We Provide the Last Mile Connectivity

Vakrangee Limited

Investor Presentation & Q1FY2015-16 Results Update

August 14, 2015

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Company Overview

Business Evolution & Future Transformation

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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**

VAKRANGEE KENDRA BUSINESS

EXPANSIVE DISTRIBUTION PLATFORM OF 75,000 LAST MILE TOUCH POINTS ACROSS INDIA BY 2020 PROVIDING ONE-STOP SHOP FOR AVAILING BANKING, INSURANCE, E-GOVERNANCE, E-COMMERCE AND ATM SERVICES

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

VAKRANGEE KENDRA (% REVENUES)

FY13	FY14	FY15	FY20
34%	39%	43%	100%

Our Businesses

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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
  - PDS - Public Distribution System
  - RSBY -Rashtriya Swasthya Bima Yojana
  - IGRS - Inspector General of Registration & Stamps
  - PMS / DMS - Electoral Data

AADHAAR

VAKRANGEE KENDRA

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

- 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.
- **Insurance:** Corporate agent of Life Insurance Corporation of India (LIC) and The New India Assurance Company Limited and Provide Insurance Schemes under Atal Pension Yojna, Jeevan Jyoti Bima Yojna and Pradhan Mantri Suraksha Bima Yojna.
- **ATM:** RBI license to setup and manage 15,000 WLA across India.
- **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 Amazon India to facilitate sale of various products using the last-mile distribution network of Vakrangee Kendra outlets.

Business Transformation –

Unique Opportunity, Expansive Growth Potential

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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 for E-Commerce product and services.**
- **Applied for Payment Bank license.**

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

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Vakrangee Kendra – Business

वक्रांगी
केंद्र

Financial Inclusion Opportunity: India is Still Largely Under-Banked

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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, Insurance, e-Governance, e-Commerce and ATM 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	INSURANCE	ATM	E-Governance	E-Commerce
• 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 • Pension Disbursement.	• Life / Non Life, Health Insurance. • Insurance schemes under Atal Pension Yojna, Jeevan Jyoti Bima Yojna and Pradhan Mantri Suraksha Bima Yojna.	• Real time cash withdrawals from all banks through WLA (White Label ATM). • Balance Inquiry / Statement printing. • Co-located ATM in urban/semi-urban branches to cater to holistic banking needs of customers while optimizing cost of operations.	• 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.	• Telecom - Mobile recharge • DTH service - Recharge, bill payments • Education • Alliance with Amazon India to facilitate sale of products.

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	Baroda Gujarat Gramin Bank
7	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

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Banking

State Bank of India
Union Bank of India
ALLAHABAD BANK
बैंक ऑफ़ बड़ौदा Bank of Baroda
बैंक ऑफ़ इंडिया Bank of India
Relationships beyond banking.
पंजाब नैशनल बैंक punjab national bank
Other PSUs

E-Governance

MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.
RISL

INSURANCE

LIC
भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA
THE NEW INDIA ASSURANCE COMPANY LIMITED
Pradhan Mantri Suraksha Bima Yojana
Atal Pension Yojana
Pradhan Mantri Jeevan Jyoti Bima Yojana

E-COMMERCE

amazon
vodafone
airtel
RELIANCE Communications
TATA Sky
TATA DOCOMO
!dea
dishtv
VIDEOCON d2h

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 .

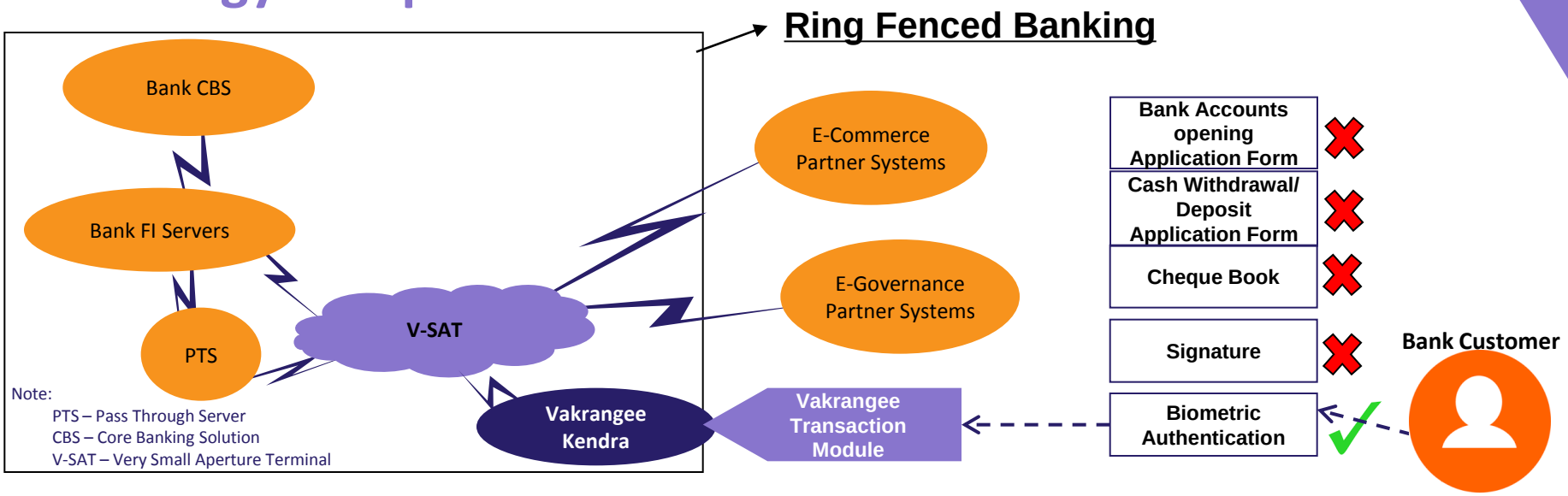
Variable Revenue Stream - Transaction fee earned from banks, E–Governance, Insurance, E–Commerce and ATM services

