payments also to be brought under the fold of BBPS. Currently, in India, only 15% of mobility-related payments are digitised (as per building an ecosystem of collections through BBPS and Ola's ease of moving report). Introducing interoperable mechanisms to purchase tickets, purchase and recharge metro cards or the NCMC (National Common Mobility Card) would ease the usage of these services through reduced wait times and cash collections.

P2G use cases — E-challans, NPS

BBPS has also opened the category of e-challans collections through its network. This move would allow citizens to view, pay and track their e-challans via third-party payment apps. This would increase transparency in the system and reduce the barriers to fetching and paying pending e-challans, which can currently be done only via the website of the respective traffic department or a select few apps that have integrated with some of these departments.

Soon, we will also see the National Pension Scheme (NPS) as a biller category with BBPS. NPS was launched in 2004 as a scheme to provide pensions through investor contributions, first for central government employees and later opened to all citizens in 2009. Presently, all NPS contributions need to be done via the NPS website only. Onboarding the NPS as a biller category on BBPS will allow investors to manage their contributions through all the BBPS-enabled apps. This move will stand to encourage more frequent contributions to NPS and a higher uptake of the pension scheme.

B2B use case

The payments made by small and medium retailers to distributors across their respective industry supply chains are decentralised currently or managed through individual portals where mature distributors have built these to collect their payments. However, an average small retailer makes these payments through P2P payment modes. B2B billers on BBPS can provide their retailers with the ability to fetch all pending invoices, pay multiple invoices at the same time, choose the invoices to pay based on the credit period extended, download the payment receipts and track all payments made for all their distributors seamlessly. The gains made by reducing the transaction cost in the overall ecosystem and by digitising payments across a supply chain would be accrued to the small and medium retailers who often operate without the wherewithal of enterprise resource planning (ERP) tools.

Metro, NCMC

India is witnessing a steep rise in its metro ridership. Daily ridership across metro systems in the country has already crossed the 10 million mark and is expected to exceed 12.5 million in a year or two. In Delhi, currently, around 45% of people are making cashless transactions, and more than 70% of the people using smart cards including NCMC. This indicates that people are adapting to cashless or digital travel in a large volume. The popularity of smart cards is rising in other cities as well. The total Addressable Market is around 80,000 crores.

Payment for unreserved category tickets in railways

In the unreserved passenger segment, the total approximate number of passengers booked during the period 1st April 2022 to 31st January 2023 is 451 crores as compared to 197 crores during the same period last year, showing an increase of 128%. The revenue generated during the same period is ₹11,788 Crores.

Currently, this facility is provided through the website and mobile application of the "Unreserved Ticketing System" (UTS), but users find it difficult to access due to the lack of a convenient user interface and reported technical glitches. Moreover, customer awareness of UTS is lacking.

Integrating the booking of unreserved category train tickets with the BBPS offers significant convenience to customers by eliminating the need for an additional app and the hassle of logging in every time on their smartphones. This integration means that customers can effortlessly book these tickets directly through any payment app that they might already be using. This streamlined approach not only simplifies the booking process but also enhances accessibility.

Payment of GST challan

In the fiscal year 2022–23, GST collection surged past ₹18 lakh crore, averaging ₹1.5 lakh crore per month. This marks a historic high since the inception of GST. The monthly gross GST collection for the fiscal years 2021–22 and 2022–23 exhibited year-on-year growth of 30% and 22% respectively.

Small businesses rely on GST invoices for input tax credits. However, many struggle due to a lack of standardised payment settlement and invoice procedures with suppliers.

Digitising B2B payments is crucial to streamline GST payments and ease this process.

Navigating the GST portal can be daunting, especially for small businesses or individuals unfamiliar with digital transactions. Technical glitches on online GST portals further compound issues, causing delays and inconvenience. During peak periods such as tax filing deadlines, these platforms may become overloaded, resulting in slow processing times and transaction failures.

The Bharat Bill Payment System (BBPS) can offer accessibility through various channels, catering to a wide range of users. This accessibility is particularly beneficial for small businesses, enabling them to pay GST challans effortlessly using any payment app on their mobile phones.

Tax payments to urban local bodies

Property tax is already live with the BBPS. Expanding BBPS to include other forms of tax payments to ULBs, such as water tax, sewage tax, and other municipal taxes, could significantly streamline the process for residents (data not found on this).

