



Transcript of 31st Annual General Meeting of Vakrangee Limited held on Monday, August 30, 2021 at 11.00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Welcome speech by Mr. Jay Bhansali – Company Secretary:

Good Morning dear Shareholders. I welcome you all on behalf of your company Vakrangee Limited to its 31st Annual General meeting which is being held today through video conferencing. Hope, all of you are safe & in good health and wish you all to stay that way. Facility for joining this meeting through video conference or other audio-visual means is made available for the members on a first-come-first-served basis. The joining to this meeting opened 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. Members are encouraged to join the meeting through their laptops and headphones for a better experience and use internet with a good speed to avoid any disturbance during the meeting. Participants connecting from mobile devices or tablets or through laptops connecting via a mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use a stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.

The registered office of the company at Mumbai, Andheri shall be deemed as the venue for this AGM and proceedings of the AGM shall be deemed to be made here at.

The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, has been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to info@vakrangee.in.

Now I request Mr. Ramesh Joshi, Chairman of the Company to address the Shareholders.

Mr. Ramesh Joshi, Chairman:

Thank you, Jay. Good Morning everybody. I welcome you all to the 31st Annual General Meeting of your company. I would like to mention that in view of the massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed, and therefore, this AGM today has been convened through video conferencing or other audio/visual means in compliance with the Companies Act 2013, read with specific circulars dated 8th April 2020, 13th April 2020 and 5th May 2020 and January 13, 2021 issued by the Ministry of Corporate Affairs, Government of India, which exempt physical attendance of the members to the AGM venue. The quorum being present, I declare the meeting open. I welcome other colleagues on the board of your company to the 31st Annual General meeting and would like to introduce them for the benefits of new Members.

My colleagues on the Board of the Company:

- 1) Mr. Dinesh Nandwana
- 2) Dr. Nishikant Hayatnagarkar
- 3) Mr. Avinash Vyas
- 4) Mrs. Sujata Chattopadhyay
- 5) Mr. Hari Chand Mittal
- 6) Mr. Babu Lal Meena
- 7) Mr. Sunil Agarwal
- 8) Mr. Ranbir Datt

All the Directors of the Company are present at the meeting.

Mr. Ajay Jangid, CFO, Mr. Jay Bhansali, Company Secretary and the representative of the Statutory Auditors are also

present at this meeting.

Mr. Mehul Raval, Practicing Company Secretary, is also present at this meeting who shall scrutinize the e-voting process in a fair and transparent manner.

Ladies and Gentlemen, the Notice convening this Annual General Meeting and a copy of a Annual Report for the financial year ended March 31, 2021, have already been circulated to the Members of the company electronically whose email addresses are registered with the Company.

I shall take them as read.

The Auditor's Reports on the Standalone and Consolidated financial statements and the Secretarial Auditors Report for the financial year ended March 31, 2021 do not contain any qualification, reservation, adverse remark or disclaimer. Accordingly, the reports are not required to read out, as provided in the Companies Act, 2013.

Mr. Ramesh Joshi, Chairman:

Let me now welcome Mr. Dinesh Nandwana, Managing Director and Group CEO of the Company to brief you all on the business and operations of the Company.

Mr. Dinesh Nandwana, Managing Director & Group CEO:

Dear Shareholders,

Today, I extend a warm welcome to all of you to the 31st Annual general meeting of your company, Vakrangee limited. During the last three years, we have been on a transformational journey whereby we focused to transform our Business model from old format of Non Exclusive Vakrangee Kendras to a standardised and Exclusive "Next-

Gen” format. They each became branded stores for delivering a consistent consumer experience and well-defined service levels. I am pleased to share that despite the Covid pandemic impact, currently; we have successfully launched 11,900+ Next-Gen Vakrangee Kendras and are on track to deliver 25,000 operational NextGen kendras before March 2022. I believe that we have reached an inflection point and from here we foresee a strong growth momentum in terms of financial as well as operational growth over the coming years. The financial year 2021 was one in which your Company’s underlying purpose of serving the unserved and underserved communities in times of both adversity and celebration, was displayed.

