



Transcript of 33rd Annual General Meeting of Vakrangee Limited held on Friday, September 08, 2023 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 33rd 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, Sachin. Good Morning everybody. I welcome you all to the 33rd 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 33rd 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, 2023, 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, 2023 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 33rd Annual general meeting of your company, Vakrangee Limited. This year has been a transformative year for us led by commitment to innovation and entrepreneurship. We navigated new challenges and seized opportunities, resulting in a significant future growth trajectory.

Fuelling Success with Entrepreneurial Passion: Our Master Franchisees & Franchisees

Our strategic approach of empowering local entrepreneurs as master franchisees has been a game-changer. Through our unique district-level master franchisee model, we've stimulated a culture of entrepreneurship and innovation right from the grassroots. Local entrepreneurs are given the opportunity to manage and grow their respective district-level Kendra networks, fostering a sense of ownership and commitment.

Attractive incentives and performance commissions serve as catalysts, stimulating their entrepreneurial drive. These master franchisees also play a pivotal role in our operational ecosystem, overseeing regulatory compliance, providing on-ground support, driving new franchisee acquisition, and maintaining overall network quality. Their contributions are central to our strategic expansion plan.

As we look forward, our goal for the end of this fiscal year is to achieve 100% district coverage through our master franchisee network. By empowering local entrepreneurs, we're not just fuelling our growth but actively contributing to local economic development and creating pathways for entrepreneurial success.

Progress in Figures: Scaling Performance, Expanding Horizons

An essential milestone in our journey was the final approval granted by the Hon'ble National Company Law Tribunal (NCLT) for the demerger of Vakrangee's E-Governance & IT Solutions Business. This strategic move has allowed us to streamline our operations, refine our focus, and unlock greater value for our core activities.

We take immense pride in presenting our audited Financial Results (Post Demerger) for the fiscal year 2022-23,

entering a year of transformative growth, strategic accomplishments, and unwavering dedication to creating value for our stakeholders.

The Total Income for the fiscal year amounted to Rs. 198.70 crore indicating a modest increase of 0.70% compared to the previous year and Profit After Tax (PAT) reached 1.00 crore for FY2023. Our profitability has been influenced by our strategic decision to reinvest our operational cash flows in enhancing Franchisee incentives and establishing a comprehensive Pan India district- level Master Franchisee network.

Looking at Q1FY24 numbers now in the public domain, we are delighted to highlight that our total income has grown to Rs. 55.90 crore, representing a robust 14.7% year-on-year increase. Likewise, our Profit After Tax (PAT) now stands at Rs. 0.49 crore. For the same period, we're proud to report that our Quarterly Gross Transaction Value (GTV) exceeded Rs. 14,920.7 crore, and the total number of transactions during the quarter crossed an impressive 3.32 crore.

We believe these positive trends are clear indicators of our robust growth trajectory, and we anticipate these improvements in our margins and profitability to continue as our network expands and operating leverage comes into play.

At present, our focus is centred on amplifying our reach by cultivating our Master Franchisee network, aiming to solidify our local field level presence. We are diligently building a Pan India District level Master Franchisee network. This strategic move is designed to strengthen our on-ground operational management, which we expect to deliver enhanced scalability in the future.

We are delighted to announce the appointment of Master Franchisees in 320 plus Districts across 26 States (as on date), marking a significant milestone in expanding our network coverage nationwide. These capable individuals are instrumental in providing on-ground operational support to our existing franchisee outlets and driving the acquisition of new franchisees. This expansion positions us well to achieve our target of comprehensive district coverage, reaching 100% by March 2024.

For FY2023, we established a strong and expansive presence with a total of 20,399 outlets across the country. This widespread coverage spans 29 States/Union Territories, ensuring that our services are accessible to a broad customer base. Moreover, we have successfully established a presence in 566 districts, further strengthening our network. Notably, our commitment to serving underserved markets is evident as 79% of our outlets are located in Tier 4-6 cities.

For FY2023, our platform facilitated a remarkable total of 12.23 crore transactions, highlighting our customers' elevated level of engagement and trust. Additionally, the Gross Transaction Value (GTV) reached an impressive amount of Rs. 51,164.3 crore, reflecting the significant financial activity and value generated on our platform.

By the end of the fiscal period, we operated a network of 6,324 ATMs, providing convenient access to financial services for our customers. These ATMs have facilitated 5.1 crores transactions, demonstrating the popularity and usage of this service. The GTV for ATM transactions reached Rs. 12,415.0 crores. Similar to our overall presence, our coverage in Tier 4-6 cities for ATM services accounts for 77% of our network, ensuring access for customers in underserved areas.

Our commitment to financial inclusion is exemplified through the successful opening of 17+ lakh accounts during FY2023. Moreover, we have sold 11+ lakh insurance and pension schemes, showcasing our dedication to providing comprehensive financial solutions. The total number of transactions for banking services amounted to 7.1 crore, indicating a significant level of engagement. The GTV for banking services reached Rs. 38,730.3 crore.