- 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

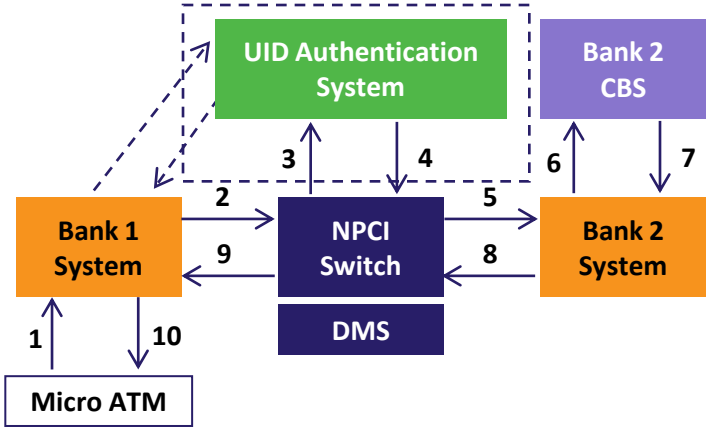
Security Specifications

- 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

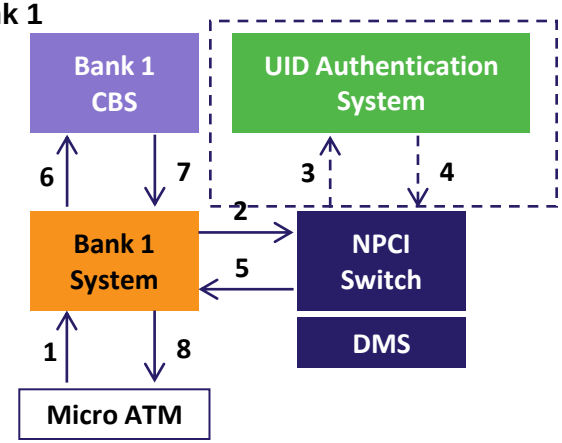
Vakrangee Kendra: Banking Transaction – Process Flow

Transaction flow for AEPS balance enquiry/cash deposit/withdrawal

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



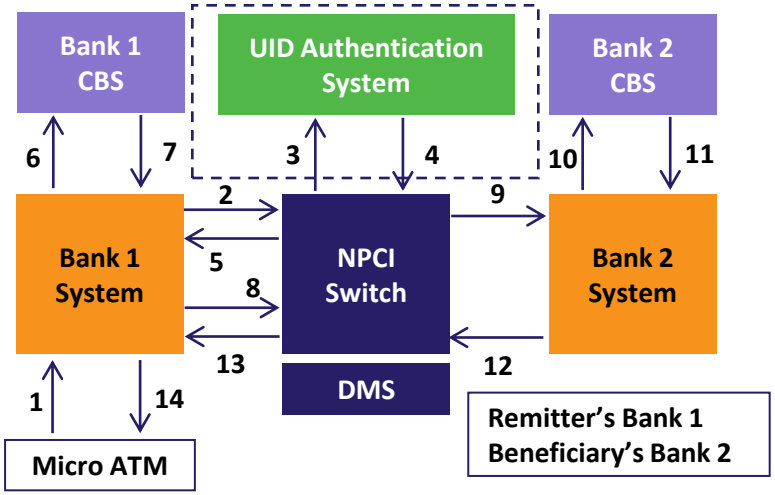
ON US: Vakrangee Kendra - Bank 1, Customer - Bank 1



In case of AEPS transaction

Note: AEPS – Aadhaar Enabled Payment System

Transaction flow for AEPS Fund Transfer



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.`**

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Vakrangee Kendra – E-Commerce

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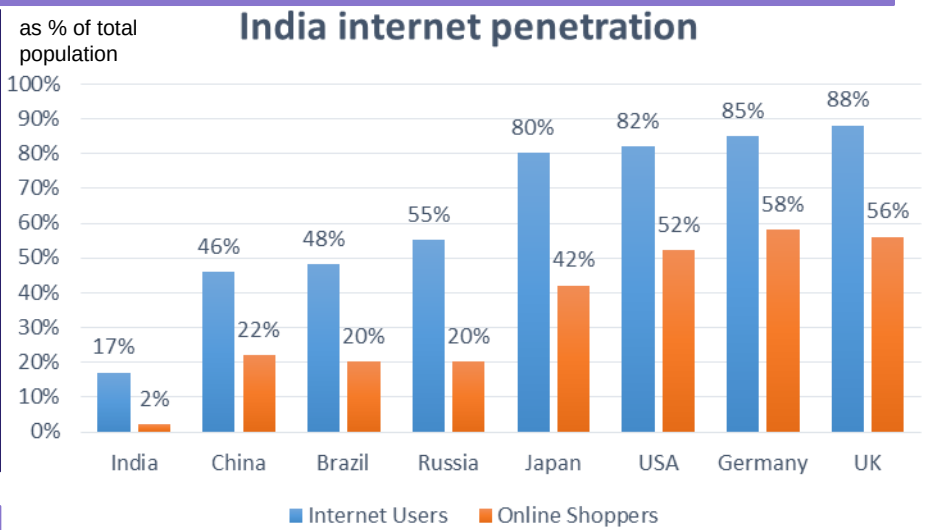
E-Commerce Opportunity: India to be the fastest growing Market

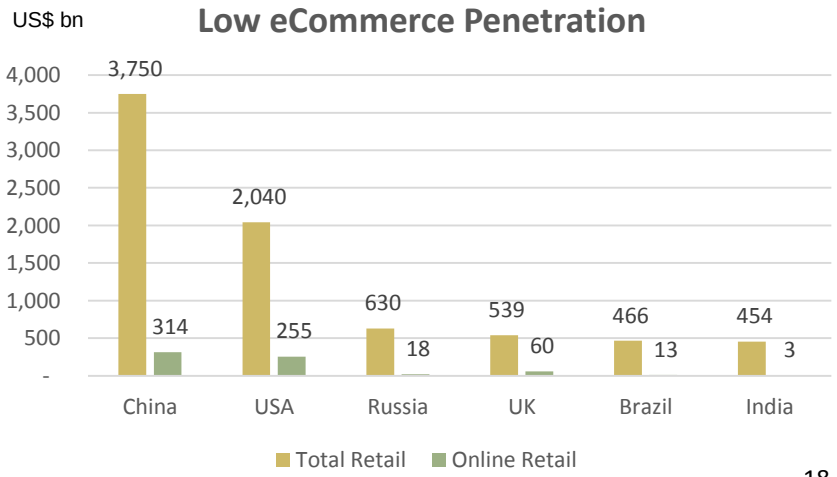
E-COMMERCE PENETRATION IN INDIA

- 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
- The adoption of E-Commerce is directly tied to this internet penetration
- Vakrangee Kendras are equipped with un-interrupted connectivity even at the most rural locations, regularly conducting real-time banking transactions



