

01 October, 2013

Vakrangee-Is eGovernance the way forth?

Metamorphosing from handling various e-Governance projects, including – Election Cards / Electoral rolls, PDS, UIDAI, CSC, FI, IGRS etc; co. is turning in to a kind of Micro Banker. With focus on financial inclusion & e-governance it has tie up with all 26 PSU banks, to run the – Ultra Small Branches in rural areas. Whereby it offers, banking services on real time basis, with direct access to CBS [core banking solutions] network of all PSU banks. This is enabling the company to play a significant role in – rural banking, DBT & financial inclusion schemes of government. Not only this, company also got in principle approval to setup 15,000 White label ATMs, which can further expand its reach/strength in rural hinterland.

Rural Retail – New Growth Driver: Going forward, riding on the proposed 50,000 strong rural high tech touch points, apart from e-governance and banking service offerings; company can provide a wide range of services [G2C & B2C], leveraging its advanced technology communication & transaction platform, at its retail outlet named **V-Mart[Vakrangee Mart]**. These may include services like – life & general insurance, telecom related services, consumer durable & non durable marketing, agricultural equipments & consumables, as also rural advertising and surveys facility to private agencies.

High margin business: Transaction fee from DBT & FI schemes, plus other G2C & B2C service offerings; will grow exponentially along with growth in touch points “**V- Marts**”[**Vakrangee Mart**]. This will boost company’s bottom line significantly & sustainably, in coming couple of years. Present network of such V-Marts of over 3,000; is likely to be ramped up to over 12,000 in FY’13-14, 35,000 in FY 14-15 and will reach 50,000 plus by FY 15-16. This will put Vakrangee in to a new league, like a rural Retail MNC-FMCG company, **generating high ROCE, ROEs and high free cash flows.**

<http://www.anirudhsethireport.com/vakrangee-is-egovernance-the-way-forth/>