

VL/DS/SE/2017-18/032

July 31, 2017

To,

<b>Bombay Stock Exchange Limited</b> P.J. Towers, Dalal Street, Fort, Mumbai - 400 001.	<b>Corporate Relationship Department</b> <b>National Stock Exchange Limited</b> Exchange plaza, Bandra Kurla complex, Bandra (E) Mumbai 400051
--	--

Dear Sir,

**Sub: Q1 FY 2017-18 Results Update & Investor Presentation**

**Ref: Vakrangee Limited- Scrip Code- 511431/VAKRANGEE**

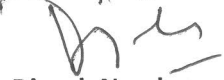
With reference to the abovementioned subject and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, please find attached herewith **Q1 FY 2017-18 Results Update & Investor Presentation** considered in the Board Meeting of the Company held today i.e. Monday, July 31, 2017.

Kindly acknowledge the receipt of the same.

Thanking You.

Yours faithfully,

For Vakrangee Limited

  
**Dinesh Nandwana**  
Managing Director & CEO  
(DIN:00062532)



Encl: A./a.

**We Provide the Last Mile Connectivity**



**Vakrangee Limited**  
**Q1 FY2017-18 Results Update &  
Investor Presentation**

July 31, 2017

# Disclaimer



This presentation has been prepared by Vakrangee Limited (“Vakrangee” or “VL” or the “Company”) solely for your information and for your use and may not be taken away, reproduced, redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization or firm) or published in whole or in part, for any purpose. By attending this presentation, you are agreeing to be bound by the foregoing restrictions and to maintain absolute confidentiality regarding the information disclosed in these materials.

The information contained in this presentation does not constitute or form any part of any offer, invitation or recommendation to purchase or subscribe for any securities in any jurisdiction, and neither the issue of the information nor anything contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment on the part of any person to proceed with any transaction. The information contained in these materials has not been independently verified. No representation or warranty, express or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented or contained in these materials. Any forward-looking statements in this presentation are subject to risks and uncertainties that could cause actual results to differ materially from those that may be inferred to being expressed in, or implied by, such statements. Such forward-looking statements are not indicative or guarantees of future performance. Any forward-looking statements, projections and industry data made by third parties included in this presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

This presentation may not be all inclusive and may not contain all of the information that you may consider material. The information presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed. Neither the Company nor any of its affiliates, advisers or representatives accepts liability whatsoever for any loss howsoever arising from any information presented or contained in these materials.

**THIS PRESENTATION IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ELSEWHERE.**

# Table of Contents

□ Our Vision	04
□ Q1 FY2017-18 Results Update	08
□ Dividend Pay-Out Policy	15
□ Financial Overview & Shareholding Structure	17
□ Current Rollout Status	19
□ IOC – Strategic Tie Up	20
□ Company Overview	23
□ Vakrangee Kendra – Business Overview	26
□ E-Governance Projects	38
□ Directors & Leadership Team	40
□ Annexure	43

# Our Vision

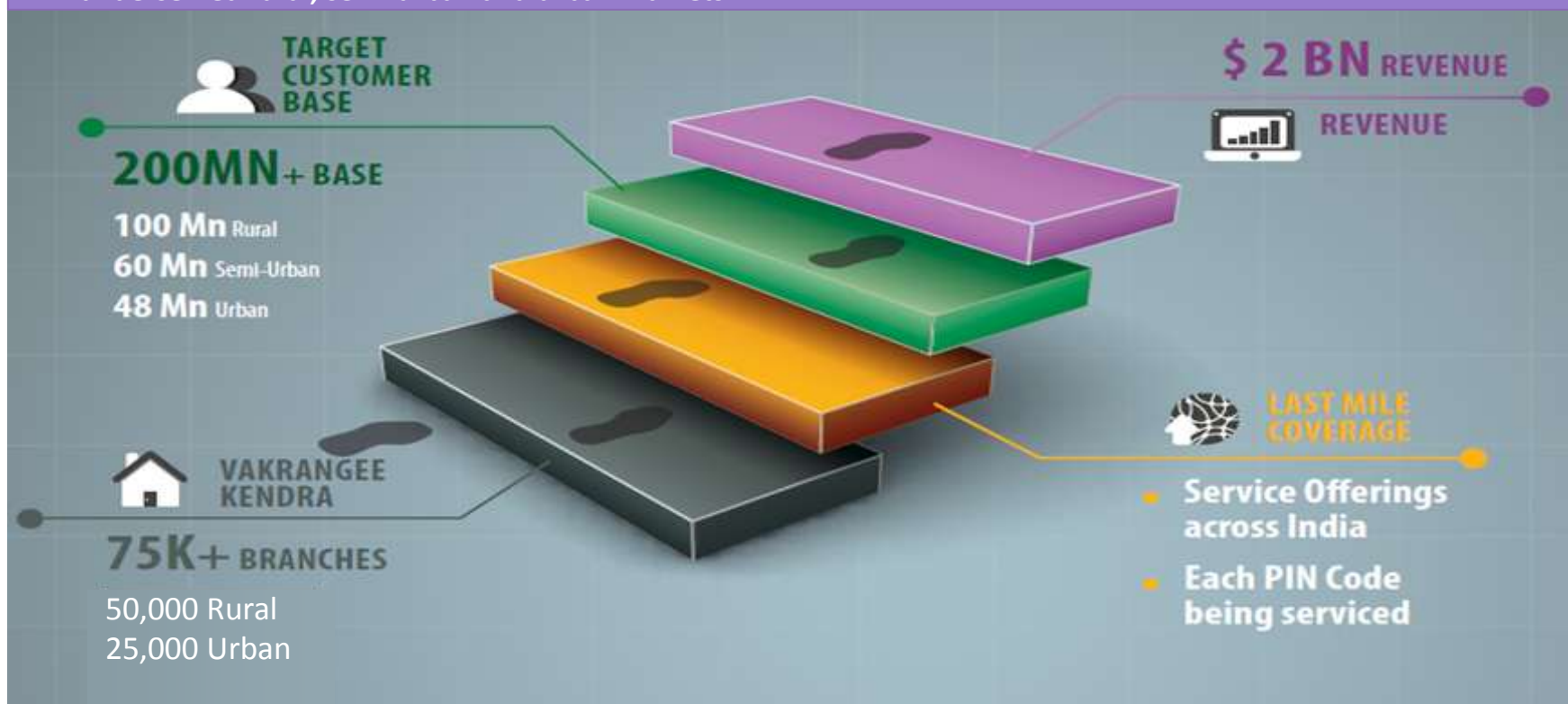


*“Vakrangee aims to be the most trustworthy Physical as well as Online convenience-store across India. We promise to give every Indian, their rightful access to a wide range of products and services, that are fairly priced and of high quality. We will keep expanding this network, until we are in close proximity to the last excluded person within the country”*

- Over the next few years, plan to do much more expansion than the earlier set target of 75,000 outlets.
- Clear focus to deepen our presence and reach, enhance our product & service portfolio. Creating a seamless customer experience.

# Our 2020 Targets

- We are a Technology-driven company, focussing on creating India's largest network of last-mile retail points-of-sale.
- Our aim is to potentially enable every Indian to seamlessly benefit from Financial Inclusion, Social Inclusion, Digital India, Skill Development , Employment , Government programmes and a wider access to basic goods and services.
- Our Strategy is to leverage our vast network of retail access points to deliver real-time Banking & ATM, Insurance Services, E-Governance Services (G2C), e-Commerce Services (B2C) & Logistics Services to the unserved & underserved rural, semi-urban and urban markets.



# Update on Expansion Plan

	FY2016	FY2017	FY2018	FY2019	FY2020	Executed Till Date – June 2017
Rural Kendras	15,000	25,000	35,000	45,000	50,000	26,737
Urban Kendras	5,000	10,000	15,000	20,000	25,000	10,951
<b>Total</b>	<b>20,000</b>	<b>35,000</b>	<b>50,000</b>	<b>65,000</b>	<b>75,000</b>	<b>37,688</b>
<b>Achieved</b>	<b>20,677</b>	<b>35,206</b>	-	-	-	-

**Set to rollout the Expansion Plan for FY2017-18.**

**Well on Track to deliver and achieve on the Planned Expansion Plan**

## Q1 FY2017-18 Results Update



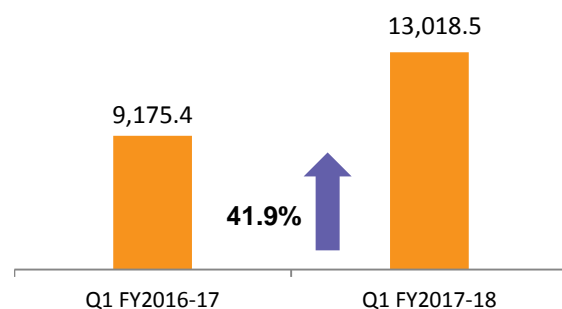
# Q1 FY2017-18 Results Highlights



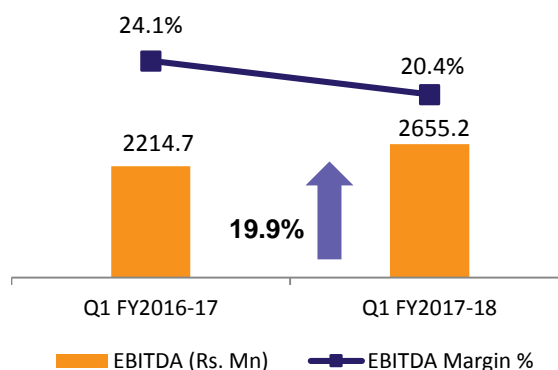
In Rs Mn

## Q1 FY2017-18 (Consolidated)

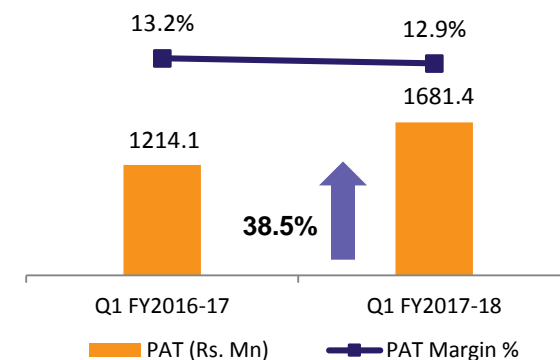
### REVENUES



### EBITDA & EBITDA Margin

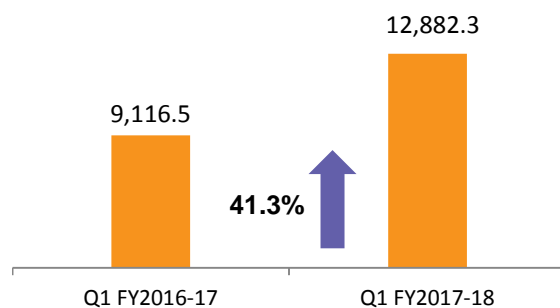


### PAT & PAT Margin

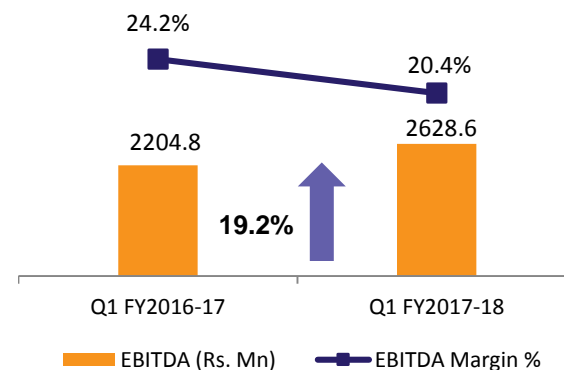


## Q1 FY2017-18 (Standalone)

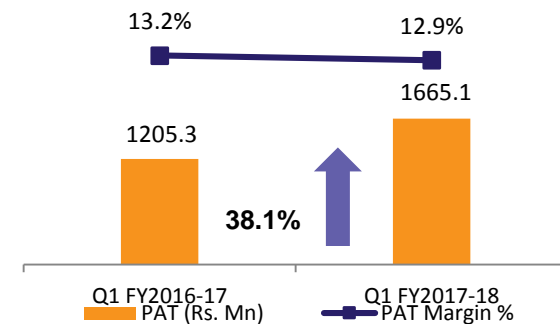
### REVENUES



### EBITDA & EBITDA Margin



### PAT & PAT Margin



# Q1 FY2017- 18 Key Highlights



## KEY OPERATIONAL UPDATES

- **Update on Expansion Plan –**
  - **Currently 37,688 outlets are completed & operational across 16+ states.**
- **Update on New Tie-Ups & Alliances –**
  - **Financial Services** – Alliance with DMI Finance Pvt. Ltd. for lead generator for offering loan products & collection of EMIs.
  - **E-Governance** - Alliance with IRCTC for railway E-ticket bookings
- **Update on Outlets at Indian Oil Corporate Limited (IOC) Filling/Gas Station –**
  - 200+ outlets operational in the state of Maharashtra, Rajasthan, Uttar Pradesh, Gujarat, Madhya Pradesh, Orissa, Jharkhand, Chhattisgarh and Delhi NCR

## KEY INDUSTRY UPDATES

- **Update on Pradhan Mantri Jan Dhan Yojna Scheme** – Total 29.09 crore accounts opened so far with Rs. 64922.44 crore in deposits.
- **Update on Direct Benefit Transfer Scheme (DBT)** – The Scope of DBT has been expanded and it has been universalised to cover all Central Sector and Centrally Sponsored Schemes. (Source - <http://cabsec.nic.in/dbt/cir31mar16.html>)
  - **Latest Update on DBT** - DBT Mission is monitoring data from 51 Ministries/Departments on 314 government schemes operational in the country. The total direct benefit Transfer (Cumulative) stood at Rs. 2,13,882.40 Crores stood and for FY2017-18 stood at Rs. 31,072.15+ Crore; number of DBT transactions (FY2017-18) stood at more than 51.43+ crore and saving stood at 57,029 Crore (Data as on July 24, 2017).
  - **New set of guidelines proposed by RBI** - Banks need to open at least 25% of their banking outlets in a year in unbanked area. These have to be open for at least 4 hours per day for 5 days in a week manned either by business correspondents or by bank officials. (Source: <http://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-issues-new-branch-expansion-norms/articleshow/58737333.cms>)

# Update on New Initiatives: Launch of JioPhone



- **Pre-Booking Services** - Vakrangee Kendra Outlets to start accepting the Pre-Bookings of JioPhone from 24<sup>th</sup> August 2017 onwards.
- **Delivery & Collection Point** - Vakrangee Kendra Outlets to act as delivery & Collection point for the ordered handsets.
- **SIM Activation** - Issuance and Activation of SIM connection through the E-KYC facility
- **Mobile Recharge** - All Recharge plan options would be available at the outlets
- **Targeted sales of 10 million JioPhone Handsets**

# Board Approval for Feasibility Study on: Vakrangee Prime & Master Franchisee Model



## NEW STORE FORMAT – VAKRANGEE KENDRA PRIME

- Board has approved the Proposed Feasibility Study on a new store Format – Vakrangee Kendra PRIME
- Some of the Key Differentiators to be studied –
  - Primarily targeting Urban/Semi-urban locations
  - Larger Store size with additional counters
  - Larger catchment Area
  - Exclusivity of few services
  - Additional Storage Area
  - Enhanced Customer Experience

## MASTER FRANCHISEE MODEL

- Board has approved the Proposed Feasibility Study on Master Franchisee Model
- Primarily targeting Urban/Semi-urban locations
- Focusing on a Faster Ramp-up of Outlets
- Understanding the Master Franchisee and Sub-License Arrangements

# Strong Corporate Governance



## NEW STATUTORY AUDITOR – BIG 4 ACCOUNTING FIRM

- The Board has already considered and approved the appointment of Price Waterhouse & Co. Chartered Accountants LLP (PWC) as New Statutory Auditor on rotation of the existing auditor i.e. S.K.Patodia & Associates, Chartered Accountants, subject to regulatory approvals.

## BOARD OF DIRECTORS

- Independent Board with 6 out of Total 8 Directors being Independent. Led by Mr. Ramesh Joshi, Ex-ED at SEBI & over 3 decades of experience at RBI.
- Nominee Director on Board representing the Life Insurance Corporation of India

## REPUTED PARTNERS

- Company has received Licenses from Prominent authorities like UIDAI, RBI
- Tie-Up Alliance with Reputed Private Players such as Amazon, Tata AIG, Mahindra & Mahindra, Aramex, HDFC Life, Bajaj Allianz, HDFC ERGO General, Aditya Birla Health etc

## TAX PAYMENT & DIVIDEND PAYOUT POLICY

- Company has a Tax rate at ~35% and adheres to Full tax payment.
- Formal dividend payout policy in place - Board has approved to maintain a dividend pay-out in the range of 15%-25% of profits after tax (PAT) on consolidated financials.

## INDEPENDENT PROJECT MGMT CONSULTANT, EXTERNAL RATNGS

- KPMG as Independent Project Management Consultant.
- Company has received external ratings from MSCI ESG with a “BBB” Rating (Report dated July 28, 2016).

# Q1 FY2017-18 Results – Business - Wise Vertical Analysis (Standalone)



Particulars (Rs Mn)	Q1 FY2017-18		Q1 FY2016-17		YoY %	FY2016-17		FY2015-16*		YoY %
		% of Total		% of Total			% of Total		% of Total	
<b>Total Revenues</b>	<b>12882.3</b>	<b>100.0</b>	<b>9116.4</b>	<b>100.0</b>	<b>41.3</b>	<b>39489.5</b>	<b>100.0</b>	<b>31686.1</b>	<b>100.0</b>	<b>24.6</b>
Vakrangee Kendra	9083.2	70.5	5505.9	60.4	65.0	25268.2	64.0	16868.0	53.2	49.8
E-Governance	3799.1	29.5	3610.5	39.6	5.2	14221.3	36.0	14818.1	46.8	(4.0)
<b>Total EBITDA</b>	<b>2628.6</b>	<b>100.0</b>	<b>2204.8</b>	<b>100.0</b>	<b>19.2</b>	<b>9424.4</b>	<b>100.0</b>	<b>8238.3</b>	<b>100.0</b>	<b>14.4</b>
Vakrangee Kendra	1868.7	71.1	1215.9	55.1	53.7	5430.6	57.6	4037.2	49.0	34.5
E-Governance	759.9	28.9	988.9	44.9	(23.2)	3993.8	42.4	4201.1	51.0	(4.9)
<b>EBITDA Margin %</b>	<b>20.4</b>		<b>24.2</b>			<b>23.9</b>		<b>26.0</b>		
Vakrangee Kendra	20.6		22.1			21.5		23.9		
E-Governance	20.0		27.4			28.1		28.4		

Note: \* figures are as per IGAAP

# Consolidated Financial Statements



## Key Profit & Loss Statement Items

Particulars (Rs. Mn.)	Q1 FY2017-18	Q1 FY2016-17	YoY %	FY2016-17	FY2015-16	YoY %
<b>Total Income from Operations</b>	<b>13,018.5</b>	<b>9,175.4</b>	<b>41.9</b>	<b>40,004.6</b>	<b>31,907.4</b>	<b>25.4</b>
<b>Total Expenses (Excluding Depreciation &amp; Finance Cost)</b>	<b>10,391.6</b>	<b>6,968.0</b>	<b>49.1</b>	<b>30,544.5</b>	<b>23,699.9</b>	<b>28.9</b>
<b>EBIDTA</b>	<b>2,655.2</b>	<b>2,214.7</b>	<b>19.9</b>	<b>9,512.9</b>	<b>8,263.9</b>	<b>15.1</b>
<b>EBIDTA Margin %</b>	<b>20.4</b>	<b>24.1</b>	<b>- 370 bps</b>	<b>23.8</b>	<b>25.9</b>	<b>- 210 bps</b>
Depreciation Expense	7.9	212.3	-96.3	733.9	1,640.4	- 55.3
Finance Cost	58.6	136.0	-56.9	500.9	563.2	- 11.1
<b>Profit before Tax (PBT)</b>	<b>2,588.6</b>	<b>1,866.4</b>	<b>38.7</b>	<b>8,278.1</b>	<b>6,060.3</b>	<b>36.6</b>
Tax Expenses	908.3	651.4	39.4	2,970.2	2,111.8	40.6
<b>Profit after Tax (PAT)</b>	<b>1,681.4</b>	<b>1,214.1</b>	<b>38.5</b>	<b>5,306.3</b>	<b>3,944.8</b>	<b>34.5</b>
<b>PAT Margin %</b>	<b>12.9</b>	<b>13.2</b>	<b>- 30 bps</b>	<b>13.3</b>	<b>12.4</b>	<b>90 bps</b>
<b>Earnings per Share (EPS Basic in Rs.)</b>	<b>3.2</b>	<b>2.3</b>	<b>39.1</b>	<b>10.0</b>	<b>7.6</b>	<b>31.6</b>

## Key Balance Sheet Items

Particulars (Rs. Mn.)	FY2016-17	FY2015-16	Particulars (Rs. Mn.)	FY2016-17	FY2015-16
<b>Net Worth</b>	<b>20,537.5</b>	<b>15,831.5</b>	<b>Fixed Assets</b>	<b>287.5</b>	<b>1,322.2</b>
Share Capital	529.2	529.2	Other Non-Current Assets	82.2	318.3
Other Equity	20,008.3	15,302.3	Inventory	4,991.9	5,070.6
<b>Total Debt</b>	<b>1440.2</b>	<b>2,949.7</b>	Trade Receivables	8,243.6	8,498.6
Long Term Debt	-	122.2	Cash & Cash Equivalents	6,031.9	1,672.0
Short Term Debt	1440.2	2,827.5	Other Current Assets	3,047.3	4,041.1
Other Non-Current Liabilities	33.2	169.4	Less: Trade Payables	296.9	1,144.1
<b>Total Sources of Funds</b>	<b>22,010.9</b>	<b>18,950.6</b>	Less: Other Current Liabilities	376.6	828.1
			<b>Net Current Assets</b>	<b>21,641.2</b>	<b>17,310.1</b>
			<b>Total Application of Funds</b>	<b>22,010.9</b>	<b>18,950.6</b>

Note: Fiscal Year (FY) is 12 months ending March

# Dividend Pay-Out Policy



## DIVIDEND PAY-OUT POLICY

- FROM FY2015-16 ONWARDS, THE BOARD HAS APPROVED TO MAINTAIN A DIVIDEND PAY-OUT IN THE RANGE OF 15%-25% OF PROFITS AFTER TAX (PAT) ON CONSOLIDATED FINANCIALS.

## RATIONAL FOR DIVIDEND PAYOUT RANGE:

- The company stands committed to create sustainable shareholder wealth to all its shareholders. The company has agreed to distribute an optimal and appropriate level of the profits earned through its business to the shareholders, in the form of dividend.
- Company's Legacy Business (E-Governance vertical) has been Capex Intensive as well as Working Capital Intensive, thus limiting the Free Cash Flow generation.
- Going forward, the Company's plans to focus on Vakrangee Kendra outlet Business which currently contributes ~70% of the Total Revenues (as on June 30, 2017).
- Vakrangee Kendra business has Low Capex requirement and Low Working Capital requirement.

## NEW DIVIDEND PAYOUT POLICY:

Particulars (Rs. Mn.)	FY2015-16	FY2016-17*
Dividend Per Share	1.25	2.00
Dividend as % of Face Value	125%	200%
Dividend Payout (As % of PAT)**	20.2%	24.0%

Note: \*Proposed Dividend

\*\* Including Dividend Distribution Tax

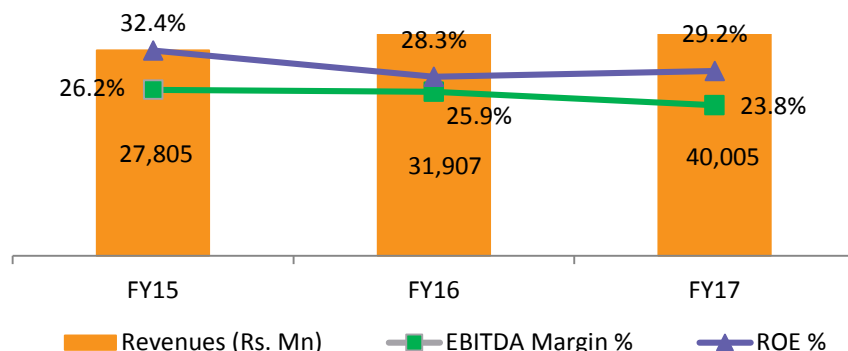


## Financial Overview & Shareholding Structure

# Financial Overview & Shareholding Structure

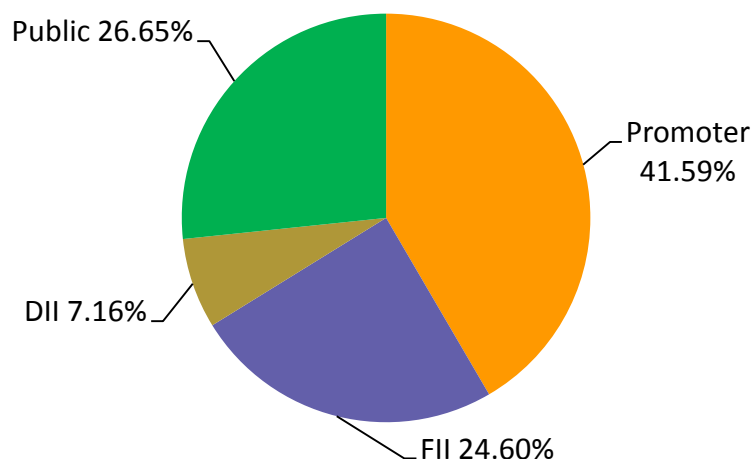


## Last 3 Year Financials



Note: ROE = PAT/Average Networkth  
FY15 figures are as per IGAAP

## Shareholding Pattern – July 21, 2017



As on 28.7.17 (BSE)

Market cap (Rs. Mn)	2,40,453.48
Price (Rs.)	454.20
No. of shares outstanding (Mn)	529.40
Face Value (Rs.)	1.00
52 wk High-Low (Rs.)	457.60/163.80

- Vakrangee has been classified in the Specialty Retail industry by Bombay Stock Exchange (BSE).
- Vakrangee is included in BSE 200, BSE 500, NSE 200, NSE 500, Nifty Full Midcap 100, Nifty Free Float Midcap 100 index and is also included in MSCI Global Small Cap Index.
- Vakrangee is also got included in Group 'A' stocks of BSE.
- Group A classification is based on qualitative factors - Corporate Governance, Compliance track record, Responsible/Sustainable Investment etc. and quantitative factors - market capitalisation, public share holding, floating stock, trading volume etc.

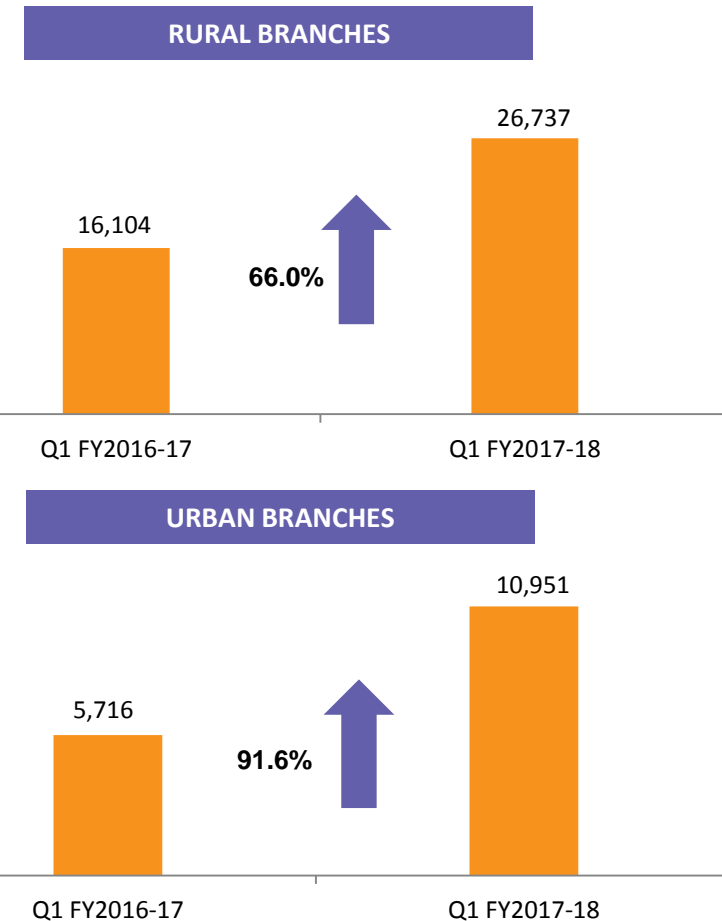
## Current Rollout Status

# Vakrangee Kendra:

## Rollout Status as on June 30, 2017



States	Rural Branches	Urban Branches	Total
Rajasthan	10228	3371	13599
Uttar Pradesh	7713	3682	11395
Maharashtra	7102	2466	9568
Madhya Pradesh	547	336	883
Gujarat	229	255	484
Bihar	383	101	484
Haryana	95	194	289
Punjab	88	212	300
Jharkhand	147	65	212
Odisha	74	59	133
Delhi	0	106	106
Chhattisgarh	39	19	58
Uttarakhand	40	34	74
Goa	31	20	51
Himachal Pradesh	14	12	26
Chandigarh (UT)	1	13	14
Karnataka	6	5	11
Dadar & Nagar Haveli (UT)	0	1	1
<b>Total</b>	<b>26737</b>	<b>10951</b>	<b>37688</b>



# Vakrangee Kendra:

## STRATEGIC TIE UP WITH INDIAN OIL CORPORATION LIMITED FOR PAN INDIA



- Strategic tie-up with Indian Oil Corporation Limited (IOC), India's largest commercial enterprise for setting up Vakrangee Kendra at its retail outlets (distribution network).
- To set up Vakrangee Kendra in more than 20,000 IOC Retail Outlets (Filling/Gas Station) located in Pan India. (IOCL has more than 25,000+ Retail Fuel Outlets)
- **Tie up to increase the customer touch points at the Vakrangee Kendra and ensure a boost in its core objective i.e. Financial Inclusion, Digital Inclusion, Social Inclusion, Employment Generation and Skill Development.**



# Vakrangee Kendra:

## LAUNCH OF VAKRANGEE KENDRA AT INDIAN OIL CORPORATION



- Vakrangee Kendra shall be set up in all IOC Filling/Gas station located across India.
- 200+ Vakrangee Kendra outlets are operational in the state of Maharashtra, Rajasthan, Uttar Pradesh, Gujarat, Madhya Pradesh, Orissa, Jharkhand, Chhattisgarh and Delhi NCR

### Photograph of Vakrangee Kendra at IOC Filling / Gas Station

Lucknow, Uttar Pradesh



Mumbai, Maharashtra



## Company Overview



# Business Evolution & Future Transformation



## BUSINESS EVOLUTION (E-GOVERNANCE)

<b>1990</b>	Company Incorporation
<b>1993</b>	Computerisation of Central Election Commission
<b>2005</b>	MCA 21 Project - Ministry of Corporate Affairs
<b>2007</b>	1. Land Record Digitization in UP 2. RSBY (Smart Card Project) – UP, Haryana & Rajasthan
<b>2009</b>	Land Record Digitisation for Govt. of Philippines
<b>2010</b>	1. Passport Seva Kendra Project & CSC Project in Punjab 2. Sarva Shiksha Abhiyan
<b>2011</b>	1. UID Enrollments 2. UID linked Haryana PDS
<b>2013</b>	1. IGRS 2. National Population Register 3. CSC Project in Rajasthan

### STRONG PROJECT EXECUTION CAPABILITIES

- Last mile infrastructure & grass root level footprint to deliver Mission Mode Projects at village level.
- Experience of on-ground complexities in rural regions – flexible timings, power & connectivity issues, manpower training.
- Expertise from data digitization to technology management.
- Deep understanding of rural consumer behavior and mindset.

## BUSINESS TRANSFORMATION (VAKRANGEE KENDRA)

<b>2013</b>	Financial Inclusion Project – MoF & RBI
<b>2014</b>	WLA License – RBI
<b>2015</b>	Foray into E-Commerce
<b>2016</b>	1. Strategic tie-up with IOC 2. Insurance tie-up for Life, Non Life and Health 3. Logistic tie-up with FedEx, Aramex and Delhivery
<b>2017</b>	1. Alliance with IRCTC 2. Logistic tie-up with First Flight 3. Insurance tie-up with Aditya Birla Health 4. Alliance with DMI Finance Pvt. Ltd.

### VAKRANGEE KENDRA BUSINESS

**EXPANSIVE DISTRIBUTION PLATFORM  
OF 75,000 LAST MILE RETAIL TOUCH POINTS  
ACROSS INDIA BY 2020**

**PROVIDING ONE-STOP SHOP FOR  
AVAILING BANKING & ATM, INSURANCE, E-GOVERNANCE,  
E-COMMERCE AND LOGISTIC SERVICES**

**VAKRANGEE'S BUSINESS IS FAST TRANSFORMING DRIVEN BY  
THE RISING SHARE OF VAKRANGEE KENDRA BUSINESS**

### VAKRANGEE KENDRA (% REVENUES)

FY14	FY15	FY16	FY17	FY20 E
39%	43%	53%	64%	100%



# Our Businesses



## E-GOVERNANCE

Systems Integrator & End-to-End Services Provider

- More than 20 years of consistent execution experience.
- **Business Evolution:** Sub-contractor to Consortium Partner to Prime / Independent Bidder.
- **Current Projects: (under NeGP)**
  - UID - Unique Identification Project
  - SSA - Sarva Siksha Abhiyan
  - RSBY - Rashtriya Swasthya Bima Yojana
  - PMS / DMS - Electoral Data



## VAKRANGEE KENDRA

Banking (Business Correspondent) & ATM, Insurance, E-Governance, E-Commerce & Logistics

- Setup & manage 75,000 Vakrangee Kendra Outlets and covering the presence in 100% Postal code of India by 2020.
- **Banking:** Offering robust technology, real time, interoperability and paper less banking.
- **ATM:** RBI license to setup and manage 15,000 WLA across India.
- **Financial Services:** Alliance with DMI Finance Pvt. Ltd. For offering loan products and collection of EMIs.
- **Insurance:** Corporate agent of Life Insurance Corporation of India (LIC); TATA AIG General Insurance Company Limited; Bajaj Allianz Life Insurance Company Limited; HDFC Standard Life Insurance Company Limited; Reliance General Insurance Company Limited; HDFC ERGO General Insurance Company Limited; CIGNA TTK Health Insurance Company Limited; Religare Health Insurance Company Limited, Aditya Birla Helath insurance Company Limited and Provide Insurance under Atal Pension Yojna, Jeevan Jyoti Bima Yojna, Pradhan Mantri Suraksha Bima Yojna.
- **E-Governance:** Offer various Government-to-Citizen services from Vakrangee Kendra.
- **E-Commerce:** Offer various Business-to-Customer services like mobile and DTH recharges and education. Alliance with various partners to facilitate sale of various products; Redbus for offering bus ticketing services; Mahindra for promoting and booking automobile products; Augmont for Sales of Gold Products; Reliance Jio for issuance of sim connection and sale of mobile handsets
- **Logistics :** FedEx Express, Aramex India, Delhivery and First Flight for Courier & logistics services using the last-mile distribution network of Vakrangee Kendra outlets.



## Vakrangee Kendra – Business Overview



# Vakrangee Kendra:

## Scope of Services



Technology Intensive Retail Distribution Platform for last mile touch points delivering services across

Banking & ATM, Insurance, e-Governance, e-Commerce and Logistic services to domains on a real-time basis to potential 250 mn customers across underserved rural and urban India

### VAKRNAGEE VITT

#### BANKING

- Bank A/C Opening
- Cash Deposits, Withdrawals, Money Transfer.
- Fixed/ Recurring Deposits.
- Balance Enquiry, Statement of Accounts
- Disbursement of money under Direct Benefit Transfer

#### INSURANCE

- Corporate agency tie-up for Life, General and Health Insurance.
- Micro Insurance schemes under Atal Pension Yojna, Jeevan Jyoti Bima Yojna & Pradhan Mantri Suraksha Bima Yojna.

#### ATM

- Real time cash withdrawals from all banks through WLA (White Label ATM).
- Co-located ATM in urban/semi-urban branches to cater to holistic banking needs of customers while optimizing cost of operations.