Diagnostic service providers

Diagnostic service providers face a common challenge: patients enduring lengthy queues at diagnostic centres, compounded by the complexities of facilitating payments for family members residing in distant locations where cash transactions may not be viable.

In an industry marked by significant fragmentation, with organised entities representing just 17% of the market share, standalone local labs command roughly 46%, followed closely by hospital-based facilities at approximately 37%.

Looking ahead, the Indian diagnostic services market is poised for substantial growth, projected to soar to 43.57 USD billion by FY32.

Leveraging the extensive reach of the Bharat Bill Payment System (BBPS) could revolutionise accessibility to diagnostic services for patients across diverse regions, including remote areas, facilitating streamlined payments and improving overall healthcare accessibility.

Coaching centres

For many parents, visiting schools to pay fees is a hassle, especially for those who work. Carrying large sums of cash also poses safety concerns.

India's competitive coaching sector is expected to reach $2 billion by 2025. According to Annual Status of Education Report (ASER), nearly 40% of students took private tuition in 2021, with over 70 million students enrolled in coaching.

Integrating the coaching industry with BBPS can streamline fee payments, providing a convenient platform for students and parents.

Fees for monuments, national parks, museums, and cultural events

In FY 2022, the number of domestic tourists who visited centrally protected ticketed ASI monuments accounted for approximately 2.6 crores. On the contrary, the number of foreign visitors accounted for 3.18 lakh that same year. The numbers are well below the pre-pandemic levels. Among all the monuments, Taj Mahal, Agra (32.9 lakh) was the most visited monument in 2021–22 for domestic visitors followed by Red Fort (13.2 lakh) and Qutub Minar (11.5 lakh).

There are 1200 museums in India. The National Museum in India receives between 600,000 to 700,000 visitors annually.

There are 106 national parks, 573 wildlife sanctuaries in India, and 50 tiger reserves in India. In Madhya Pradesh alone, more than 10 lakh tourists visit national parks and sanctuaries every year generating more than ₹30 crores of revenue from the sale of entry tickets.

Quotes

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BBPS is a core part of India's Digital Public Infrastructure (DPI) stack. Its growth is a direct consequence of UPI's widespread adoption, allowing BBPS to broaden its services beyond utilities to include financial transactions such as loan repayments, insurance premiums, donations, and FASTag recharges. The potential for expansion into areas like ticketing, mobility, and B2B payments is immense, and we are at the forefront of this innovation alongside our banking partners and NPCI.

Nikhil Kumar, Co-founder, Setu

"

At Axis Bank, we believe in leveraging technology and putting our clients at the centre of all our endeavours. We have been continuously investing in leading edge technologies and pioneering solutions to offer our clients best-in-class and secure solutions. We have been the #1 ranked bank on BBPS since 2 years. This has been achieved with our pioneering BBPS proposition and our ability to quickly respond to evolving market opportunities while maintaining high standards of stability and security. The BBPS ecosystem is all set for the next phase of growth and expansion as newer opportunities arise and we look forward to achieving new milestones with our tech partner — Setu.

Vivek Gupta, President & Head WBP, Axis Bank

"

The Bharat Bill Payment System (BBPS) has transformed India's financial landscape, fostering financial inclusion and empowering a cashless society. This secure platform simplifies payments for individuals and collections for businesses, strengthening the digital payments landscape. An ecosystem like ours can grow only on the back of the support of banks and fintechs connected and co-opting with us and we are grateful for their invaluable collaboration. We would also like to thank our partner, Setu for enabling seamless biller integration and expanding our reach.

Noopur Chaturvedi, CEO at NPCI Bharat BillPay Ltd.