VAKRANGEE E-COMMERCE STRATEGY

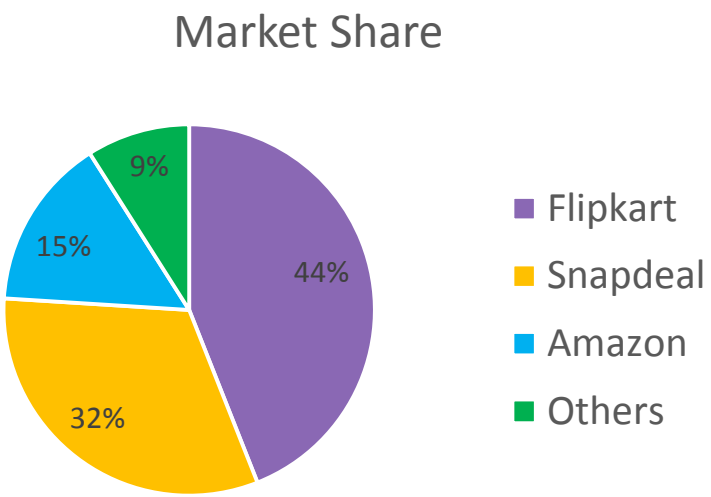
- Vakrangee Kendras are a hub for availing a bouquet of real-time services in a secure manner
- The footfalls for various services would translate into awareness and marketing of allied Marketplace
- Handholding to ensure trust and adoption of Marketplace is greatly achieved at Kendras
- Penetration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



E-Commerce: Amazon India Tie-up

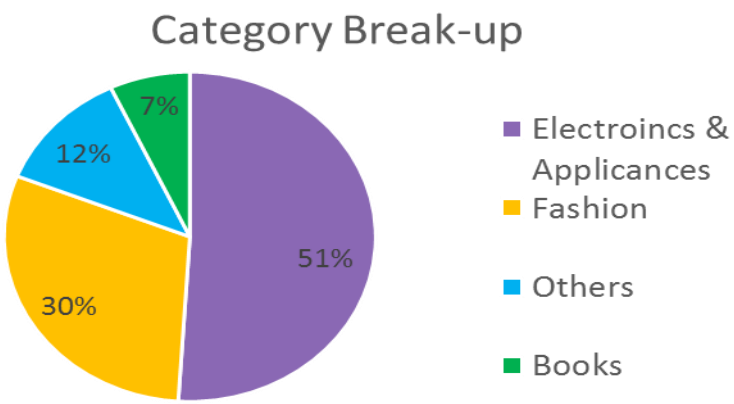
MARKET SHARE AMONG E-COMMERCE SPACE

- Amazon has acquired 15% market share within 2 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
- Amazon has seen **142% jump** in number of unique monthly visitors on Y/Y basis

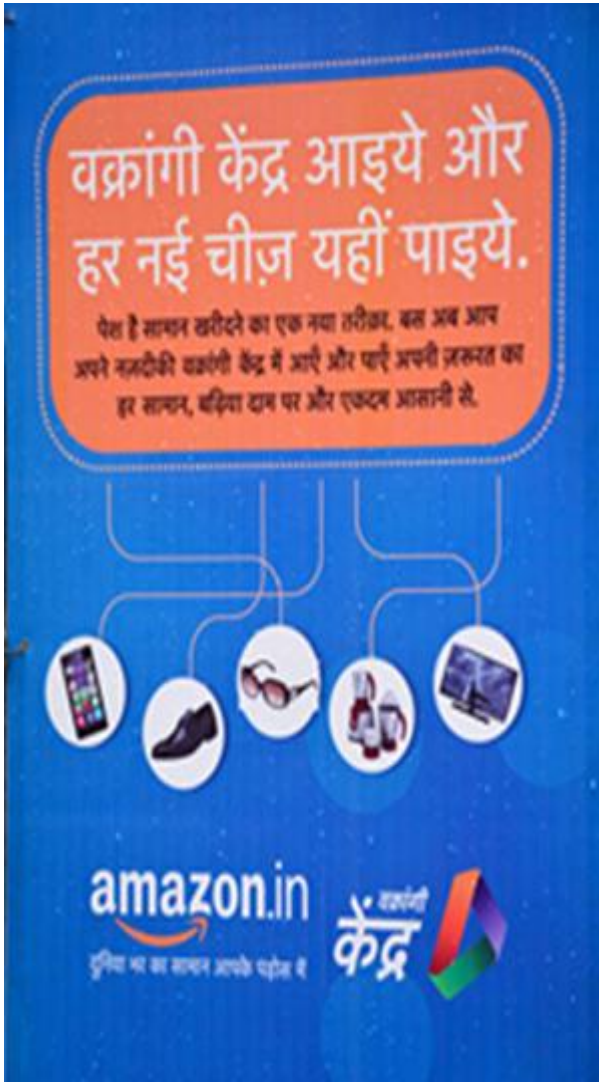


VAKRANGEE and AMAZON E-COMMERCE STRATEGY

- Amazon's is now seen to be the biggest online store in India with more than **25 million products** for sale
- Amazon has 2.5 million cubic feet of warehouse space in 11 fulfillment centers across 9 Indian states, where 700,000 distinct items are stored
- Vakrangee shall provide marketing, promotional and pick up services to Amazon through the "Vakrangee Kendras"



