

# VAKRANGEE WINS MAHARASHTRA RFP, BECOMES COMMON BC FOR PUBLIC SECTOR BANKS IN THE STATE

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DELHI: It is official. [Vakrangee Finserve](#) has won the [SBI RFP](#) to become the common Banking Correspondent company for all public sector banks operating in Maharashtra.

The company won the bid after a two day bidding process where SBI failed to elicit any bids at all on the first day. The second day, however, seems to have seen more spirited bidding after the price was raised to 1.5% for cash management – up from 0.4% and 0.5% in the previous bidding sessions.

On the second day, bidding started at 11 am and stayed open till 5pm or so. At which point, Vakrangee won the 5 year contract, which can be extended by another two years, with a price of 0.48%. The company will now have to appoint BC agents in 4,200 locations in Maharashtra.

If things go as the Finance Ministry wants them to, welfare payments to the rural/poor population will be routed through Vakrangee now. The low value of the final bid took some of the other bidders by surprise.

Said the head of a rival bidder, “This economics is beyond my comprehension.” And added that more than technology, the main cost here would be cash management. He also added that the [Maharashtra](#) bid has been good price discovery for the banks, and that it is now fairly easy to predict what will happen when bidding opens for the other clusters.

It is also pertinent to mention that earlier this month, sister company Vakrangee Softwares had bagged a five-year deal worth Rs 750 crore from the Rajasthan government to design, deploy and operate common service centers (CSC) in the state. It now remains to be seen if other states also end up with CSC operators or the Banking Correspondent companies.

Talking to a senior ministry official, ET was told that the ministry favoured the CSC model, but that their spread across the country was far from comprehensive.

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