

India Transact Services partners digital lending providers to fulfil MSMEs short-term working capital needs

- ***Loan Against Card Receivables (LACR) ranges from Rs 5,000 to Rs 50,00,000 depending on the merchant profile***
- ***This facility is available for all the qualifying merchants with Ongo Point-of-Sale (PoS) terminals***

Mumbai, 15 February 2018: India Transact Services Ltd. (ITSL), an omni-channel merchant digital payment solutions company and a Group company of AGS Transact Technologies Ltd., is strengthening its merchant acquisition portfolio by enabling loans to micro, small and medium enterprises (MSMEs) across metros and tier II and tier III cities. ITSL has partnered with leading digital lending firms including Flexiloans, Capital Float & Arthimpact (Happy Loans) to facilitate MSME's access to unsecured working capital loans. The company will leverage its unique pan India sales and distribution network across 700 towns & cities, and offer this facility to all the qualifying merchants with Ongo Point-of-Sale terminals.

Lack of experience, absence of collaterals and infrastructure, and small ticket size make lending to MSMEs challenging. As per the report released by International Financial Corporation (IFC), small businesses in emerging markets, such as India, are facing a funding gap of \$ 2.1 to 2.6 trillion exists for all organized and unorganized MSMEs. Since the end-to-end process is mostly online, it is convenient for the partners to lend loans to MSMEs without any securities. Most small merchants who are otherwise not eligible for bank loans due to prevailing strict evaluation criteria can avail Ongo LACR loans from ITSL partners based on their transactions on Ongo terminals.

Sunil Khosla, Executive Vice President, Sales & Marketing, India Transact Services Ltd., said, "We are delighted to see that the Union Budget has given a big push to MSMEs by encouraging Fintech players in the digital lending space. MSMEs contribute around 8 % of GDP , 40% of the total exports and around 45% of the manufacturing output. We believe they will lead the digital payments growth in in the immediate future. Therefore, in addition to a unique digital payment portfolio we are offering an alternative lending model as a value added service to the qualifying Ongo POS merchants. Our lending solutions will help these merchants on a large scale by simplifying loans and addressing their challenges related to working capital requirements."

He further added: "Partnering with digital lending providers accelerates us towards becoming a 360 degree merchant services company in retail business solution. As Merchant acquiring forms almost 70% of ITSL's total business we are leveraging our strong foothold across 700 towns and cities to reach relevant enterprises and empower 10,000 merchants by FY18-19."

Here, the loan approval and disbursement cycle is faster because merchant's POS transaction data and KYC documents are already available with ITSL. Depending on the merchant profile and the volume of

card transactions on Ongo POS terminal, lending partners will offer loans to merchants in the range of Rs 5,000 to Rs 50,00,000. The recovery of loans is through Ongo POS transactions. Therefore, the merchants do not have to run around anywhere for loan or repayment as the entire process is online.

Earlier this year, the company partnered with an Israel based company to enable Indian MSMEs create digital presence in less than a minute.

INDIA TRANSACT SERVICES LIMITED

[India Transact Services Ltd. \(ITSL\)](#), a Group company of [AGS Transact Technologies Ltd.](#), is an Omni-channel merchant digital payment solutions company that aims to consistently simplify the process of Transacting, Merchant Acquisition and Value Added Services.

Providing cutting-edge technology and innovative payment solutions to a fast-growing merchant base across India, ITSL offers a host of products and services including **payment processing platform** for routing commercial and retail payments between buyers and sellers across the country via unique distribution model. The company is also **an independent Service organization** providing services like **distribution, merchant enrollment, training, activation, field support, transaction switching, network, reconciliation, settlement, and fraud & chargeback management**. ITSL's unique Value Added Services enables SMEs and merchants to run their own **Loyalty Program through Prepaid and Reward Cards**.

ITSL boasts of an esteemed clientele which includes leading names from Banking, Retail & Hospitality, Petroleum, Education and Transit sectors among others.

For more information, please visit: www.indiatransact.com