"

At Tide, we're focused on integrating India's SMEs into the formal economy with innovative financial solutions. Our new Bill Payments feature, developed with Setu and leveraging the Bharat Bill Payment System (BBPS), addresses SMEs' bill settlement challenges by enhancing agility, convenience, and security. This collaboration with Setu and BBPS helps small businesses manage finances better by separating business and personal expenses, monitoring cash flow, and planning expenditures.
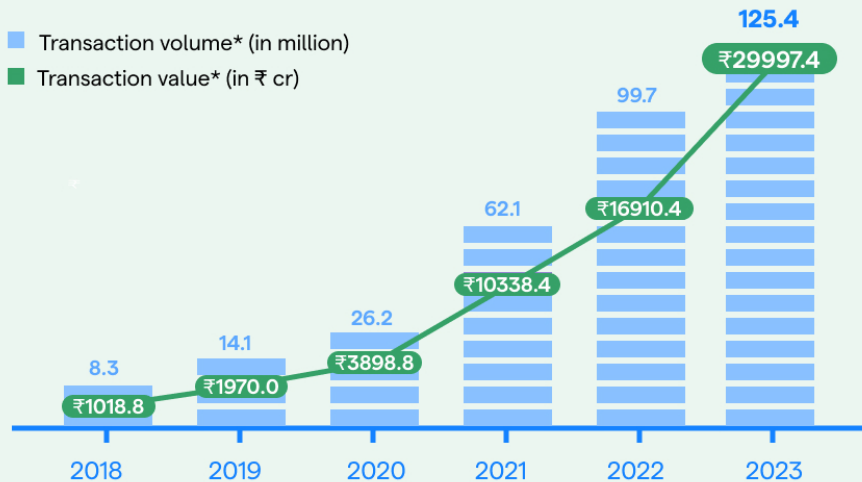
Kumar Shekhar, Deputy Country Manager, Tide India

BBPS Statistics

GROWTH OF BBPS IN INDIA

The **Bharat Bill Payment System (BBPS)**, launched in 2017, streamlines bill payments by offering a unified platform for various categories, including utilities and services. Its *interoperability, multiple payment channels,* and *standardised processes* enhance accessibility, security, and customer experience for users across India.

BBPS has seen a near 30x growth in transaction value in 5 years.

- 🟦 Transaction volume* (in million)
- 🟩 Transaction value* (in ₹ cr)

Year	Transaction volume* (in million)	Transaction value* (in ₹ cr)
2018	8.3	₹1018.8
2019	14.1	₹1970.0
2020	26.2	₹3898.8
2021	62.1	₹10338.4
2022	99.7	₹16910.4
2023	125.4	₹29997.4

Source: Bharat BillPay Ecosystem Statistics, Dec 2023; bharatbillpay.com
* figures for the month of December

D91 *Labs*

As of March 2024, the BBPS ecosystem has

21817
Live billers

35
Biller Operating Units

BHARAT BILLPAY

67
Customer Operating Units

1224
Agent institutions

Customers

D91 *Labs*
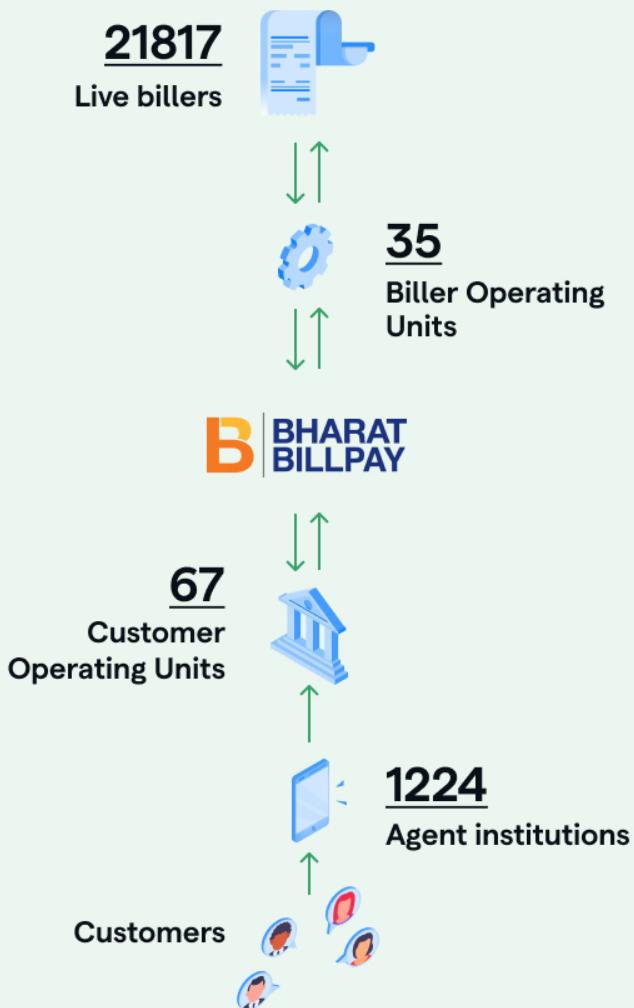
BILL PAYMENT CATEGORIES

BBPS now supports use cases for **24+ bill payment categories.** Onboarding of multiple large banks have contributed to significant increase in categories such as loan repayments, insurance and credit card payments.