#### FINANCIAL SERVICES

- Lead generation for Loan Products – Consumer, Housing, SME Loans

### VAKRANGEE NAGRIK

#### E-GOVERNANCE

- Enrolments-UID Card, NREGA job Card, Election Card
- Land Record Digitization, Electoral Rolls
- Payment of Utility Bills, Taxes, Levies, Certificates, Hall tickets, Exam Fee Payments.
- Online Form Filling.
- Alliance with **IRCTC** for offering railway E-Ticket booking
- **GST Services** – Registration & Filing
- Other G2C services based on state to state

### VAKRANGEE BAZAAR

#### E-COMMERCE

- Telecom - Mobile recharge
- DTH service - Recharge, bill payments
- **Assisted E-Commerce Model** –
- Alliance with **Amazon** to facilitate sale of products.
- Alliance with **Augmont** for Sales of Gold Products
- Alliance with **Reliance Jio** for issuance of sim connection and sale of mobile handsets
- Alliance with **Redbus** for offering bus ticketing services.
- Alliance with “**Mahindra eMarket Limited**”, a subsidiary of M&M, for promoting and booking automobile products

#### LOGISTICS

- **Alliance with FedEx Express, Aramex India, Delivery and First Flight Couriers Limited** for courier and logistics services (Forward Delivery as well as Reverse Pick Up services)

# Vakrangee Kendra:

## Key Business Alliances – Strong Reputed Partners



### BANKING & FINANCIAL SERVICES



### E-GOVERNANCE



### INSURANCE



### E-COMMERCE



### LOGISTICS



# Vakrangee Kendra: Business Model



## OPERATING MODEL

- All the Vakrangee Kendras operate on **FRANCHISEE MODEL**.
- Franchisee manages day-to-day operations.
- All operational costs are borne by the Franchisee.
- Vakrangee is responsible for project management, quality assurance on behalf of clients, infrastructure set up, Franchisee training and access to new services & content at the Vakrangee Kendra.

## REVENUE MODEL (Revenue shared between Franchisee & Vakrangee)

### Fixed Revenue Stream

- Banking - Fixed monthly remuneration from banks .

### Variable Revenue Stream - Transaction fee earned from Banking, E-Governance, Insurance, E-Commerce Logistics and ATM services

- One Time Transactions - E.g. Account Opening, UID generation.
- On Going Transactions - E.g. Banking, UID Updation (Deposit/Withdrawal/remittances), e-Governance (utility bills), e-Commerce (mobile & DTH recharges and sale of products), Insurance, Logistics (Courier Booking) and ATM (Financial and Non financial transactions)

## EVOLVED BC MODEL BENEFITS

Exclusive Brick & Mortar BC per Sub Service Area (SSA)

Real-time & Interoperable banking

Biometric Authentication enabling paper less banking, providing cost efficiency and ease of use

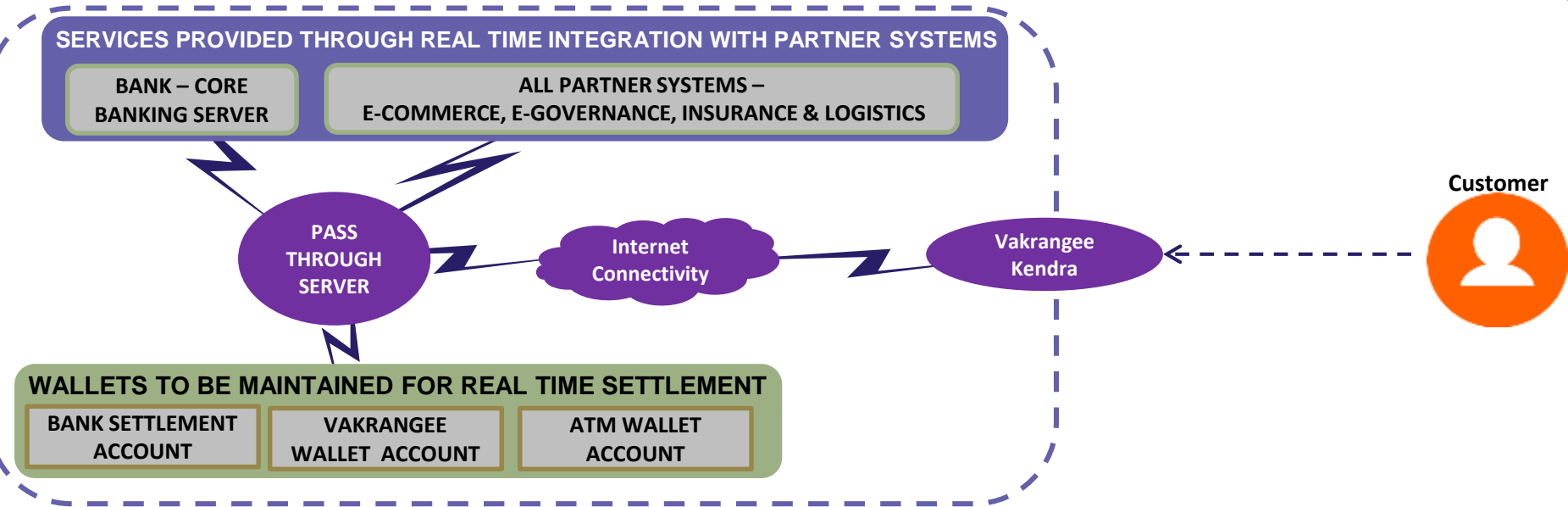
Parent bank brand display enhances trust

Locals manning at each branch enhances customer trust

Economies of Scope from other value added services (E-Governance, E-Commerce, Insurance & Logistics services)

Franchise mode of operations resulting in minimal capex and working capital requirement from Vakrangee

# Vakrangee Kendra: Technology Setup



## Technology

- **Technology platform integrated with CBS of various banks, delivering real-time & interoperable banking access.**
- Biometric authentication enabling quick KYC and paper less banking.
- **integration with all partner systems across E-Commerce, E-Governance, Insurance and Logistics.**
- Technical Support Available - Resources at district level trained to handle day-to-day IT glitches and troubleshooting.

## Internet Connectivity

- **Seamless connectivity through V-SAT or Broadband Internet**
- Designed to operate 4 hours on battery backup in case of power failure

## Power Supply

- UPS

## Security Specifications

- Defined User Policy -Authentication required for each and every user of the server; Secured and safe transactions
- Quarterly security audit including vulnerability and penetration testing
- Information security audit by link bank before go-live certificate



# Vakrangee Kendra: Risk-Free Banking by Pre-Paid Deposit in the Settlement Account



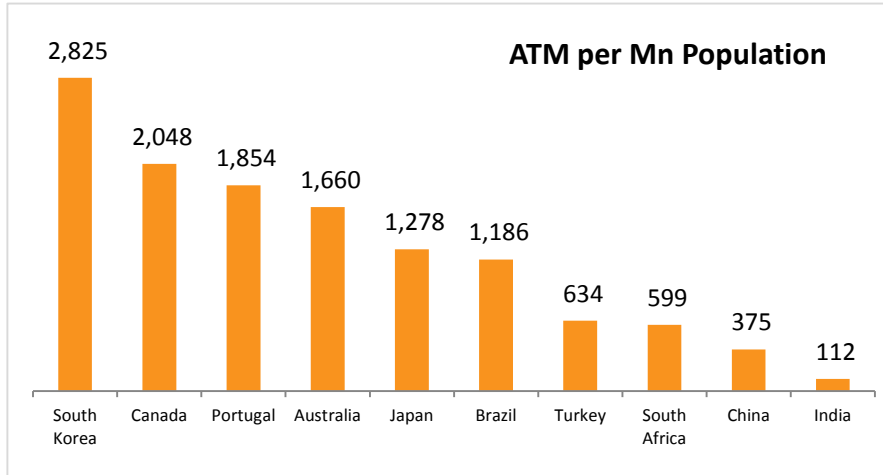
## REAL-TIME SETTLEMENT WITHOUT ANY RECONCILIATION ERROR RISK AND CASH MISAPPROPRIATION RISK

- Each Vakrangee Kendra Franchisee is required to maintain a current settlement account with the parent bank.
- This current settlement account of Franchisee is used for real-time settlement of the cash withdrawal/deposit transactions.
- At any time, the deposit accepted at any Vakrangee Kendra cannot exceed the deposit lying in the settlement account.

	Customer's Savings A/C	Franchisee Settlement A/C	Franchisee Cash in Hand
<b>Initial A/C Balance</b>	--> Rs 50,000	Rs 50,000	Rs 50,000
<b>Cash Deposit Rs 10,000</b>	---> Credit Rs 10,000	Debit Rs 10,000	+ Rs 10,000
<b>Cash Withdrawal Rs 20,000</b>	---> Debit Rs 20,000	Credit Rs 20,000	- Rs 20,000
<b>Final A/C Balance</b>	---> Rs 40,000	Rs 60,000	Rs 40,000

- When Franchisee receives cash deposit from customer, Franchisee's settlement A/C gets debited and customer's A/C gets credited.
- When Franchisee provides cash for withdrawal to customer, Franchisee's settlement A/C gets credited and customer's A/C gets debited.
- Thus cash in hand of Franchisee becomes his own cash, and neither the customer nor the bank is at risk of any cash misappropriation.

# Vakrangee Kendra: White Label ATM – OPPORTUNITY



- Low Penetration = Huge opportunity for WLAs
- As on Oct 2016, India had ~ 230,000 ATMs. It is expected to cross 350,000 ATMs by 2017 in India.
- RBI WLA license to Vakrangee –
  - Set up & Manage 15,000 WLA
  - Maintain rural (Tier III to VI) to urban (Tier I & II) ratio of 2:1 (incl. minimum of 10% to be set up in Tier V & VI)

## Benefits of Vakrangee WLAs Over Other Players

Sr. N o.	Operating Cost	Vakrangee	Peers
1	Rent Expense	✗	✓
2	Civil Work & Interiors	✓	✓
3	Internet Connectivity	✓	✓
4	Cash Management Charges	✗	✓
5	ATM Operational Costs	✓	✓
6	Security Guard	✗	✓

### COMPETITIVE ADVANTAGES URBAN BRANCH + ATM MODEL

#### COST SYNERGIES

- No requirement of security guard as the ATM is located inside the urban BC branch
- Sharing of Civil Work, VSAT, Rent and Electricity expenses.



