

Jan 04, 2017

Buy Around:	275
SL:	263
Target:	305
Upside:	11%
Horizon:	1 Month

VALUE PARAMETERS

Price (Rs)	275.70
52 W H/L(Rs)	287.30/155.80
Mkt. Cap.(Rs Cr)	14590.94
Latest Equity(Subscribed)	52.92
Latest Reserve (cons.)	1468.18
Latest EPS (cons.) -Unit Curr.	8.72
Latest P/E Ratio -cons	31.61
Latest Bookvalue (cons.) -Unit Curr.	33.31
Latest P/BV - cons	8.28
Dividend Yield -%	0.45
Face Value	1.00

STOCK DATA

BSE Code	511431
NSE Symbol	VAKRANGEE
Reuters	VAKR.BO
Bloomberg	VKI IN

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2016
Foreign	14.15
Institutions	7.03
Govt Holding	0.00
Non Promoter Corp. Hold.	26.43
Promoters	41.61
Public & Others	10.78

A steady growth company with almost negligible debt to equity ratio. Its business is fast transforming driven by the rising share of Vakrangee Kendra Business. Financial inclusion, rising penetration of ATM and strong potential of Vakrangee Kendra would drive the revenue growth ahead. Vakrangee Kendra now contributes to around 50% of the revenues of company. Now the new strategy of Vakrangee Kendra retail segment is to expand mainly through franchisees route with no major Capex.

BUSINESS PROFILE

Vakrangee is the unique technology driven company focused on building India's largest network of last-mile retail touch points to deliver real-time banking, insurance, e-governance, e-commerce and ATM services to the unserved rural, semi-urban and urban markets. These retail touch points are called as "Vakrangee Kendra" which acts as the "One-stop shop" for availing various services and products.

INVESTMENT RATIONALE

- The company is currently operating more than 20,000 "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 and covering the presence in all Pin code of the country. Moreover, it has been at the forefront in financial inclusion space in India.
- It has signed "Common BC" and "National BC" agreements with various public sector banks for offering real-time banking to unserved and underserved rural, semi-urban and urban population. Banking at "Vakrangee Kendra" outlets is a unique experience with disruptive technology like AEPS, e-KYC, inter-operability and real-time transactions.
- The Company has corporate agency tie-up with TATA AIG General Insurance Company, Reliance General Insurance Company Limited, HDFC Standard Life Insurance Company Limited and Bajaj Allianz Life Insurance Company Limited to distribute Life and General Insurance product. This alliance provides a strong potential to expand the e-commerce operations from "Vakrangee Kendra" outlets over coming years.
- The management of the company moves towards its vision 2020 has strategic tie-up with Indian Oil Corporation Limited (IOC), India's largest commercial enterprise and Vakrangee Kendra shall be set up in about 25000 plus IOC Retail Outlets (Filling/Gas Station) located PAN India.

TECHNICAL TRENDS



We recommend a buy in the stock of Vakrangee Ltd for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 155.80 and 52 week high of Rs 287.30. Buy around at 275 with a closing below stop loss of Rs.263 levels for the target of Rs.305.

Note:

- Follow Strict Stop Loss.

E-mail: researchfeedback@smcindiaonline.com



Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Dheeraj Sagar, 1st Floor,
Opp. Goregaon sports club, link road
Malad (West), Mumbai - 400064
Tel: 91-22-67341600, Fax: 91-22-28805606

Kolkata Office:
18, Rabindra Sarani,
"Poddar Court", Gate No. 4,
4th Floor, Kolkata - 700001
Tel: 91-33-39847000, Fax: 91-33-39847004

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities market. SMC or its associates or its Research Analyst or his relatives do not hold any financial interest in the subject company interest at the time of publication of this Report. SMC or its associates or its Research Analyst or his relatives do not hold any actual/beneficial ownership of more than 1% (one percent) in the subject company, at the end of the month immediately preceding the date of publication of this Report. SMC or its associates its Research Analyst or his relatives does not have any material conflict of interest at the time of publication of this Report.

SMC or its associates/analyst has not received any compensation from the subject company covered by the Research Analyst during the past twelve months. The subject company has not been a client of SMC during the past twelve months. SMC or its associates has not received any compensation or other benefits from the subject company covered by analyst or third party in connection with the present Research Report. The Research Analyst has not served as an officer, director or employee of the subject company covered by him/her and SMC has not been engaged in the market making activity for the subject company covered by the Research Analyst in this report.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject company.

Disclaimer: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions. Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance of this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the securities thereof, of the subject company(ies) mentioned here in; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company(ies) discussed herein or may perform or seek to perform investment banking services for such company(ies) or act as advisor or lender/borrower to such subject company(ies); or (c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions.