

VAKRANGEE LIMITED
BANKING ON RETAIL REVOLUTION

Retail Desk

13 November 2014

Rating	Buy
CMP (₹)	133
Target Price (₹)	185
Upside (%)	40
Sector	Specialty Retail

Key Data	
BSE Code	511431
NSE Code	VAKRANSOFT
Reuters code	VAKR.BO
Bloomberg Code	VKI IN
Sensex	27868
Face Value (₹)	1
Mcap (₹ Cr.)	6783
52 week H/L (₹)	146/78
2 Wk Avg Qty	829000

Share holding, Sept'14		Holding %
Promoters		38.8
Corporates		34.2
FII's		3.0
DIs		6.5
Public		17.5

Performance (%)			
	3M	6M	12M
Stock-VL	2.3	30.4	66.3
BSE 200	10.4	23.7	38.0
BSE 500	10.4	24.7	41.1

Price Chart: (One-Year)



<http://www.vakrangee.in>

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Company Description:

Vakrangee Limited (VL) was formerly known as Vakrangee Softwares Ltd (VSL) originally incorporated in 1990 and changed its name in October 2013. VL is one of the few leading e-Governance Service Provider in India well equipped with cutting edge infrastructure, Highly experience professionals, strong investment and technological breakthrough on a continual basis in order to maintain strict time bond completion of mission critical and socially relevant projects.

Vakrangee has two subsidiaries; one in India as Vakrangee Finserve Ltd and the other in Philippines namely Vakrangee e-Solution Inc. Both are 100% subsidiary of Vakrangee Lid.

Vakrangee is led by Promoter Mr. Dinesh Nandwana, Chairman & Managing Director who has a Bachelor's degree in Commerce from Rajasthan University and is a certified Chartered Accountant from the Institute of Chartered Accountants of India. He has about 25 years of business experience.

Vakrangee commenced e-Governance business in 1994 with a mandate to computerize electoral records for the Election Commission of India, initially in Mumbai in Maharashtra and thereafter in other states, including Gujarat, Madhya Pradesh, Uttar Pradesh, Rajasthan and Chhattisgarh.

VL began executing projects of national importance under the "National e-Governance Plan" of the country, including MCA-21 for the Ministry of Corporate Affairs and Rashtriya Swasthya Bima Yojana ("RSBY") for the Ministry of Labour and Employment (a scheme that provides health insurance to persons below the poverty line in India), under the Government of India's National e-Governance Action Plan of 2003.

Vakrangee is one of India's leading enrolment agencies for the Unique Identification Development Authority of India ("UIDAI") to provide biometric-enabled unique identification numbers to Indian residents.

Key Financial: (Consolidated)

Year-March	Q1FY15A	Q1FY14A	FY13A	FY14A	FY15E	FY16E
Sales	681.9	399.9	1552.4	1958.1	2772.4	4020.0
PBIDT	156.9	112.8	386.7	540.8	698.8	924.6
Interest	20.5	21.6	86.0	77.9	49.2	20.8
PBDT	136.4	91.2	300.7	462.9	649.6	903.8
Depreciation	40.7	41.5	157.1	180.9	220.8	252.4
PBT	95.7	49.7	143.6	282.0	428.8	651.4
Tax	19.5	18.7	39.3	107.0	149.9	228.0
PAT	76.2	31.0	104.3	175.0	278.9	423.4
Equity	50.3	50.3	50.3	50.4	50.4	50.4
Reserves	663.1	495.7	463.6	627.0	905.9	1329.3
Book Value (₹)	14.2	10.9	10.2	13.4	18.9	27.3
EPS (₹)	1.51	0.6	2.1	3.5	5.5	8.4
OP Margin (%)	23.0	28.2	24.9	27.6	25.2	23.0
PAT Margin (%)	11.2	7.7	6.7	8.9	10.1	10.5
P/E					24.2	15.8



Over the years, VL has moved up the value chain - from being a sub-contracted IT enabler in e-governance projects into a prime bidder that is focused on mission-mode projects as per the e-Governance plan of India and transformed into an organized “RURBAN Retail House” offering Banking, Insurance and G2C&B2C services at more than 6,000 delivery points under its outlets that are branded as “Vakrangee Marts”.

As of June 30, 2014, Vakrangee had 725 employees across India. Approximately 67% of employees are technically qualified. It has been innovative in internal organization and has introduced industry leading practices in hiring, resource planning and knowledge sharing. Most of technical employees are based on-site at customers' offices, and are recruited locally.

