



THE ELECTRONIC PAYMENT NETWORK

Aavishkar, Apis Partners and Asia Participation B.V-funded Electronic Payment and Services is a prominent retail banking technology and Automated Teller Machine (ATM) services provider. Since incorporation, the company has grown steadily and aims to focus on ATM deployment and related services and expand its ATM services portfolio to 15,000 machines by 2017.

Poornima Kavlekar



MANI MAMALLAN, FOUNDER, ELECTRONIC PAYMENT AND SERVICES (EPS)



Electronic Payment and Services (EPS) was incorporated in 2011 by Mani Mamallan with an aim of providing cost effective banking and transaction related services and establishing a dependable electronic payment network in the country. Led by professionals with experience in banking, technology and retail payments domain, EPS has become a prominent retail banking technology and Automated Teller Machine (ATM) services provider.

Apart from providing end-to-end ATM services to banks, EPS has developed its own specialized monitoring tool on technology and automation platform, providing analytics about the ATM network. In 2014, the company launched its centralized ATM managed services centre with the aim of improving ATM operations. It offers a range of bespoke

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ATM managed services and payment solutions which include a focused business model and specialized resources for setting up of datacenter infrastructure, financial transaction switching, tools implementation and assessment, managed services and SLA management.

“While the growth of ATMs in developed countries has become saturated, there is a lot of room for the growth of ATM industry in emerging countries such as India. India is one amongst Asia’s largest ATM markets due to its high economic growth rate of 7 per cent,” states Mamallan. He continues, “The fact that it is the world’s second most populous country with 1.3 billion people underlines the huge potential of the market.” Accordingly, the number of ATMs deployed in India increased from 17,000 ATMs in March 2005 to 2.75 lakhs by 2016 and is expected to touch 5.50 lakhs by 2021. “It is further expected to witness a high growth curve given the financial inclusion impetus of the Government of India,” says the founder.

Till date, EPS has deployed over 6,000 ATMs for 26 banks in urban and rural locations across India, in support of the Ministry of Finance (Govt. of India) led mission to drive financial inclusion.

It has raised funds from Aavishkaar (Rs. 20 crores in September 2012 and Rs. 33 crores in July 2013), Rs. 33 crores from Asia Participation B.V, a wholly owned subsidiary of FMO In December 2013 and US \$ 25 million from Apis Partners in January 2016.

Clearing the rough patches

As far as challenges go, EPS finds it tough to offer banking solutions to remote locations. However, its PayPerUse transaction is a solution that makes this project sustainable and helps EPS win continuous orders with banks on deployment of ATMs. “The company’s project execution also faced many challenges wherein deployment of ATM

at remote and rural areas faced electricity and connectivity issues,” says Mamallan. The company countered this by installing extra solar powered systems for ATMs to stay up and running. Also, it made additional capital expenditure in installing more UPS batteries and increasing the capacity of UPS power, thereby enabling more electricity and making ATMs available to rural customers.

“Major cash depletion in ATMs in rural pockets were observed and hence, we enabled cash replenishment agencies in these areas with distance of 150 kms from cash pick up points,” says Mamallan. ATM/ cash monitoring was yet another challenge which was solved by the launch of EPS Centralised ATM managed services centre on 24X7X365 basis, thereby offering around the clock ATM services to rural customers.

Green is the colour!

“The accelerating growth in electronic payments, from cash to less cash economy, will further facilitate the trend of mobile-first mindset wherein mobile would materialize as the payments and commerce platform,” says Mamallan. He quotes from the PricewaterhouseCoopers report: With the large unbanked population and the growing regulatory agenda to absorb them into the financial system, emerging markets are in a unique position to drive growth in the payments industry. The financial services industry is equipped to an extent to handle the changes that are constantly taking place. 2016 so far has been momentous with the government’s move on demonetization, launch of UPI, multiple digital wallets, all of which are steps towards attaining a less cash economy. “We still believe a lot more must be achieved in terms of infrastructure, at this point we have a base on which we can pave way for further development,” adds he.

ATMs have evolved from being mere cash dispensers to multi-utility service providers. And India is one of the

SNAPSHOT

Electronic Payment And Services (P) Ltd.



Founders:
Mani Mamallan



Year:
2011



Concept:

Being highly adept at end-to-end ATM operations and outsourcing services, EPS offers a holistic range of bespoke ATM managed services and payment solutions thus enabling banks to concentrate on core banking functions. This includes a focused business model and specialized resources for setting up of datacenter infrastructure, financial transaction switching, tools implementation and assessment, managed services & SLA management



Investors:

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largest ATM markets in Asia, and they revolutionized the banking industry by lessening the frequency of visits to banks even for basic financial transactions. “This has been further facilitated by the recent rise of cashless payments. To keep up with the changing times we are trying to adapt to the environmental and technological challenges and keep moving forward with zeal,” adds he.

Where to from here

“At present, we are at an inflection point and foresee multiple opportunities for exponential growth in the future,” says Mamallan. Demand for cash from ATMs in Asia Pacific is growing dramatically as the banked population expands. The value of cash withdrawn from ATMs in eleven major Asia-Pacific markets has increased by 50 per cent since 2011. In 2015 alone, the value of cash withdrawals grew by more than 15 per cent in the Philippines, Vietnam, Indonesia and India. Many of the region’s economies are cash-intensive, and financial inclusion programmes are bringing large numbers of previously unbanked people into the banking system,

adding to demand. The runaway growth seen in many Asian markets is set to continue for the foreseeable future, and the key challenge for banks there is getting enough ATMs installed to deliver cash to their customers.

Operating in this environment, EPS has grown steadily in this environment with a strong leadership team that has vast experience in the sector coupled with the financial inclusion initiatives of the Government of India. Its revenues have exceeded Rs. 170 crores at the end of FY2016 along with an increasing client base in India. “We came out with a first of its kind ATM transaction based model known as Disruptive Business Model (Pay per use) which is unique to the world. This has led to higher ATM uptime for banks thus leading to higher revenue streams,” adds Mamallan.

In 2015, EPS developed an ATM Electronic Journal (EJ) pulling services which enables financial institutions to obtain status of their ATM transactions using this application in real-time, from

a centralized location which further helps banks reconcile their transactions, verify and settle customer claims. “With the ongoing Digital India mission, we aim to expand our service portfolio and transform into India’s leading payment and technology service provider by offering intelligent ATMs, transaction processing platforms, mobile PoS, mobile wallet etc,” says Mamallan.

And to aid its growth going forward, the company has recently acquired CISB ATM Services Pvt. Ltd., from CIS Bureaus Facility Services Pvt. Ltd. (CISB) (now EPS ATM Services (P) Ltd.) “This collaboration brought EPS closer to the designated clientele, thus strengthening its business relationships and increasing its participation in higher growth segments,” says the founder. The company will further focus on ATM deployment and related services and aims to expand its ATM services portfolio to 15,000 machines by 2017 to support banks with fully integrated and transformative portfolio of ATM services and solutions.