



**AJAY  
ADISESHANN,**  
Founder & CEO,  
PayMate

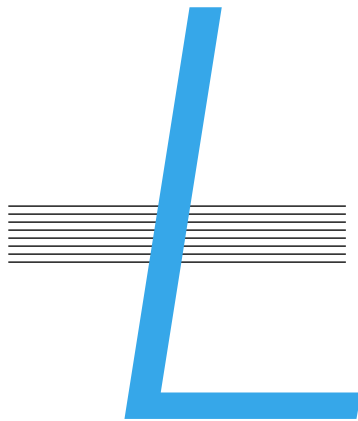
**120**

Client additions in 2020  
from 40 pre-Covid

# Shifting Gears

Travel-focussed payment solutions firm PayMate hit a roadblock post Covid-19, but focus on other areas such as discount invoicing helped in damage control

BY APRAJITA SHARMA  
PHOTOGRAPH BY MANDAR DEODHAR



**argely operating** in the travel segment, Covid-19 came as a blow to payment solutions platform PayMate. With a steep fall in business despite a pick-up in digital payments across the country, the B2B payments player shifted gears immediately. The company expanded its reach across sectors such as manufacturing, FMCG, logistics, pharma and BFSI. Marquee names such as Marico, Kansai Nerolac, Amul and SBI Card came on-board. From 40 enterprises pre-Covid, the number increased to 120. Added to the supplier and distributor network, the client

figure is currently above 55,000.

“We had a great pipeline of customers to come on-board pre-Covid, but the pandemic disrupted it all. There was obviously a steep fall, but we soldiered on. Luckily, big names came on-board and we bounced back quite remarkably despite travel literally nosediving. Other verticals more than adequately compensated for it. Today we are at 2.5 times our pre-Covid numbers despite the June quarter remaining flat for us,” says Ajay Adishesann, Founder & CEO, PayMate.

### Automating SMEs

The firm started out in 2006 to facilitate payments via mobile phones in the B2C segment. It pivoted its business model in 2011 to offer payment solutions to big enterprises and linked SMEs on the payables and receivables sides. Enterprise client Redington India says PayMate has helped them manage their idle cash better. “PayMate has helped Redington in effectively managing the cash in terms of reducing the idle cash lying in the current accounts, thereby creating additional cash inflows,” says Varun Varada, Treasury Head, Redington India.

Another client, Creative Peripherals and Distribution, a consumer product distribution firm, has an ICICI Bank Corporate Card associated with PayMate. “Through their maker-checker concept, it has become convenient for us to check and approve the vendor payment. This helps us manage our liquidity whenever there is an opportunity,” says Mitesh Shah, General Manager, Finance, Creative Peripherals and Distribution Ltd.

Interestingly, when a new client comes on-board on the PayMate platform, they not just benefit from receiving and making payments, but also from reconciling their books. “PayMate has helped us digitise our payments platform to ensure smooth flow of liquidity and zero friction in our payments system. Our supply chain finance is much more organised and automated with features such as auto-reconciliation reports, workflow matrix and managing vendors,” says Nikhat Zakeriya, Finance Executive, M. P. Enterprises & Associates.

According to a case study on Marico (shared by PayMate), the company recorded a 50 per cent jump in operational efficiency after its collaboration with the payments solution platform.

“Marico’s siloed payments processes and multiple bank accounts added to its complexity earlier. Now, it has a single-payment window using Visa commercial cards. The company processes \$40-million payouts every month,” according to the case study.

### Innovation Mantra

At a time when small businesses are dealing with problem of plenty in the digital world, PayMate is innovating itself to stay ahead in the game. Adiseshann says the Invoice Discounting Marketplace, launched in 2020, is critical for them to expand their business. “Invoice discounting offers higher margin than payments and we recognise that. Initially, we will capture flows on a low margin and then go for deeper engagements. We are in advanced talks with several customers and banking partners,” adds Adiseshann.

PayMate customers can use invoice discounting in two ways — the buyer-funded model and the NBFC-funded model. The former allows buyers to earn higher returns on surplus funds along with discounts if

## New Strategies

Launched Invoice Discounting Marketplace in 2020



Expanded across sectors such as manufacturing, FMCG, logistics, pharma and BFSI



Helped big enterprises manage idle cash better



Assisted small businesses with working capital requirements



## What Next?



Discount invoicing to be a key focus area



Global expansion across GCC countries



\$15–18

**BILLION**

Target run rate by March 2022

they make early payments to suppliers. “If the buyer is earning an annualised return of up to 6 per cent on idle funds, now they have a chance of earning up to 24 per cent annually simply by making early payments towards discounted supplier invoices,” PayMate said in a media release.

Alternatively, the company also helps suppliers secure working capital through its NBFC partners. “To secure funds in this manner, the PayMate platform creates a list of filtered suppliers after monitoring and analysing their payments data and patterns using the platform’s proprietary algorithms. Based on this data coupled with GST details of suppliers, discounts are offered and negotiated on select invoices for early payments.”

### Going Global

PayMate is eyeing global expansion for higher revenues. The first target is Gulf Cooperation Council (GCC) countries.

“We are pretty much replicating the India business model for expansion across GCC. We have set up subsidiaries, both in the UAE in Saudi Arabia, and will subsequently go to Oman, Qatar, Kuwait and Bahrain,” says Adisheshann.

Overseas markets not only have good appetite, but

also larger scope for growth. “GCC countries are a generation behind compared to India from the technology standpoint. So, we can help them leapfrog one generation from a payments standpoint,” adds Adisheshann. “Also, a lot of cross-border payments happen within

GCC countries, which we are targeting with partners such as Visa and Emirates NBD, Dubai’s largest lender by assets.”

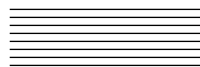
Adisheshann is confident of building a large business overseas. “The margins overseas are much higher than in India, which will prop up the overall margin of the organisation.”

PayMate aims to exit March 2021 with an \$8-10 billion run rate and achieve a \$15-18 billion run rate by March 2022. The company raised Series D funding of over \$25 million in 2019. Investors included Visa, Recruit Strategic Partners and Mayfair

101, among others.

“We have established the right product-market mix and achieved scale. A combination of going deeper into payables automation and working capital optimisation will continue to be our focus,” says Adisheshann. **BT**

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AMONG OTHERS



@apri\_sharma