Vakrangee
सशक्त परिवर्तन

Vakrangee Limited 'Vakrangee House', Plot No. 66, Marol Co-op. Indl. Estate, Off. M. V. Road, Marol, Andheri (East), Mumbai 400059
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F: +91 22 2850 2017 | CIN : L65990MH1990LC056669

VL/DS/SE/2016-17/053

November 7, 2016

To,

Department of Corporate Relationship **BSE Ltd.** P.J. Towers, Dalal Street, Fort, Mumbai - 400 001.	**Corporate Relationship Department** **National Stock Exchange Limited** Exchange plaza, Bandra Kurla complex, Bandra (E) Mumbai 400051

Dear Sir,

Sub: Q2 & H1 FY 2016-17 Result Updates & 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 **Q2 & H1 FY 2016-17 Result Updates & Investor Presentation** considered in the Board Meeting of the Company held today i.e. Monday, November 7, 2016.

Kindly acknowledge the receipt of the same.

Thanking You.

Yours faithfully,

For Vakrangee Limited

VAKRANGEE LIMITED MUMBAI

Darshi Shah
Company Secretary
(Mem. No.:A30508)

Encl: A./a.

We Provide the Last Mile Connectivity

Vakrangee Limited

Q2 & H1 FY2016-17 Results Update & Investor Presentation

November 7, 2016

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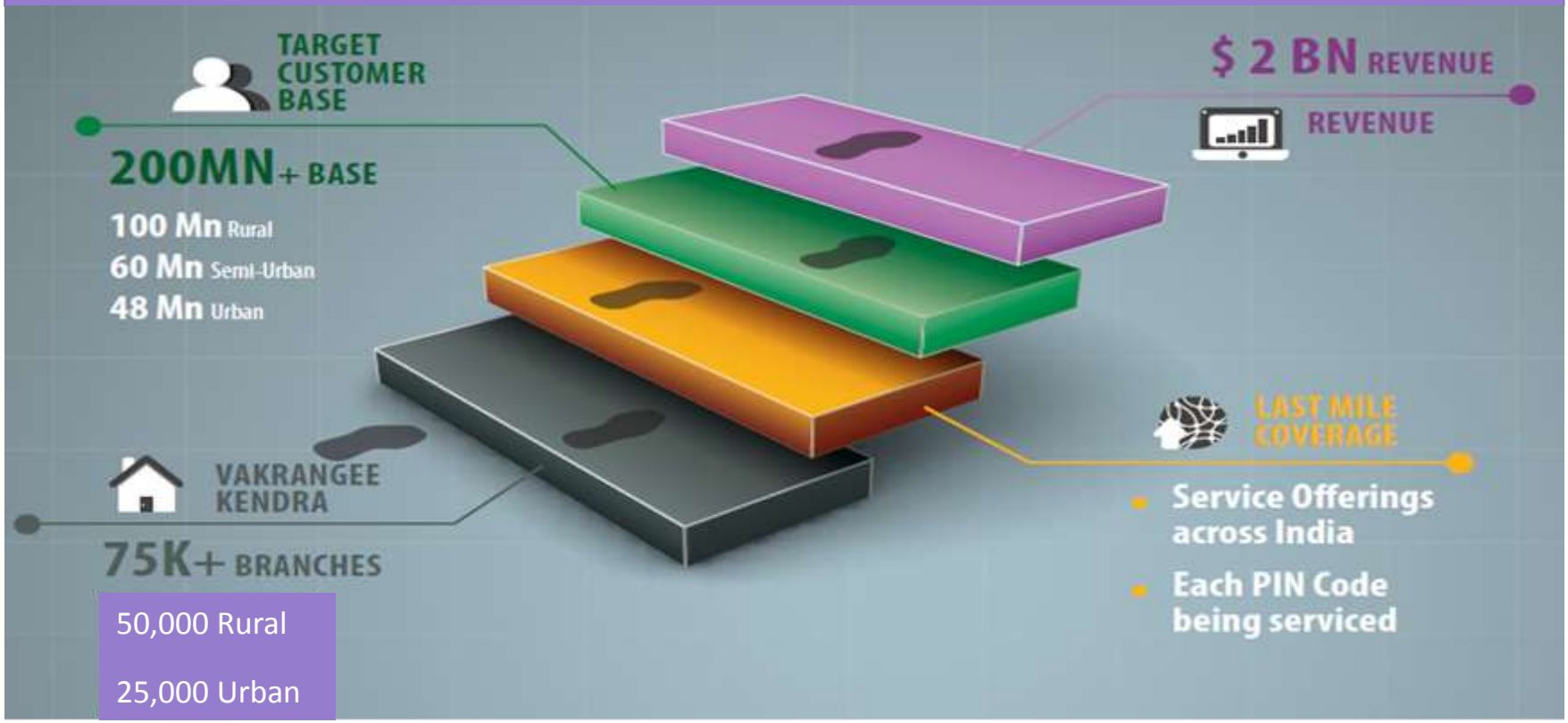
Table of Contents

- Our Vision 2020 04
- Q2 & H1 FY2016-17 Results Update 07
- Dividend Pay-Out Policy 14
- Financial Overview & Shareholding Structure 16
- Current Rollout Status 18
  - IOC – Strategic Tie Up 25
- Company Overview 28
- Vakrangee Kendra – Business Overview 32
- E-Governance Projects 49
- Directors & Leadership Team 51
- Annexure 54

Our Vision 2020

- 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 Vision is to leverage our vast network of retail access points to deliver real-time Banking, Insurance Services, E-Governance Services (G2C), e-Commerce Services (B2C) & Logistics Services to the unserved rural, semi-urban and urban markets.



Our Vision 2020 – Update on Expansion Plan

	FY2016	FY2017	FY2018	FY2019	FY2020	Executed Till Date – September 16
Rural Kendras	15,000	25,000	35,000	45,000	50,000	19,339
Urban Kendras	5,000	10,000	15,000	20,000	25,000	6,849
Total	**20,000**	**35,000**	**50,000**	**65,000**	**75,000**	**26,188**

Set to rollout the Expansion Plan for FY2016-17.

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

Vakrangee

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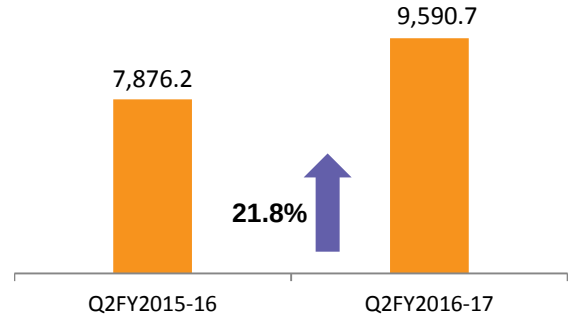
Q2 & H1 FY2016-17 Results Update

Q2 & H1 FY2016-17 Results Highlights

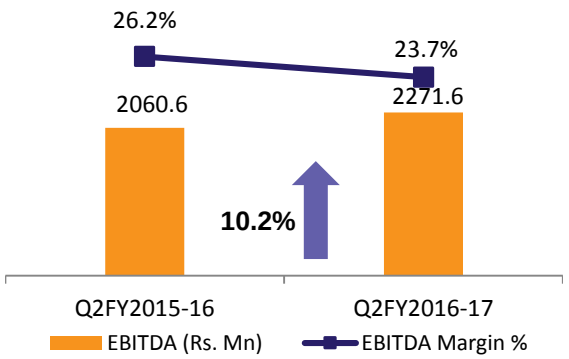
In Rs Mn

Q2 FY2016-17 (Consolidated)