## Vakrangee Kendra – Logistics

# Logistics – Why Vakrangee ?



## FY2017 – CURRENT PRESENCE

NO OF OUTLETS

37,600+

NO OF STATES

16+

NO OF DISTRICTS

370+

NO OF POSTAL CODES

5,200+



## FY2020 – TARGETED PRESENCE

NO OF OUTLETS

75,000

NO OF STATES

PAN INDIA

NO OF DISTRICTS

650+

NO OF POSTAL CODES

19,000+

### KEY CHALLENGES FOR CURRENT PLAYERS -

- Current players – Average reach up to 5000-6000 Postal codes - COD offerings is in even fewer Postal codes
- High cost associated with last and first mile legs of logistics
- Reverse logistics – cost could be 1.5 to 2 times the cost of forward logistics

## ADVANTAGE VAKRANGEE

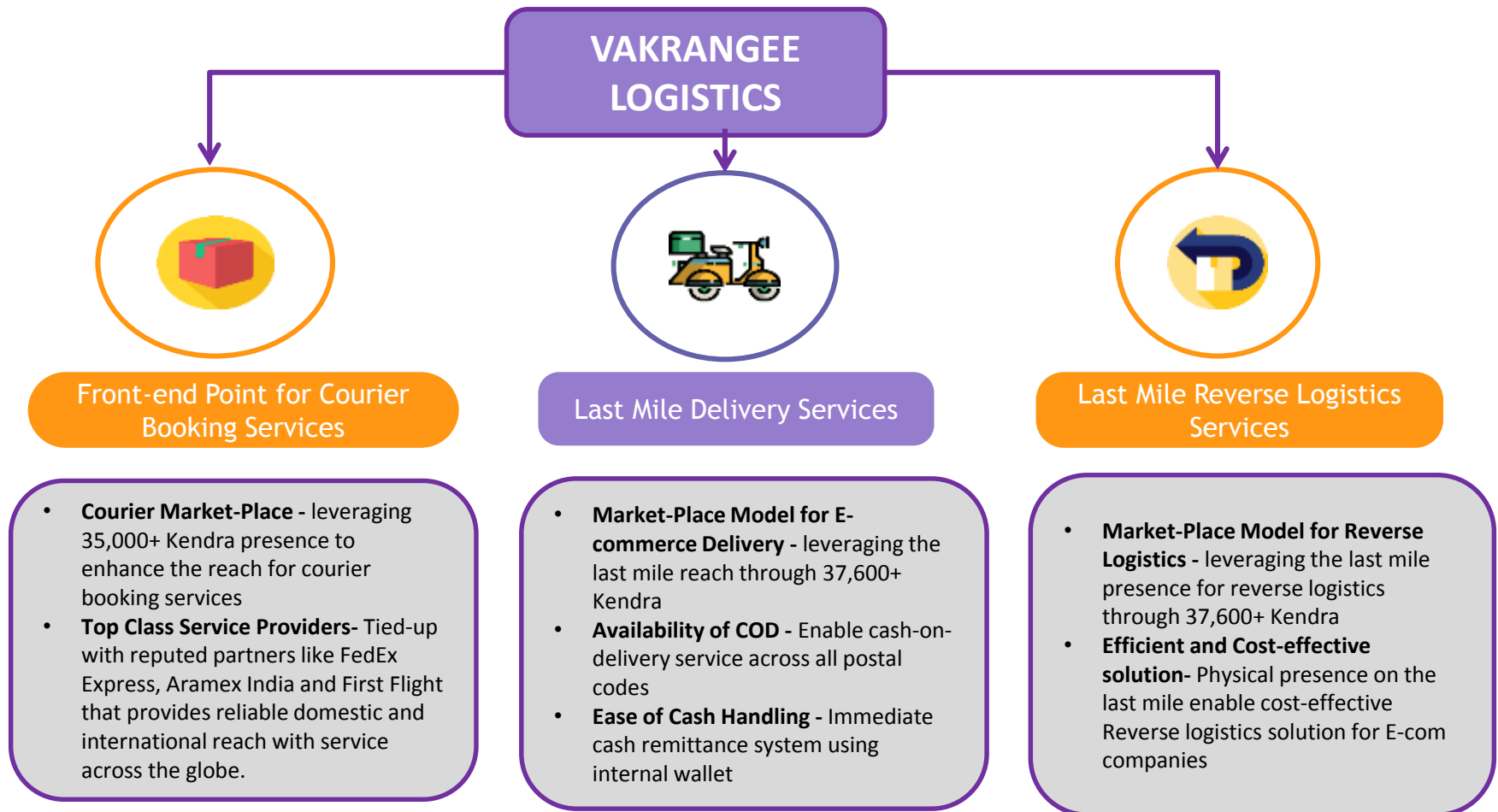
WELL ESTABLISHED  
LAST MILE REACH

ENABLE CASH-ON-  
DELIVERY SERVICE  
ACROSS ALL POSTAL  
CODES

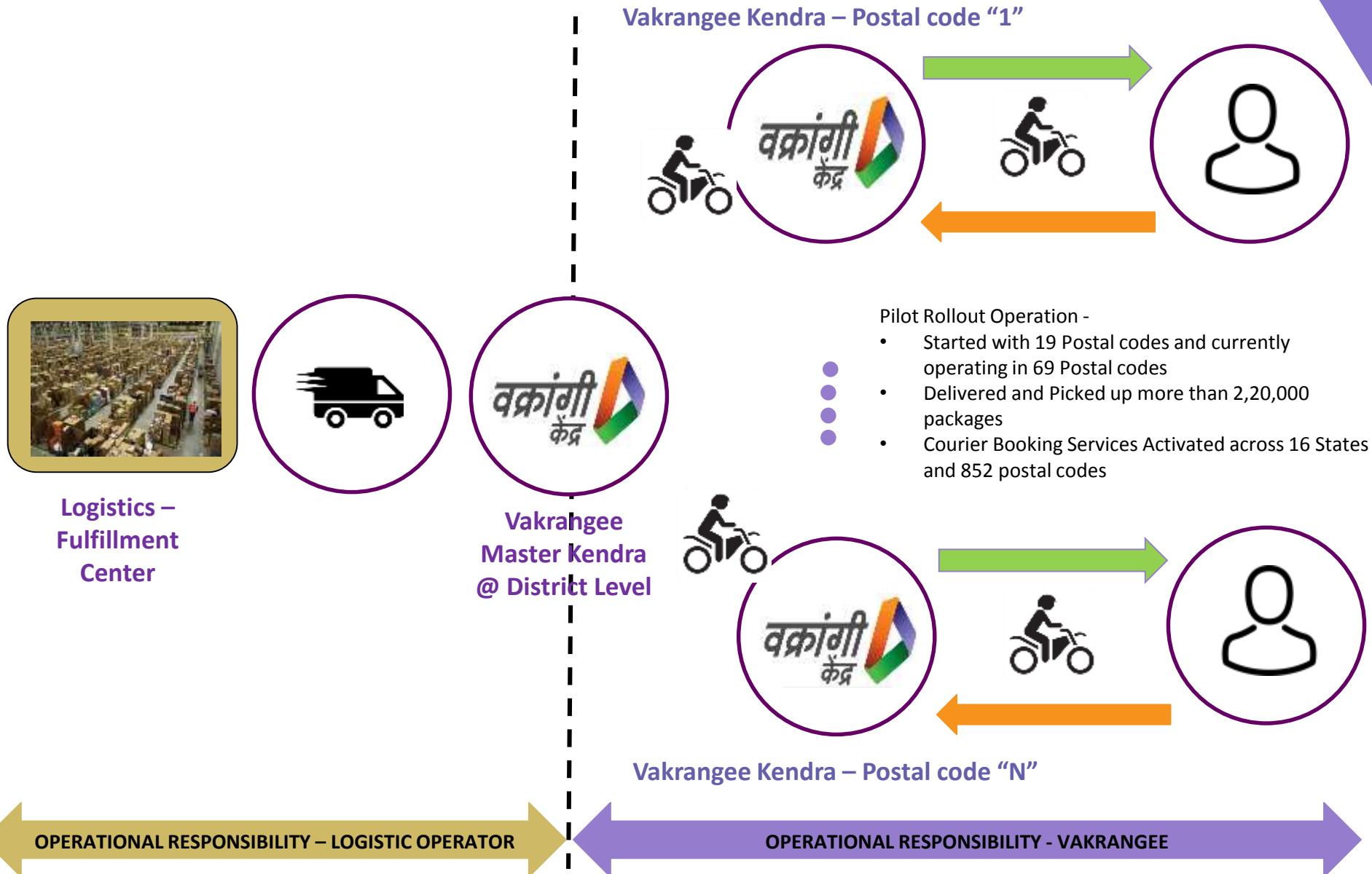
IMMEDIATE CASH  
REMITTANCE  
SYSTEM USING  
INTERNAL WALLET

