



Transcript of 32<sup>nd</sup> Annual General Meeting of Vakrangee Limited held on Tuesday, September 27, 2022 at 11.00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Welcome speech by Mr. Sachin Khandekar – Company Secretary:

Good Morning dear Shareholders. I welcome you all on behalf of your company Vakrangee Limited to its 32nd 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](mailto:info@vakrangee.in).

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

**Mr. Ramesh Joshi, Chairman:**

Thank you, Sachin. Good Morning everybody. I welcome you all to the 32nd Annual General Meeting of your company. I would like to mention that this AGM today has been convened through video conferencing or other audio/visual means in compliance with the Companies Act 2013, read with various circulars issued by the Ministry of Corporate Affairs, Government of India from time to time, 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 32nd 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. Sachin Khandekar, 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, 2022, 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, 2022 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 32nd Annual general meeting of your company, Vakrangee limited. Vakrangee's business model is maturing into a well-established format for addressing the basic needs of the masses, no matter which part of the social pyramid they belong to, through our impactfully relevant products and services. At the same time, we have been focussed in

finding new ways of serving our customers and delivering our services.

Today, we have emerged as the go-to-market platform for rural India for our various business verticals including the new age FinTech and digital platforms. We are building India's largest last-mile distribution platform and emerging as the largest 'Phygital' ecosystem with a Pan India presence. We have currently established and operated through more than 22,858 outlets spread across 32 states, 564 districts and 5,627 postal codes. What is more interesting is that around 84% of our outlets are present in deep rural Tier 4 - 6 locations, making us the ideal partner of choice for any new business partners wishing to access rural India.

### **Financial Performance**

The Company's return to normalcy on the business front has been progressing well, with growing month-on-month improvement in revenues. We have witnessed strong financial and operational growth on a year-on-year basis due to an increase in the number of outlets, as well as a fully operational network with no shut-downs. Our full FY2022 revenue stood at Rs. 782.61 crore, as against Rs. 383.95 crore for the corresponding period last year, registering a growth of 103.83% YoY. The full year's EBITDA for FY2022 stood at Rs. 158.69 crore, registering a growth of 62.89% YoY. Our PAT stood at Rs. 109.52 crore, registering a growth of 74.42% YoY. For our full year FY2022, GTV growth transaction value crossed Rs. 47,475.83 crores and the total number of transactions crossed 12.80 crores.

### **Phygital Transformation to create a more inclusive India**

Today, even though more than 750 million people use smartphones, most Indians are just consuming mobile data only for calls, web browsing or data streaming. Rural India, in particular, is hesitant to migrate to digital transactions because of their trust deficit, deep knowledge gap, and lack

of physical hand-holding assistance. At Vakrangee, we recognise the vast opportunity that Rural India represents. To realise our potential fully, we're undergoing a rapid 'phygital transformation' to bring the best parts of the physical customer experience into the digital era, and vice versa. Becoming 'phygital' gives us the power to offer a superior value proposition to our customers, where trust, knowledge, and 'face-to-face' guidance and physical assistance are readily available to each Indian, no matter how remotely located they might be.

Vakrangee is perfectly positioned to lead the charge as we have build trust over the years of being an established and renowned brand in Rural India, making us the perfect partner for doing digital transactions. Our local franchisees are deeply entrenched with local knowledge and awareness, making them ideal counsellors to potential consumers ready to dive into the digital world. And our physical presence around each neighbourhood makes us the perfect 'go-to' place for physical assistance for our consumers to resolve the queries that they might have.

We want to be India's most sustainable ecosystem to facilitate universal financial and digital inclusion. With our business model going much further than just being an App, we are building an ecosystem far more sustainable than our peers. In fact, we expect the scale of our phygital operations to translate into the most substantial rural penetration that has ever been seen in India's history.

Through our phygital transformation, we are on an exciting journey of becoming a powerful engine for securing new relationships with millions of Indians each year.

### **BharatEasy Mobile Super App**

As part of our 'Phygital' strategy, we are in the process of launching our mobile Super App called "BharatEasy App, India ka Super App" on a pilot basis. By downloading this application, our customers can easily access a wide array of products and services, all within one place. This App is

held and operated under our 100% subsidiary, Vakrangee Digital Ventures Limited (VDVL). During FY2022, we began testing the Super App under a beta trial version with limited features including online shopping, total health care services, online Demat account opening, CIBIL credit rating score and online Pan Card services. As part of our 'Phygital' strategy, this is serving as a unique differentiator and a sustainable competitive advantage that leverages the Vakrangee On Ground Eco-system – a vast well-diversified pan-India level 22,858 physical store network as points of physical assistance, especially to consumers in semi-urban and rural remote locations.