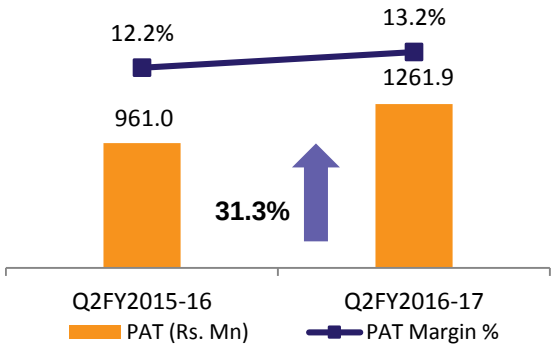
REVENUES



EBITDA & EBITDA Margin

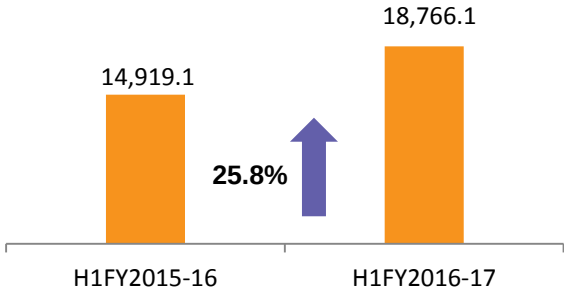


PAT & PAT Margin

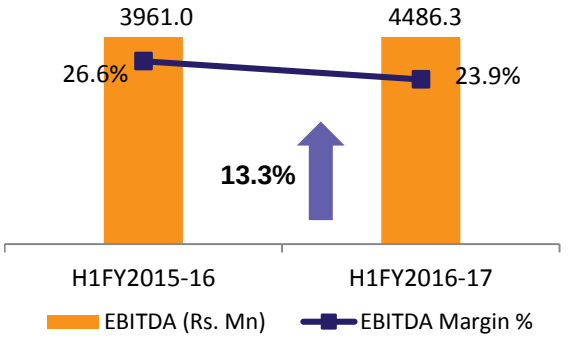


H1 FY2016-17 (Consolidated)

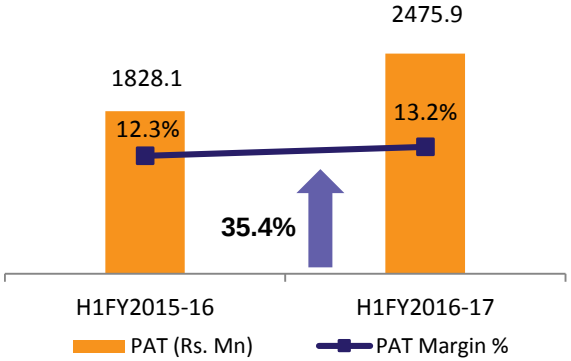
REVENUES



EBITDA & EBITDA Margin



PAT & PAT Margin



Q2 FY2016- 17 Key Highlights

KEY OPERATIONAL UPDATES

- **Update on Expansion Plan –**
  - **Currently 26,188 outlets are completed & operational across more than 16 states.**
- **Update on Tie-Ups & Alliances –**
  - **Insurance Vertical** – New Tie ups announced in Life, Non Life & Health Segments
    - **Life** – Bajaj Allianz, HDFC Standard Life, **Non Life** – Tata AIG, Reliance General, **Health** – Religare, CIGNA TTK
  - **Logistics Vertical –** Aramex India Private Limited and Delhivery Pvt. Ltd. for Courier & logistics services
- **Update on Outlets at Indian Oil Corporate Limited (IOC) Filling/Gas Station –**
  - 15 outlets operational in the state of Maharashtra, Rajasthan and Uttar Pradesh.
- **Update on Tie-ups with Amazon** – Amazon has been launched and activated now in more than 1,000 outlets

KEY INDUSTRY UPDATES

- **Update on Pradhan Mantri Jan Dhan Yojna Scheme –** Total 25.32 crore accounts opened so far with Rs. 44,867.28 crore in deposits, Total % of zero balance accounts have reduced to 23.44%.
- **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 17 Ministries/Departments on 74 government schemes operational in the country. The number of DBT transactions in the financial year 2016-17 (Report as on September 7, 2016) stood at more than 63.15 crore**.**
  - Major contribution towards the transfers has been from cooking gas subsidy (PAHAL) and Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). The total disbursed subsidies under PAHAL amounted to Rs.39,682.03 crore . Under MGNREGS, there were 10.88 crore transactions involving Rs.61,275.58 crore of payments to workers.(Source - http://www.livemint.com/Politics/u9UnL8sBPKxmg2vNQAYrdI/Now-direct-benefit-transfer-scheme-updates-are-a-click-away.html)

STRONG CORPORATE GOVERNANCE

Vakrangee

BOARD OF DIRECTORS	• Fairly 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 Standard Life, Bajaj Allianz 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 AUDITORS, EXTERNAL RATNGS	• Grant Thornton & KPMG as Independent Project Management Auditors. • Company has received external ratings from MSCI ESG. MSCI has initiated coverage on the company with a “BBB” Rating.

UPDATE ON MSCI ESG RATING

MSCI HAS INITIATED COVERAGE OF VAKRANGEE WITH AN ESG RATING OF 'BBB'.

Excerpts from the Report -

"The company's access to finance initiatives include the provision of core banking, insurance, and financial services to underserved populations in rural, semi-rural, and urban populations in India, a country where the penetration of banking services is low. ***Further, the company's corporate governance practices are well aligned with shareholder interests."***

Corporate Governance Analysis – ***"Vakrangee falls into the highest scoring range for all the companies we assess relative to global peers,*** *indicating that the company's corporate governance practices are generally well aligned with shareholder interests."*

Access to Finance Analysis – *"The company's business lines and the geographic distribution of its revenues suggest moderate potential for growth through the expansion into underserved market segments.* ***Our analysis finds robust initiatives in this area. The company therefore appears well positioned to capitalize on this opportunity. In the context of global industry peers, Vakrangee ranks above average."***

Vakrangee Limited (VAKRANGEE)

SOFTWARE & SERVICES | IN

ESG RATING BBB

LAST UPDATE: July 28, 2016

TICKER: VAKRANGEE
GICS SUB-INDUSTRY: Data Processing & Outsourced Services
COUNTRY: IN
LAST UPDATE: Jul 14, 2016
MEDIA REVIEW: Conducted weekly; no new updates since date of Last Update*

LOWEST SCORE	LOWEST FLAG
10/10	G

PERFORMANCE DASHBOARD

Significant Controversies by Indicator

	Flag	Score
Environment	G	10
No controversies were uncovered.		
Social	G	10
Customers	G	10
No controversies were uncovered.		
Human Rights & Community	G	10
No controversies were uncovered.		
Labor Rights & Supply Chain	G	10
No controversies were uncovered.		
Governance	G	10
No controversies were uncovered.		

Summary

Vakrangee Limited does not face any ESG controversies.

Global Compact Compliance: Pass

Q2 & H1 FY2016-17 Results – Business - Wise Vertical Analysis (Standalone)

Particulars (Rs Mn)	Q2 FY2016-17		Q2 FY2015-16*		YoY %	H1 FY2016-17		H1 FY2015-16*		YoY %
		% of Total		% of Total			% of Total		% of Total	
Total Revenues	**9435.2**	**100.0**	**7838.6**	**100.0**	**20.4**	**18551.7**	**100.0**	**14848.2**	**100.0**	**24.9**
Vakrangee Kendra	5957.7	63.1	3884.5	49.6	53.4	11463.6	61.8	7377.5	49.7	55.4
E-Governance	3477.5	36.9	3954.1	50.4	(12.1)	7088.1	38.2	7470.7	50.3	(5.1)
Total EBITDA	**2272.7**	**100.0**	**2049.8**	**100.0**	**10.9**	**4477.6**	**100.0**	**3941.2**	**100.0**	**13.6**
Vakrangee Kendra	1267.5	55.8	929.2	45.3	36.4	2483.4	55.5	1811.0	46.0	37.1
E-Governance	1005.3	44.2	1120.6	54.7	(10.3)	1994.2	44.5	2130.2	54.0	(6.4)
EBITDA Margin %	**24.1**		**26.2**			**24.1**		**26.5**		
Vakrangee Kendra	21.3		**23.9**			21.7		24.5		
E-Governance	28.9		**28.3**			28.1		28.5		

