

July 14, 2017

## Vakrangee Limited

### Summary of rated instruments

Instruments*	Amount Rated (Rs. crore)	Rating Action
Long-term Fund-based Facilities	400.00	[ICRA] BB+(Stable); Withdrawn
Short-term Non-Fund Based Facilities	110.90	[ICRA]A4+; Withdrawn

\*Instrument details are provided in Annexure-1

### Rating action

ICRA has withdrawn the long-term rating of [ICRA]BB+ (pronounced ICRA double B plus), with Stable Outlook, assigned to the Rs. 400.00-crore<sup>1</sup> 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 ('Vakrangee')<sup>2</sup>, on company's request. These ratings were earlier put on notice of withdrawal for 90 days in April 2017 and since the notice period has elapsed, the rating stands withdrawn.

### Rationale

The rating against the company's bank facilities is withdrawn at the company's request and on receipt of No Objection Certificate (NOC) from lending banks.

### Analytical approach:

For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

### Links to applicable criteria:

[Corporate Credit Rating Methodology](#)

[ICRA Policy on Withdrawal and Suspension of Credit Rating](#)

### 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 Unique Identification Authority of India (UIDAI).

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 "Vakrangee Kendra" which act as the "One-stop shop" for availing various services and products like banking/ATM, insurance, e-governance, logistics and ecommerce. Vakrangee is operating 35,206 "Vakrangee Kendra" outlets across India as on March 31, 2017. The company has plans to setup and manage a total of 75,000 "Vakrangee Kendra" outlets across India by 2020 with a presence in all postal codes of the country. This is a part of the financial inclusion project of the Ministry of Finance and RBI.

<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>2</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.



While the e-governance segment has been the legacy segment for the company, given its capital intensive and working capital intensive nature, Vakrangee is now focusing on the Vakrangee Kendra business vertical which is a franchisee-based/operated business model.

**Status of non-cooperation with previous CRA:** Not applicable

**Other information:** Not applicable

**Rating history for last three years:**

**Table:**

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 FY2018	Month - year & Rating in FY2017	Month - year & Rating in FY2016	Month - year & Rating in FY2015
				July 2017	April 2017	November 2016	June 2015	April 2014
1	Fund-based Limits	Long term	400.00	[ICRA]BB+(Stable); Withdrawn	[ICRA]BB+(Stable); Put on Notice of Withdrawal for 90 days	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BBB+ (Negative)
2	Non-Fund based limits	Short term	110.90	[ICRA]A4+; Withdrawn	[ICRA]A4+; Put on Notice of Withdrawal for 90 days	[ICRA]A4+	[ICRA]A4+	[ICRA]A2
3	Term Loans	Long term	15.60	-	[ICRA]BB+ (Stable) ; Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BBB+ (Negative)

**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](http://www.icra.in)

**Annexure-1**  
**Details of Instruments**

<b>Name of the instrument</b>	<b>Date of issuance</b>	<b>Coupon rate</b>	<b>Maturity Date</b>	<b>Size of the issue (Rs. crore)</b>	<b>Current Rating and Outlook</b>
Fund-based Limits-Cash Credit	-	-	-	400.00	[ICRA] BB+(Stable); Withdrawn
Non-Fund based limits- Letter of Credit/ Bank Guarantee	-	-	-	110.90	[ICRA]A4+; Withdrawn

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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.

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