

Executives Vimal Kumar and Sheetal Lalwani on online payments and Juspay's contribution to the Indian payment ecosystem

We meet with Vimal Kumar (founder and CEO) and Sheetal Lalwani (COO) of Juspay. Juspay has played an integral role in the development of the payments landscape in India. Its solutions act as a unifying layer that embraces the diversity and regulation in Indian payments. They have built real value-added products around UPI and mandatory two-factor authentication which are the first of their kind globally.

As an introduction, can you tell us how it all began, the idea behind Juspay and how you came together?

Vimal: I have always been fascinated by technology, the infrastructure we can create with it and the leaps this enables us to take. I was an early engineer on Amazon Web Services (AWS) and then led the tech team at BankBazaar as CIO. This experience early in my career provided the foundation to design and build large country-scale infrastructure. I was looking to start something in education, to support young talent in India. However, I realized that instead of abstract academia, building real useful systems from first principles by tackling large problems head-on was the right thing to do. This turned out to be building the payments infrastructure in India, and thus began Juspay.

Sheetal: After completing my masters from Purdue University, I began my career at Bloomberg. It is there that I got exposure to the global financial infrastructure and developed my chops in understanding businesses, markets, and systems. While I was in the US for over a decade, Vimal and I were generally in touch as we did our undergrad together, and I was inspired by the potential to create lasting value for society via tech, design, or edu-

cation. The idea of Juspay was just the push I needed to pack my bags and head back to India.

Both: We have always been user-centred and so the initial focus was to remove friction caused by mandatory 2-Factor Authentication (2FA). This helped us craft a secure 1-Click 2FA experience with Juspay Safe. At the time, it delivered double digit boosts in payment conversion rates to merchants and firmly established our SDK (Software Development Kit) business. Then came the problem of the diversity of payment options, which we are solving with our end-to-end payments SaaS platform for most top e-commerce companies in India.

Can you give our investors a sense of Juspay's place in and contribution to the payments ecosystem in India?

Juspay is a SaaS-unifying aggregation layer interconnecting issuer, acquirers, networks, and other payment gateways/processors with merchants. The diversity of payment options in India (25+ payment gateways, 10+ wallets, 7+ alt credit options, country-specific payment networks, B2C payment containers like Google Pay, Amazon Pay, etc.) necessitates this layer. The value we provide is increased conversion, fully outsourced payments operations, improved user experience, and bringing cutting-edge fintech innovation in partnership with banks and networks.

We were also early champions of a new payment protocol in India called UPI (Unified Payments Interface). It is a mobile-first payment method with built-in 2FA, enabling instant bank-to-bank transfers. We built some core components for this protocol with the network and we also designed and built its marquee consumer app called BHIM, which had 10 mln downloads in the first 10 days of its launch. This early investment has enabled us to become one of the top UPI payment gateways and SDKs, powering the likes of large merchants like Amazon.



Vimal Kumar and Sheetal Lalwani together with the Juspay team (Photo: Juspay)

How would you define the culture and what drives the team at Juspay?

Maximize value creation. Take courageous moves in the right direction. Seek true depth. Everyone at Juspay embraces this credo, empowering them maybe 10x. We encourage people to have T-shaped growth (in depth and breadth) and give them ambitious challenges. Building BHIM in a month was testimony to what our people are able to achieve. We develop our own tools and techniques, where product managers are deeply involved in the design and development process, and build frameworks using functional programming, some of which are even recognized globally. While we were focused on product creation in our initial years, we are now equally focused on operational excellence too.

What can you share with our investors in terms of customers and scale of Juspay's operations?

Over 200 mln Indians have used at least one Juspay product so far; our rotating logo has a household brand recognition. We process 5-10 mln payments every day, totalling over 5 bln transactions so far. Our customer base includes almost every big online merchant in India - Amazon, Ola, BigBasket, Vodafone, Airtel, Reliance Jio and Flipkart, to name a few.

How did COVID-19 impact your business, challenges, and opportunities?

The business has been growing amidst COVID-19. A lot of consumers, especially from Bharat (tier II and III), are being pushed to move online during the pandemic. This will expand the addressable market further in the next couple



Payment control center (Photo: Juspay)

“India is not just a huge market, it is at the forefront of internet-first payments as well. We see a ton of opportunities in creating innovative solutions in UPI, multi-factor authentication, credit, etc. This is only the beginning!”

of years. An interesting outcome of the pandemic for our culture was that we became more open to process-driven work by adapting to the situation and also saw the need for operational efficiency. It has brought in a new maturity within the team.

What are the biggest opportunities and challenges faced by a business like yours in India?

“India is not just a huge market, it is at the forefront of internet-first payments as well. We see a ton of opportunities in creating innovative solutions in UPI, multi-factor authentication, credit, etc. This is only the beginning!”

Building revenues in India with payments needs very large volume considering the thin margins; it is a challenge. We are mastering the art of building partnerships with banks and networks to provide new value-added services to merchants and boost revenues.

What are you most excited for in 2021 and beyond?

UPI is growing exponentially, subscriptions just launched, the regulator is pushing for tokenization of cards, and a new credit protocol called OCEN (open credit enablement network) like UPI is being built. We are making early

investments in all of these in partnership with banks and networks. It will further strengthen our value proposition to merchants by growing our stack both horizontally and vertically. Security, data governance and privacy are also being deeply thought about from first principles. We are working with international experts on this front. Within the organization, I sense we are moving to the next phase, growing leadership talent and creating new specialized teams for merchant success, data science, system reliability, security and risk management.

How did you meet VEF and how would you describe your relationship?

VEF is a value-driven investor and that is the key reason we relate to each other. VEF was one of the few investors that did not try to fit us into a standard model (like a payment gateway or a wallet). They could quickly grasp the nuances of our business, while seeing the long-term wins of such contrarian approaches. We see them as a valuable strategic partner; especially with their deep expertise across emerging markets as well as fintech.