

Premji logs into city co Fin Software

Buys ₹350Cr Stake Amid Payments Firm's IPO Plans

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Bangalore: Premji Invest, the family investment office of Wipro boss Azim Premji, has invested Rs 350 crore (\$57 million) to acquire a minority stake in payments processing and technology company Financial Software & Systems (FSS).

Billionaire Premji's investment vehicle, which manages assets worth over \$2 billion, has boarded the company which offers payment services of about 100 banks and financial institutions globally. The Chennai-based company powers retail delivery channels such as ATMs, Point of Sale (PoS) terminals, prepaid cards, mobile

and internet for its clients.

Premji and existing private equity investors NY-LIM Jacob Ballas and New Enterprise Associates (NEA) are pouring money into FSS, which is planning an IPO in the next 24 months. The company is tracking Rs 850 crore revenue in FY15, up from Rs 614 crore in the last fiscal.

The two-decade-old FSS is a leader in the payments processing industry, which is posting robust double-digit growth in Asia's third largest economy. Its clients include the State Bank of India, ICICI Bank, HDFC Bank, Punjab National Bank and Canara Bank, among others. FSS has

a footprint across 7000 cities, towns and villages, catering

to more than 6 million transactions daily. FSS has projected Rs 2,200 crore revenue in the next five years.

"The latest investment from Premji Invest and the active support of our other investors NEA and Jacob Ballas will help us to capitalize on emerging opportunities in the digital payments space and help us consolidate our position as a payments technology leader. The fact that we have consistently raised private equity funding in the last two decades will boost our preparation for an IPO in the next 18 to 24 months," Nagaraj V Mylan-

dla, founder and MD, FSS, said.

The transaction closed on Friday and Avendus Capital advised on the deal.

"The payments landscape is undergoing rapid technology scaling up and usage upgradations and outsourcing. We expect FSS with its products and services capabilities to play a leading role in this transition," Prakash Parthasarthy, Chief Investment Officer, Premji Invest, said. Premji Invest has exposure to public and private equities and backs emerging consumer businesses in India, China and US. This is one of the larger investments by Premji into a company with 1600 employees and presence across North America, Middle East, Africa and Asia Pacific.



Azim Premji