Q1FY15 & FY14 Results

During Q1FY15, consolidated net profit grew 145.8% to ₹76.2 crore on 70.5% increased revenue of ₹681.9 crore.

In Q1FY15, OPM and NPM stood at 23.0% and 11.2% as against 28.2% and 7.7% respectively in Q1FY14. Consolidated EPS for Q1FY15 stands at ₹1.51.

During FY14, consolidated net profit went up by 68% to ₹175 crore on 26% higher sales of ₹1958 crore. EPS stood at ₹3.5. A dividend of 25% was paid.

Vakrangee Presence

Sr No.	Presence Across 14 States in India
1	Bihar
2	Chandigarh (UT)
3	Chattisgarh
4	Goa
5	Gujarat
6	Haryana
7	Himachal Pradesh
8	Jharkhand
9	Madhya Pradesh
10	Maharashtra
11	Punjab
12	Rajasthan
13	Uttar Pradesh
14	Uttarakhand

Vakrangee Milestone

Year	Key Milestone
1990	Year of Incorporation
1993	Computerization of Election Commission
2005	MCA-21 project- Ministry of Corporate Affairs
2007	Land Record Digitization in Uttar Pradesh and RSBY - Smart Card Project
2009	Integrated land record digitization for Govt. of Philippines
2010	Passport Seva Kendra Project & CSC in Punjab and Sarva Shiksha Abhiyan
2011	UID Enrollment and UID Linked Haryana PDS
2013	Financial Inclusion projects signing with 33 banks to set up and run 50,000 Ultra Small Bank Branches at the Panchayat level in Rural India and Ward level at Urban India
2014	White Label ATMs License from RBI and De-Congestion Branches for Banks



Strong Project Execution Capabilities

VL has established itself as an end-to-end systems integrator and implementer of several standalone e-Governance projects through its strong back-end for software/hardware/networking/data centre & data processing expertise, last mile infrastructure & grass root level connectivity to deliver Mission Mode Projects (MMPs), experience of on-ground complexities in rural regions like flexible timings, power & connectivity issues, manpower training, and deep understanding of rural consumer mindset.

Robust Infrastructure

VL has built up an extensive last mile infrastructure with a retail outlet having all the paraphernalia like laptop, micro ATM/full-fledged ATM, comprehensive technology platform having banking application/ insurance application/ G2C/B2C application with 24*7 power back up through DG SET/UPS and connectivity through V-SAT.

Similarly, the back-end infrastructure with a switch which is situated in a tier-IV Data Centre in MHAPE and connected to the back-end of Banks through dedicated lease line to undertake real time, inter-operable and paper-less banking which is happening for the first time in the last mile banking in India as well as across the globe.

Business Transformation

Vakrangee's business model is now set for a long term transformation through its Vakrangee-Mart business which started with new evolved financial inclusion initiative in India.

Vakrangee was awarded with a five-year contract in 2012 to establish and manage up to 18,265 ultra-small branches of public sector banks acting as common business correspondent in the states of Maharashtra, Rajasthan and Delhi.

Subsequently, Vakrangee has been permitted by banks to also setup more branches in twelve other states.

Vakrangee now targets to open around 50,000 Vakrangee Marts in 15 states by March 2017, out of which 15,000 will be in urban and semi-urban areas and the remaining 35,000 in rural areas.

Vakrangee has also won license from RBI ("Reserve Bank of India") to open minimum 15,000 White Label ATMs over three years across India.

RURBAN Retail Business

The company's strategy is now to grow retail Vakrangee Mart business by increasing the number of services and products offered through network of these outlets so that VL's customers gain access to an array of products and services at the click of a button.

As the technology and necessary infrastructure is already in place at both back end and front end with skilled resources, it is now making marketing alliance with Automotive, Agri-Input, Consumer durable and FMCG companies for access of their products to the target consumers at most efficient price points through its supply chain till the gram panchayat level.

VL has built up an extensive last mile infrastructure with a retail outlet to offer last mile delivery of various services and products.

VL intends to grow its revenues and business by cross-selling various products and services through its network of ultra-small branches of banks by operating these delivery points as "Vakrangee Marts", wherein in addition to banking activities, customers can also benefit from various G2C and B2C services.

The existing G2C services through Vakrangee Marts include enrolment for the UIDAI project, National Rural Employment Guarantee Act ("NREGA") services and electoral services, land record digitalization, payment of utilities bills, railway tickets, certificates and hall tickets for examinations and examination fee payments, among others.



The existing B2C services through Vakrangee Marts include prepaid mobile telephone recharge services and direct-to-home (DTH) television recharge services. More and more B2C products shall be added to this platform relevant to the customer segment, particularly mobile phones & its accessories, automotive & auto-ancillaries; electronic appliances, FMCG, Agri Inputs etc.

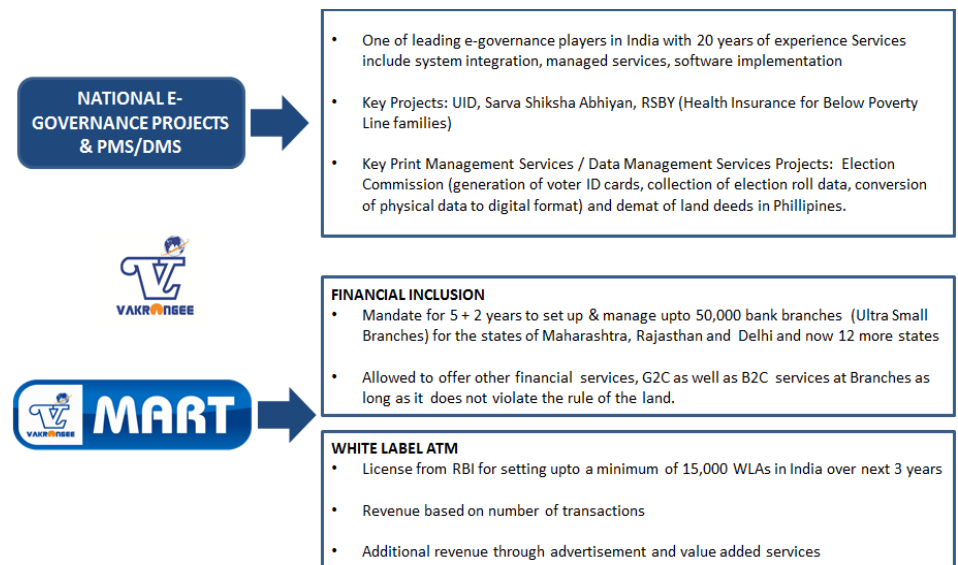
Through its definite approach in the B2C segment, VL aims to revamp the consumer landscape, place the customer at the centre and deliver a unique experience that meets his expectations.

All these products shall be sold on Just in Time (JIT) basis by seamless integration of retail platform with the ERP of the respective product OEMs.

As the strategy is to play the role of provider of service and product rather than seller of any service and product, the company intends to make alliances with all the reputed brands in every relevant product category with zero-inventory model and to utilise its unique supply chain to the fullest to give services to its customer segment in the most cost-efficient manner.

Similarly skill development, Survey & rural activation, warehousing services, telemedicine, e-learning shall be some of the large service businesses which shall be added in the coming years.

Business Verticals



Financial Inclusion Business

The Indian financial system still largely continues to remain underpenetrated at the rural level. As per census 2011, only 58.7% of households (54% in rural and 67.8% in urban) are availing banking services in India.

The World Bank Findex Survey (2012) showed that only 35.2 percent of Indian adults had access to a formal bank account, only 2 percent of adults used a bank account to receive money from a family member living in another area and only 4% used a bank cover, only 13 percent have debit cards, and only 2 percent have credit cards account to receive payment from the Government.

Further, the National Sample Survey Organisation (NSSO) 59th Round Survey results revealed that 73 percent of farmer households have no access to formal sources of credit. Furthermore, as per RBI estimates, only 10 percent people in India have life insurance.

The main strategy is to grow Financial Inclusion business by increasing the number of ultra-small branches of public sector as well as reputed private banks in large part of the country.



On the strength of strong track record of establishing ultra-small branches of public sector banks in Maharashtra, Rajasthan and Delhi, subsequently these banks have been permitting us to set up more BC outlets in other states. VL now intends to complete around 50,000 Vakrangee Marts in 15 states by March 2017, out of which 15,000 will be in urban and semi-urban areas and the remaining 35,000 - in rural areas.

White Label ATM Business

According to the World Bank, in 2012, India had an under penetrated ATM Automated Teller Machines (“WLA”) market with only 11.2 ATMs per 100,000 adults compared to 283, 182 and 119 in Korea, Russia and Brazil, respectively.

VL intends on establishing white label ATMs near or in its Vakrangee Marts to increase revenues and increase cost synergies of a Bank plus ATM model vis-à-vis standalone ATM model. It also intend to have ATMs biometric-enabled that will allow people to access and conduct ATM transactions using their fingerprints in addition to bank cards.

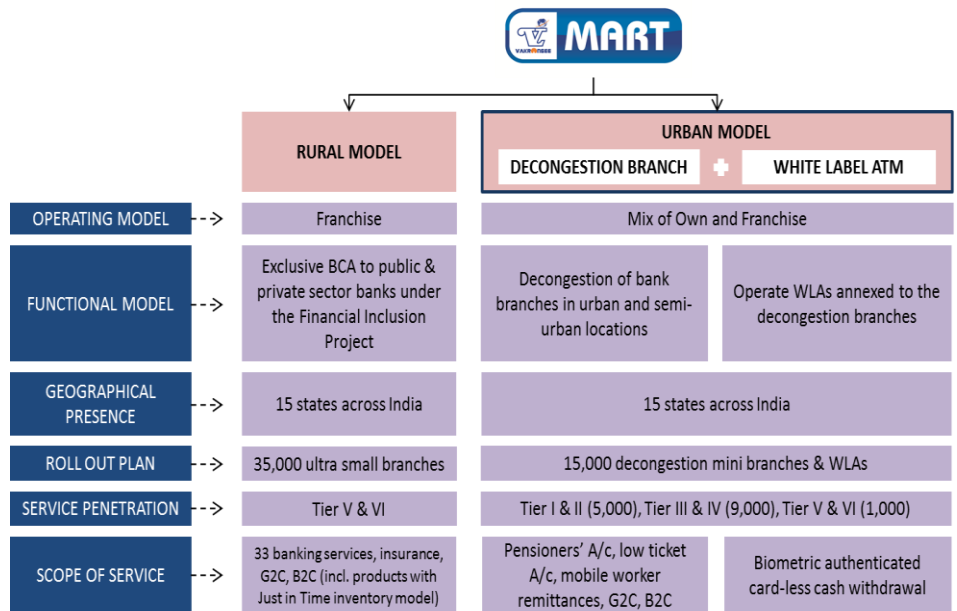
The company believes that there is a growing market for ATM services in India given the extent of completed enrolments in the UIDAI project across India, which will result in more people having access to biometric-enabled ATMs than was previously possible using ATM cards. Literally the entire population of the country can be market size of for the biometric enabled ATMs of the company while currently only the number of active card is the market size of ATM business.

Expansion Through Franchises

In rural India, VL’s strategy is to enter into franchise arrangements with locals in local rural areas. In semi-urban and urban areas, VL intended to go in for a mix model i.e. to establish its own ultra-small branches in addition to the Franchisee Model. Vakrangee provides the training, technical support to enable the educated village youth to start own business.

As the entrepreneur is a local well versed with the rural market structure and consumer behaviour, it gives Vakrangee a cutting edge while operating in an environment which has a relatively different market trend than the urban areas. The business model cuts down marketing costs significantly, at the same time the capex is almost negligible.

