

June 14, 2018

To,

Department of Corporate Relationship BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	Corporate Relationship Department National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
---	--

Dear Sir/Madam,

Sub.: Press Release for " Vakrangee FY2017-18 Full Year Audited Financial Results"
Ref.: Vakrangee Limited – Scrip Code – 511431/VAKRANGEE

With reference to the abovementioned subject and pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Press Release for "**Vakrangee FY2017-18 Full Year Audited Financial Results**".

This is for your information and record.

Thanking You,

Yours faithfully,

For Vakrangee Limited


Mehul Raval
Company Secretary
(Mem. No.: A18300)



Encl.: A/a

VAKRANGEE LIMITED



PRESS RELEASE

Vakrangee FY2017-18 Full Year Audited Financial Results

Total Income stood at ₹6,536.48 Crore, YoY growth of 63.18%

EBIDTA stood at ₹1038.35 Crore, YoY growth of 9.15%

PAT stood at ₹680.46 Crore, YoY growth of 28.20%

The Company achieved the Debt Free Status

MUMBAI, June 14, 2018: Vakrangee Limited (VL), announced its audited Financial Results for the Full Year ended March 31, 2018.

Key Financial Highlights for Full Year FY2017-18 (Consolidated)

- Total Income stood at ₹6,536.48 crore in FY2017-18 as against ₹4,005.75 crore for the corresponding year last year, registering a growth of 63.18%
- EBIDTA stood at ₹1038.35 crore in FY2017-18 as against ₹951.29 crore for the corresponding year last year, registering a growth of 9.15%
- **EBIDTA (excluding legacy business write off) stood at ₹1,258.30 crore in FY2017-18 as against ₹951.29 crore for the corresponding year last year, registering a growth of 32.27%**
- PAT stood at ₹680.46 crore in FY2017-18 as against ₹530.80 crore for the corresponding year last year, registering a growth of 28.20%
- **PAT (excluding legacy business write off) stood at ₹900.41 crore in FY2017-18 as against ₹530.80 crore for the corresponding year last year, registering a growth of 69.63%**
- EPS (basic) for the face value of ₹1 stood at ₹6.43 in FY2017-18 as against ₹5.02 in FY2016-17

Company Strategy Update

1. **Strategy Update – Hold & Consolidate for the Current Year**
 - Focus to achieve the conversion / upgrade of all 45,000+ outlets to the new Nextgen Vakrangee kendra – Silver or Gold model with standardized Look & Feel
 - Conversion / Upgrade / churn to happen in a gradual manner.
 - Focus is on consolidation and standardization of all 45,000+ kendra outlets
 - Confident on Long term target of 75,000 Next-gen Vakrangee kendra outlets by 2020
2. **Strategy Update – To incur Capex for the Atm Business**
 - ATM is mandatory in the Nextgen Vakrangee kendra model and is key to standardization of the outlet.
 - ATMs to be provided to all the Nextgen Franchisees on Custodian Basis by the Company
 - Capex of more than Rs. 2.00 Lakhs per ATM to be incurred by the Company to support the same. Return on Investment is lucrative compared to current return ratios.

3. **Strategy Update – Impact on Profitability & Revenue Growth**
 - Franchisee to incur capex plus working capital investment upto of Rs. 10 Lakh for silver kendra and upto Rs. 18-20 Lakh for Gold kendra. Revenue sharing ratio to change hence resulting into impact of profitability for the company
 - During the conversion and churn process, at any point of time there would be around 10,000 outlets under up-gradation or churn mode for a period of 6 months, hence impacting the Revenue and profitability growth for that period

4. **Strategy Update – To focus on Vakrangee Kendra Business**
 - Company to focus only on Vakrangee Kendra Business. During the year ended March 31, 2018, Company has stopped taking new mandates in relation to legacy business
 - There are old outstanding receivables related to the legacy e-Governance business of Rs. 219.95 Cr which stands irrecoverable as on March 31, 2018 and same is written off in the Statement of Profit and Loss and has been disclosed as part of other expenses item during the year

5. **Strategy Update – Update on Current Progress for the Next-Gen Franchisee Model**
 - Already Received more than 7,800+ applications for the Next-gen Vakrangee kendra Silver or Gold model. Pan India marketing planned over the next few quarters to increase the Brand awareness
 - More than 50 outlets in Mumbai Metropolitan Region (MMR) to be operational by 31st July
 - Grant Thornton to start the Business quality analysis from 1st July onwards. The first report is expected by the next quarter end.