Note: * figures are as per IGAAP

Consolidated Financial Statements

Vakrangee

Key Profit & Loss Statement Items

Particulars (Rs. Mn.)	Q2 FY2016-17	Q2 FY2015-16	YoY %	H1 FY2016-17	H1 FY2015-16*	YoY %	FY2015-16*
Total Income from Operations	**9,590.7**	**7,876.2**	**21.8**	**18,766.1**	**14,919.1**	**25.8**	**31,907.4**
Total Expenses (Excluding Depreciation & Finance Cost)	**7,331.5**	**5,833.1**	**25.7**	**14,299.4**	**10,995.9**	**30.0**	**23,680.8**
EBIDTA	**2,271.6**	**2,060.6**	**10.2**	**4,486.3**	**3961.0**	**13.3**	**8,282.9**
EBIDTA Margin %	**23.7**	**26.2**	**-250 bps**	**23.9**	**26.6**	**-270 bps**	**26.0**
Depreciation Expense	199.4	423.0	-52.9	411.7	860.9	52.2	1,640.4
Finance Cost	133.7	141.0	-5.2	269.7	284.7	-5.3	563.2
Profit before Tax (PBT)	**1,938.5**	**1,496.5**	**29.5**	**3,804.9**	**2815.4**	**35.1**	**6,079.3**
Tax Expenses	675.0	534.5	26.3	1,326.4	985.5	34.6	2,111.8
Profit after Tax (PAT)	**1,261.9**	**961.0**	**31.3**	**2,475.9**	**1828.1**	**35.4**	**3,963.8**
PAT Margin %	**13.2**	**12.2**	**100 bps**	**13.2**	**12.3**	**90 bps**	**12.4**
Earnings per Share (EPS Basic)	**2.38**	**1.86**	**28.0**	**4.68**	**3.58**	**30.7**	**7.62**

Key Balance Sheet Items

Particulars (Rs. Mn.)	H1 FY2016-17	FY2015-16*
Net Worth	**17,628.7**	**15,910.5**
Share Capital	5,29.2	529.2
Other Equity	17,098.8	15,381.3
ESOP Application Money pending for allotment	0.7	0.0
Total Debt	**2,943.9**	**3,199.1**
Long Term Debt & Current Portion of LT Debt	245.9	371.6
Short Term Debt	2,698.0	2,827.5
Other Non-Current Liabilities	116.1	169.4
Total Sources of Funds	**20,688.7**	**19,279.0**

Particulars (Rs. Mn.)	H1 FY2016-17	FY2015-16*
Fixed Assets	**1,253.4**	**1,322.2**
Other Non-Current Assets	682.8	305.9
Inventory	5,039.7	5,070.6
Trade Receivables	8,564.9	8,578.5
Cash & Cash Equivalents	1,936.6	1,673.4
Other Current Assets	4950.6	4,050.8
Less: Trade Payables	784.2	1,509.1
Less: Other Current Liabilities	955.1	213.3
Net Current Assets	**18,752.5**	**17,650.9**
Total Application of Funds	**20,688.7**	**19,279.0**

Note: 1) Fiscal Year (FY) is 12 months ending March

2) *The Company's financial results for the quarter and half year ended September 30, 2016 are in accordance with Ind-AS notified by MCA under the Companies (Indian Accounting Standards) Rules, 2015. Ind-AS compliant comparative figures of corresponding quarter and half year ended September 30, 2015 and year ended March 31, 2016 have not been audited / reviewed by the Statutory Auditors of the Company. However, the Management has exercised due diligence to ensure that the financial results provide true and fair view of the Company's affairs.

Consolidated Financial Statements

Vakrangee

Cash Flow Statement Summary

Particulars (Rs. Mn.)	For the period ended September 30, 2016
Profit Before Tax	**3,801.4**
Depreciation/Interest income/interest expense	668.5
Operating profit before working capital changes	4,470.0
Pre-Tax Cash generated from /(used in) operations	**2,408.2**
Direct taxes paid (net of refunds)	(1,423.0)
Net Cash flow from/ used in operating activities	**985.2**
Net Cash flow from/ used investing activities	(306.7)
Net Cash flow from/ used in financing activities	(415.3)
Cash & Cash equivalents at end of Period	**1,936.6**

Understanding receivable days - indicative

In Rs mn.	Mar-16	Sep-16
Total receivables	8,578.5	8,564.9
Total Revenues **	31,907.4	35,754.4
Number of Days Sales Outstanding	**98.1**	**87.4**

Days Sales Outstanding = (Total Receivables / Total revenues)*365

** Trailing 12 months

Total Receivables include Rs. 2149.2 mn retention money related to E-Governance vertical which typically would get released over 18-24 months.

Dividend Pay-Out Policy

DIVIDEND PAY-OUT POLICY

- **FROM FY2016-17 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.**

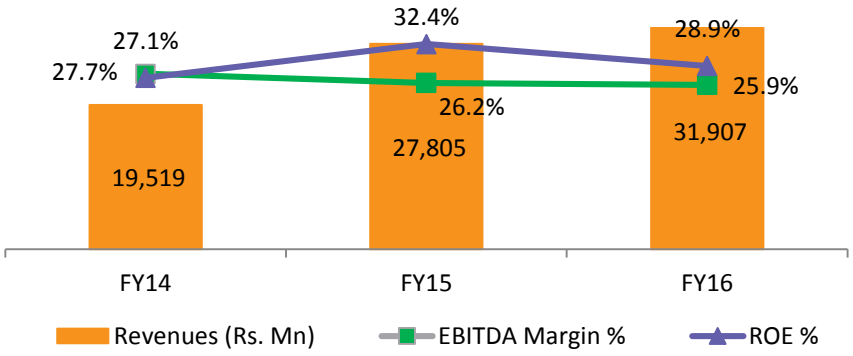
RATIONAL FOR DIVIDEND PAYOUT RANGE:

- 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.
- In FY2015-16 the Company has paid the Dividend of ₹1.25 Per Equity Share (125%) having face value of ₹1 each. The Dividend Pay out is 20.2%* of Profit After Tax for FY16.
- 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 Vakrange Kendra outlet Business which currently contributes ~60% of the Total Revenues.
- Vakrangee Kendra business has Low Capex requirement and Low Working Capital requirement.

Financial Overview & Shareholding Structure

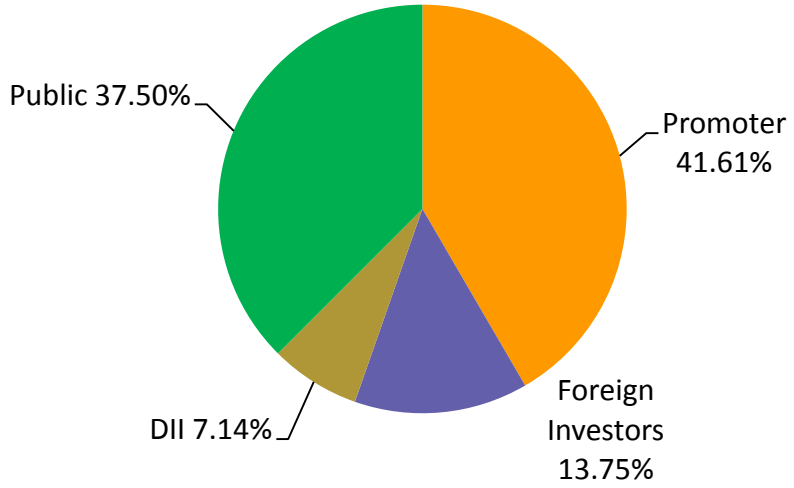
Financial Overview & Shareholding Structure

Last 3 Year Financials



Note: ROE = PAT/Average Networth

Shareholding Pattern – October 31, 2016



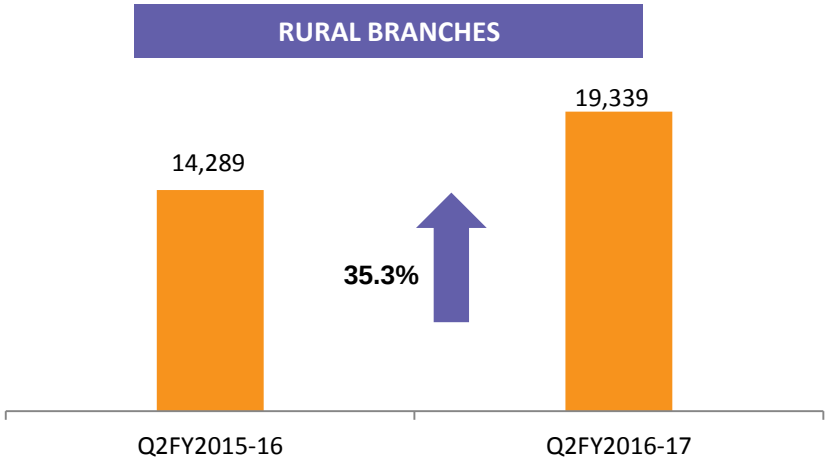
As on 30.10.16 (BSE)	
Market cap (Rs. Mn)	1,33,348.32
Price (Rs.)	252.00
No. of shares outstanding (Mn)	529.16
Face Value (Rs.)	1.00
52 wk High-Low (Rs.)	255.75/114.10