This unprecedented pandemic has affected every one of us, unifying us in our vulnerability – as communities, cities, nations and as companies, sectors, and economies. This meant that at Vakrangee, we needed to be agile in finding new ways of serving our customers and delivering our services safely. We were among the very few companies globally, that was fully operational at all times for providing key emergency and essential services to our citizens, even within the remotest parts of the country. I am truly proud of what our armies of more than 800+ workforce and 11,900+ franchisees across India have been able to achieve in directly serving our customers and society at large, and indirectly our shareowners. I would like to offer my warmest thanks to our Franchisees and staff for their determination and the tremendous work they have done.

In terms of reach, we have redefined the last mile access by successfully crossing 11,900+ Next-Gen Vakrangee Kendras, spreading across covering 27 states and Union Territories, over 520 districts and 4,620 postal codes. Out of these outlets, 70% of our outlets are in Tier V & VI cities, ensuring a greater weightage of our presence into rural and semi-urban India. I am happy to inform you that your Company is currently the fourth Largest ATM operator in Rural India with more than 5,400 modern ATMs in operation.

In terms of our offerings, we introduced new 'need-of-the-hour' Tele-medicine services, which includes 'Online Doctor' consultation in regional languages, 'Homes Blood' test facility, and doorstep delivery of medicines. These were important and essential services for many in this pandemic, during which mobility was restricted due to the lockdown situation. For these services, Vakrangee has partnered with vHealth by Aetna, part of the CVS Pharmacy Group – a Fortune 500 company ranking 5th, and the Top 10 m-Health providers in the world.

These were also supported by other new innovative services such as 'Doorstep Banking' facility, giving our customers the convenience of receiving services right to their homes. During the lockdown, our banking business correspondents provided doorstep banking services to Jan Dhan Account Holders in remote rural areas, especially to senior citizens and old age pensioners. We also introduced our unique hybrid online-to-offline model 'Digital Vakrangee Kendra' through which our customers could get access of basic services at their convenience from anywhere.

Vakrangee aims to become India's No. 1 retailer for facilitating universal financial, digital and social inclusion. We facilitate inclusion through innovative ideas and proven modern technologies, at our outlets or "NextGen Vakrangee Kendras". Our vision is now set to create the world's largest franchisee based distribution channel in India. Our planned target is to have a last mile presence across all postal codes, covering each and every Gram Panchayat in the country

Digital Platform : BharatEasy Mobile Super App

We are also launching a Mobile Super App based business platform : BharatEasy App, India ka Super App. Currently a Beta Trial Version has been launched.

By downloading a single Vakrangee's BharatEasy Super App mobile application, our customers would have access a wide

array of Products and Services which would significantly reduce their requirement to switch between multiple apps. This would lead to superior customer experience and convenience.

A unique differentiator and a sustainable competitive advantage of our Digital Super App platform would be our ability to leverage the Vakrangee Kendra On Ground Ecosystem as points of physical assistance, especially to consumers in Semi Urban and rural remote locations. This Unique Proposition of Digital along with Physical: “Phygital” would help the Digital channel to scale up rapidly, and would significantly reduce our costs related to acquiring customers, physical assistance, order fulfilment and returns management of online orders. Furthermore, leveraging our physical presence would result into better customer interaction, strong brand recall and better service experience and trust for our customers.

I would like to inform you that we are in the process of segregating the business of Physical Vakrangee Kendra Outlets and Digital Vakrangee Kendra (our online based business). This would also set the platforms for “value discovery” of the digital business at a later stage, with the ultimate objective of maximising shareholder returns.

With respect to the demerger as well as to identify the right structure and plan ahead, the Board has taken a decision to appoint a global consultant to further strategize on the demerger structure and propose an optimal Business model structure in order to ensure value creation for all the respective stakeholders. Global consultant would also understand the Online market landscape and evaluate the overall opportunity size for BharatEasy Super App, to strategize the best ways to unlock value for all the stakeholders.

Update on Strategy 2.0 : Our Next 5 year Growth Plan

I am pleased to inform you that we recently launched our “Strategy 2.0” Document, detailing our Next 5 year growth

targets and operational and financial deliverables. This document focuses on the Core Business of the

Physical network of Next-Gen Kendra outlets. This strategy plan document does not include any contribution from the digital mobile app platform. Our vision is now set to create the world's largest franchisee based distribution channel in India with a strong focus on Rural India. We are confident of delivering strong growth momentum over the next 5 years as our network would grow from 11,900+ to 25,000+ outlets by March 2022 and to 75,000 outlets by March 2026.