Vakrangee’s Operational Architecture to enable Franchise Model

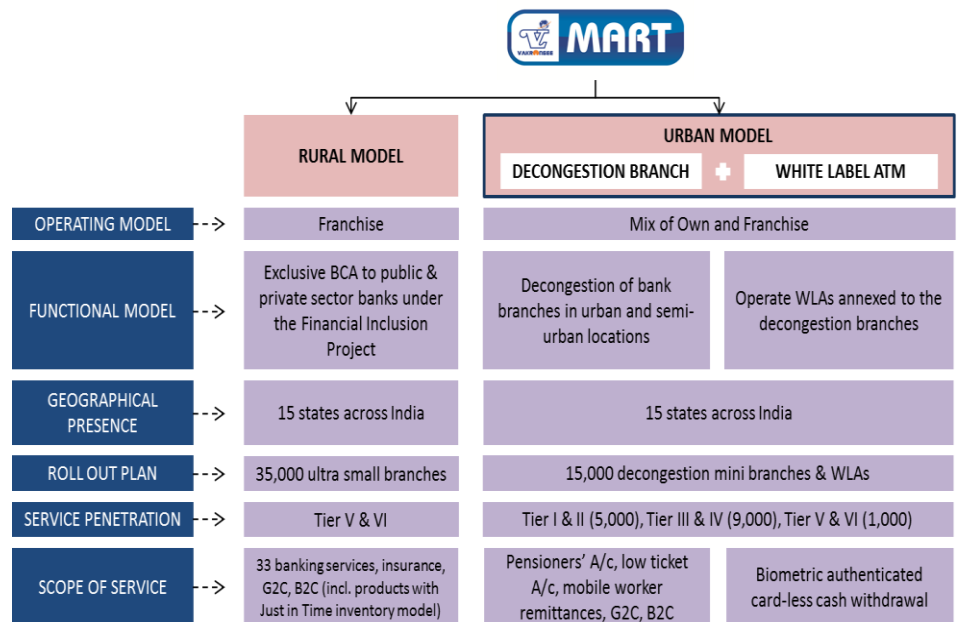




Vakrangee Marts



Vakrangee Mart Business Model



The Vakrangee Marts will function under two operating models - rural and urban model, as mentioned below.

Rural Model:

Vakrangee's rural outlets would become India's first organised technology intensive rural retail mart.

Services :

1. BFSI:

- Bank A/C Opening - Savings, Current, Recurring
- Transactions - Deposits, Withdrawals, Remittances
- Balance Enquiry, Statement of Accounts
- Direct Benefit Transfer (DBT)
- Pension Disbursement
- Insurance - Life & Non-Life, premium payments
- Retail Loans, ODs, Fixed Deposits
- Recovery of Loans

**2. B2C:**

- Mobile recharge & bills
- DTH recharge & bills
- Education books, stationary
- Automobiles
- Healthcare
- Market Research
- Agriculture Inputs
- FMCG Products & White Goods

3. G2C:

- NREGA Job Card , PAN Card
- Land Record copy
- E-Stamping
- Payment of Utility Bills, Taxes, Levies
- Birth/Domicile/Income/Caste Certificates
- Exam Fee Payments, Online Form Filling for government job recruitment
- Railway Ticketing

Rural Model - Key Advantages:

- **Exclusivity** - VL will be the exclusive BC at gram panchayat level (Sub-Service Area) under the Financial Inclusion Project. Further it is the government empanelled agency to offer an exclusive portfolio of G2C services.
- **Scalability** - VL would be expanding through a judicious mix of own and franchise model requiring minimal capex & working capital.
- **Economies of Scale & Scope** - VL will leverage the existing platform to offer more and more services and products.
- **Positive Operating Leverage** - VL will benefit from positive operating leverage as it expands its business with no major incremental capex & operating costs.

Urban Model:

Vakrangee urban outlets would become India's first Decongestion Bank Branch co-located with the White Label ATM.

Services offered:**1. BFSI:**

- Savings A/C opening
- Pensioners' A/Cs and Pension Disbursement
- Mobile Worker Remittances
- Transactions - Deposits, Withdrawals
- Balance Enquiry, Statement of Accounts
- Insurance - Life & Non-Life, premium payments

2. B2C:

- Mobile recharge & bills
- DTH recharge & bills

3. G2C:

- Enrolments - UID Card
- Election Card updation
- E-Stamping
- Payment of Utility Bills



4. WLA:

- Authentication through either Biometric or ATM card
- 24*7 cash withdrawals
- Balance Enquiry, Statement of Accounts
- Advertisements
- Value Added Services

Urban Model - Key Advantages:

- **Strong brand recognition** - VL's decongestion branch and WLA will benefit from the brand pull of the adjacent parent bank.
- **Revenue synergies and cost savings** - Sharing of costs - rent, VSAT, electricity, security and site maintenance, through co-location of decongestion branch and WLA. VL will benefit from captive footfalls of pensioners and mobile workers at decongestion branch which can also avail WLA, G2C and B2C services.
- **Effective Cash Management** - Cash from decongestion branch can be effectively deployed at the adjacent WLA, thus efficiently managing the cash replenishment in ATM machines, and reducing the logistics issues and risks.
- **UID enabled ATM transaction** - All WLAs set up by VL will be AEPS-enabled (Aadhaar-enabled payment system) thus enabling people to access ATMs without carrying and maintaining ATM cards.
- **Significant Cost Savings** - The AEPS-enabled ATMs will not require ATM card, thus significantly reducing the card-issuance costs.

E-Governance Projects

UIDAI Enrolment:

The Government of India through the UIDAI introduced a policy in 2009 to issue a unique identity number to all Indian residents, in a phased manner, which can be used for delivery of all government benefit schemes.

