Srei, Vakrangee Software get approval to set up ATMs

Mumbai, April 7:

Srei Infrastructure Finance and Vakrangee Software have received the Reserve Bank of India's nod for setting up automated teller machines or ATMs that will not be proprietary to a particular bank.

The two companies join Tata Communications and nine other players that now have the authorisation to set up 'white label ATMs' for reaching out to the un-banked and under-banked pockets. Unlike the over one lakh ATMs in the country, the white label ones will not display any bank logos and they will serve customers from all banks for the same fee.

At bank rates

Under the RBI guidelines, the authorisation for setting up a WLA operation would be initially valid for a period of one year. The operators are allowed to charge their customers as per bank charges.

The RBI's licence would allow Srei to set up 9,000 ATMs in rural pockets of the country, said Rajiv Aggarwal, Chief Executive Officer of Bharat Technical Solutions, a group company.

Aggarwal says that Srei is well placed to roll out the service, thanks to the network of over 7,000 common service centres (which facilitate the delivery of e-governance services) established by one of its subsidiaries in rural parts of the country. Similarly, Vakrangee has been given the approval to set up a minimum of 5,000 ATMs per year.

"The RBI has completed the process of technical competency analysis and financial systems testing of Vakrangee. Now we are scouting for multiple sponsor banks to come on board," Santosh Dash, Chief Executive Officer, Retail & Financial Services, Vakrangee Software, told *Business Line*. Vakrangee will also aim to earn extra revenue through advertisement and other value-added services on the ATM.

The names of the other eight companies that have secured RBI licences could not be determined. Spokespersons of L&T Finance and Muthoot Finance (companies whose names were doing the rounds in the initial stages) said that they are not part of the mix.

(With inputs from S Shankar and K. Ram Kumar in Mumbai.)

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