



# DIGITAL INDIA PAYMENTS LIMITED

PAYMENTS SIMPLIFIED, ANY WHERE, ANY TIME





# Management Team

Extensive experience in Financial Inclusion with proven execution capability



**Hari Prasath Babu**  
Co-Founder

- 22 years of experience in the Payment Industry.
- Worked in the field of ATM, ATM White Label, Financial Switching and Mobile Banking
- Part of Ministry of Finance Committee for Financial Inclusion and ATMs, member of the NPCI Committee of Business Correspondents and currently part of IDRBT Committee for future technologies in banking.



**Rishabh Shah**  
Co-Founder

- Rishabh has over 14 years experience in the field of Finance and Investment Banking
- His focus areas have been Banking Relationships – Corporate and Retail, Fund Raising – Public and Private Equity and Financial Consulting for various sectors.

## Team Profile

Total Team Size	49
Top Management	3
Sales	30
Technology	5
Finance & Accounts	2
Operations and Others	9



# Our business at a Glance



## The Business

We are a **Digital Platform** enabling a Pan-India network of Franchisee neighborhood Stores to provide customers one-stop access to **Financial Services** through an 'Assisted-Model' of Banking and Payments along with Commerce Solutions.

## Current Traction

Centers **14,000+**

Presence in **25** States & **4** Union Territories

**INR 1,800 Cr.** of transaction/year

**25,000** daily transacting customers

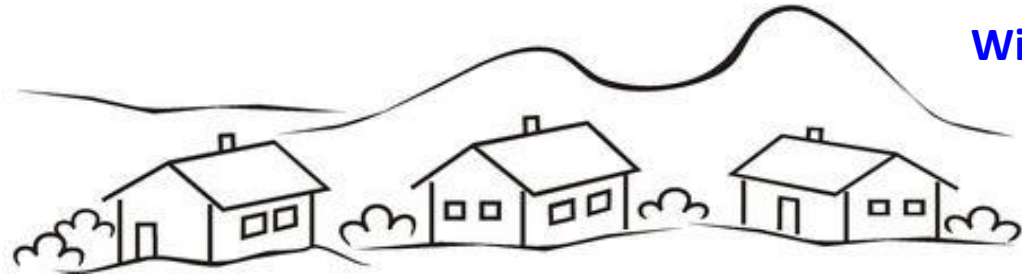


About us



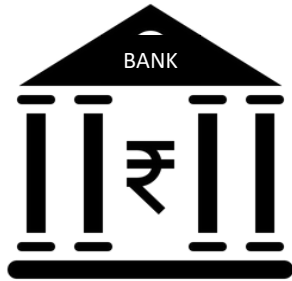
Our Reach

# Problem Vs Solution



Without  
AEPS

Banks face challenges in setting up Branches in rural areas.



Villagers walk long distances to reach the Bank.



Long Queues, and not enough Cash in ATMs



With AEPS

Banks appoint DIPL as **Business Correspondent** (governed by RBI)  
DIPL further appoints Digital Saathi in villages to perform banking transactions



Villager can withdraw cash from **Local Popular** store (appointed by DIPL), with **Aadhaar authentication**. It's **safe, easy and convenient**.





## The Target

- To be a Digital Bank – With RBI bringing new initiatives
- To significantly add to income and livelihood of local merchants
- To enable financial inclusion among the next 500 million Indians



## The Strategy

- Build a massive network with focus on financial products in order to be one of the prime candidates to be a Digital Bank
- Multi monetize the network created through a range of banking payments and commerce products



# Operating Model



## Customer

## Digital Saathi



- ✓ Banking – AEPS, MicroATM, Prepaid Cards, Mutual Fund, Insurance
- ✓ Payments – Aadhaar Pay, UPI, POS, QR, PG
- ✓ Commerce - BOSCH



1. Customer goes to Digital Saathi for transaction (Aadhar, Cash, Card)



2. Digital Saathi conducts transaction



3. Amount credited/debited from Customer Bank



3. Agent's wallet credited/debited based on transaction type



4. NPCI settles amount to DIPL Bank



5. DIPL Bank settles amount to DIPL



6. DIPL settles amount for Digital Saathi

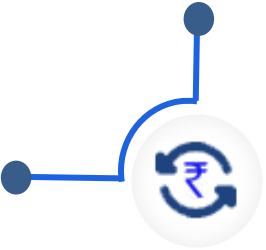
# Current Services

Wide portfolio of services



## Domestic Money Transfer (DMT)

Transfer cash 24x7 to any bank account across the country.



