

Company Update:

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## Update on SEBI Investigation in matter of trading activities in scrip of Vakrangee Limited

- No findings or instance of any stock manipulation by Promoter or Promoter group entities.

**November 28, 2018, Mumbai:** Securities & Exchange Board of India (SEBI), had conducted an investigation into the trading activities of certain entities in the scrip of Vakrangee Limited.

Please take note that there were no findings or instance of any stock manipulation by Promoter or Promoter group entities.

There have been rumours and various media reports and articles over the past few months about the Company's promoters being under SEBI's scrutiny on charges of stock manipulation. However, the latest development indicates that the rumours were totally baseless.

We would like to inform that the Company promoters have also received a clean chit from the office of Economic offences wing (EOW). A complaint was filed with the office of Economic Offences Wing (EOW) against the Company and its Promoter/ Managing Director & CEO Mr. Dinesh Nandwana relating to price/ volume manipulation and accordingly EOW had conducted an enquiry. The Company had provided all the satisfactory replies along with supporting documents to the queries that were raised by the office of EOW. Upon completion of their investigation, the office of EOW have communicated to the Company that they have not found any substance in the complaint and hence closing the enquiry, thereby giving clean chit to the Company.

However, During the SEBI investigation it was observed that promoter entities viz, NJD Capital Private Limited along with Vakrangee Holdings Private Limited, Mr. Dinesh Nandwana and Dinesh Nandwana (HUF) (being members of promoter and promoter group), had increased their shareholding from 38.71% of share capital to 41.61% of share capital between June 2015 to August 2015. They were required to make disclosures related to the above transactions to the company / stock exchanges pursuant to the provisions of SEBI (PIT) Regulations, 2015 and SEBI (SAST) Regulations, 2011 within the time frame specified thereunder. It was observed that there was a slight delay in intimating the same to the company and to the stock exchanges. The aforesaid matter was reviewed by SEBI and it was intimated to the promoters to be careful in future to avoid recurrence of such instances.

Commenting on the same, Mr. Dinesh Nandwana, MD & CEO, Vakrangee Limited, stated, *"We have always maintained that these rumour-based media articles relating to stock manipulation by Promoter or Promoter entities are false and completely baseless. We are proud to state that we have been proven right today, as observed by the outcome of the investigations from EOW and SEBI.*

*We continue to remain positive and confident with respect to our business model. Meanwhile, we have adopted a strategic decision to upgrade all our existing Vakrangee Kendra stores into a standardised Next Gen store format. We are happy to share with you that as a result of our progressive efforts and a strong and positive response received from our franchisees, about 3,500-*

*4,000 Vakrangee Kendra outlets will be upgraded as per the Next Gen model during the quarter-ended December 31, 2018, and these are currently in advanced stages of completion. These outlets are spread across 380 districts and 2,548 postal codes of India, of which over 2,500-3,000 outlets belong to Tier 5 & 6 cities. Simultaneously, the process of upgrading the remaining 41,000 outlets into Next Gen Vakrangee Kendras is already underway, and these will get upgraded before the end of CY 2019."*

**About Vakrangee Limited:**

(BSE Code: 511431; NSE Code: VAKRANGEE)

Incorporated in 1990, Vakrangee Limited is a unique technology driven company focused on building India's largest network of last-mile retail outlets to deliver real-time Banking & Financial Services, ATM, Insurance, e-Governance, e-Commerce and logistics services to the unserved rural, semi-urban and urban markets. Its Assisted Digital Convenience stores, called as "Vakrangee Kendras", act as the "One-stop Shop" for availing various services and products. Vakrangee currently operates more than 45,000 "Vakrangee Kendra" outlets across India.

The Company has been at the forefront in the financial inclusion space in India. It has signed the "Common BC" and "National BC" agreements with various public sector banks for offering real-time banking to the unserved and underserved rural population in India. Banking at "Vakrangee Kendra" outlets is a unique experience with disruptive technology such as APS, e-KYC, inter-operability and real-time transactions. In addition to banking, "Vakrangee Kendras" also provide insurance products, e-Governance services and e-Commerce products.

Under a strategic initiative, the Company is upgrading the existing Vakrangee Kendra outlets into the Next Gen format. These Kendras boast of a modern and standardized format with a uniform look-and-feel in all the outlets and is aimed towards building consistent service levels and uniform consumer experience. The model also embodies technological advancements, including mandatory ATMs that enable the ease of financial transactions; centralized monitoring with the help of CCTV Cameras which would provide remote assistance to these pan-India Kendras; digital advertising through digital signage for brand partners; and biometric and pin pad devices to enable all kind of payment mechanisms.

The Company has successfully launched 50+ Next Gen Vakrangee Kendras in the Mumbai Metropolitan Region, and another 40+ Next Gen Vakrangee Kendras in the NCR region.