

## Financial inclusion in India driven by rapid adoption of mobile wallets; Interview with Srinivasa Katuri Founder and CEO of Transaction Analysts and ATMIA India Chairman

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**Srinivasa Katuri**  
**Founder and CEO of Transaction Analyst**

August 15, 2016

The payments system in India is among the most technologically advanced in the world and yet financial inclusion for its 1.2 billion people continues to be an elusive goal. However, over the last few years the rate of mobile wallet adoption ranks among the highest in the world. I recently interviewed my good friend and business partner Srinivasa Katuri, Transaction Analysts (TA) CEO. Srin, as he is called by friends and associates, is an example of reverse migration. After moving to the USA in 1994 and obtaining his Masters Degree at California State University, Srin worked for ACI Worldwide in California as an engineer for 10 years, and then returned to India in 2010 to start a financial services business. Srin has over 20 years of experience in USA Payment Systems and IT, ATM and POS systems. He served as a member of the Technical Advisory Committee of the NPCI, and serves as an Adjunct Faculty for Payment Systems of IDRBT, RBI Banking & Technology Research Institute.

I asked Srin to share his views on mobile wallet adoption in India and he said, "Initially people are reluctant to use mobile wallets, but what we have found is that once they use mobile wallet apps, they like the convenience and continue to use them. Even tech savvy people are reluctant at first, because they already have easy ways to pay for goods and service using cards or cash, but once they experience the ease of use and convenience of mobile wallets they adopt the technology." I asked Srin who the principle players are in the mobile wallet space in India and he said, "all of the banks offer mobile wallets to their account holders, as do the mobile telecom operators, but non bank ecommerce players such as PAYTM, Oxigen, MobiQuick and Citrus have led in the number of users through RBI issued Prepaid Instrument Operators licenses and more recently Payments Bank licenses."

Mobile payments in India are estimated to grow to \$1.15 billion in 2016, with a compounded annual growth rate (CAGR) of 68 per cent, according to estimates. I asked Srin about the TA Wallet in this already crowded space and how it can be used as a driver for financial inclusion. Srin said, "Our wallet has a simple user interface and we are aggressively pursuing an agent model where anyone can download the TA Wallet App, and after enrolling in our eKYC program, act as cash collection points. Our 'Blue Shirt Agents' can work part-time and earn extra income by acting as human ATMs. They will be easily identified by their blue shirts bearing our logo in public areas such as markets, and give people who do not have wallets or bank accounts the ability to pay bills and pay for other services that might otherwise require them to travel long distances to a bank branch or service provider location, particularly in the rural areas. I asked Srin what is the biggest challenge facing the financially disenfranchised in India and he said; "when someone has to go to an ATM to get 1,000 INR, and due to a power outage or some other technical glitch they do not receive the withdrawal funds, there is no quick dispute resolution mechanism to refund the money needed to feed the family that week."

I asked Srin what he sees as the next 'Killer App' in mobile wallet technology and he said, "Security and convenience will be the principal driver of mobile wallet adoption, but emerging disruptive technologies such as public and private blockchain ledgers and encrypted tokenization combined with social media messaging is where we are focused. Our soon to be release next generation mobile wallet will incorporate these technologies through our Omni-channel payments platform, which will reach all mobile phone users in India regardless of whether they have smartphones or feature phones, giving us a potential market of over 1 billion mobile phones."

A. Lyle Elias  
ATMIA Founding Director