Launch of Amazon in Vakrangee Kendra



Launch of Amazon in Vakrangee Kendra

Kalyan, Thane, Maharashtra

Launch of Amazon in Vakrangee Kendra

Bhandup, Mumbai, Maharashtra

Launch of Amazon in Vakrangee Kendra

Govandi, Mumbai, Maharashtra

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Vakrangee Kendra – White Label ATM

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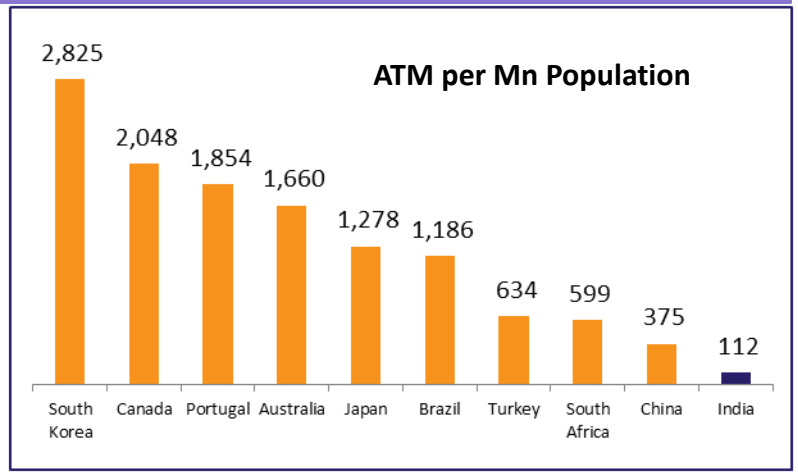
ATM

ATM Opportunity:
India has One of the Lowest ATM Penetration

ATM PENETRATION IN INDIA: ONE OF THE LOWEST

- There is huge opportunity for ATM growth through the white label model.
- As on Feb 2015, India had ~ 190,000 ATMs. It is expected to cross 350,000 ATMs by 2017 in India.
- RBI WLA license to Vakrangee –
  - Set up minimum of 15,000 WLAs
  - Maintain rural and semi urban (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)



VAKRANGEE WLA STRATEGY

- Co-located WLA annexed to urban Vakrangee Kendra to exploit revenue and cost synergies.
- AEPS / Biometric authentication to provide flexibility of accessing ATM either through fingerprint or bank card.
- Co-located urban branch will help in building the account / card base, thus improving the viability of WLA.
- Combination of owned model and franchisee model for the WLAs.
- Derive revenue from financial (Rs 15) & non financial (Rs 5) transactions, OOH advertisements and value added services.

Efficient Customer Traffic Management with Co-located WLA

FINANCIAL INCLUSION IS A MAJOR PROBLEM EVEN IN URBAN INDIA

- Around 32% of urban households do not have formal banking access.
- According to the 2011 study by Analysys Mason, a global think tank, the total transaction value of domestic remittances in India stood at around Rs 794 bn in 2010 (80% directed from urban to rural India) and was expected to cross Rs 1,000 bn by 2014, growing at 12% CAGR.
- Further, significant amount of remittances, especially by migrant population (with no bank account) happen through unorganised route.
- **Thus, the overall banking transaction activity at urban Vakrangee Kendra can be significantly higher compared to rural Vakrangee Kendra.**

EFFICIENT CUSTOMER TRAFFIC MANAGEMENT THROUGH CO-LOCATED WHITE LABEL ATM

Vakrangee Kendra

- Cash Deposit
- Cash Remittance
- A/C to A/C Remittance
- Other E-Governance & E-Commerce Activities
- Insurance

White Label ATM

- Cash Withdrawal
- A/C Balance Enquiry

In India, ATMs are currently permitted by RBI to only allow cash withdrawals and A/C balance enquiries

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

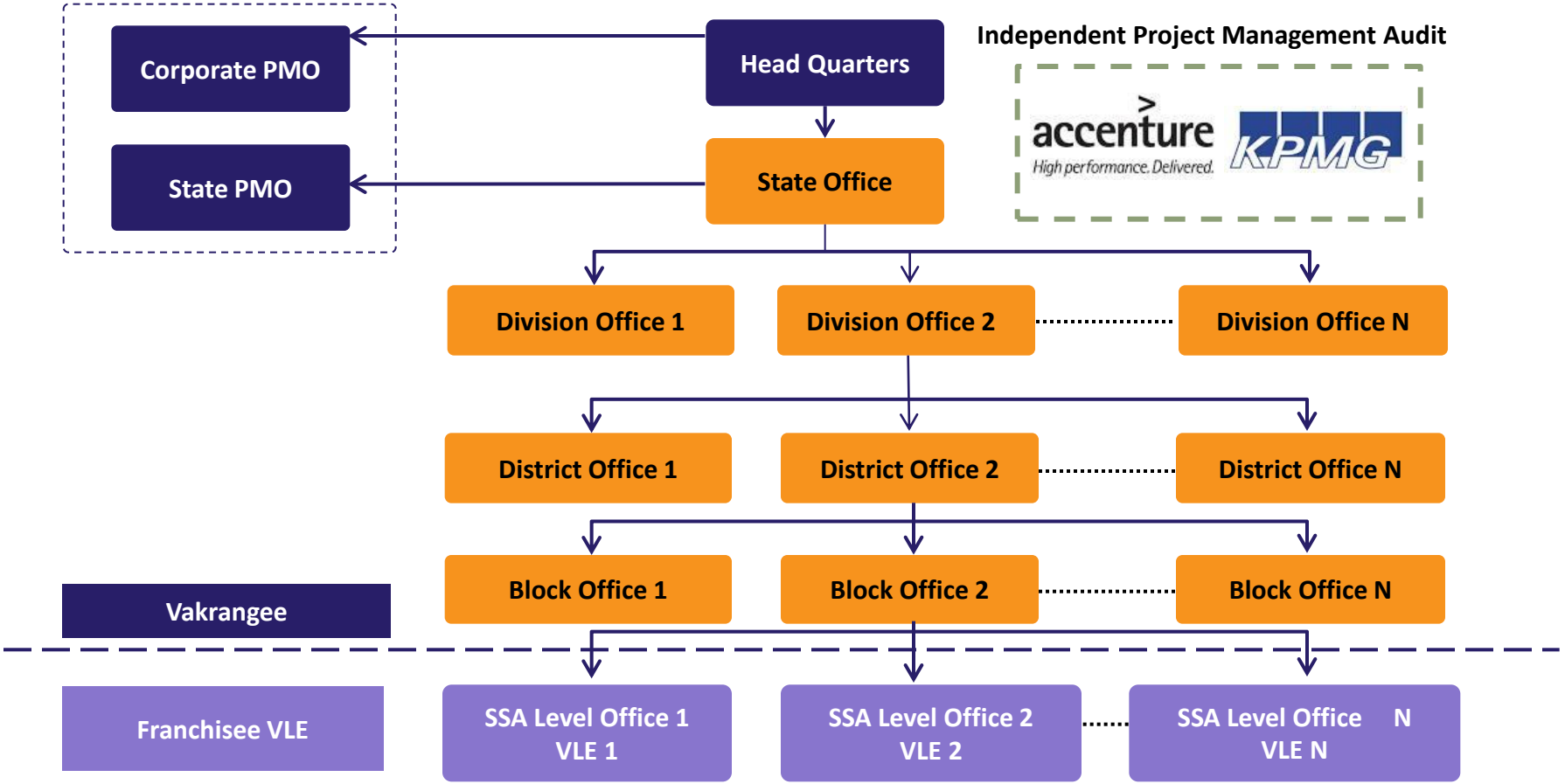
- No requirement of security guard as the ATM is located inside the urban BC branch
- Sharing of Civil Work, VSAT, Rent and Electricity expenses.