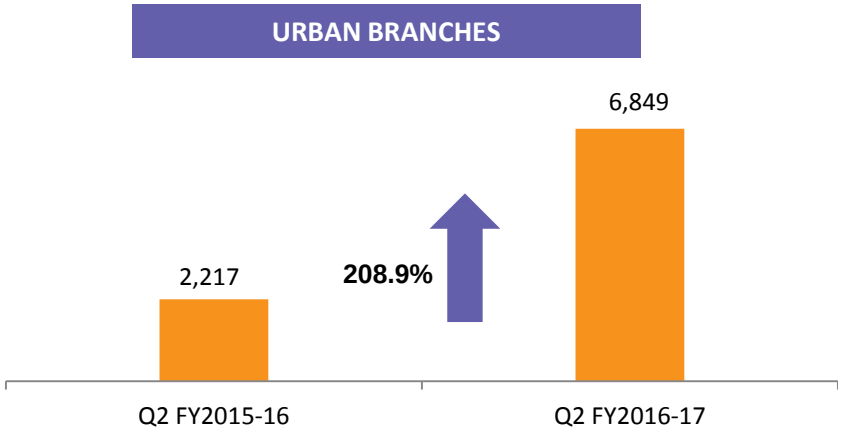
- Vakrangee has been classified in the Specialty Retail industry by Bombay Stock Exchange (BSE).
- Vakrangee is included in BSE 200, BSE 500, NSE 200, NSE 500, Nifty Full Midcap 100, Nifty Free Float Midcap 100 index and is also included in MSCI Global Small Cap Index.
- Vakrangee is also got included 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 September 30, 2016

States	Rural Branches	Urban Branches	Total
Rajasthan	10312	2819	13131
Maharashtra	3790	1986	5776
Uttar Pradesh	3775	610	4385
Madhya Pradesh	692	405	1097
Gujarat	196	239	435
Bihar	281	120	401
Haryana	90	185	275
Punjab	53	213	266
Jharkhand	56	40	96
Delhi	1	93	94
Odisha	27	66	93
Chhattisgarh	41	22	63
Goa	8	16	24
Himachal Pradesh	9	15	24
Uttarakhand	8	10	18
Chandigarh	0	9	9
Dadra & Nagar Haveli	0	1	1
Total	19339	6849	26188

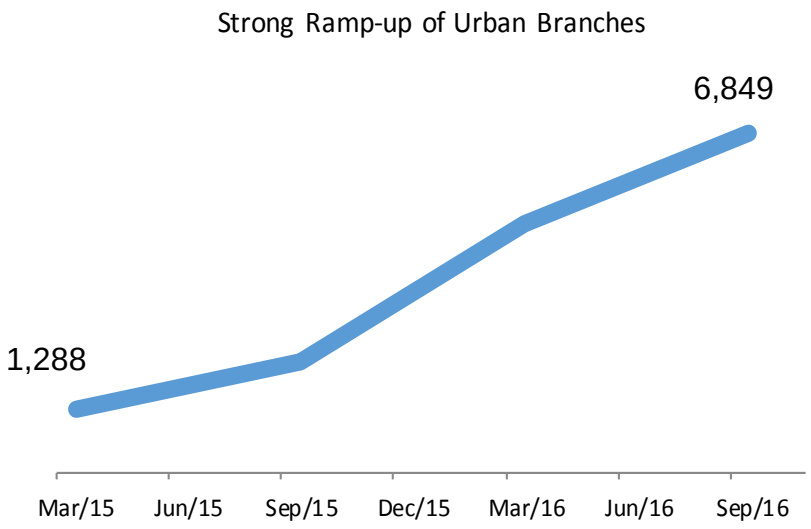




Vakrangee Kendra:

Strong Focus from Financial Inclusion to Financial Security

Quarter Ending	Urban Branches
Mar-14	15
Sep-14	478
Mar-15	1,288
Sep-15	2,217
Mar-16	5,006
Sep-16	6,849



New Initiatives to promote Financial Security

Pradhan Mantri Suraksha Bima Yojana

Atal Pension Yojana

Pradhan Mantri Jeevan Jyoti Bima Yojana

Financial Insurance Push to the bottom of the pyramid

Post the launch of PMJDY by government there has been a strong push from the banks to expand their BC network not only in rural but also in urban areas

Hence there has been a strong ramp-up in urban branches from around 1,288 urban branches in Mar-15 to 6849 branches by Sep-16

Vakrangee Kendra: Urban Branches in Mumbai

BRANCHES UP & RUNNING ACROSS MUMBAI				
Sion	Kandivali West	Bandra East	Santacruz East	Govandi
Byculla West	Nehru Nagar, Kurla East	Jogeshwari East	Chembur	Kurla West
Dr. G M Bhosale Marg, Worli	Ghatkopar West	Bhandup West	Ghatkopar West	Bandra
Worli Koliwada, Worli	Baiganwadi Govandi)	Malad West	Ghatkopar West	Kannamwar Nagar
Gopal Nagar, P.B Marg, Worli	Jogeshwari East	Baiganwadi Govandi	Khar	Kurla West
Shanti Nagar, Wadala East	Ghatkopar East	Govandi	Bandra West	Kandivali East
90 Feet Road, Dharavi	Asalpha Village, Ghatkopar West	Ghatkopar West	Govandi	Mira Road
Wadala East	Ghatkopar West	Santacruz East	Panvel	Bhayander West
Jijamata Nagar, Worli	Bhandup West	Ghatkopar West	Malad West	Vashi , Navi Mumbai
Antophill, Wadala East	Govandi West	Mankhurd	Andheri East	Koperkhairane, Navi Mumbai
Lbs Road , Sion	Malad West	Kurla West	Baiganwadi	Mira Road East
Salt Pan Road, Wadala East	Baigan Wadi, Govandi	Ghatkopar East	Kurla West	Mira-Bhayander
Rey Road	Wadala East,	Andheri East	Ambawadi	Bhayander East
Shivdi West	Goregaon East	Sakinaka	Kandivali west	Bhayandar West
Bhoiwada	Malad East	Chandivali	Kanjurmarg East	Vashi, Navi Mumbai
M.V Road Andheri East	Kandivali East	Santacruz West	Goregaon East	Sanpada, Navi Mumbai
Karani Road, Ghatkopar West	Chembur	Govandi	Kurla East	Airoli,Navi Mumbai
Kurar Village, Malad East	Vashi Naka,Chembur	Kurla West	Kurla East	Seawoods, Navi Mumbai
Vikhroli East	Jogeshwari West	Ghatkopar West	Ghatkopar West	Airoli, Navi Mumbai
Marol, Andheri East	Malad East	Goregaon West	Kurla West	Ghatkopar East
Andheri- Kurla, Road	Goregaon West	Andheri East		

Amazon in Vakrangee Kendra

MALAD MUMBAI OUTLET

WADALA MUMBAI OUTLET

FIRST OF ITS KIND :
EXCLUSIVE AMAZON RETAIL OUTLET

Plan to open such Exclusive Amazon Retail outlets at all the District Levels.

ADVANTAGE CONSUMER :

- Access to entire 65 mn Product range from Amazon
- Genuine Product at Competitive Prices.
- No Delivery Charges
- Ease of Pick up Delivery & Return service

ADVANTAGE AMAZON:

- Access to entire New Customer Base (who are not the conventional e-commerce users)
- Ability to penetrate beyond Tier 1 & Tier 2 cities
- Cost Savings due to Leveraging Vakrangee's Last mile delivery network.

Exclusive Amazon Store in Vakrangee Kendra

Amazon in Vakrangee Kendra

Marketing Campaign by Amazon near Vakrangee Kendra Outlets

Marketing Campaign on Rickshaw

Marketing Campaign on Mobile Van

Marketing Campaign on Moving Poster

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.