We estimate that our Gross Transaction value would cross US\$50 Billion on an annualised basis over the next 5 years, while the number of transactions would cross a billion transactions annually. This would result into significant growth in revenues and profitability, especially as we will continue to take advantage of our asset-light franchisee-based model with strong operating leverage. Our Cash Adjusted Return on Capital would improve significantly.

Update on Financial Performance

As a year with major disruptions and restricted footfalls to our Kendras throughout the year under review, your Company was able to achieve a total revenue of Rs. 383.95 crore, and Profit After Tax (PAT) at Rs. 62.79 crore. In spite of COVID-19 Pandemic situation, Vakrangee's Kendra Network throughput crossed more than US\$ 5.2 Billion (Rs. 37,600+ crore) in the Full year FY2021, and Our Total Number of transactions crossed 126.8 mn (~12.6 crore) transactions on an annualised basis. These numbers have been very encouraging to say the least.

During the financial year 2021, outlet revenues were impacted due to Covid-19 induced lockdowns, as only our key essential services such as Banking, ATM, Mobile recharges and Tele-medicine services were fully operational. Our E-Commerce and Logistics business was significantly impacted because of onground field level

delivery challenges, and our Travel services were closed most of the time due to the lockdown.

On a brighter and Positive note I am pleased to share that as the situation is improving, our key services, such as Assisted Online Shopping and Online Healthcare have become operational, and are gradually reversing back towards Pre-COVID-19 levels. The Company's return to normalcy on the business front has been progressing very well, with growing month-on-month improvement in sales. As we are returning to normalcy, and as we continue to expand our operational NextGen Kendra outlets significantly, I would expect our Revenue and profitability to also improve sharply for the current and ensuing fiscal years.

Our commitment to sustainability

At Vakrangee, we have always attempted to be a Responsible and Socially Conscious company. Aligned with Vakrangee's sustainability vision, the company has focussed on adopting the global best practices to fuel dreams and, in turn, create long-term value creation for all its stakeholders. As one of India's largest network of last mile retail outlets to cater to the unserved and underserved markets, Vakrangee has a unique opportunity to make a positive difference in the communities we proudly serve. We take this opportunity seriously and take responsibility to make the most of it. I am pleased to report that we have made solid progress toward our Sustainability Initiatives during FY2021. Through our network of Kendra's, we are taking financial and digital literacy to the bottom of the socio economic pyramid. By making our products equally accessible and affordable to all segments of society, we are facilitating universal economic and social equality and narrowing the urban-rural divide.

Our Company has been successful in benchmarking its performance on a wide range of industry specific ESG criteria. Our global recognition reflects Vakrangee's commitment to further enhance its corporate governance

and transparency standards. I am pleased to inform you that your Company has achieved major Global recognition across various platforms for its superior ESG performance and long term business sustainability.

For instance, Vakrangee globally ranked 1st out of 816 Companies in the Software and Services industry based on Sustainalytics ESG Assessment. Vakrangee was recognized & included in 2021 Bloomberg Gender-Equality Index. Vakrangee was also ranked as No. 13 in the global industry ranking, and No. 9 in the Corporate Governance global industry ranking based on RobecoSAM – S&P Global ESG Score. Your Company has been recognized and included in the highly exclusive group in the S&P Sustainability Yearbook 2021 based on RobecoSAM S&P Sustainability ratings. Under the CDP Environmental Ratings, Vakrangee has demonstrated robust Environmental transparency and achieved “B” Score from CDP for Environmental practices. During the fiscal period, Vakrangee is now also a Participant and Signatory Member of UNGC (United Nations Global Compact), and a Signatory Member of United Nations Women Empowerment principles (UN WEP).

Further, we have released our 2nd Integrated Annual report for FY2020-21 along with Reasonable Assurance certification from third party Independent auditor Grant Thornton Bharat LLP. Our Company is also now a Certified Green consumer through Tata Power for availing 100% Green energy w.e.f 1st July. Company has received its first ‘Green Bill’ for consumption of 100 percent ‘Green Power’, thereby committed towards the cause of sustainability and is keen to reduce its carbon footprint.