## Aadhaar Pay

Make payments using Aadhaar number and biometrics authentication.



## MicroATMs

Swipe Debit Card of any bank on our POS device to withdraw money



## Travel

Buy IRCTC, flight and bus tickets at Digital India' outlets



## E-Commerce

Our Merchants are trusted E-commerce agents of Amazon and Flipkart



## Aadhaar Enabled Payment System (AEPS)

Access to all Aadhaar Enabled bank account for balance enquiry, cash withdrawal and deposits

## Bharat Bill Pay System (BBPS)

Pay Electricity, Gas, Water, Landline, DTH, Broadband and Post Paid Mobile bills through integrated bill payment system.

## Cards

Wide range of cards – loyalty cards, co-branded cards, multi wallet cards, meal cards, forex cards, petro cards, salary cards and small loan cards

## PAN Card

Application for fresh allotment of PAN can be made through Digital India Payments' outlets. Cards get delivered to the registered address.





# New Products

New Products & Services will continue to push up our unit economics & throughput





# Unit Economics



One Time Sign Up Fee of Rs.1,000

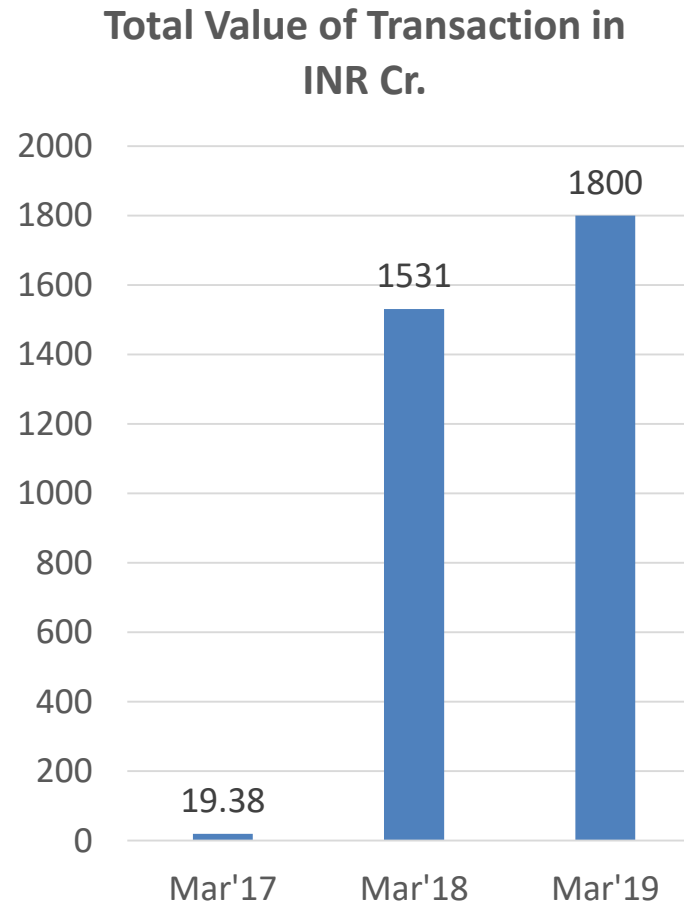
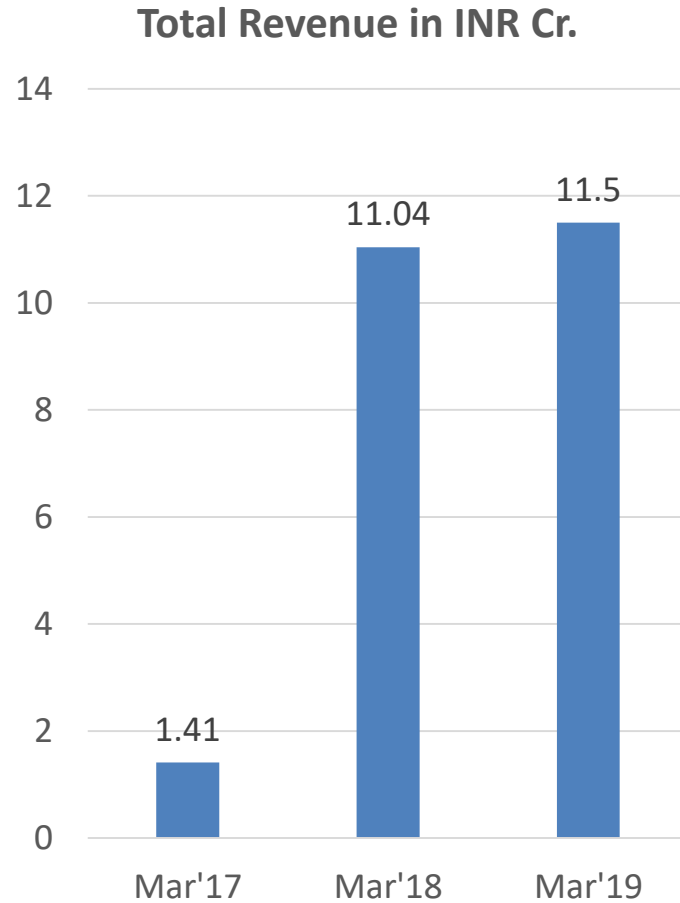
Product/Service	Commission Earned
AEPS	0.5% or Rs.15
DMT	1%
Micro ATM	0.5% or Rs.15
Other Services	1%-3%