- **Tie up to drastically 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 BANDRA, MUMBAI OUTLET

- Vakrangee Kendra shall be set up in all IOC Filling/Gas station located across India.
- 15 Vakrangee Kendra outlets are operational in the state of Maharashtra, Rajasthan and Uttar Pradesh

Photograph of Vakrangee Kendra at IOC Filling / Gas Station

Udaipur, Rajasthan

Nashik, Maharashtra

Company Overview

Business Evolution & Future Transformation

BUSINESS EVOLUTION (E-GOVERNANCE)

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

2013	**Financial Inclusion Project – MoF & RBI**
2014	**WLA License – RBI**
2015	**Foray into E-Commerce**
2016	**1. Strategic tie-up with IOC** **2. Insurance tie-up for Life, Non Life and Health** **3. Logistic tie-up with Aramerx and Delhivery**

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, 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	FY20 E
39%	43%	53%	100%

Our Businesses

Vakrangee

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

AADHAAR

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% Pin 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.
- **Insurance:** Corporate agent of Life Insurance Corporation of India (LIC); TATA AIG General Insurance Company Limited; Bajaj Allianz Life Insurance Company Limited; Schemes HDFC Standard Life Insurance Company Limited; Reliance General Insurance Company Limited; CIGNA TTK Health Insurance Company Limited; Religare Health 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 like Amazon India to facilitate sale of various products; Redbus for offering bus ticketing services; Mahindra for promoting and booking automobile products
- **Logistics :** Aramex India Private Limited and Delhivery Pvt. Ltd. for Courier & logistics services using the last-mile distribution network of Vakrangee Kendra outlets.

Business Transformation –

Unique Opportunity, Expansive Growth Potential

Vakrangee

UNIQUE CAPABILITIES

- **Robust Technology -** seamless real-time VSAT connectivity (transaction time < 45 sec) and backend integration with banks' CBS, e-Commerce & e-Governance partner systems.
- **Real-time Interoperability** with CBS of various banks.
- **Biometric authentication** at Vakrangee Kendra & White Label ATM (first time across the globe), requiring no paperwork / card-handling.
- **Deep understanding of rural India** from grass root level execution experience.

UNIQUE OPPORTUNITIES

- **Financial Inclusion -** i) underpenetrated banking access with only 35.2% bank accounts per population, ii) underpenetrated ATM market with only 112 ATMs per million of population.
- **Government Initiative " Jan Dhan Yojana" -** To provide at least 1 bank account per household.
- **Digital India Programme - Rs. 1.13 Trillion -** New CSC establishment across India, E-health at Panchayat Health Community Centers, E-education at Panchayat schools, etc.
- **"Common BC" & "National BC" agreements** with banks to open 75,000 by 2020 BC bank branches.
- **RBI WLA license** to setup & manage minimum 15,000 WLA across India.
- **Alliance** with Amazon India, Redbus; Mahindra, for E-Commerce product and services.
- **Alliance** with Axamex and Delhivery for courier & logistics services.
- **Corporate agency tie-up** with Life Insurance Corporation of India (LIC); TATA AIG General Insurance Company Ltd.; Bajaj Allianz Life Insurance Company Ltd.; HDFC Standard Life Insurance Company Ltd.; Reliance General Insurance Company Ltd.; CIGNA TTK Health Insurance Company Ltd. and Religare Health Insurance Company Ltd. for Insurance product and services.

EXPANSIVE GROWTH POTENTIAL

Access to more than 250 mn potential customers across underserved rural and urban India

- **Exclusivity -** i) Exclusive BC in SSA under Financial Inclusion Project, ii) Government empanelled agency to offer e-Governance services, iii) key E-Commerce partner alliances with Amazon India.
- **Operational Scalability -** Entire execution through the **asset light franchise model** requiring minimal capex and working capital.
- **Economies of Scale & Scope -** Long Term Growth using the network to offer wide range of services and products to more than **250 mn potential customers across underserved rural and urban India.**

SSA: Sub-service Area with minimum 1000 households or 5000 population

Vakrangee
सशक्त परिवर्तन

Vakrangee Kendra – Business Overview

वक्रांगी केंद्र
अब सब कुछ आसान

Financial Inclusion Opportunity: India is Still Largely Under-Banked

SIGNIFICANT UNDER-PENETRATION OF FINANCIAL SERVICES IN INDIA

- India is still largely under-banked, with only 35.2% of population having bank accounts.
- There are only 11.4 bank branches per 100k population in India, of which only 30% are located in rural areas.
- Around 70% of population lives in rural areas, of which 46% does not have banking access. Further, even in urban areas ~32% population does not have banking access.

STRONG GOVERNMENT FOCUS ON FINANCIAL INCLUSION IN INDIA

- The current government has taken cognizance of the banking access problem in India, and has launched a comprehensive financial inclusion initiative – "Pradhan Mantri Jan Dhan Yojana"
- This initiative aims to ensure at least one bank account per household, followed by rollout of various financial services like bank overdraft, insurance and pension schemes.
- **Vakrangee is at forefront to leverage this growth opportunity and is set to become one of the leading players in implementation of financial inclusion in India.**
- **Vakrangee has signed Common BC and National BC agreements with various banks under the financial inclusion initiative.**

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

VAKRANGEE KENDRA

- Vakrangee has been appointed as **Business Correspondent (BC)** by various banks under the **"Common BC" and "National BC" agreements,** with a contract period of 5 + 2 years.
- Vakrangee will set up & manage 75,000 by 2020 Vakrangee Kendra across India
- Vakrangee will act as an **Exclusive BC to banks** in any allocated SSA – Sub Service Area (catchment area with minimum 1,000-1,500 households or 5,000 population).
- Further, in addition to Banking services, Vakrangee Kendra is allowed to also offer various e-Governance, Insurance and e-Commerce services & products.

BANKING / ATM	INSURANCE	E-GOVERNANCE	E-COMMERCE	LOGISTICS
• Bank A/C Opening - Savings, Current, SHG etc. • Cash Deposits, Withdrawals, Money Transfer. • Fixed/ Recurring Deposits. • Retail Loans. • Balance Enquiry, Statement of Accounts • Disbursement of money under Direct Benefit Transfer ATM Services - • 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.	• Corporate agency tie-up for Life / Non Life, Health Insurance. • Micro Insurance schemes under Atal Pension Yojna, Jeevan Jyoti Bima Yojna & Pradhan Mantri Suraksha Bima Yojna.	• Enrolments-UID Card, NREGA job Card, Election Card • Land Record Digitization, Electoral Rolls • Payment of Utility Bills, Taxes, Levies • Railway Tickets, Certificates, Hall tickets • Exam Fee Payments. • Online Form Filling. • Partnered with MMPL for rendering bill payment collection solution	• Telecom - Mobile recharge • DTH service - Recharge, bill payments • **Assisted E-Commerce Model -** Alliance with Amazon India to facilitate sale of products. • **Alliance with Redbus** for offering bus ticketing services. • **Alliance with "Mahindra eMarket Limited",** a subsidiary of M&M, for promoting and booking automobile products	• **Alliance with Aramex India Private Limited** and **Delhivery Private Limited** for courier and logistics services (Forward Delivery as well as Reverse Pick Up services)

Vakrangee Kendra: BC Agreements with Banks

National BC Agreements	
Sr No	**Bank Tie-Ups**
1	Bank of India
2	Punjab National Bank
3	Union Bank of India
4	Allahabad Bank
5	State Bank of India
6	Bank of Baroda
7	Baroda Gujarat Gramin Bank
8	Baroda Uttar Pradesh Gramin Bank

BC Bank branches to be opened under Common BC and National BC Agreements with public sector banks

Common BC Agreements	
Sr No	**Bank Tie-Ups**
1	Bank of Baroda
2	Bank of India
3	Baroda Rajasthan Gramin Bank
4	Indian Bank
5	Indian Overseas Bank
6	Jaipur The Gramin Bank
7	Oriental Bank of Commerce
8	Punjab National Bank
9	Rajasthan Gramin Bank
10	Union Bank of India
11	UCO Bank
12	Vijaya Bank
13	State Bank of Bikaner & Jaipur
14	Bank Of Maharashtra
15	Dena Bank
16	Syndicate Bank
17	Canara Bank
18	Allahabad Bank
19	Andhra Bank
20	Corporation Bank
21	Punjab & Sind Bank
22	Central Bank of India
23	Hadoti Kshetiya Gramin bank
24	Marwar Ganganagar Bikaner Gramin Bank
25	State Bank of India
26	United Bank of India
27	Maharashtra Gramin Bank (MGB)
28	State Bank of Hyderabad (SBH)
29	Vidarbha Kshetriya Gramin Bank
30	Waiganga Krishna Gramin Bank
31	IDBI bank

