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By: [Amrutha Penumudi](#) | Mumbai | Published: September 10, 2016 6:07 AM

Srei ATM, a unit of Srei Infrastructure Finance and the newest entrant in the white label ATM (WLA) business, will deploy about 500-700 ATMs across the country by the end of this year, it told FE on Friday. (Representative image: Reuters)

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On profitability and sustainability, Jennifer Vishnoi, vice-president, white label ATMs business at Srei, said a low-cost model and focus on deploying ATM machines in tier III to tier VI cities will ensure that the company breaks even prior to its competitors.

The Reserve Bank of India first allowed setting up of white label ATMs in 2012. The guidelines released by the regulator allowed for the establishment of ATMs by non-banking entities to improve the infrastructure of such machines in rural and semi-urban areas across the country.

However, increased costs associated with the project have hampered the growth. With the biggest player, [Tata Indicash](#), reportedly being put up for sale, and the [RBI](#) saying

Vishnoi, however, disagrees. “We do not see cash, as a commodity, leaving the Indian market. We are trying to reach markets that are rural and semi-urban where ATMs have not yet penetrated. In these areas, ATMs are a requirement. And as long as they are not dead as a requirement, it is not the wrong time to enter the WLA market,” she explained. Looking at competitors and learning from their mistakes in the past two years have also help Srei come up with a model that is viable.

For instance, the company is focusing on having presence in deeper geographies with low real estate rentals that allow for a sustained revenue stream, while keeping the costs low.

Srei, along with other players in the space, is also fighting for an increase in interchange rates – the amount card-issuing banks pay to WLA whose ATM the customer uses.