- At a basic level, Digital Saathi can earn around ₹4,500+ month (₹54,000/Year)
- Average Transaction Size 3,000. Digital Saathi needs to conduct transactions worth Rs. 30,000.
- Reward and uplift Digital Saathi by giving higher income source and improve credibility by bringing on Banking network
- As newer products get added the margins of the Digital Saathi will increase along with his income as well.



# Performance so far

## Performance – Journey for 3 years Milestones



- Current: 14,000 Active Agents
- Business Running Profitably

# Funding & Utilization



## **Raised till now:**

INR 14 Cr.

## **Diluted**

36.0%

## **Key investors**

- Ameet Parikh (Ex Audit Head Arthur Andersen, Global Risk Advisory Head, E&Y)
- Gautam Mehra, MD, Savita Oils
- Navroze Marshall, MD, Simmonds
- Jamshid Pandole, MD, Avestar Advisory
- Mayank Sinha, VP, Digital India Payments



# Our Edge, Business Strategy



## 01

- Using Aadhaar to enable banking transactions.
- Our platform is seamless and integrated it allows for cash, card and cardless transactions.

## 02

### Experienced Team

- Experience in the Financial Inclusion space.
- Scalable Structure

## 03

DIPL Strategy to capture market share includes

- FMCG Type Retail Base
- Strategic Corporate Tie Ups
- Large Aadhaar Deployers
- NGO Entrepreneur Model under 81B
- Federations and Local Bodies



# The Market Opportunity

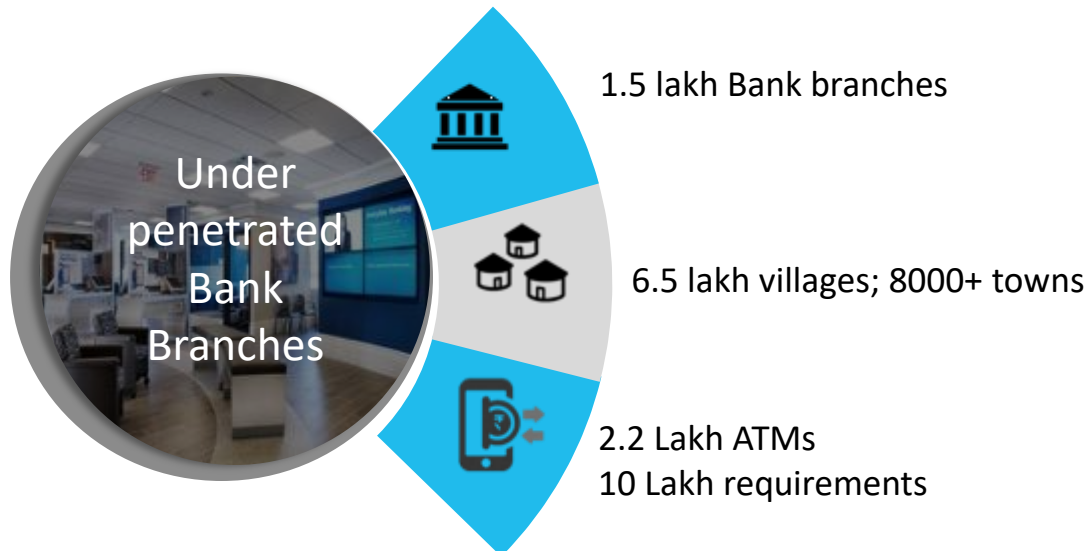
Digital Boost; expected to witness exponential growth in next three years