Vakrangee Kendra: Key Business Alliances

BANKING

State Bank of India
Union Bank of India
Allahabad Bank
Bank of Baroda
बैंक ऑफ़ इंडिया Bank of India
Relationships beyond banking
पंजाब नैशनल बैंक punjab national bank
Other PSUs

E-GOVERNANCE

AADHAAR
MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.
RISL

INSURANCE

LIC
भारतीय जीवन बीमा निगम
TATA AIG INSURANCE
BAJAJ Allianz
HDFC Life
Sar u tha ke jiyo!
RELIANCE General Insurance
Pradhan Mantri Suraksha Bima Yojana
Atal Pension Yojana
Pradhan Mantri Jeevan Jyoti Bima Yojana
RELIGARE Health Insurance
Cigna TTK Health Insurance

E-COMMERCE

amazon
Mahindra
redBus
vodafone
airtel
DOCOMO
!dea
RSBL
RIDDISIDDHI BULLIONS LTD.
TATA Sky
dishtv
VIDEOCON d2h

LOGISTICS

aramex
Delhivery

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 .

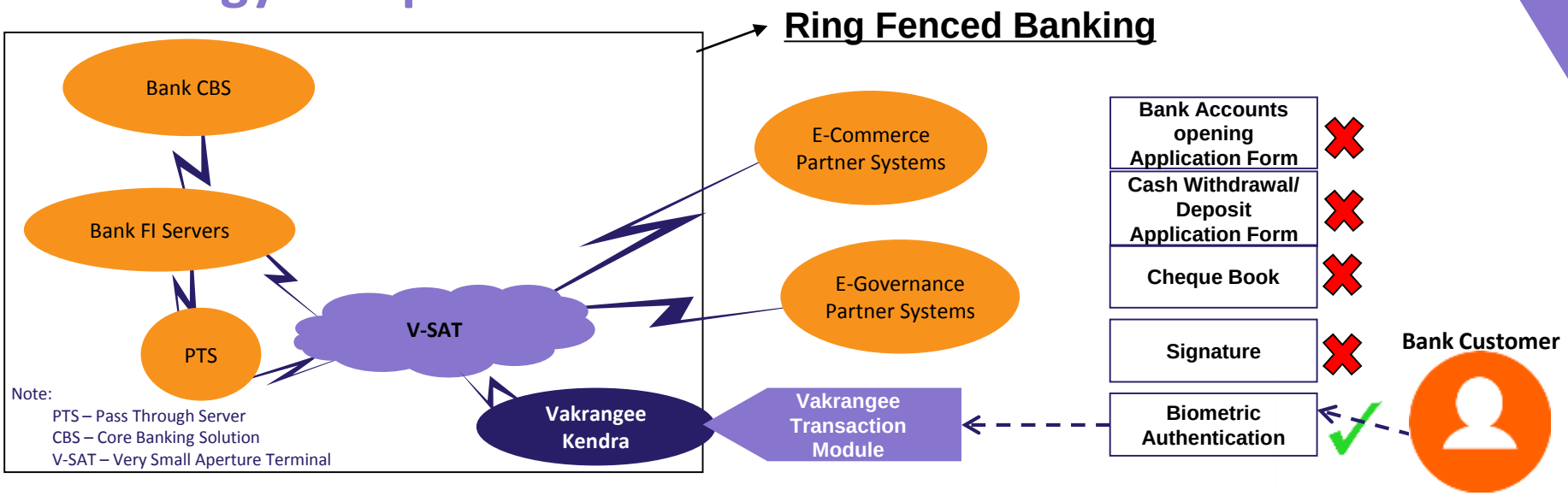
Variable Revenue Stream - Transaction fee earned from banks, E–Governance, Insurance, E–Commerce and ATM services

- 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 and ATM (Financial and Non financial transactions)

EVOLVED BC MODEL BENEFITS

- Exclusive Brick & Mortar BC per Sales 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 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.
- Backend integration with various E-Governance and E-Commerce partner systems.
- Technical resources at district level trained to handle day-to-day IT glitches and troubleshooting.

Internet Connectivity

- Seamless connectivity
- Designed to operate 4 hours on battery backup in case of power failure

Power Supply

- Diesel + LPG Gas based DG Sets/ UPS

Security Specifications

- Defined User Policy -Authentication required for each and every user of the server; Secured and safe transactions
- SSL Certification, licenses digital certificate
- 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
Initial A/C Balance	Rs 50,000	Rs 50,000	Rs 50,000
Cash Deposit Rs 10,000	Credit Rs 10,000	Debit Rs 10,000	+ Rs 10,000
Cash Withdrawal Rs 20,000	Debit Rs 20,000	Credit Rs 20,000	- Rs 20,000
Final A/C Balance	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 – Comparative Analysis

ATM OPERATING COSTS	PEERS	VAKRANGEE
Rent Expense	✓	✗
Civil Work & Interiors	✓	✗
VSAT	✓	✗
ATM	✓	✓
Cash Management	✓	✓
ATM Operational Costs	✓	✓
Security Guards	✓	✗

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.

REVENUE SYNERGIES

- Urban BC branch helps create account/card base, thus resulting in faster ramp-up in transaction intensity at WLA.
- WLA benefits from urban BC branch customer footfalls.

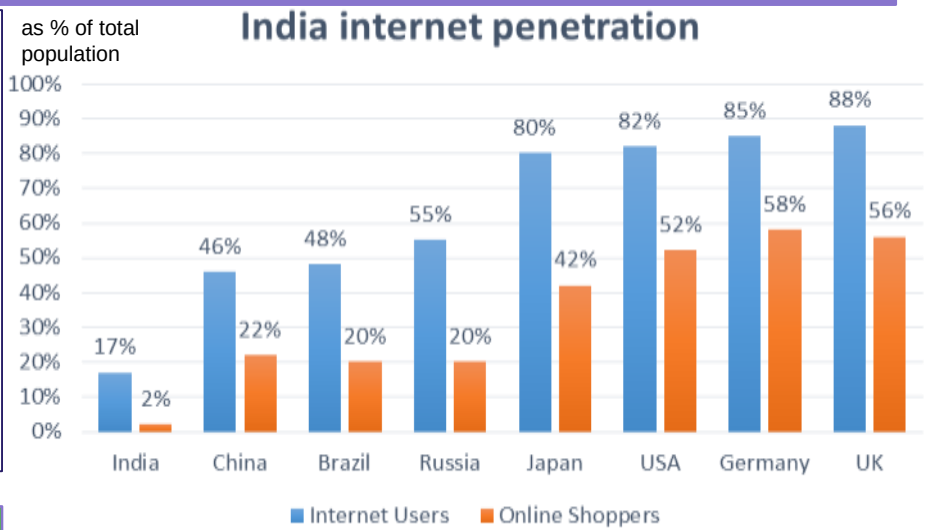
VAKRANGEE'S WLA ACHIEVES BREAK-EVEN AT ONLY 35-45 TRANSACTIONS/DAY COMPARED TO 100-120 TRANSACTIONS/DAY REQUIRED FOR COMPETITORS

Vakrangee Kendra – E-Commerce

E-Commerce Opportunity: India to be the fastest growing Market

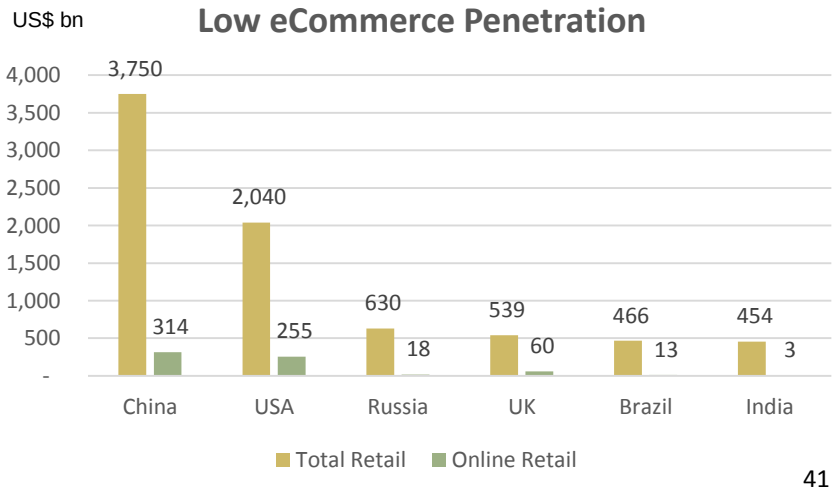
E-COMMERCE PENETRATION IN INDIA

- India, has low internet penetration of 17% of the total population in comparison to 46% in China and more than 80% in Japan and US
- **India e-commerce is expected to increase sharply from current US$ 16 bn to US$ 101.9 bn (CAGR of 34%) by 2020.** (Source - IAMAI, Deloitte analysis)
- Vakrangee Kendras are equipped with un-interrupted connectivity even at the most rural locations, regularly conducting real-time banking transactions



