

'We have put in more than a billion dollars'

The Nasdaq-listed Ebix Inc. straddles diverse businesses ranging from payments, insurance, travel, to e-commerce. Over the past two years, the Atlanta-based company has made acquisitions in excess of a billion dollars – ItzCash for ₹800 crore, Centrum Direct's forex business for ₹1,200 crore, and Yatra for ₹2,300 crore. Add on Mumbai-based Mercury Travels (its luxury and events travel brand), and New Delhi-based Leisure Corp for undisclosed sums. Ebix Group's chairman and chief executive officer **ROBIN RAINA** – who wants to position the company as an Amazon in the fintech world – spoke to **Raghu Mohan**. Edited excerpts:

EbixCash's profile has shades of an American Express (AmEX) and the erstwhile Thomas Cook thrown in. Can you flesh it for us?

There are pieces that Amex does and of the erstwhile Thomas Cook. Ebix is like an airport – you get Delta Airlines, American Airlines, the baggage handling, you can buy forex... What I like to do is to set up infrastructure exchanges wherein you assimilate all these services.

If you were to travel to Paris, Thomas Cook would have said, 'we can handle your travel and hotel stay'. If you want travel or health insurance, then outside parties will handle it. But when you collect the pieces together, it has high level of stickiness. A competitor can say 'I can do one, or two of these things (that we do) so much better', but then, what about the remaining 10 things? Ebix can bring the market to me, can you bring the market to me?

What if it is said that an integrated marketplace could replicate your

model. Does it fly?

It does not as they are distribution markets. The consumer can buy anything from a Policybazaar, and life insurance is what they are mainly into. But you cannot buy car insurance, or renew it in three minutes; and also get 10 insurance companies to compete and sell you insurance. If I hit you on the platform, 10 people will also be auctioning their services, but you will bid at the lowest price.

You also need to underwrite things on the fly. Most insurance companies work with captive agents in India. In the US, an agent can represent 30 insurance companies. An insurance company also needs systems – general ledger, and sale-registration, underwriting, adjudication and compliance systems. If there is a 48-year old non-smoker residing in a certain zip code, I will give you the technology to underwrite it (the policy). We will do B2C, B2B, and give the ability to power that technology based on Ebix's patented software. In the US, there are 9,000 insurance companies,

a Bank of America-Merrill Lynch, and millions of brokers who use my systems. So too, for travel. Thomas Cook was on our technology platform and also the TBO Group.

Are you suggesting there is more to it than just the form factor?

These guys are not going to the substance of the problem. Why did Amazon beat Barrons, or kill book publishers around the world? Amazon converged B2C and B2B. When you place an order on Amazon, the order directly lands on the production floor. It immediately creates a forecast analysis of the order. Systems do this, data moves; and the book is shipped the very same minute. What is happening today is somebody asks for something, then it goes to another



ROBIN RAINA

Chairman and Chief Executive Officer, Ebix Group

guy. It is the inherent inefficiency in the system. It is terrible in finance, and insurance, and this is one of the problems the world faces, and not just in India.

When your model fully evolves, what kind of cross-selling will you have?

The example would be you travelling to Paris. I would have cross sold you 15 different things; it is way beyond banks to be able to offer so many services. But banks are working with us on the payment solutions side. They are not coming to us seeking help on cross-selling because I am not in the business of wanting to have them right now. I can help them on the technology side, power the B2B side of things.

How much have you spent on acquisitions over the last two years?

The Nasdaq-listed parent, Ebix, has put in slightly more than a billion dollars to become the largest financial exchange by whichever virtue. I put through \$18 billion dollars in gross merchandise value in India today. We are taking 15 per cent of EbixCash in India public.

How much do you hold in the company?

As group Chairman based in the US, I have special agreement with the Board, and so at this moment, I have a 26 per cent stake in the parent company which has a market cap of \$1.5 billion. In 2006, the board gave me a special agreement. They said, "We will give you 6 million shares, but you need to stay in the company." That six million shares allotment was challenged in a US court, but the judges ruled in my favour. The new agreement says I will get those shares irrespective of whether I stay on, get fired, or leave the company.

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