

# Business payments firm PayMate raises funding from Visa, others

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**B**usiness payments startup PayMate said it has raised funds from international card payments giant Visa Inc., among others to accelerate growth and expand its business overseas.

Other new investors who took part in the ongoing \$25 million Series D funding round Recruit Strategic Partners, the venture capital arm of Japanese human resources firm Recruit Holdings; and Brand Capital, the investment arm of media conglomerate Times Group. Existing investor Mayfair IOI, an Australian corporate advisory firm, also participated.

"We have raised a significant portion of the \$25 million, and plan to complete the fundraise in the next 60 days," Ajay Adiseshann, founder and chief executive officer, PayMate said in a phone interview.

PayMate's cloud-based platform enables enterprise and small and medium businesses to automate and digitize their entire procurement to payment cycle, including vendor management, vendor payments, invoicing and supply chain financing options.

It originally started as a consumer-facing mobile payments platform before the app payments wave took off in India.

Between 2011 and 2013, it gradually pivoted towards tar-



Ajay Adiseshann, founder and chief executive, PayMate

geting businesses since "enterprises are more reliable, have longer sales cycles, and we found more use cases for businesses," said Adiseshann.

Visa's investment follows its tie-up with PayMate in India last year, and in the Middle-East, Africa, and parts of Europe this year. Last year, Visa also acquired a minority stake in payments gateway BillDesk, at a valuation of \$1.8 billion.

T.R. Ramachandran, Visa's Group country manager, India and South Asia, said, "There is an opportunity to bring efficiencies into the B2B payments supply chain via richer data and automated processes".

"We believe it is critical to partner with local players who are bringing innovation to our global payments network, and our investment in PayMate reflects that," he added.

PayMate claims its revenue has jumped fivefold over the past year, although it did not

disclose details. It recorded \$5 billion in processing volumes in FY19 and is eyeing \$7-10 billion in processing volume next fiscal, Adiseshann said.

The new investors come with investing experience in India. Japan's Recruit has backed a number of Indian startups including e-commerce firm Snapdeal, software firms Locus, Fyle and CleverTap, and banking startup Open Financial Technologies.

PayMate also counts venture capital fund Lightbox Ventures as a major investor and early backer, although Lightbox did not participate in the current round.

Business-to-business payment startups in India continue to draw investor interest with a few such as Razorpay, MSwipe and Pine Labs able to raise capital from marquee investors.

Razorpay raised \$75 million led by Sequoia Capital and Ribbit Capital, while Pine Labs is closing a \$75 million round from existing investors including Singapore's sovereign fund Temasek and PayPal, *Mint* reported on 15 February.