Vakrangee is empanelled at the highest technical and financial qualification level with UIDAI allowing it to undertake demographic and biometric data collection for UID enrolment across India. As of June 30, 2014, the Company had enrolled more than 42 million applicants directly for the UIDAI project for whom unique identity numbers have been generated.

Sarva Shiksha Abhiyan:

SarvaShikshaAbhiyan ("SSA") is an initiative by the Government of India to provide universal access to elementary education for children between the ages of six and 14. SSA seeks to improve access to education across the county, bridge gender gaps in education, and to provide equal education access to all children.

SSA is being implemented in partnership with State Governments and addresses the needs of more than 190 million children in approximately 1 million habitations. TVL participates in the project by printing and / or supplying books for children and setting up computer aided learning systems in schools.

Public Distribution System:

VL is in the process of executing a biometric smart card based public distribution system ("PDS") in the State of Haryana in Haryana under a project to computerize the PDS scheme. Offerings include procurement, commissioning and maintenance of IT and smart card infrastructure,

installation and operation of approximately 9,300 smart card points of sale terminals, setting up networks and connectivity across sites, developing software for points of sale, data digitization, smart card personalization and printing and setting up a call centre for technical support. VL has already completed the pilot works for this project.



Rashtriya Swasthya Bima Yojana:

The Rashtriya Swasthya BimaYojana ("RSBY") is a Ministry of Labour and Employment project that seeks to provide health insurance for families that are below the poverty line in India. These families are entitled to more than 700 in-patient medical procedures with a cost of up to `30,000 per annum for a nominal registration fee of `30.

Pre-existing medical conditions are also covered and there is no age limit. The scheme is entirely cashless and coverage extends to the head of the household, spouse and up to three dependents. 479 districts in India have been selected for the implementation of this scheme and approximately 37 million families have been enrolled as of June 30, 2014.

VL's center management services for the RSBY scheme include collecting biometric data from different villages, wherein it provide operators, laptops, card readers, biometric scanners, generators and data cards. It also performs other services such as system integration, issue and renewal of smart cards and printing of RSBY information booklets.

Inspector General of Registration & Stamps:

Vakrangee is executing a project to computerize the process of registering documents and recovering stamp duty in accordance with the Indian Stamp Act. Services include computerized registration of properties, marriages, societies, firms and non-trading companies among others.

Print and Data Management Services:

Vakrangee offers print management services and data management services principally to government agencies and to private companies in India. Some of its major projects in this area include work for the Election Commission for voter identification and aggregation of electoral data.

VL has been executing this work since 1994, and has completed collecting electoral roll data of people residing in 38,450 grampanchayats (village self-governments) in the State of Uttar Pradesh in the Hindi and Urdu languages.

Awards & Recognitions

Awards and Accolades

- ET-500 Companies for 2013 as published by ET
- Nominated (top 5) for the best CEO (IT & ITes) by Business Today in January 2014
- #1 UID enrollment agency in India, awarded by the Government of Maharashtra 2012-13
- 26th in the Deloitte Technology Fast 50 companies in India, 2012
- 18th in the Deloitte Technology Fast 50 India, 2011
- 226th rank in Deloitte Fastest 500 growing Asia Pacific companies in 2011
- Rajasthan e-Governance Public Choice Award, 2009
- Business Leader (SME Segment) of the Year Award, 2008 to the Chairman by Institute of Chartered Accountants of India
- Economic Times ET 500 best companies in India in 2006-07
- The Business World - 100 Best Mid Size Companies in India in 2006-07

Certifications



Building the World's Largest Technology-Driven Product & Services Delivery Platform

VL is a technology-driven company, focusing on creating India's largest network of last-mile retail points-of-sale. Its aim is to potentially enable every Indian to seamlessly benefit from financial inclusion, Government programmes and from a wider access to basic goods and services. It leverages its vast network of retail access points to deliver real-time BFSI



services, Government to Citizen Services (G2C) & Business to Consumer Services (B2C) to the un-served rural, semi-urban and urban markets. Its endeavor is to connect India's citizens with a modern ecosystem. VL also aims to bridge the financial inclusion gap between the developed urban India and under-developed rural India by serving a 700+ million people market through the Vakrangee Marts.