Our commitment to expanding our reach and strengthening our first-mover advantage has been realised through the appointment of Master Franchisees in 234 Districts across 27 States throughout the country. These Master Franchisees play a pivotal role in driving operational support for existing franchisee outlets and facilitating the acquisition of new franchises. By March 2024, our ambitious goal is to achieve 100% district coverage, solidifying our presence as India's largest last-mile rural distribution platform.

While pursuing these growth initiatives, we remain committed to reinvesting our operational cash flows to enhance Franchisee incentives and build a robust Pan India district-level Master Franchisee network. This forward-looking approach ensures our business model's scalability and long-term Sustainability, enabling us to unlock unprecedented opportunities and deliver superior value to our stakeholders.

Beyond Numbers: Creating Ripples of Social Impact

At Vakrangee, we believe in harnessing the power of business to create shared value and catalyse community development. Our network of last-mile retail outlets serves as an engine for local entrepreneurship, promoting financial inclusion, social security, and economic growth.

Through our efforts, we empower individuals from diverse backgrounds with the necessary skill sets to drive results, contributing to local economic growth and poverty eradication.

We align our commitment with the Government of India's vision of a universal social security system. Offering platforms for various schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and Pradhan Mantri Mudra Yojana (PMMY), we stand committed to bringing financial aid and insurance services to the underprivileged and workers in the unorganised sector.

Journey towards 2030: Embracing an Inclusive, Sustainable Future

Our Vision 2030 document serves as our roadmap to a future of inclusive growth and sustainable impact. It outlines our strategy to achieve Pan India Presence, targeting 100% of the country's population, thereby aiming to achieve US\$ 1 Billion in Revenue and US\$ 150 Billion in Gross Transaction value (GTV). Through this, we aim to maximise Shareholder Value while leaving a lasting impact on the society and communities we serve. Our expansion plan is ambitious yet grounded in our core capabilities. We aim to establish a total of 300,000 outlets across India by 2030, enhancing our GTV to > US\$ 150 Bn.

We are also aware of our environmental responsibility and commitment to a sustainable future. Our sustainability strategy outlines our commitment to achieve net zero emissions by 2035 and reduce absolute scope 1 and 2 GHG emissions from our operations by 25% compared to a 2020 baseline, by 2025.

Our Dedication to Sustainability

We have embraced global best practices to fuel aspirations and drive long-term value creation for all stakeholders involved. As India's leading network of last-mile retail outlets catering to unserved and underserved markets, Vakrangee has a unique opportunity to enact positive change within the communities we proudly serve. We hold a profound sense of responsibility and understand the importance of maximising this opportunity. Our sustainability efforts are deeply rooted in our core belief of responsible corporate citizenship, a principle that has guided us since the earliest days of our company's establishment.

Moreover, we recognise Sustainability as not only the right thing to do but also a vital business imperative. The health and vitality of our company are inherently intertwined with the well-being of the people and communities we strive to uplift.

It is with great pride that we share our company's significant achievements in the realm of Sustainability.

Vakrangee has been ranked as the number one company in the Software and Services industry segment in the prestigious Sustainalytics ESG Risk rating rankings. We are honoured to be recognised as one of the top-rated companies globally in the ESG Global 50 by Sustainalytics, among more than 4,000 comprehensive companies covered by their assessment.

Additionally, our commitment to Sustainability has been acknowledged by S&P Global, as evidenced by our impressive ESG Score of 78 in the Corporate Sustainability Assessment (CSA) survey. This recognition underscores our dedication to continuously enhancing corporate governance and transparency standards. Furthermore, we proudly

announce that Vakrangee has been accepted as a Signatory of the United Nations Global Compact, a testament to our alignment with the United Nations Sustainable Development Goals.

These global accolades reflect our company's strong commitment to further elevate corporate governance, transparency, and sustainability practices. We take great pride in the recognition we have received for our outstanding ESG performance and our commitment to long-term business sustainability. As we continue on our sustainability journey, we remain steadfast in our dedication to making a positive impact, advancing sustainable practices, and creating lasting value for all stakeholders involved.

Thank You, Our Esteemed Stakeholders

Our journey of growth and impact reflects our deep commitment to cultivating the entrepreneurial spirit within our expansive network of Master Franchisees and Franchisees. We owe our progress to each of you. Our stakeholders – from our dedicated team members to our resilient franchisees, our loyal customers to our trusted partners – have all played a pivotal role in our growth story. Your trust fuels our commitment to innovate, grow, and contribute towards an inclusive future.

I extend my heartfelt gratitude to our dedicated team, loyal customers, and valued partners. Your continuous support and trust inspire us to strive for excellence. We're excited about the journey ahead and thankful for your continued trust and support.

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 33rd 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.