

AFTER AGS BANKRUPTCY...

CMS to Replace 1,000 ATMs for India Post Payments Bank

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Mumbai: The India Post Payments Bank (IPPB) has awarded the contract to replace its fleet of 1,000 ATMs and cash dispensers to CMS Info Systems after the bankruptcy of ATM service provider AGS Transact Technologies.

“One of the big wins we had was with the department of post. This was a former customer of AGS, and when they shut down, the department decided to close their sites and relaunch,” said Anush Raghavan, chief business officer, CMS, in an interaction with ET. “We helped evacuate the old ATMs, won the contract, and are now deploying 1,000 new machines across post office locations.”

The IPPB had been facing disruptions in its ATM operations due to the financial troubles of AGS, a key vendor managing its network earlier.

As of March 31, 2025, CMS managed 73,000 ATMs—about 47% of all outsourced ATMs in India—and 65,000 retail touchpoints.

The collapse of AGS, which once operated nearly 40,000 ATMs, has forced several banks to transition to CMS. The total ATM network in the country contracted by 4% to 208,063 by end-July 2025, compared with 216,352 a year earlier, RBI data shows.

“Our primary goal was to work with all customers to ensure the safety of cash in ATMs, which we managed for most of them,” Raghavan said. “The next step was ensuring continuity of service—helping both existing and new customers transition seamlessly.”

Raghavan noted that many private banks are using the AGS disruption as an opportunity to restructure their ATM strategies, shifting from the “brown label” model to fixed-cost contracts.

Under the brown label model, service providers handle the entire ATM lifecycle—including hardware, leasing, maintenance, cash management, and connectivity—while the bank’s branding is displayed on the machines. This allowed banks to expand ATM networks without investing directly in infrastructure.

“Banks are increasingly opting for fixed-price contracts over transaction-based pricing,” Raghavan said. “Also, since many ATMs are 8-10 years old, lenders are moving to new outsourcing contracts that bring in cash recyclers. These not only replace traditional ATMs but also function as self-service kiosks, handling a wider range of transactions.”



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