DEDICATED  
RESOURCES FOR  
PROVIDING  
DELIVERY SERVICES

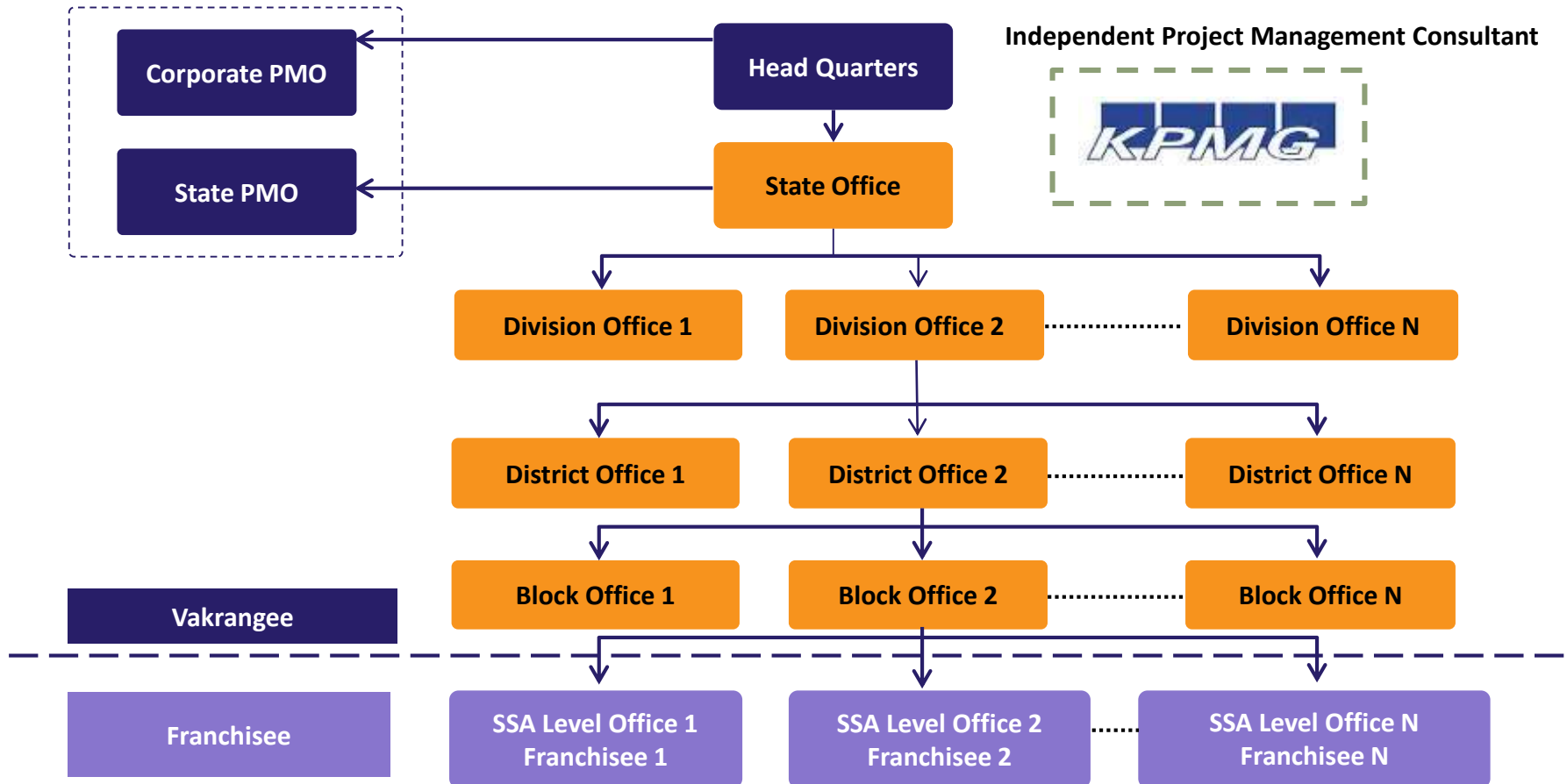
# Logistics – Our Business Model



# Logistics – Service Offering



# Vakrangee Kendra: Well Established Last Mile Infrastructure



Vakrangee requires minimal additional human resources for incremental setup of Vakrangee Kendras through franchise route

## E-Governance Projects

# E-Governance Projects



Vakrangee undertakes only **Mission Mode Projects** under the **National E-Governance Plan (NEGP)** which continue to be **implemented regardless of the changing political parties and bureaucrats**.

There is **strict compliance** in the NEGP project tendering process, which is **governed by the World Bank Procurement Standards**, and takes place through **E-Procurement Auction** without any human intervention.

## Current E-Governance Projects under Implementation

### UID (Unique Identification Project)

- Issue UID to all residents, which shall help in efficient delivery of all government benefit schemes.
- Vakrangee is one of the leading enrolment agencies empanelled with UIDAI on pan India basis under highest T3F4 category.
- Services include deployment of UID Client software, capturing demographic & biometric data of residents and setup data center for storing data.

### SSA Sarva Shiksha Abhiyan

- Provide universal access to elementary education for children between the ages of 6 and 14.
- Services include distribution of books for children and setting up computer aided learning systems in schools.

### RSBY Rashtriya Swasthya Bima Yojana

- Provide Health Insurance Scheme for Below Poverty Line (BPL) families.
- Services include collection of biometric data from different villages, centre management, system integration, issue & renewal of Smart Cards and printing of RSBY booklets.

### PMS / DMS Computerisation of Election Commission

- Generated election voter ID cards and managed citizen facilitation centers across Maharashtra, Rajasthan, Gujarat and UP.
- Completed collection of electoral roll data across 38,450 gram panchayats in UP.
- Scope of services includes – i) Design Multi-lingual software, ii) Publish Draft List in local language & English twice in a year, iii) Provide updated List to Electoral Commission to update central database, iv) Print and distribute Voters Slip for political parties.

## Directors & Leadership Team



# Independent / Nominee Directors on the Board

## Strong Board of Directors



**RAMESH JOSHI**  
*Non Executive  
Independent  
Director*

- Has about 40 years of business experience in the banking industry.
- Has worked with RBI for over 3 decades and a former ED of SEBI
- Holds a Bachelor's degree in Arts from the University of Nagpur and a Bachelor's degree in Law from the University of Nagpur.



**SUNIL AGARWAL**  
*Non Executive  
Independent  
Director*

- Has over 25 years of experience in business administration. He is an entrepreneur with varied business interests in the mining industry in Rajasthan.
- Holds a Bachelor's degree in Commerce from the University of Rajasthan.



**B. L. MEENA**  
*Non Executive  
Independent  
Director*

- Has about 28 years of experience, having served in various Government departments. A former Chief Commercial Manager, North Western Railways.
- Holds a Master's degree in Arts from the University of Rajasthan and a Bachelor's degree in Law from the University of Rajasthan



**AVINASH VYAS**  
*Additional Director  
(Independent)*

- Has wide experience in Audit Certification for externally aided projects funded by foreign agencies such as World Bank and its extended arms
- Holds a Bachelor's Degree in Commerce and is LL.B (professional) which adds to his business acumen.



**T. SITHARTHAN**  
*Nominee Director  
(Independent)*

- Nominee Director (representing the Life Insurance Corporation of India) of our Company.
- Holds a Bachelor's degree in Law from the University of Madras and a Master's degree in Sociology from Annamalai University.



**SUJATA CHATTOPADHYAY**  
*Additional Director  
(Independent)*

- Fellow member of the Institute of Cost Accountants of India and the Associate member of the Institute of Company Secretaries of India.
- Has over 26 years of experience across various industries and geographies - Choice Capital Advisors Private Ltd, Polygenta Technologies Ltd, Arysta LifeScience India Ltd, Steel Exchange India Limited.

# Leadership Team



## STRONG MANAGEMENT TEAM IN PLACE TO DRIVE NEXT PHASE OF GROWTH ACROSS ALL BUSINESSES



**DINESH  
NANDWANA**  
Managing Director  
and CEO

- Has about 25+ years of business experience. Main functions and areas of responsibilities in the Company include policy formulation and decision making.
- Has received a memento from the former Honorable President of India, Late Shri Shankar Dayal Sharma in 1996.
- Recipient of the 'CA Business Leader - SME (3rd Rank)' award by the Institute of Chartered Accountants of India for the year 1997.
- Holds a Bachelor's degree in Commerce from Rajasthan University & is a certified Chartered Accountant from the Institute of Chartered Accountants of India.



**SUMIT JAIN**  
CEO - eCommerce

- Mr. Sumit Jain joined Vakrangee as Sr. Vice President and is heading the eCommerce vertical.
- He joined Vakrangee Limited from Barclays. Prior to Barclays, he worked with Credit Suisse and Intel Corporation in USA for over a span of 6 years.
- Holds a MBA Degree from Stern School of Business at New York University and has completed B. Tech degree in Computer Science from Indian institute of Technology (IIT) Bombay.



**RAJEEV RANJAN**  
CEO - eGovernance

- Mr. Rajeev Ranjan was a former Chief Executive Officer, with Vakrangee e-Solutions INC. at Manila, Philippines, he has led 8500 strong team of professionals and technical resources to deliver world-class and high-quality Land Registration project for Government of Philippines.
- Mr. Ranjan is a Post-graduate and former Tata group senior executive, having vast experience with excellent record of delivering simultaneous National level, large scale and mission-critical projects, on time and within budget.