VAKRANGEE E-COMMERCE STRATEGY

- Vakrangee Kendras are a hub for availing a bouquet of real-time services in a secure manner
- The footfalls for various services would translate into awareness and marketing of allied Marketplace
- Handholding to ensure trust and adoption of Marketplace is greatly achieved at Kendras
- Penetration in under served markets across most populous states while allowing Cash on Delivery

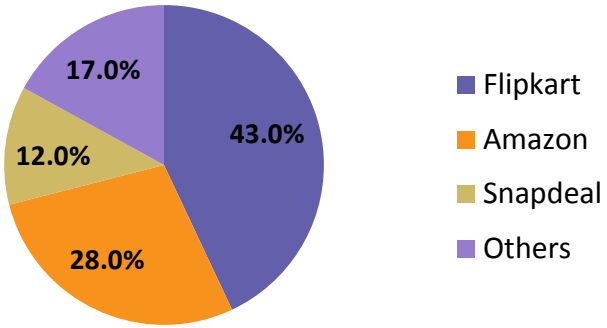


E-Commerce: Amazon India Tie-up

MARKET SHARE AMONG E-COMMERCE SPACE

- **Amazon has acquired 28% market share over 3 years after starting its ecommerce operations in India (June 2013)**
- Amazon India had **23.6 million unique visitors** in May, edging past Flipkart narrowly. Flipkart saw 23.5 million unique visitors, Snapdeal had 17.9 million in May this year

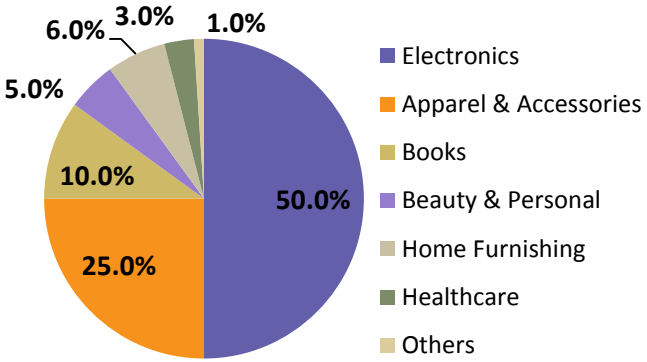
Market Share %



VAKRANGEE and AMAZON E-COMMERCE STRATEGY

- Amazon's is now seen to be the biggest online store in India with more than **65 million products** for sale
- **Amazon to have the largest storage space for an e-commerce company in India with its 27 FCs operational across 10 states with storage capacity which is 7.5 million cubic feet of space. Amazon has committed to open 6 new fulfilment centre by year end. Location such as Mumbai, Delhi, Jaipur, Chennai & Coimbatore are the planned location for the same.**
- **Vakrangee shall provide marketing, ordering, payment and pick up services to Amazon through the "Vakrangee Kendras"**

Category wise Share %



Source: Amazon.in and Economics times

Vakrangee Kendra – Logistics

Business Update – To Provide the Logistic Services through last mile delivery

Incorporate a Company, Vakrangee Logistics Private Limited, subsidiary of Vakrangee Limited to primarily provide logistic services such as last mile delivery to various business partners and business verticals.

To Leverage Company's Well Established Last Mile Infrastructure

Asset Light Model with Low Capex

Focussed Expansion through Franchise Route

Logistics – Why Vakrangee ?

FY2016 – CURRENT PRESENCE

NO OF OUTLETS	NO OF STATES	NO OF DISTRICTS	NO OF POSTAL CODES
26,188	16+	300+	4,000+

FY2020 – TARGETED PRESENCE

NO OF OUTLETS	NO OF STATES	NO OF DISTRICTS	NO OF POSTAL CODES
75,000	PAN INDIA	650+	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 – Service Offering

Logistics – Fulfillment Center

Vakrangee Master Kendra @ District Level

Vakrangee Kendra – Postal code "1"

Vakrangee Kendra – Postal code "N"

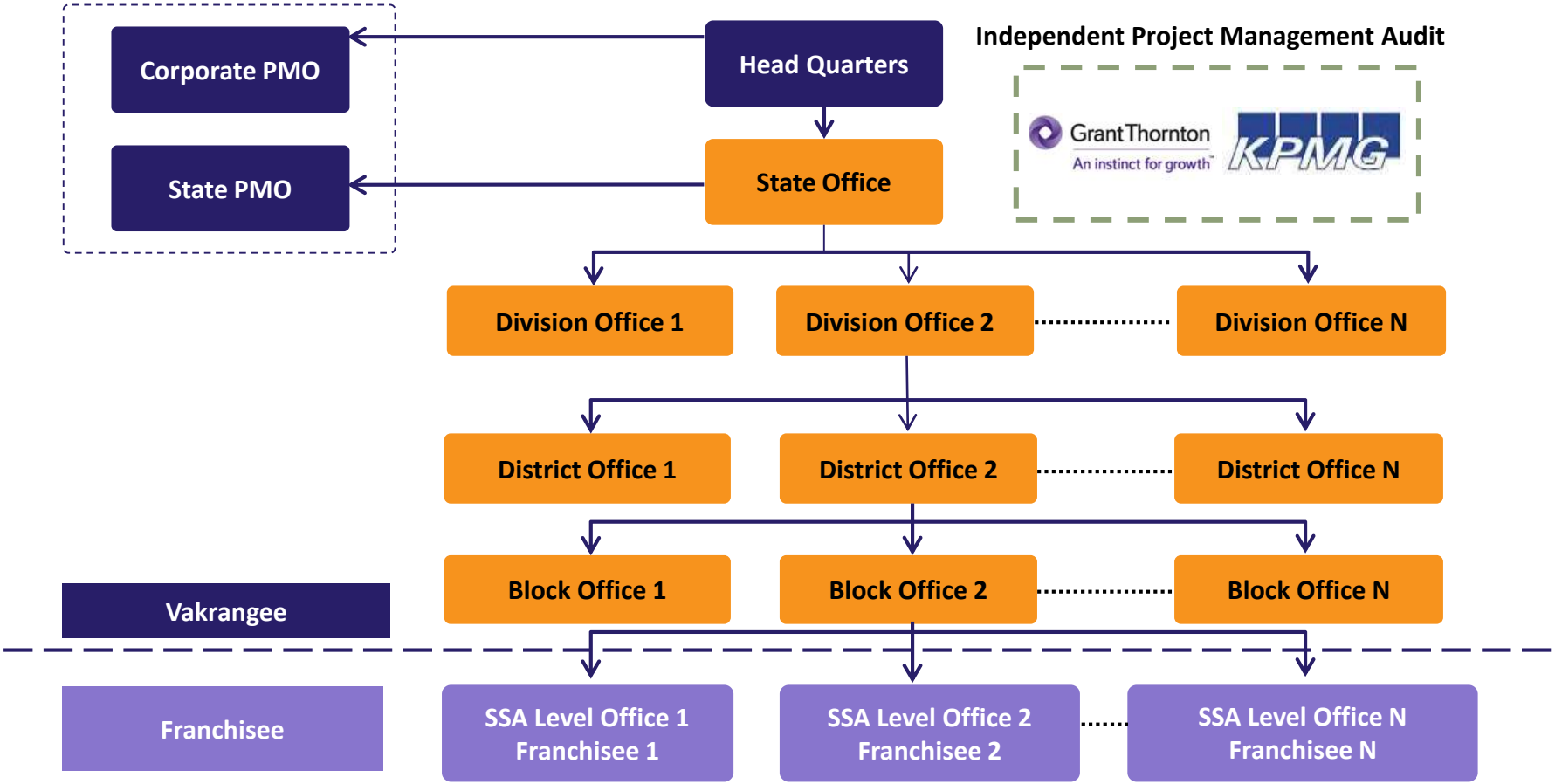
Pilot Rollout Operation -

- **Started with 19 Postal codes and recently opening further in 50 more Postal codes**
- **Presence in 3 states**
- **Delivered and Pickup more than 68,000 packages**