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 45-50 TRANSACTIONS/DAY COMPARED TO 100-120 TRANSACTIONS/DAY REQUIRED FOR COMPETITORS

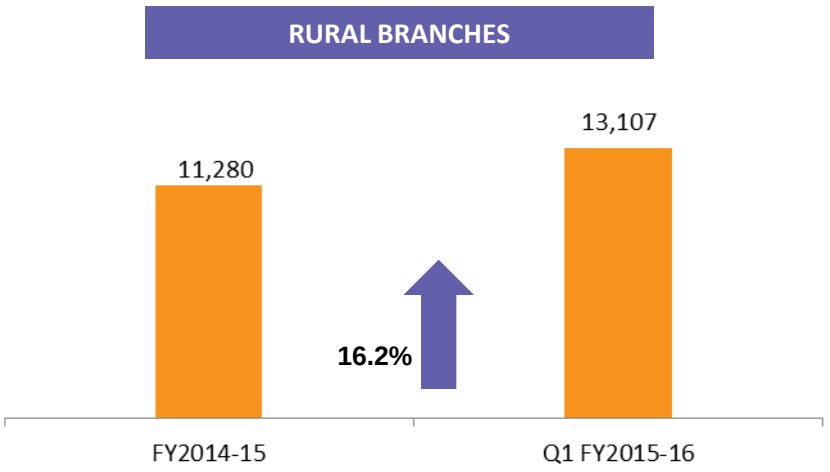
Vakrangee Kendra: Well Established Last Mile Infrastructure

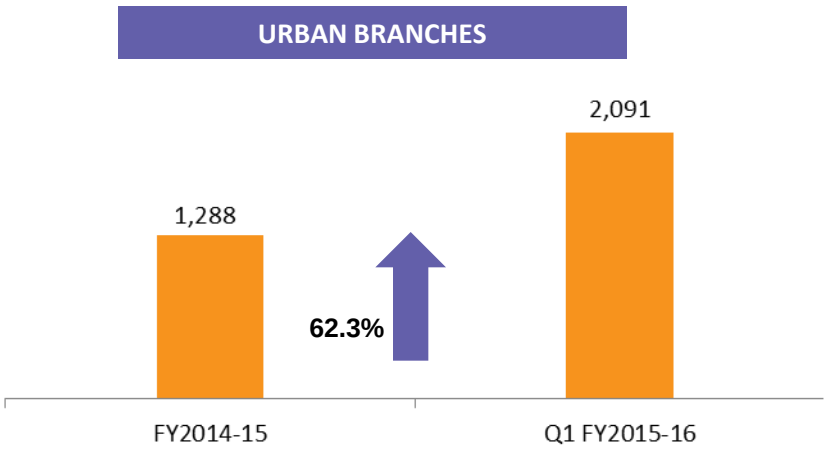


Vakrangee requires minimal additional human resources for incremental setup of Vakrangee Kendras through franchise route

Vakrangee Kendra: Rollout Status as on June 30, 2015

States	Rural Branches	Urban Branches	Total
Rajasthan	7165	1419	8584
Maharashtra	3147	295	3442
Uttar Pradesh	1920	298	2218
Madhya Pradesh	233	13	246
Punjab	173	25	198
Gujarat	189	0	189
Haryana	77	22	99
Bihar	61	0	61
Chhattisgarh	27	5	32
Goa	12	3	15
Himachal Pradesh	13	0	13
Delhi	0	11	11
TOTAL	**13017**	**2091**	**15108**



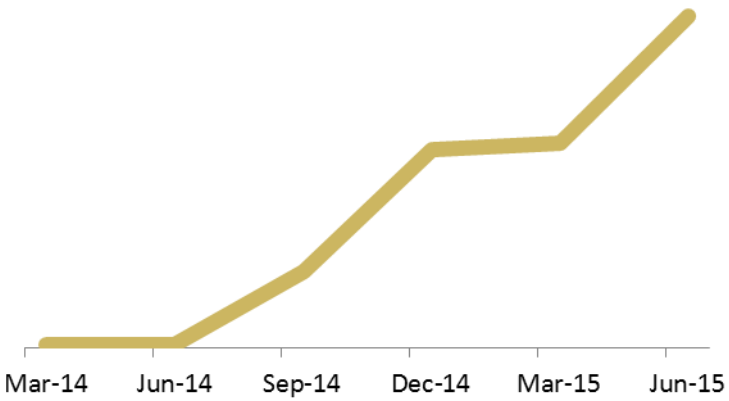


Vakrangee Kendra:

Strong Focus from Financial Inclusion to Financial Security

Quarter Ending	Urban Branches
Mar-14	15
Jun-14	15
Sep-14	478
Dec-14	1,253
Mar-15	1,288
Jun-15	2,091

Strong Ramp-up of Urban Branches



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

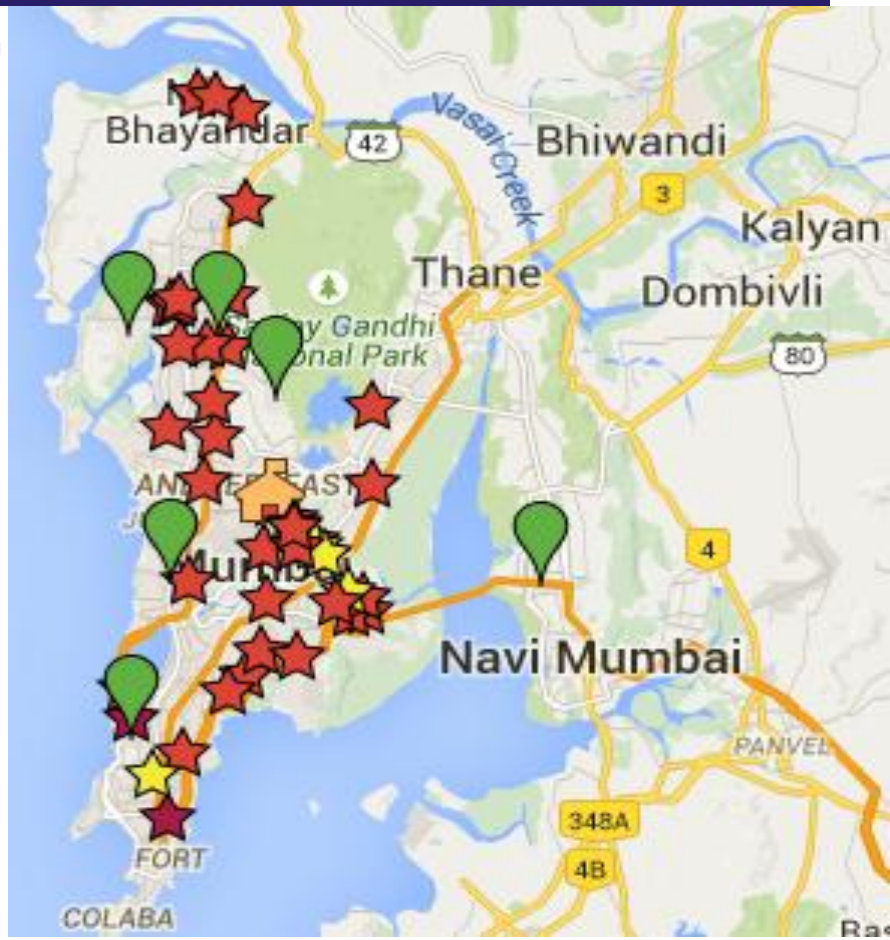
Post the launch of PMJDY by government there has been a strong push from the banks to expand their BC network not only in rural but also in urban areas

Hence there has been a strong ramp-up in urban branches from around 15 urban branches in Mar-14 to 2,091 branches by Jun-15

Vakrangee Kendra: Urban Branches in Mumbai

48 BRANCHES UP & RUNNING ACROSS MUMBAI

- Vakrangee Limited - Head Office
- Andheri East (UBI)
- SagBaug - Andheri East (BOB)
- Sakinaka Kherani Road (BOB)
- Kurla East (CBI)
- Malad East (BOB)
- Bhayander West (UBI)
- Mira Road East (BOB)
- Khar East (PNB)
- Mankhurd (BOB)
- Govandi (BOB)
- Vikhroli (BOB)
- Ghatkopar West (UBI)
- Cotton Green (UBI)
- JVLR Jogeshwari East (PNB)
- Malad East (BOB)
- Kandivali West (BOB)
- Kandivali West (UBI)
- Dahisar East (BOB)
- Asalpha Ghatkopar West
- Antop Hill (Sangam Nagar)
- Wadala East (Korba Mithagar)
- Sion Koliwada (Rawli Camp)
- Worli Koliwada
- BDD Chowl Worli
- Sandhurst Road
- Goregaon East
- Malad West
- Phoenix Mall Ghatkopar West
- Baigan wadi, Govandi
- Bhandup West
- Bhayander East
- Chembur
- Asalpha Ghatkopar
- Thakur Complex Kandivali East
- Kandivali West
- Vashi Naka, Chembur
- Behram Baug, Jogeshwari West
- Bail Bazar Kurla West (CBI)
- Ghatkopar West (BOB)
- Ghatkoapr East (UBI)
- Byculla (BOB)
- Shivaji Nagar, Govandi (BOB)
- Kurar Village, Malad East
- Khar West
- Arey Colony, Goregaon East
- Malvani Malad West
- Sanpada Navi Mumbai
- Jijamata Nagar, Worli



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.
PDS Public Distribution System	• Implement Biometric Smart Card based PDS in Haryana through computerization of PDS scheme. • Services include procurement, commissioning & maintenance of IT and Smart Card infrastructure, installation & operation of ~9,300 Smart Card POS Terminals, networking & connectivity across sites, development of software for POS, data digitization, Smart Card personalization & printing and setting up call centre for technical support.
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.
IGRS Inspector General of Registration & Stamps	• Computerize the process of registration of documents and recovery of stamp duty as per the Indian Stamp Act. • Services include computerized registration of marriages, societies, firms, non trading companies, etc.
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.