**RAHUL DEV PAL**  
CEO – Banking  
Business

- Mr. Rahul Dev Pal an economics graduate with a rich experience of almost 26 years in the field of sales and marketing. He has an in-depth knowledge of the banking vertical and from the very beginning of his career, he has dealt with different Government departments and has done a lot of work in the BFSI vertical.
- Starting his career with HCL he worked with companies like Xerox, Pertech Computers, BPL and Godrej. His last assignment in Godrej was as a National Head.



**NITIN SHARMA**  
CEO – ATM Business

- Mr. Nitin Sharma is a competent professional with over 17 years of cross-cultural experience in Operations, Implementation, Retail and Project Management. Former to this, during the period 2009-12, he worked as a Chief Operational Officer with Vakrangee's Foreign Subsidiary Vakrangee e-Solutions INC., Manila, Philippines.
- He holds an Executive MBA Degree from IIM Kolkata and Masters in Operations, IR and Social Work from Premier Institute, Udaipur.



**DR NISHIKANT  
HAYATNAGARKAR**  
Director – R&D

- Has about 24 years of business experience in the information technology sector. Main areas of responsibility in the Company include software development, information technology compliance and technical support. Holds a Doctorate in Computer Science from the Indian Institute of Technology, Mumbai

## Annexure

# Financial Inclusion

## Evolution of Financial Inclusion Models in India



		Mobile BC	Fixed BC
2004	<ul style="list-style-type: none"> <li>RBI sets up Khan Commission to look into financial inclusion</li> </ul>		
2005	<ul style="list-style-type: none"> <li>RBI introduces "No Frill" accounts concept</li> <li>RBI permits Branch Free Banking                             <ul style="list-style-type: none"> <li>Commercial Banks allowed to enlist NGOs, Self Help Groups, Micro Finance Institutions to provide banking activities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>BCs visited villages periodically with PoS machines to enable deposit/withdrawal transactions</li> </ul>	<ul style="list-style-type: none"> <li>Brick &amp; Motor Bank branch opened in each Gram Panchayat by BC</li> <li>1 branch per gram panchayat: flexibility to club Panchayats in case of sparsely populated panchayats</li> <li>24x7 Banking &amp; Paper less banking run by localities</li> </ul>
2006	<ul style="list-style-type: none"> <li>Agencies to provide services through Business Correspondent ("BC") and Business Facilitator ("BF") model                             <ul style="list-style-type: none"> <li>Cash in-cash out services allowed without branch presence</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>No limit on no. of BC firms</li> <li>No area/region based exclusivity to BC</li> </ul>	<ul style="list-style-type: none"> <li>Country divided into 20 clusters</li> <li>BC given exclusive mandate for each cluster</li> </ul>
2009	<ul style="list-style-type: none"> <li>Banks advised to provide Board Approved 3 yr Financial Inclusion Plans starting Apr '10                             <ul style="list-style-type: none"> <li>Focus on villages with population &gt; 2k</li> <li>Outcome Monitoring                                     <ul style="list-style-type: none"> <li># of BC outlets, Savings A/c opened, # of KCC/GCC provided</li> </ul> </li> <li>Branch Opening norms relaxed for areas with less than &lt; 0.1mm population</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>No interoperability</li> </ul>	<ul style="list-style-type: none"> <li>Interoperable across different platforms</li> </ul>
2011	<ul style="list-style-type: none"> <li>Finance Ministry and RBI advise banks to open Brick and Mortar branches vs. mobile BC model earlier                             <ul style="list-style-type: none"> <li>Lead bank designated for each gram panchayat</li> </ul> </li> <li>Services to be provided through Ultra Small Branch Model                             <ul style="list-style-type: none"> <li>Also allowed to provide other Business-to-Consumer ("B2C") and Government-to-Citizen ("G2C") services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Offline, sKendra card-based</li> </ul>	<ul style="list-style-type: none"> <li>Real time</li> <li>Biometric + sKendra card enabled identity verification linked to Aadhar accounts</li> </ul>
2013	<ul style="list-style-type: none"> <li>Banks advised to provide Board Approved 3 yr Financial Inclusion Plans starting Apr '13                             <ul style="list-style-type: none"> <li>Focus on villages with population &lt; 2k</li> <li>Uniformity in reporting structure</li> <li>Focus on the volume of transactions in new accounts opened</li> <li>Use of Information and Communication Technology ("ICT")</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Lack of trust as BCs don't have permanent presence</li> </ul>	<ul style="list-style-type: none"> <li>Higher trust due to presence of permanent Bank Branch with the signage of the bank at the front</li> </ul>
		<ul style="list-style-type: none"> <li>Higher cost of delivery – sKendra cards, dispatch, travel costs for BC agent</li> </ul>	<ul style="list-style-type: none"> <li>Biometric authentication eliminates reliance on expensive sKendra cards</li> </ul>
		<ul style="list-style-type: none"> <li>Offline transactions - led to discrepancies during subsequent reconciliations</li> <li>Significant cash handling</li> </ul>	<ul style="list-style-type: none"> <li>Online/real time processing resulting in zero discrepancies</li> <li>Optimized cash requirement as working capital</li> <li>Faster A/c opening as applications processed by link branch at real time</li> <li>33 Banking services coupled with other E-Governance &amp; E-Commerce Services</li> </ul>

# Financial Inclusion

## RBI's Recent Initiative



Uttar Pradesh  
SREI SAHAJ - @0.28%  
(Part 1) & FINO -@  
0.35% (Part 2)

Rajasthan and Delhi  
Vakrangee - @ 0.37%

Gujarat, Dadra & Nagar  
Haveli and Daman & Diu  
Vakrangee - @ 1.12%  
(Later Cancelled)

Madhya Pradesh &  
Chattisgarh  
MPCON - @ 0.18%

Maharashtra  
Vakrangee - @ 0.48%

Karnataka and Goa  
FINO -@ 0.03%

Tamil Nadu, Kerala and  
Pondicherry  
FINO -@ 0.46%

North Eastern States  
**RFP cancelled**

Bihar  
FINO - @0.05% (Part 1)  
& @0.11% (Part 2)

West Bengal, Sikkim &  
Andaman  
Srei Sahaj - @0.45%

West Bengal (Part-1)  
FINO -@ 0.35%

Jharkhand and Part of  
Bihar  
FINO -@ 0.35%

Chattisgarh  
**FINO - @ 0.19%** (Later  
Cancelled)

Orissa and Part of  
Chattisgarh  
**@0.11%** (Later  
Cancelled)

Andhra Pradesh  
FINO -@ 0.22%(Part – 1)  
& @ 0.54% (Part-2)

Vakrangee & MPCON are the only players to roll out branches post successful integration of IT systems with banks

# Vakrangee Kendra: Franchisee On-Boarding Process



3 - 6 MONTHS

**Compliance Exams to be cleared and Franchisee background check -**

- Indian Institute of Banking & Finance (IIBF – For Financial Inclusion)
- Concerned Bank Certification (for Financial Inclusion) National Stock Exchange Information Technology (NSEIT – for Aadhaar)
- Financial Competence
- Required Educational qualification
- CIBIL verification
- Police Verification of Franchisee owner
- Approval from link bank branch Manager
- Background check through Gram Panchayat and Sarpanch at the local level

## Vakrangee On-boarding

- Campaigning to generate awareness and invite applications by circulating leaflets at gram panchayats, banks, haats etc.
- Scrutinizing the applications received
- Conduct online written test (if required) & interview
- Verify KYC documents of Franchisee & Sign Franchisee Agreement with Franchisee

## Franchisee On-boarding

- Dedicated Settlement Account opening with the Franchisee branch
- Submission of KYC documents along with account number details to Alliance Partners like Banks, Business Partners and Government, etc.
- CIBIL and Police Verification
- Branch Code generation and Device ID generation

## Go Live

- Deployment of IT infrastructure like hardware, software and VSAT
- Commissioning of non IT infrastructure like generator, furniture and fixtures
- Training and Capacity Building by Vakrangee and Alliance Partners
- Transaction / Enrolment testing of the IT system
- Go Live Certificate

# Awards and Certifications

## Awards and Accolades

- **Selected in the Super 50 Companies – Forbes India 2017**
- **Selected in the Top 50 BSE 500 Companies by Growth in M-Cap - Forbes India 2017**
- **MSCI ESG Research Inc. has scored Vakrangee 10 out of 10 for the research conducted for the assessment of performance across the three pillars i.e. environmental, social and governance (Report dated July 14, 2016).**
- Vakrangee has been featured in 11 Indian companies, up from an all-time low of eight last year by Forbes Asia's Best Under a Billion list for 2015
- ET-500 Companies for 2013 as published by ET
- Nominated (top 5) for the best CEO (IT & ITes) by Business Today in January 2014
- 26<sup>th</sup> in the Deloitte Technology Fast 50 companies in India, 2012
- 18<sup>th</sup> in the Deloitte Technology Fast 50 companies in India, 2011
- 226<sup>th</sup> rank in Deloitte Fastest 500 growing Asia Pacific companies in 2011
- CA. Business Leader - SME (3rd Rank) of the Year Award, 2008 to the Chairman by Institute of Chartered Accountants of India
- Economic Times ET 500 best companies in India in 2006-07

## Certifications





# Vakrangee Kendra





# Vakrangee Kendra

Urban Kendra



Rural Kendra





# Thank You