

April 04, 2017

Vakrangee Limited

| Instruments* | Amount Rated (Rs. crore) | Rating Action |
|--------------------------------------|-----------------------------|---|
| Term Loans | 15.60 | [ICRA]BB+(Stable) ; Withdrawn |
| Long Term Fund Based Facilities | 400.00 | [ICRA] BB+(Stable); Put on Notice of Withdrawal for 90 days |
| Short Term Non-Fund Based Facilities | 110.90 | [ICRA]A4+; Put on Notice of Withdrawal for 90 days |
| Total | 526.50 | |

*Instrument details are provided in Annexure-1

Rating Action

ICRA has withdrawn the [ICRA]BB+ (pronounced ICRA double B plus) rating, with Stable Outlook, assigned to the Rs. 15.60 crore¹ term loan facility of Vakrangee Limited ('Vakrangee')², as the company has fully repaid the term loans. ICRA has also placed the long-term rating of [ICRA]BB+ with 'Stable' outlook, assigned to the Rs. 400.00 crore fund based facilities and the short-term rating of [ICRA]A4+ (pronounced as ICRA A four plus) assigned to the Rs. 110.90 crore non-fund based facilities of Vakrangee Limited on Notice of Withdrawal for 90 days at the request of the company. As per ICRA's policy, the ratings will be withdrawn after 90 days from the date of this withdrawal notice.

Detailed Rationale

Vakrangee has fully repaid the term loans and there is no amount outstanding against the term loans. Subsequently, the rating against the term loan has been withdrawn. Further, the rating against fund based and non-fund based facilities is placed on Notice of Withdrawal for 90 days at the request of the company.

Analytical Approach: Not Applicable

Links to applicable Criteria

<http://www.icra.in/Files/Articles/Rating%20Meth%20Mar%202017.pdf>

About the company:

Incorporated in 1990, Vakrangee has two business verticals i.e. System Integration (SI) E-Governance and Vakrangee Kendra. Under the legacy vertical, the company executes various mission mode projects under the National E-Governance Plan of India, with services including large scale enrolment, print management solutions (PMS) and document management solutions (DMS). Vakrangee is also one of the major enrolment agencies for the UIDAI (Unique Identification Authority of India).

Under the second segment, the company is focused on building last-mile retail touch points to deliver real-time banking, insurance, e-governance, e-commerce and logistics services to the unserved rural, semi-urban and urban markets in India. These franchise operated outlets are called as "Vakrangee Kendra" which act as the "One-stop shop" for availing various services and products like banking/ATM,

¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

insurance, e-governance, logistics and ecommerce. Vakrangee is currently operating more than 29,000 “Vakrangee Kendra” outlets across India. The company has plans to setup and manage a total of 75,000 “Vakrangee Kendra” outlets across India by 2020 with presence in all postal codes of the country. This project forms part of the financial inclusion project of Ministry of Finance and RBI.

While the E-governance segment has been the legacy segment for the company, given the capital intensive and working capital intensive nature of the segment, Vakrangee is now focusing on the Vakrangee Kendra business vertical which is a franchisee based/operated business model. During 9M FY2017, the company derived around 63% of its revenues (vis-a-vis 53% in FY2016) from the Vakrangee Kendra vertical, with balance being accounted for by the SI (E-Governance) Vertical.

Status of Non-cooperation with Previous CRA: Not Applicable.

Other information: Not Applicable.

Rating History for Last Three Years:

Table: Rating History

| S. No. | Name of Instrument | Current Rating | | | Chronology of Rating History for the past 3 years | | |
|--------|-----------------------|----------------|--------------------------|---|---|---------------------------------|---------------------------------|
| | | Type | Rated amount (Rs. crore) | Month - year & rating | Month - year & Rating in FY2017 | Month - year & Rating in FY2016 | Month - year & Rating in FY2015 |
| | | | | April 2017 | November 2016 | June 2015 | April 2014 |
| 1 | Term Loans | Long term | 15.60 | [ICRA]BB+ (Stable) ; Withdrawn | [ICRA]BB+ (Stable) | [ICRA]BB+ (Stable) | [ICRA]BBB+ (Negative) |
| 2 | Fund Based Limits | Long term | 400.00 | [ICRA]BB+ (Stable); Put on Notice of Withdrawal for 90 days | [ICRA]BB+ (Stable) | [ICRA]BB+ (Stable) | [ICRA]BBB+ (Negative) |
| 3 | Non-Fund based limits | Short term | 110.90 | [ICRA]A4+; Put on Notice of Withdrawal for 90 days | [ICRA]A4+ | [ICRA]A4+ | [ICRA]A2 |

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1
Details of Instruments

| Name of the instrument | Date of issuance | Coupon rate | Maturity Date | Size of the issue (Rs. crore) | Current Rating and Outlook |
|---|-------------------------|--------------------|----------------------|--------------------------------------|---|
| Term Loans | - | - | Fully Repaid | 15.60 | [ICRA]BB+(Stable) ; withdrawn |
| Fund Based Limits- Cash Credit | - | - | - | 400.00 | [ICRA] BB+(Stable); Put on Notice of Withdrawal for 90 days |
| Non-Fund based limits- Letter of Credit/ Bank Guarantee | - | - | - | 110.90 | [ICRA]A4+; Put on Notice of Withdrawal for 90 days |

Source: Vakrangee Limited

Name and Contact Details of the Rating Analyst(s):

Subrata Ray
+91 22 6114 3408
subrata@icraindia.com

Jay Sheth
+91 22 6114 3419
jay.sheth@icraindia.com

Rachit Mehta
+91 22 6114 3423
rachit.mehta@icraindia.com

Name and Contact Details of Relationship Contacts:

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com



About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

© Copyright, 2017, ICRA Limited. All Rights Reserved

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500