List of Banks Under Agreement

Sr. No.	Name of the Bank	Sr. No.	Name of the Bank
1	Allahabad Bank	19	Punjab & Sind Bank
2	Andhra Bank	20	Punjab National Bank
3	Bank of Baroda	21	Rajasthan Gramin Bank
4	Bank of India	22	State Bank of Hyderabad
5	Bank of Maharashtra	23	State Bank of Bikaner & Jaipur
6	Baroda Rajasthan Gramin Bank	24	State Bank of India
7	Canara Bank	25	Syndicate Bank
8	Central Bank of India	26	UCO Bank
9	Corporation Bank	27	Union Bank of India
10	Dena Bank	28	United Bank of India
11	Hadoti Kshetiyi Gramin bank	29	Vijaya Bank
12	IDBI bank	30	Vidarbha Kshetriya Gramin Bank
13	Indian Bank	31	Wainganga Krishna Gramin Bank
14	Indian Overseas Bank		
15	Maharashtra Gramin Bank		
16	Jaipur The Gramin Bank		
17	Marwar Ganganagar Bikaner Gramin Bank		
18	Oriental Bank of Commerce		

Key B2C Alliance Partners

Growth Drivers

VL's key alliance partners include various telecom operators, DTH operators along with PSU banks, Life Insurance corporation, New India Assurance, and various government agencies.

Great Potential in Financial Inclusion

The Indian financial system is still largely underpenetrated at the rural level. As per census 2011, only 58.7% of households (54% in rural and 67.8% in urban) are availing banking services in India.

The World Bank Findex Survey (2012) indicated that only 35.2% of Indian adults had any access to a formal bank account, only 2% of adults used a bank account to receive money from a family member living in another city/country and only 4% used a bank account to receive any kind of payment from the Government.

Further, the National Sample Survey Organisation's (NSSO) 59th Round Survey results revealed that 73% of farmer households have no access to formal sources of credit.

Furthermore, as per the estimates of the Reserve Bank of India (RBI), only 10% people in India have a life insurance cover, only 13% have a debit card, while only 2% own a credit card.

PM of India has laid strategic priorities to put India in new growth orbit. Some of these priorities are the 'Pradhan Mantri Jan Dhan Yojana' (A holistic financial inclusion scheme). The objective of the "Pradhan Mantri Jan Dhan Yojana" is to bring every Indian into the banking net including the poorest of the poor.



The scheme aims to provide bank accounts to 15 crore individuals in Rural and Urban India along with a life insurance cover of ₹1 lakh. Through the Pradhan Mantri Jan Dhan Yojana, the government wants to give the poorest of the poor, bank accounts.

The Prime Minister mentioned in his speech. The Jan Dhan Yojana will give poor people an insurance cover of ₹ lakh. The scheme, to be pushed by the Government as a mission mode project, seeks to provide two accounts each to the 7.5 crore identified households.

The main features of the scheme include an overdraft facility of ₹5,000 for Aadhar-linked accounts, a RuPay Debit Card with an inbuilt ₹1 lakh accident insurance cover and a minimum monthly remuneration of ₹5,000 to Business Correspondents who will connect the last link between the account-holders and the Banks.

Emphasis On Digitization and E-governance

The Government has also strongly emphasized on Digitization and E-governance - Digital India is a plan not for the benefit of the rich, but the poor. e-Governance is easy governance, efficient governance, and economical governance and that is important" the Prime Minister emphasized.

Addressing the State-level Independence Day function at the Maharana Bhupal stadium, Rajasthan's Honorable Chief Minister Mrs. Vasundhara Raje announced the "Bhamashah Scheme", which promises to empower women and bring a positive change in their lives.

Under this Scheme, Bank Accounts for all the women in 1.5 crore families shall be opened and benefits accrued therein will be directly transferred to their accounts. The Government has made a total provision of Rs. 600 crore this year, adding that monetary benefits of the scheme will be transferred directly to these accounts.

Strong Growth Potential of ATM Market

Banks are increasingly outsourcing ATM deployment and maintenance to reduce their dependence on high-cost onsite models and increase their reach in a very short time, helping them focus on their core business initiatives.

Leading Indian banks have been following such an approach in the last four to five years, and are likely to continue. As per the report, most of the new ATMs--50 to 65 percent--will be deployed in tier 2 and 3 cities, while tier 1 cities will grow at around 20 percent.

Outlook

VL's expansion of rural branches is entirely through franchise route and expansion of urban branches and WLAs is through combination of owned and franchise model. Thus VL will have high scalability with efficient capex management through combination of own and franchise model.