Vakrangee
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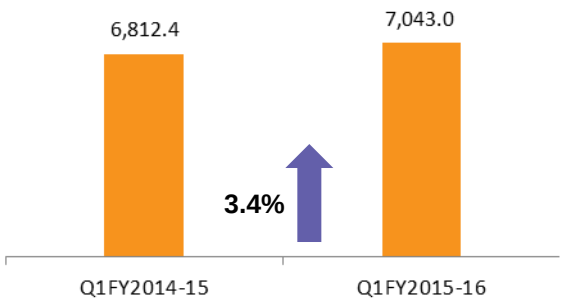
Q1 FY2015-16 Results Update

Q1 FY2015- 16 Results Highlights

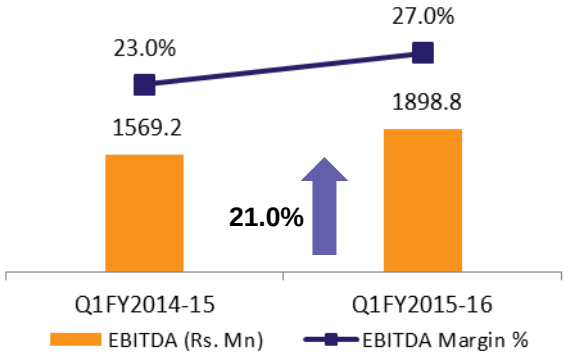
In Rs Mn

Consolidated

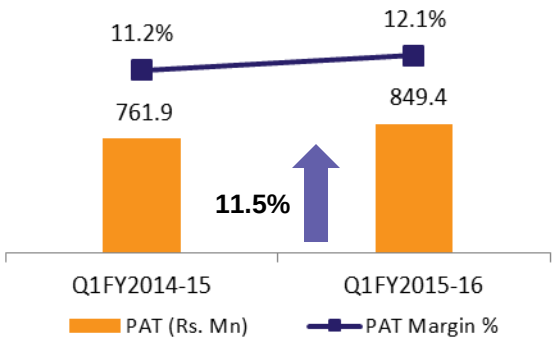
REVENUES



EBITDA & EBITDA Margin

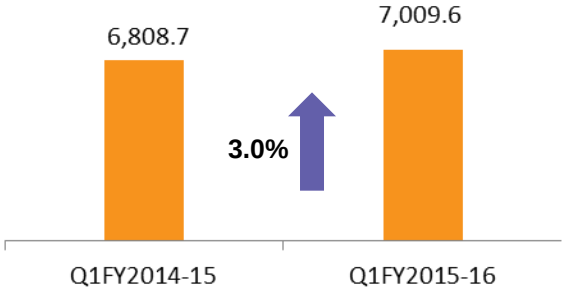


PAT & PAT Margin

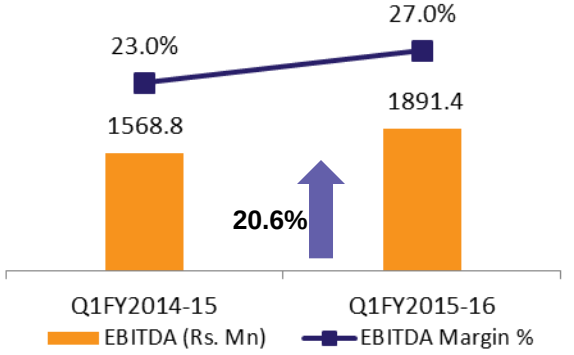


Standalone

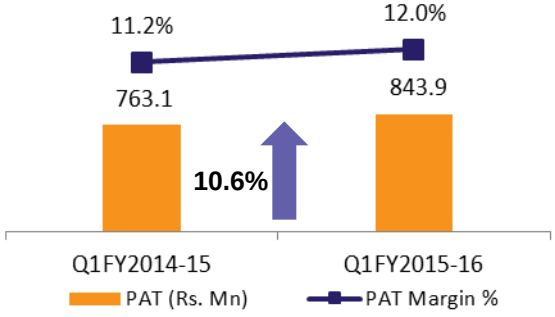
REVENUES



EBITDA & EBITDA Margin



PAT & PAT Margin



Q1 FY2015-16 Results – Segmental Analysis (Standalone)

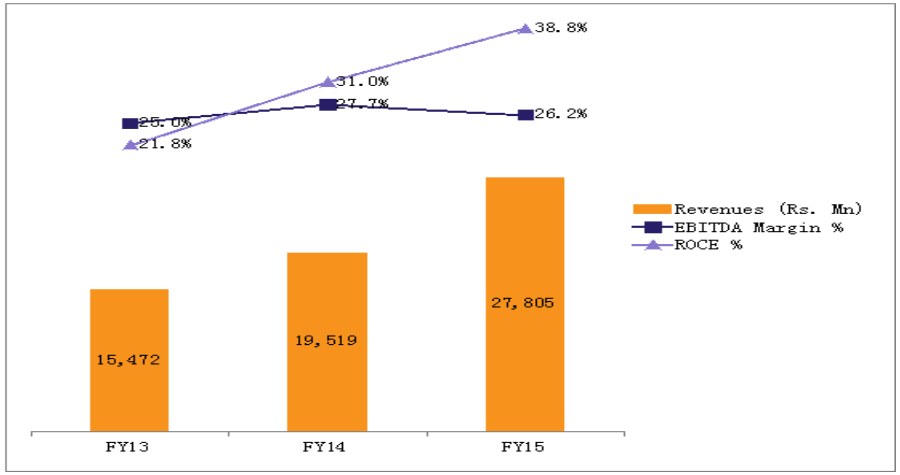
Particulars (Rs Mn)	Q1 FY2015-16		Q1 FY2014-15		YoY %	FY2014-15		FY2013-14		YoY %
		% of Total		% of Total			% of Total		% of Total	
Total Revenues	**7009.6**	**100**	**6808.7**	**100**		**27,753.7**	**100**	**19,653.9**	**100**	**41.2**
Vakrangee Kendra	3493.0	49.8	2762.4	40.6		11,883.7	42.8	7,611.6	38.7	56.1
E-Governance	3516.6	50.2	4046.3	59.4		15,870.0	57.2	12,042.3	61.3	31.8
Total EBITDA	**1891.4**	**100**	**1568.8**	**100**		**7,273.7**	**100**	**5,641.5**	**100**	**28.9**
Vakrangee Kendra	881.8	46.6	858.3	54.7		3,593.2	49.4	2,371.2	42.0	51.5
E-Governance	1009.6	53.4	710.5	45.3		3,680.5	50.6	3,270.3	58.0	12.5
EBITDA Margin %	**27.0**		**23.0**			**26.2**		**28.7**		
Vakrangee Kendra	25.2		31.1			30.2		31.2		
E-Governance	28.7		17.6			23.2		27.2		