## India Digital Payments expected to grow to \$700 Billion by 2022

- \$30 billion digital payment transactions targeted in 2019
- Domestic Remittance in India valued \$ 14 Billion per year; 75% from Rural.
- AePS transactions rose to \$4 Billion in 2017-18 against \$400 Million in previous fiscal
- India set to touch 1 Billion Debit Cards by 2020

## “Bharat” will lead most of this growth

- 870 Million rural population
- Rural users will constitute ½ of India’s internet users by 2020
- No of connected rural consumers will increase to 300+ Million by 2020 from existing 120 Million





## **RBI formed panel suggests roping in local retailers to act as cash points**

The committee has proposed a network of cash disbursement points where a customer can seamlessly convert digital money to physical cash.

**Source:** <https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-formed-panel-suggests-roping-in-local-retailers-to-act-as-cash-points/articleshow/69658490.cms?from=mdr>

## **Number of ATMs in India reduces, transactions continue to grow**

India already has the fewest ATMs for every 1,00,000 people among the BRICS nations.

**Source:** <https://www.businesstoday.in/current/economy-politics/atms-number-india-reducing-transactions-continue-grow/story/346843.html>



# Potential



The overall potential of banking points based on current demographics is 2.65cr





Of this there are existing 10 lac Banking points existing across the country. DIPL has 4,943 active agents daily

Row Labels	Sum of Agent Count	Sum of Potential of Agents
BIHAR	386	22,63,007
CHATTISGARH	151	5,55,244
GUJARAT	39	13,62,653
JHARKHAND	270	7,16,686
KARNATAKA	22	14,46,757
MADHYA PRADESH	1229	15,78,271
MAHARASHTRA	281	24,37,462
ODISHA	72	9,11,935
RAJASTHAN	208	15,22,863
TAMIL NADU	64	15,72,593
TELANGANA	112	7,47,774
TRIPURA	16	79,808
UTTAR PRADESH	1569	43,52,824
WEST BENGAL	223	19,99,755
Grand Total of All States	4943	2,65,38,501



# Infrastructure & Opportunity

One of the early movers, execution track record, multiple strategic alliances, multi product penetration & strong goodwill already created give us mote over competition

<u>Competitor/ Potential Competitor</u>	<u>Their Characteristics</u>	<u>DIPL</u>
	<ul style="list-style-type: none"><li>• Urban Usage</li></ul>	<ul style="list-style-type: none"><li>• Rural Usage</li></ul>
 	<ul style="list-style-type: none"><li>• Urban Digital Money Transfers</li><li>• No Cash Transfers</li></ul>	<ul style="list-style-type: none"><li>• Urban &amp; Rural Bank Transfers</li><li>• Cash Transfers</li></ul>
 Nearby Technologies	<ul style="list-style-type: none"><li>• Closest comparable</li><li>• Doing ~INR 14,000 Cr. per year from 1,80,000 outlets</li><li>• Avg. of INR 2,000/outlet/day</li></ul>	<ul style="list-style-type: none"><li>• We have demonstrated better per outlet throughput at INR 5.000/outlet/day</li><li>• Range of Products</li></ul>

# Historical Financials



In Rs. Crs	FY2016-17	FY2017-18	FY2018-19
Revenue & Other Income	1.40	11.04	11.49
Profit/Loss Before Depreciation & Tax	-1.83	-6.55	-9.20
Profit/Loss After Depreciation & Tax	-1.86	-6.61	-9.30





# Financial Projections (In Rs. Crs)



Overall P&L					Rs in Crs
Summary	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Revenue	11.78	44.76	99.72	155.11	218.66
Expenses	19.38	45.95	76.34	108.21	140.26
EBITDA	(7.60)	(1.19)	23.38	46.91	78.40
EBITDA%	-64.5%	-2.7%	23.4%	30.2%	35.9%
	Peak Fund Requirement	Amount in Rs. Crs			
	Oct-20	9.93			
Gross Profit	5.44	21.11	49.38	77.62	113.28



# Investment and Fund Requirements

- We require funding to meet our growth requirement to invest in acquisition of customers and marketing and continuous development of the product
  - Acquisition of Agents
  - Customer Call Centre Expenses
  - On Site Deliveries and Demos
  - Development of Product
  - Tech Training Centres





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# Thank You