Further, the economies of Scope will kick in as new products & services are added and transaction volumes increase over a period of time. With low incremental capex & operating costs, VL will benefit from high operating leverage and sustainable EBITDA margins of around 20% which will lead to higher ROCE in coming years.

Conversion of FCW

VL has issued 2.5 crore fully convertible warrants to Vakrangee Capital Pvt Ltd at value of ₹100 per warrant. The warrants issued are convertible into equal number of equity shares having face value of ₹1 with premium of ₹99 per share. An amount of ₹101.4 crore equivalent to 40.56% of the total consideration was received before the issuance of the warrants.

Balance amount towards the warrant application money shall be received before the conversion of the warrants. The warrants shall be convertible any time from the date of allotment but before the expiry of 18 months from the date of allotment.

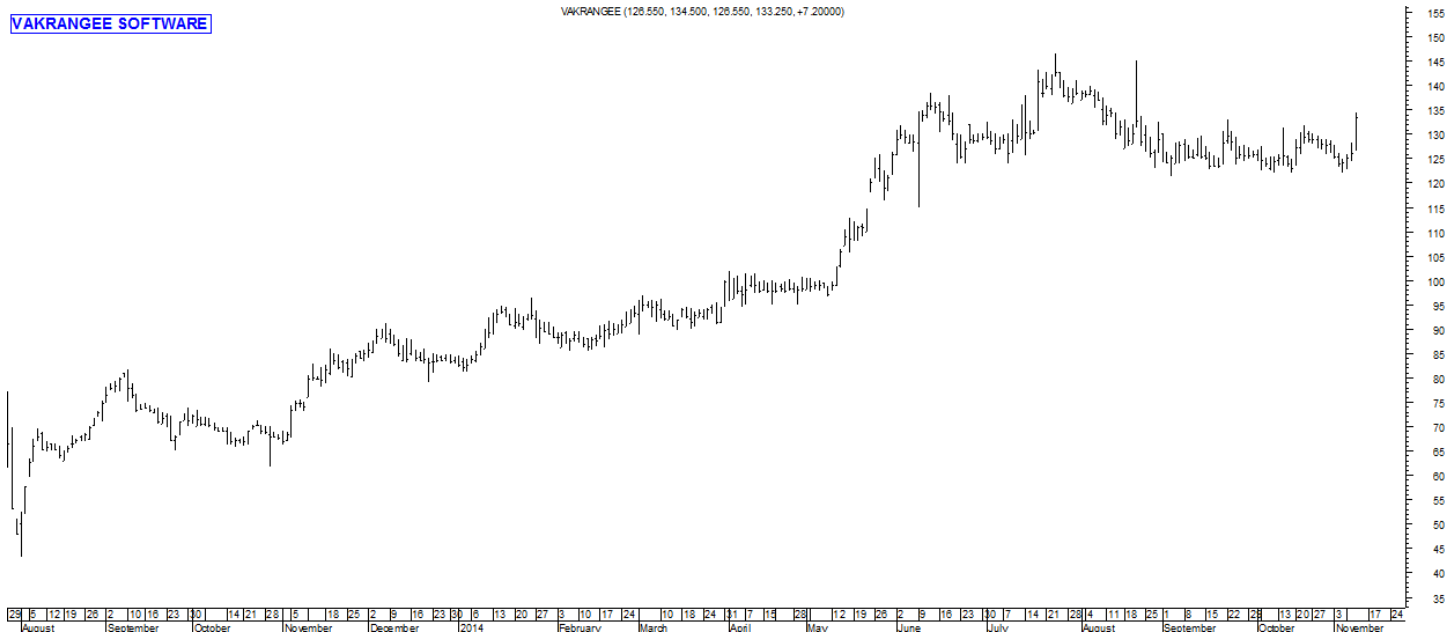
**Valuation & Recommendation**

At the current market price of ₹133, the share is trading at a P/E of 24.2x on FY15E and 15.8x on FY16E. We recommend BUY with a target price of ₹185 in the medium-to-long term.

Vakrangee - Technicals

VAKRANGEE SOFTWARE

VAKRANGEE (126.550, 134.500, 126.550, 133.250, +7.20000)



Beginning August, 2014 Vakrangee Software had been in a corrective mode. Prices declined from ₹146 to ₹124. Thereafter, prices formed a good base at around ₹124. Going ahead, prices are expected to resume their uptrend. We expect an upside target of Rs. 165 in the medium term.

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