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

Financial Overview

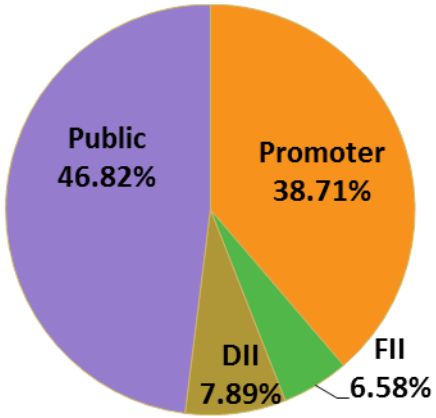
Financial Overview & Shareholding Structure

Last 3 Year Financials



As on 31.07.15 (BSE)	
Market cap (Rs. Mn)	83915.77
Price (Rs.)	166.45
No. of shares outstanding (Mn)	504.15
Face Value (Rs.)	1.00
52 wk High-Low (Rs.)	169.95/86.55

Shareholding Pattern – July 31, 2015



- Vakrangee has been classified in the Specialty Retail industry by Bombay Stock Exchange (BSE).
- Vakrangee is included in CNX 500 & BSE 200/500 & Mid-Cap 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.

Key Shareholders of Vakrangee Limited as on July 31, 2015

Sr. No	Category	Name	Percentage
1.	**Domestic Financial Institutions**	Life Insurance Corporation of India (LIC)	7.07%
		Other Insurance Companies (The New India Assurance Company Limited, General Insurance Corporation of India, The Oriental Insurance Company Limited)	0.53%
		ICICI Bank Limited	0.28%
2.	**Foreign Institutional Investor**	Janus Capital Group	3.08%
		MV SCIF Mauritius	0.55%
		Vanguard	0.50%
3.	**HNI**	Balram Chainrai & Family	1.06%
	Total		**13.07%**

Consolidated Financial Statements

Vakrangee
सशक्त परिवर्तन

Key Profit & Loss Statement Items

Particulars (Rs. Mn.)	Q1 FY2015-16	Q1 FY2014-15	YoY %		FY2014-15	FY2013-14	YoY %
Total Income from Operations	7043.0	6812.4	3.4%		**27,804.8**	**19,519.0**	**42.4%**
Total Expenses	5602.3	5657.0	-1.0%		**20,572.6**	**14,173.0**	**45.2%**
EBIDTA	1898.8	1569.2	21.0%		**7,291.3**	**5,407.6**	**34.8%**
EBIDTA Margin %	27.0%	23.0%	393 bps		**26.2%**	***27.7%***	***-148.4 bps***
Depreciation Expense	437.8	407.1	7.5%		1,648.6	1,808.7	-8.9%
Finance Cost	143.3	204.8	-30.1%		749.5	778.9	-3.8%
Profit before Tax (PBT)	1317.7	957.2	37.7%		**4,893.3**	**2,819.9**	**73.5%**
Tax Expenses	468.3	195.3	139.7%		1,674.8	1,070.1	56.5%
Profit after Tax (PAT)	849.4	761.9	11.5%		**3,218.4**	**1,749.8**	**83.9%**
PAT Margin %	12.1%	11.2%	878 bps		**11.6%**	***9.0%***	***260.7 bps***
Earnings per Share (EPS Basic)	1.7	1.5	11.5%		**6.39**	**3.48**	**83.6%**

Key Balance Sheet Items

Particulars (Rs. Mn.)	FY2014-15	FY2013-14
Net Worth	**12,073.4**	**7,795.0**
Share Capital	503.5	503.5
Reserves and Surplus	9,069.9	6,270.0
Money received against share warrants	2,500.0	1,021.5
Total Debt	**4,158.6**	**4,902.7**
Long Term Debt & Current Portion of LT Debt	1,002.9	1,686.4
Short Term Debt	3,155.7	3,216.3
Other Non-Current Liabilities	592.0	744.8
Total Sources of Funds	**16,824.0**	**13,442.5**

Particulars (Rs. Mn.)	FY2014-15	FY2013-14
Fixed Assets	**2,829.2**	**4,845.3**
Other Non-Current Assets	199.8	730.5
Inventory	1,693.6	1,624.9
Trade Receivables	11,993.2	7,683.0
Cash & Cash Equivalents	382.0	293.4
Other Current Assets	3,274.5	2,069.2
Less: Trade Payables	2,131.3	2,524.3
Less: Other Current Liabilities	1,417.1	1,279.5
Net Current Assets	**13,795.0**	**7,866.6**
Total Application of Funds	**16,824.0**	**13,442.5**

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

Directors & Leadership Team

Independent / Nominee Directors on the Board

Strong Board of Directors		
	RAMESH M. 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

Vakrangee
सशक्त परिवर्तन

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 segment 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 segment.
- 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

Vakrangee
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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

6 MONTHS

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 27001:2005

Vakrangee Kendra and ATM

Vakrangee Kendra in Kurla, Mumbai

Vakrangee Kendra in Andheri East, Mumbai

Vakrangee Kendra in Malad, Mumbai

Vakrangee Kendra in Khar, Mumbai

Vakrangee Kendra and ATM

Vakrangee Kendra in Goregaon (E), Mumbai

Vakrangee Kendra in Ghatkopar (W), Mumbai

Vakrangee Kendra in Cotton Green, Mumbai

Vakrangee Kendra in Govandi, Mumbai

Vakrangee Kendra and ATM

Vakrangee Kendra in Ghatkopar (E), Mumbai

Vakrangee Kendra in JVLR Jogeshwari (E), Mumbai

Vakrangee Kendra in Asalpha, Ghatkopar (W), Mumbai

Vakrangee Kendra in Bhayander (W), Mumbai

Vakrangee Kendra

Urban Kendra

Rural Kendra

Vakrangee Kendra

Vakrangee Kendra

Thank You