Loan repayment has replaced electricity as the largest bill category by value. Insurance premiums now account for over 11% of all bills paid.

Category	Value	Share
Loan repayment	₹10,322 Cr	34%
Insurance	₹3,169 Cr	10.4%
Credit card	₹3,785 Cr	12.5%
FASTag	₹2,093 Cr	6.9%
Others	₹424 Cr	1.4%
Electricity	₹8,875 Cr	29.3%
LPG	₹728 Cr	2.4%
Mobile postpaid	₹382 Cr	1.2%
Piped gas	₹265 Cr	0.8%
DTH	₹116 Cr	0.39%
Landline	₹119 Cr	0.39%
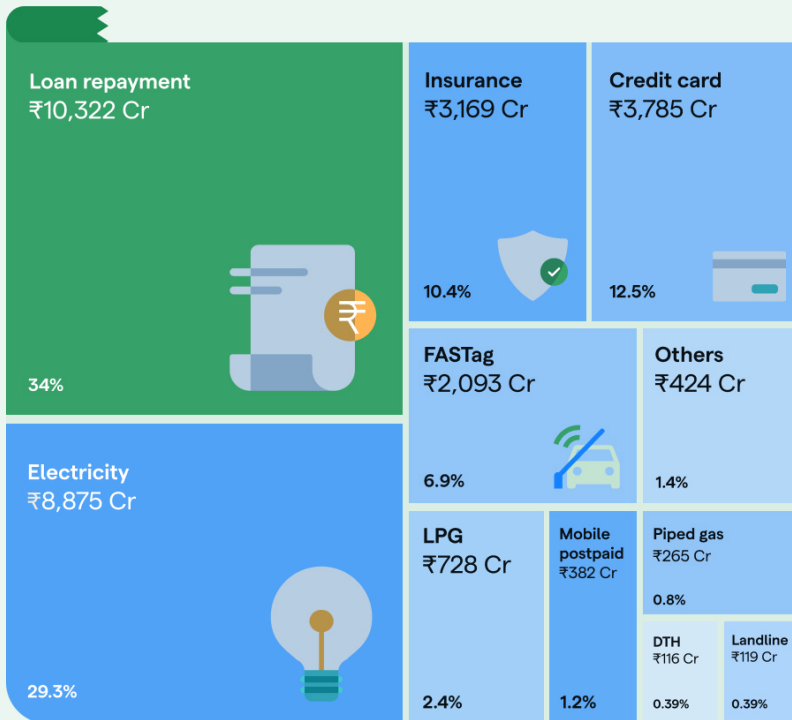
Source: Bharat BillPay Ecosystem Statistics, Feb 2024; bharatbillpay.com

