

Media Release

India's first cash usage report highlights cash megatrends of FY 2023

The CMS India Cash Vibrancy Report 2023 highlights the importance of cash usage among consumers and its robust co-existence with digital payments in the country

Mumbai, 24 May 2023: CMS Info Systems Limited (CMS), India's leading business services company offering banking logistics and technology services, today released the '**CMS India Cash Vibrancy Report 2023**'. The first extensive industry report on cash usage by consumers, underpinned by the company's proprietary CMS Cash Index™ (CCI), highlights the megatrends through the period FY 2023 in comparison to FY 2022.

The report looks at the relative performance of the CMS Cash Index™ (launched in 2016 to track the infusion of cash back into the economy across various commerce points) weighted index constructed on the basis of cash that goes into circulation via the ATM channels and the cash collected from retail channel points, both covered by CMS Info Systems – versus the S&P Global India Composite PMI (S&PGIPMI) – that gauges the expansion and contraction in economic activity. The S&PGIPMI demonstrates a strong correlation and establishes the CMS Cash Index as a key barometer for tracking the cash vibrancy in the country.

As an industry leader, CMS draws on key data points to showcase the annual growth in pan-India ATM cash replenishments, in FY 2023, carried out by the company in metropolitan cities versus SURU (semi-urban and rural). The deep-dive analysis in the report illustrates the strong demand for cash-based transactions in India - from ATM cash withdrawal patterns across metropolitan, semi-metropolitan, semi-urban, and rural centres to sector-level analysis of business activity through retail cash management data.

Anush Raghavan, President, Cash Management Services, CMS Info Systems said, "The report demonstrates the relevance and importance of cash in the Indian economy. It is critical to widen financial inclusion and provide a convenient and low-cost payment system which is accessible to everyone in the society. We have seen 10.1% growth in monthly average cash replenishment at ATMs and a strong 1.3X increase in average cash collection per point with e-commerce companies in FY23".

Key takeaways from the CMS India Cash Vibrancy Report 2023:

- At \$421 billion in 2021, India saw the third-highest annual growth of 7.9% in CIC, while UK (+11.8%) and China (+10.2%) respectively saw the highest and second-highest annual growth over 2020
- After touching 8.7% in 2016, India's CIC to GDP ratio has averaged close to 12.4% which is higher than the 10-year average of 11.8%
- The pan-India ATM cash replenishments carried out by CMS Info Systems witnessed an annual growth of 16.6% in FY 2023
- The ATM cash withdrawal of Rs 2.84 lakh crore in March 2023 is an absolute growth of 235.0% in a matter of 76 months after demonetisation
- Maharashtra, Gujarat, Tamil Nadu, Karnataka, and Uttar Pradesh together accounted for 43.1% of the total ATM cash replenished by CMS Info Systems across the country in FY 2023. Incidentally, these are the Top 5 states with maximum gross state domestic product (GSDP) in FY 2022 according to MoSPI

- Karnataka saw the highest annual average cash replenishment per ATM at Rs 1.73 crore in FY 2023, which was 18.1% higher than Rs 1.46 crore cash replenished per ATM during FY 2022
- Chhattisgarh saw the second highest cash replenishment of Rs 1.58 crore in FY 2023, there was a decline of 2.1% over Rs 1.62 crore in FY 2022
- India witnessed the maximum cash usage and demand during the festive and wedding seasons between October to December in FY 2022, and during October, December and March of FY 2023. Data of average cash collected from Retail Cash Management (RCM) points split within the six key industry sectors reveal a 50:50 performance. Sectors within Transportation, Organised Retail and Banking & Financial services (BFSI) sectors saw an annual increase of 38.7%, 14.4% and 5.6% each during FY 2023
- The opening of the economy from the COVID-19 pandemic standpoint is clearly depicted from the 1.4 times higher average cash collection per RCM point within the Transportation sector - from Rs 1.49 crore in FY 2022 to Rs 2.06 crore in FY 2023

“It is noteworthy that a significant portion of the population in India is unbanked, with no access to formal banking services. These individuals rely on cash usage every day as their primary means of conducting transactions. Under penetration of financial and digital literacy further leads to security concerns for digital payments despite the convenience offered. The correct balance of cash and digital will lead a booming economy like ours to an upward trajectory, is our belief,” **Anush Raghavan** added.

The report encompasses cash usage and utility at global, national, state, and tiers level along with the vibrancy check through highlighting of the relative performance of the CMS Cash Index™ and the S&P Global India Composite PMI which nearly mirror each other except for unusual macroeconomic events.

About CMS Info Systems Limited:

CMS Info Systems Limited (BSE: CMSINFO | 543441, NSE: CMSINFO) is a leading business services company providing logistics and technology solutions to banks, financial institutions, organized retail and e-commerce companies in India with presence across Cash Logistics, ATM Managed Services and Technology Solutions. CMS businesses include ATM and Retail Cash Management, Currency Chest Automation, Bullion Logistics, Banking Automation Solutions, Brown Label ATM and Managed Services, Multi-vendor Software Solution, ATM Security Software, AI-based Remote Monitoring Services and Card Issuance, Management and Personalization.

CMS is India’s largest cash management company based on number of ATM points and number of retail pick-up points as well as one of the largest ATM cash management companies worldwide.

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