### **New Products & Services**

During FY2022, we successfully added new business partnerships with some of the marquee partners who are global leaders in their respective businesses. For instance, we have partnered with Alliance partners, a world leader in insurance and healthcare services, offering a combination of assisted healthcare services to the unserved and underserved population of India through our platform. We also partnered with Decathlon Sports India, a world leader in sports equipment, to offer a complete range of sports products to our customers. This new line provides world-class products both for beginners as well as passionate professionals at extremely affordable prices, and with this collaboration, we are a one-stop shop provider for all the sporting goods requirements of our customers across India. We also launched free online Demat and trading account opening services with 5Paisa, Goodwill & Jiffy by Choice Broking.

### **Demerger Scheme Update**

Concerning the proposed demerger of the Non-Core business of E-Governance and IT/ITES as a separate entity, we would like to update you that we have received the approval for demerger from Stock Exchanges and have now filed the application for NCLT approval. We believe the proposed Demerger would unlock the potential of the Core Vakrangee Kendra Business in the current Listed entity with the existing business of Vakrangee Kendra physical outlets

as well as the Digital platform of BharatEasy Mobile Super App. The Vakrangee Kendra Business is primarily retail-centric and a consumer-facing business. It is an Asset Light, High return on capital business and thereby will get the proper representation post the demerger. We believe this would lead to significant rerating of the core business and would maximize shareholder wealth.

### **Update on our Future Growth Strategy**

Your Company aims to become India's No. 1 retailer for facilitating universal financial, digital and social inclusion. We are making steady progress towards establishing our last mile presence across all postal codes, covering each Gram Panchayat in the country.

We have a clear focus on market expansion and strengthening our first mover advantage. We plan to achieve our long-term outlet expansion target of 75,000 next-gen outlets within the next 18 months. This will mark our presence across 100% districts and postal codes of the country and will make us India's largest last-mile rural distribution platform with a physical presence.

We have launched an Additional Franchisee Commission Incentive Scheme. Because of this, our near-term profitability would be impacted as we are re-investing our operational cash flows for enhancing franchisee incentives. These additional incentives are transitory and would lead to quick payback for both the franchisees and the Company, thereby creating a positive word of mouth and driving strong new franchisee interest. Our strong word-of-mouth and referral incentives, along with pan-India marketing, would result in higher lead throughput into our franchisee acquisition funnel.

We have also recently launched attractive new pricing for all our Kendra models, including the 100% refundable deposit model for ATM services, as well as we introduced our Master Franchisee initiative whereby we plan to appoint District Level Master Franchisees (DLMFs) across the country. These new initiatives would help us scale our



network expansion at a much faster pace, and thereby achieve our long-term targets well ahead of projected timelines. We are confident that these strategic initiatives will lead to significant growth in profitability in the long run.

## **Our Commitment to Sustainability**

Aligned with Vakrangee's sustainability vision, your Company has embarked on its sustainability journey, adopting the global best practices to fuel dreams and, in turn, augment long-term value creation for all its stakeholders. As 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 feel an abiding responsibility to make the most of it.

Global recognition reflects your Company's commitment to further enhancing its corporate governance and transparency standards. Your Company has achieved Global recognition across various platforms for its superior ESG performance and long-term Business sustainability. I am pleased to inform you that our Company has also been Globally ranked No.1 in the Sustainalytics ESG Risk rating rankings assessed in the Software and Services industry segment. Overall, Vakrangee has also been recognized by Sustainalytics as an ESG Global 50 Top Rated company. The Company has been identified as a top ESG performer out of more than 4,000 comprehensive companies that Sustainalytics cover in the global universe.

Vakrangee Limited has also been honoured to be included in this year's Sustainability Yearbook 2022, published by S&P Global. Vakrangee has earned the "S&P Global Bronze Class" spot in the yearbook in the Corporate Sustainability Assessment (CSA) survey. The Sustainability Yearbook 2022, published by S&P Global is one of the world's most comprehensive publications providing an in-depth analysis of corporate responsibility. This annual ranking showcases the sustainability performance of the world's largest companies in each industry as determined by their score in

the annual Corporate Sustainability Assessment (CSA). In 2022 S&P Global has assessed over 7,500 companies across 61 industries this year.

### **Closing remarks**

Over the last few years, we have undergone a huge transformational journey whereby we have made a transformation from a non-exclusive store-in-store format outlet to a highly recognizable standardized exclusive branded NextGen format outlet. We believe we are now well poised and have clear visibility for a robust growth journey in the next few years to come. We have aligned and re-calibrated our strategy to expand our presence across the country at every Gram Panchayat level.

I am thankful to our franchisees, employees, business partners, customers and shareholders for their continued support and confidence in our journey towards becoming the world's largest last-mile physical as well as Digital platform. On behalf of the board, I would like to thank you for all your unwavering support, trust and belief in our capabilities and competencies.

Thank you.

### **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 32nd Annual General Meeting of Vakrangee Ltd.

**Mr. Sachin Khandekar, Company Secretary:**

Thank you, Sir.

**Mr. Ramesh Joshi, Chairman:**

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

**Mr. Sachin Khandekar, 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.