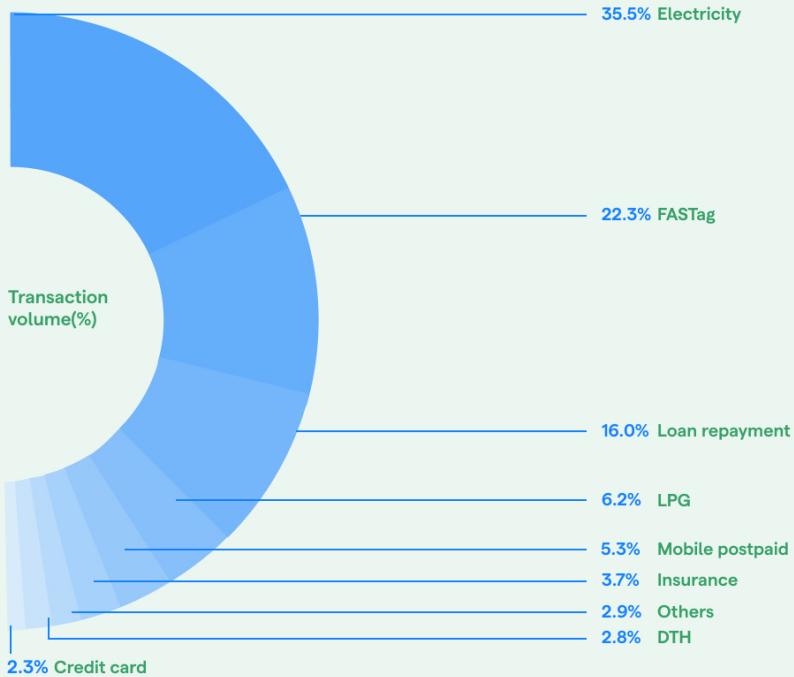**D91** *Labs*

Value of transactions
Feb, 2024

₹30,286 Cr

Volume of transactions
Feb, 2024
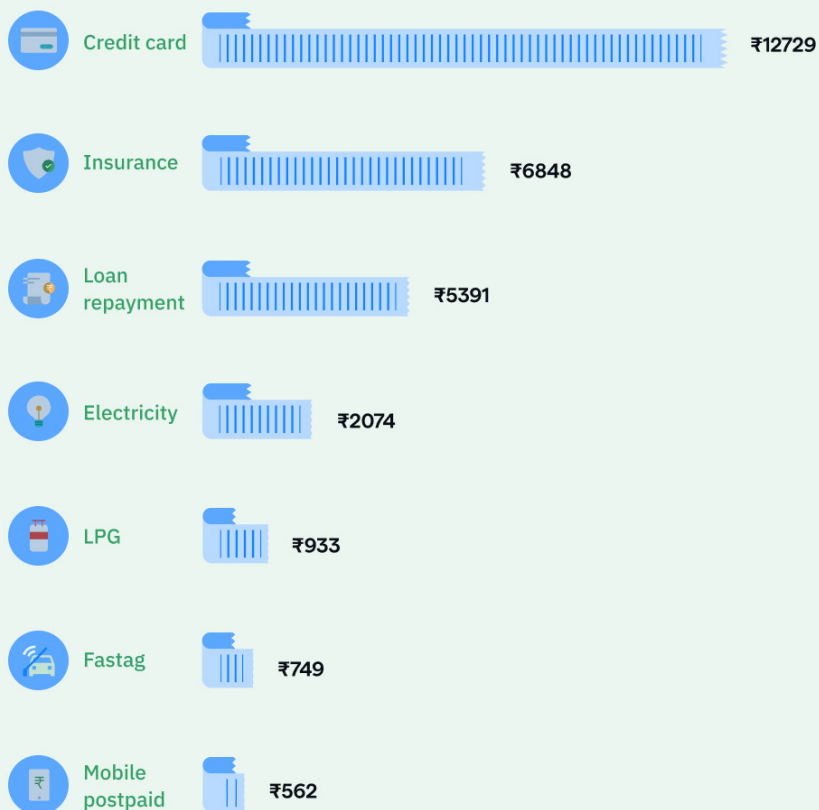
124.9 Million

Electricity bills and FASTag top-ups alone contribute to over 60% of the total transactions by volume.

Transaction volume(%)

35.5% Electricity

22.3% FASTag

16.0% Loan repayment

6.2% LPG

5.3% Mobile postpaid

3.7% Insurance

2.9% Others

2.8% DTH

2.3% Credit card

D91 *Labs*

BILL PAYMENT CATEGORIES

Average ticket sizes across different bill payment categories have been increasing consistently.

Category	Amount
Credit card	₹12729
Insurance	₹6848
Loan repayment	₹5391
Electricity	₹2074
LPG	₹933
Fastag	₹749
Mobile postpaid	₹562

Source: Bharat BillPay Ecosystem Statistics, Dec 2023; bharatbillpay.com

D91 *Labs*

Fastest growing bill payment categories

■ **% growth in transaction volume**   ■ **% growth in transaction value**

84.9%

77.8%

Loan repayment

▶ Wider payment options— pay through UPI, cards, net banking, etc

▶ Secure and transparent— ability to track payments easily and monitor credit scores.