Future Outlook

As we gradually return closer to Pre-COVID conditions, and as we continue to expand our operational Next-Gen Kendra outlets significantly over the next fiscal year, I would expect our top and bottom lines to also improve sharply for the current and ensuing fiscal years. This pandemic has highlighted the relevance of Vakrangee to our customers,

creating a great deal of faith in our brand as a reassuring and trusted essential service provider. I expect the economy and general business conditions to rapidly return to normalcy, Our Current Q1 FY22 results are a testimony to the same. Our franchisee-based network is founded on an asset-light model, and we are well resourced to scale our network without the support of any debt. Financially resilient and with positive tailwinds under our wings, we expect our outlet expansion to cross 25,000+ Next-Gen outlets by FY2022. With enhanced brand awareness, and more than 1,50,000+ franchisee applications in place, we are currently at a good vantage point going forward.

Sustained Focus on Performance Culture

The COVID-19 pandemic has caused unprecedented disruption in how people work, and as a consequence, Vakrangee is leveraging technology and implementing process automation and innovative digital initiatives that allows us to adopt new ways of conducting everyday business and managing field operations. These initiatives should result into improved franchisee satisfaction and better centralized management of field operations.

We have recently digitized the complete Franchisee Lifecycle Management processes including Franchisee Acquisition, On-Boarding and Service Activation processes leading to delivering a Faster, Simpler and Secured experience. This would result into robust scalability and quicker turnaround of the prospective franchisees. This would significantly reduce franchisee on-boarding costs, enhance field team efficiency and productivity. These initiatives have significantly reduced the manpower requirement at the field level as well as resulted into improved franchisee satisfaction and better management of field operations.

Further, we are leveraging technology and building Artificial Intelligence into our systems and building our knowledge on customer's behavioural spending, thus resulting into new product / service offerings, better deals and more

transactions. At the same time, we are cognizant of Customer's Data privacy; hence we are focussed to build a robust and secure system accordingly. This would ensure that our customers feel valued, are rewarded & recognized, and receive communications that are more engaging. During the year, we implemented several such process automation and technology initiatives, which should yield in an overall cost reduction and enhanced profitability going forward.

Closing remarks

We're working on innovative products and services that help the masses. As we move along FY2022, there are strong expectations of recovery in the Indian economy. I am thankful to our franchisees, employees, business partners, customers and our shareholders for their continued Trust, support and confidence in our journey towards becoming the world's largest last-mile superstore.

I would like to take this opportunity to thank our shareholders and our employees for their contribution and support. We also thank our franchisees and business partners for their continuous trust and confidence in the Vakrangee dream.

Managing Director & Group CEO then replied the queries received from the shareholders and took up the question asked by Mr. Dnyaneshwar K Bhagwat.

Question:

What we are planning for coming 2 yrs. Just give us brief about it ?

Reply:

We believe we are now well poised and have a clear visibility for a strong growth journey in the next few years to come.

We are gradually returning to Pre-COVID level growth conditions, and as we continue to expand our operational Next-Gen Kendra outlets over the current fiscal year, I would expect our top and bottom lines to also improve sharply for the current and future fiscal years. Our Strong Q1 FY22 results are a testimony to the same. We currently have more than 11,900 operational NextGen outlets and we expect our outlet expansion to cross 25,000+ Next-Gen outlets by March 2022 and further to 35,000 outlets by March 2023. With enhanced brand awareness, and more than 1,50,000+ franchisee applications in place, we are currently at a good situation and future looks very positive and promising going forward.

Mr. Ramesh Joshi, Chairman:

Thank you Dineshji for giving very detailed insight into the operations of the Company during the year and giving satisfactory answers to the questions asked by the shareholders.

Now, I would request to the Members who have not already cast their vote by remote e-voting may cast their vote on the e-voting platform now. As the meeting is convened through VC today, resolutions set out in the Notice of AGM have already been put to vote through remote e-voting and the requirement to propose and second is not applicable. You are given 15 minutes time for e-voting after which the meeting will stand closed.

Once again, I thank the members of the company, the invitees and the Directors of the company for sparing their valuable time and attending the 31st Annual General Meeting of Vakrangee Ltd.

Mr. Jay Bhansali, Company Secretary:

Thank you, Sir.

Mr. Ramesh Joshi, Chairman:

Thank you. Jay, do all the board members log off now?

Mr. Jay Bhansali, Company Secretary:

Yes Sir. They can now leave the meeting and the e-voting platform will remain open for 15 minutes time.

Mr. Ramesh Joshi, Chairman:

OK. Thank you very much. Goodbye.