6. **Strategy Update – Update on Dividend Payout & Capital Allocation Policy**
 - Based on the current Capex plan for the ATM business and increased spend in marketing expenses, the company plans to change the Capital Allocation policy.
 - Capital allocation policy to be finalized based on the outcome of 5,000 operational Next gen outlets.

Update on Market Rumors & Change in Auditor

- **Update on Market Rumors**
 - Our Company would like to highlight that we have not received any show cause notice either from Stock Exchanges or Security Exchange Board of India (SEBI) or any regulatory body for being involved for any price and volume manipulation.
 - The rumors of involvement of Company in price and volume manipulation are completely baseless and factually incorrect

- **Update on Change in Auditor**
 - The management would like to assure that the Company's financial statements present the true and fair view of the state of the affairs of the company. The company is fully compliant with the Ind-AS accounting standards.
 - PWC had satisfactorily done the limited review for the period till 31st December 2017. The Audit committee has also reviewed the financial statements and has been fully satisfied with all the information and explanations provided by the company.
 - Company has already appointed M/s. A. P. Sanzgiri & Co., Chartered Accountants, (Firm Registration No. 116293W) as the New Statutory Auditor.
 - Current Full Year March 2018 results have been satisfactorily audited by M/s. A. P. Sanzgiri & Co.

About Vakrangee Limited

(BSE Code: 511431; NSE Code: VAKRANGEE)

Incorporated in 1990, Vakrangee is the unique technology driven company focused on building India's largest network of last-mile retail outlets to deliver real-time banking & Financial Services, ATM, insurance, e-governance, e-commerce and logistics services to the unserved rural, semi-urban and urban markets. The Nextgen Assisted Digital Convenience stores are called as "Vakrangee Kendra" which act as the "One-stop shop" for availing various services and products. Vakrangee is currently operating more than 45,000 "Vakrangee Kendra" outlets across India. The company has plans to setup and manage a total of 75,000 "Nextgen Vakrangee Kendra" outlets across India by 2020 and covering the presence in all Postal code of the country.

Vakrangee has been at the forefront in financial inclusion space in India. It has signed "Common BC" and "National BC" agreements with various public sector banks for offering real-time banking to unserved and underserved rural population. Banking at "Vakrangee Kendra" outlets is a unique experience with disruptive technology like APS, e-KYC, inter-operability and real-time transactions.

In addition to banking "Vakrangee Kendra" outlets also provide insurance products, e-governance services and e-commerce products. The company also offers assisted e-commerce services offering strong platform for buying/collecting/delivering large variety of products; the Company has also alliance with RedBus for offering bus ticketing services at Vakrangee Kendras through RedBus; Cinestaan Digital Private Limited to offer free and offline videos to citizens and with Netmeds Marketplace Limited to offer medicines and other health products using the last-mile distribution network of Vakrangee Kendra outlets.

The Company has alliance with Indian Railway Catering and Tourism Corporation Limited (IRCTC) for offering Railway E-Tickets booking through Vakrangee Kendras.

The Company has alliance with DMI Finance Private Limited (DMI) to act as a Lead generator for offering its various loan products and collection of EMIs to citizens across Pan India.

The Company has corporate agency tie-up with Life Insurance Corporation of India (LIC), HDFC Life Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited and other Insurance Companies. This alliance provides a strong potential to expand the e-commerce operations from "Vakrangee Kendra" outlets over coming years.

The Company has also alliance with Aramex India Private Limited, Delhivery Private Limited, FedEx Express, Blue dart and First Flight Couriers Limited for courier and logistics services (Forward Delivery as well as Reverse Pick Up services).

Vakrangee moves towards its vision 2020 has strategic tie-up with Indian Oil Corporation Limited (IOCL), India's largest commercial enterprise and Vakrangee Kendra shall be set up in about 20000 plus IOC Retail Outlets (Filling/Gas Station) located PAN India.

For further information, please email us at:

Email: investor@vakrangee.in