▶ Rapid onboarding of major lenders and growth of retail lending.

▶ Easy top-up— seamless integration with payment apps and wallets.

▶ FASTag made mandatory for toll payments on national highways, increasing adoption.

▶ Expanding network of highways and toll roads.

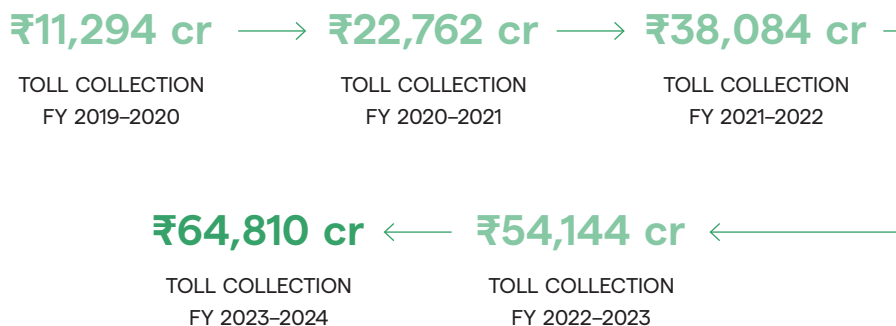**33.2%**   **38.9%**

FASTag

57.6%

36.1%
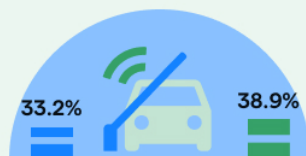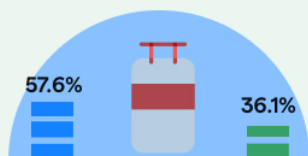
LPG

▶ Near universal LPG coverage has made it an essential and recurring utility like electricity.

▶ Integration of refill booking and payment services has made the process convenient.

▶ Expansion to rural areas via phygital touchpoints has increased accessibility.

D91 *Labs*

Why are these 3 categories growing fast? What is the insight?

THE RISE AND RISE OF FASTAG

- Driven by the booming travel and tourism industry, FASTag has become indispensable for everyone.
- With highways and toll roads expanding, FASTag's mandatory adoption has streamlined travel, saving time and hassle.
- In FY 2023–2024, FASTag collected a whopping ₹64,810 crore in tolls, up 55% from the FY 2019–2020.
- Its implementation has notably slashed waiting times at NH fee plazas, enhancing user satisfaction manifold.
- The transformation is evident: from just two FASTag lanes, now all toll lanes are equipped with FASTag, making travel smoother than ever.
- The surge in commercial vehicles, now constituting 85–90% of total toll traffic, underscores FASTag's pivotal role in modernising transportation and boosting revenue streams.