OPERATIONAL RESPONSIBILITY – LOGISTIC OPERATOR

OPERATIONAL RESPONSIBILITY - VAKRANGEE

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

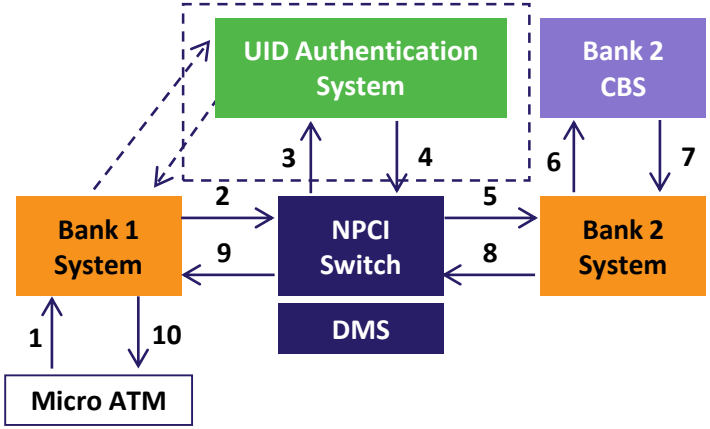
- Has about 24 years of business experience in the information technology sector. Main areas of responsibility in the Company include software development, information technology compliance and technical support. Holds a Doctorate in Computer Science from the Indian Institute of Technology, Mumbai

Annexure

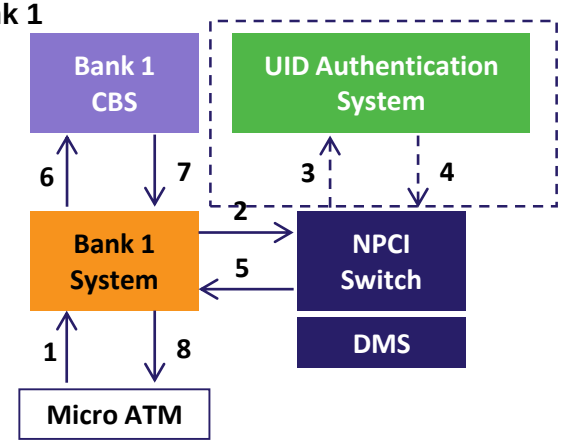
Vakrangee Kendra: Banking Transaction – Process Flow

Transaction flow for AEPS balance enquiry/cash deposit/withdrawal

OFF US: Interoperable - Vakrangee Kendra - Bank 1, Customer - Bank 2



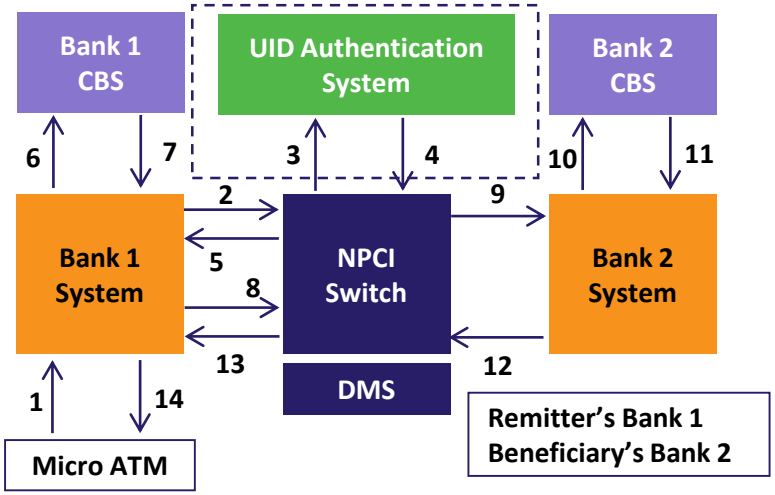
ON US: Vakrangee Kendra - Bank 1, Customer - Bank 1



In case of AEPS transaction

Note: AEPS – Aadhaar Enabled Payment System

Transaction flow for AEPS Fund Transfer



Financial Inclusion

Evolution of Financial Inclusion Models in India

Vakrangee

2004
- **RBI sets up Khan Commission to look into financial inclusion**

2005
- **RBI introduces "No Frill" accounts concept**

2006
- **RBI permits Branch Free Banking**
  - **Commercial Banks allowed to enlist NGOs, Self Help Groups, Micro Finance Institutions to provide banking activities**
- Agencies to provide services through Business Correspondent ("BC") and Business Facilitator ("BF") model
  - Cash in-cash out services allowed without branch presence

2009
- **Banks advised to provide Board Approved 3 yr Financial Inclusion Plans starting Apr '10**
  - **Focus on villages with population>2k**
  - **Outcome Monitoring**
    - **# of BC outlets, Savings A/c opened, # of KCC/GCC provided**
  - **Branch Opening norms relaxed for areas with less than <0.1mm population**

2011
- Finance Ministry and RBI advise banks to open Brick and Mortar branches vs. mobile BC model earlier
  - **Lead bank designated for each gram panchayat**
- **Services to be provided through Ultra Small Branch Model**
  - Also allowed to provide other Business-to-Consumer ("B2C") and Government-to-Citizen ("G2C") services

2013
- **Banks advised to provide Board Approved 3 yr Financial Inclusion Plans starting Apr '13**
  - **Focus on villages with population<2k**
  - **Uniformity in reporting structure**
  - **Focus on the volume of transactions in new accounts opened**
  - **Use of Information and Communication Technology ("ICT")**

	Mobile BC	Fixed BC
Model	▪ **BCs visited villages periodically with PoS machines to enable deposit/withdrawal transactions**	▪ **Brick & Motor Bank branch opened in each Gram Panchayat by BC** ▪ **1 branch per gram panchayat: flexibility to club Panchayats in case of sparsely populated panchayats** ▪ **24x7 Banking & Paper less banking run by localites**
Coverage / Exclusivity	✗ **No limit on no. of BC firms** ✗ **No area/region based exclusivity to BC**	✓ **Country divided into 20 clusters** ✓ **BC given exclusive mandate for each cluster**
Inter-operability	✗ **No interoperability**	✓ **Interoperable across different platforms**
Technology	✗ **Offline, sKendra card-based**	✓ **Real time** ✓ **Biometric + SKendra card enabled identity verification linked to Aadhar accounts**
Trust	✗ **Lack of trust as BCs don't have permanent presence**	✓ **Higher trust due to presence of permanent Bank Branch with the signage of the bank at the front**
Cost	✗ **Higher cost of delivery – sKendra cards, dispatch, travel costs for BC agent**	✓ **Biometric authentication eliminates reliance on expensive sKendra cards**
Other	✗ **Offline transactions - led to discrepancies during subsequent reconciliations** ✗ **Significant cash handling**	✓ **Online/real time processing resulting in zero discrepancies** ✓ **Optimized cash requirement as working capital** ✓ **Faster A/c opening as applications processed by link branch at real time** ✓ **33 Banking services coupled with other E-Governance & E-Commerce Services**

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	Franchisee On-boarding	Go Live
• 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	• 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	• 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

- Vakrangee has been features 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
- 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.
- ET-500 Companies for 2013 as published by ET
- Nominated (top 5) for the best CEO (IT & ITes) by Business Today in January 2014
- 26th in the Deloitte Technology Fast 50 companies in India, 2012
- 18th in the Deloitte Technology Fast 50 companies in India, 2011
- 226th 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

ISO/IEC 20000

ISO/IEC 27001:2005

CMMI LEVEL 3

Vakrangee Kendra

Vakrangee Kendra

Urban Kendra

Rural Kendra

Thank You

The Presentation is available on http://vakrangee.in/company-downloads/corporate-profile.pdf