

# VAKRANGEE LIMITED



PRESS RELEASE

## VAKRANGEE Q1FY2018-19 FINANCIAL RESULTS

**Total Income stood at ₹1,027.60 Crore**

**EBIDTA stood at ₹25.11 Crore**

**PAT stood at ₹13.13 Crore**

**Dividend of ₹0.25 Per Equity Share having Face Value of ₹1 each.**

**MUMBAI, August 10, 2018:** Vakrangee Limited (VL), announced its unaudited Financial Results for the quarter ended June 30, 2018.

### **Key Financial Highlights for Q1FY2018-19 (Consolidated)**

- Total Income stood at ₹1,027.60 crore in Q1FY2018-19 as against ₹1,304.68 crore for the corresponding quarter last year.
- EBIDTA stood at ₹25.11 crore in Q1FY2018-19 as against ₹265.52 crore for the corresponding quarter last year.
- PAT stood at ₹13.13 crore in Q1FY2018-19 as against ₹168.03 crore for the corresponding quarter last year.
- EPS (basic) for the face value of ₹1 stood at ₹0.12 in Q1FY2018-19 as against ₹1.59 in Q1FY2017-18

### **Strategy Update**

#### **1. Focus on upgradation to Next-Gen Vakrangee Kendra Model**

- 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 Upgradation and standardization of all 45,000+ kendra outlets
- Confident on Long term target of 75,000 Next-gen Vakrangee kendra outlets by 2020

#### **2. Update on Current Progress for the Next-Gen Franchisee Model**

- Launching 50+ Next Gen Vakrangee kendra outlets in Mumbai Metropolitan Region
- Already 4,000+ outlets are under Upgradation on a Pan India basis covering 2,548 postal codes and 380 districts. Expected to launch these 4,000+ outlets before Diwali. Out of these 4000 outlets, more than 3000 outlets are from Tier 5 and Tier 6 cities.
- Pan India marketing planned over the next few months to increase the Brand awareness

#### **3. 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 current financial year, FY2018-19 the entire focus is on upgradation of the entire 45,000+ kendras into Next-Gen Vakrangee kendra model, hence the financials for the current year would be materially impacted.

#### 4. To Incur Capex for the ATM Business

- ATM is mandatory in the Next gen 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 to be incurred by the Company to support the same. Return on Investment is lucrative compared to current return ratios.

#### 5. Update on SEBI Order dated 9<sup>th</sup> August 2018

During June 2013, Promoters acquired shares from the open market through various Promoter owned entities which was within the yearly limit of 5% official creeping allowed for the promoter.

During this exercise, one of the promoter group entity Vakrangee Holding Private Limited (VHPL) increased the shareholding above 25%.

Promoter was already holding substantial stake (34.27%) in the company i.e. Vakrangee Limited and were already in control of the same and did not acquire any fresh control by acquiring excess of 0.50% stake, if any above the trigger limit of 25%.

Vakrangee Holdings Pvt. Ltd. (Promoter Group Company) did not provide any public announcement for open offer for acquisition of shares as mandated under regulations of the SEBI (Substantial Acquisition of shares and Takeovers). This was because the Promoter had the understanding that the overall shareholding of Promoter group would be taken into consideration and which was always substantial and above the threshold of 25%.

It is alleged that VHPL acquired an excess 0.50% shares in the company and failed to give open offer. The 0.50% shares lying in the brokers pool account were disposed of as a corrective and remedial measure. Therefore, the breach was technical in nature and insignificant and only for a few days.

SEBI observed that during the quarter ending June 2013, the shareholding of one of the promoter entity of the company namely, Vakrangee Holdings Private Limited (VHPL) increased the threshold limit of 25% of Total share capital of the company.

SEBI has directed VHPL to make a public announcement to acquire shares of Vakrangee Limited in accordance with the provisions of the Takeover regulations, 2011.

#### **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.

#### **For further information, please contact at:**

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