₹11,294 cr ⟶ ₹22,762 cr ⟶ ₹38,084 cr

TOLL COLLECTION
FY 2019–2020

TOLL COLLECTION
FY 2020–2021

TOLL COLLECTION
FY 2021–2022

₹64,810 cr ⟵ ₹54,144 cr ⟵

TOLL COLLECTION
FY 2023–2024

TOLL COLLECTION
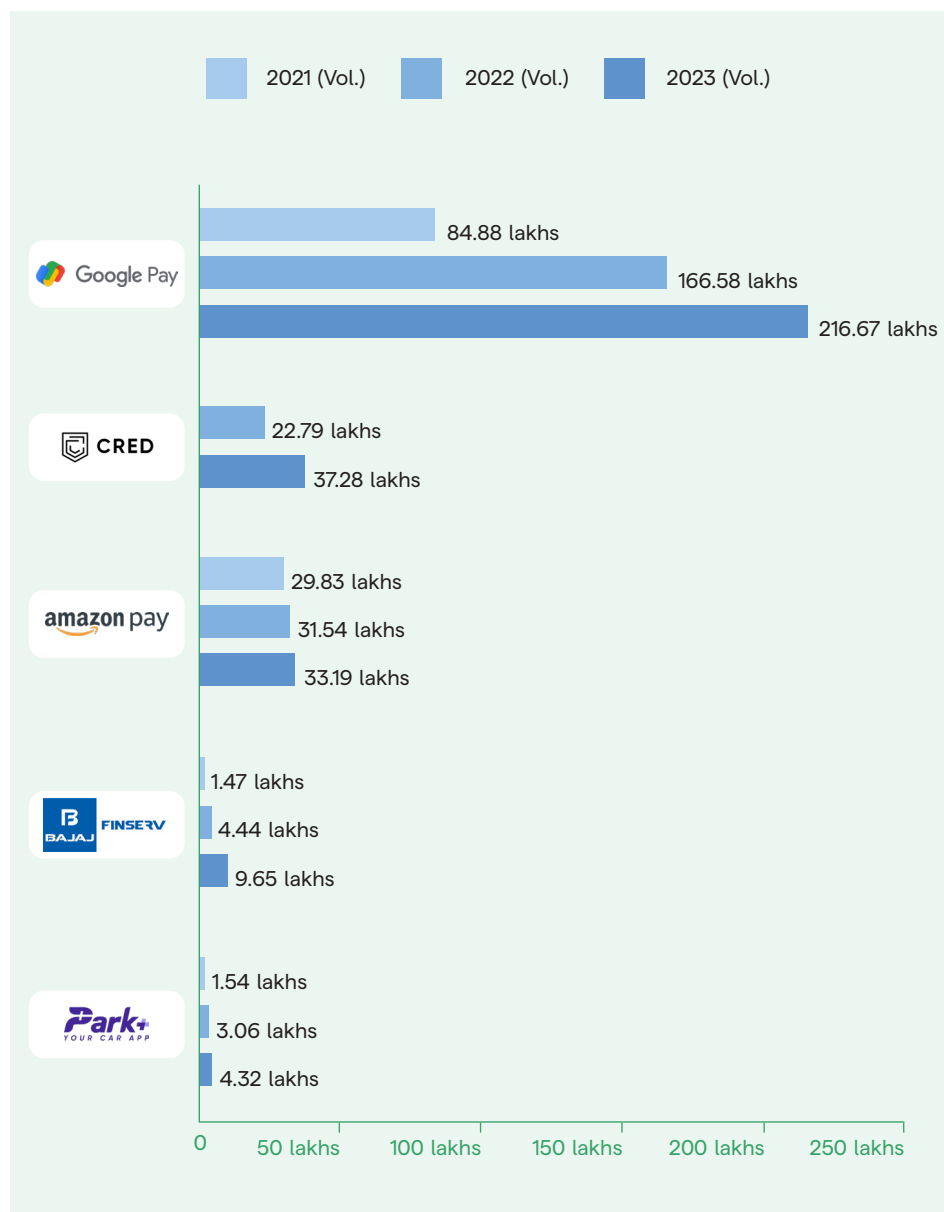FY 2022–2023

Figures in ₹ Crores. (Source: NPCI)

LOOK OUT, PAYMENT GATEWAYS

- The sheer convenience and simplicity of usage for customers making EMI repayments on UPI apps has propelled 'Loan repayments' to one of the fastest categories. Borrowers don't have to enter details each time and can make payments on the go.
- Easy and timely repayment of loans at the click of a button with no extra charge.
- Some of the nation's biggest lenders like Bajaj Finance, Home Credit, Muthoot, DMI Finance, HeroFinCorp, and Tata Capital among others are available on all UPI apps through BBPS.

TOP 5 FASTEST-GROWING BBPS-ENABLED APPS

Legend: 2021 (Vol.) · 2022 (Vol.) · 2023 (Vol.)

Google Pay
- 84.88 lakhs
- 166.58 lakhs
- 216.67 lakhs

CRED
- 22.79 lakhs
- 37.28 lakhs

amazon pay
- 29.83 lakhs
- 31.54 lakhs
- 33.19 lakhs

BAJAJ FINSERV
- 1.47 lakhs
- 4.44 lakhs
- 9.65 lakhs

Park+ YOUR CAR APP
- 1.54 lakhs
- 3.06 lakhs
- 4.32 lakhs

X-axis: 0 · 50 lakhs · 100 lakhs · 150 lakhs · 200 lakhs · 250 lakhs

Conclusion

Overall, the Bharat Bill Payment System has come a long way from its conceptualisation to its nationwide implementation. Its impact on India's payment landscape has been significant, simplifying bill payments, reducing cash reliance, and fostering financial inclusion, all while contributing to the nation's broader digital transformation goals.

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