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# CMS plans central cash chest for banks

**Mini Joseph Tejaswi** | TNN

**Bangalore:** CMS Infosystems, an IT services and cash management company in which Blackstone is an investor, is in advanced talks with the Reserve Bank of India to establish a common central cash chest for banks.

Rajiv Kaul, CEO of CMS Infosystems, told TOI, "The current cash cycle arrangement, including cash pick up, cash movement, grading, counting, replenishment, etc is time consuming. We now pick up cash from various bank chests, or from retail chains on behalf of our customer banks, before we prepare the cash for deposit in thousands of ATMs across the country."

The current system involves a lot of back and forth cash movement, which is very risky, and results in cash remaining idle for 2 to 3 days. "A central cash chest can bring down the cash turnaround time by more than half. This will increase liq-

uidity for banks," Kaul said.

India is the fifth largest ATM base with 105,000 machines, after the US, China, Brazil and Japan. Some 77,000 of these ATMs are outsourced while the rest are managed directly by banks. State Bank of India is in the process of adding another 65,000 ATMs, while another 40,000 to 60,000 white-label ATMs are expected to come in the next couple of years.

CMS Infosystems is estimated to have a 57% market share in the country's cash management space, Brinks a 14% share, and SDB Cisco 10%. In late 2008 private equity major Blackstone Group partnered with Kaul, formerly managing director at Microsoft India, and bought a majority stake in CMS Infosystems, the domestic business of CMS Computers. CMS Infosystems is expected to post a turnover of Rs 1,200 crore in fiscal 2013. "Our growth this year will be double that in the last three years," Kaul said.

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