

VAKRANGEE RESTRUCTURES ITS BUSINESS FOR SHAREHOLDER VALUE CREATION

TO DEMERGE ITS NON CORE BUSINESS OF E-GOVERNANCE AND IT/ITES AS A SEPARATE ENTITY

- Demerger to unlock the potential of the Core Vakrangee Kendra Business in the current Listed entity with existing business of Vakrangee Kendra physical outlets as well as Digital platform of BharatEasy Mobile Super app
- Vakrangee Kendra Business is Retail centric Consumer facing business. It is an Asset Light, High return on capital business and thereby will get the proper representation post the Demerger
- The Demerger will enable both the Companies to enhance business operations by streamlining operations, more efficient management control and outlining independent growth strategies

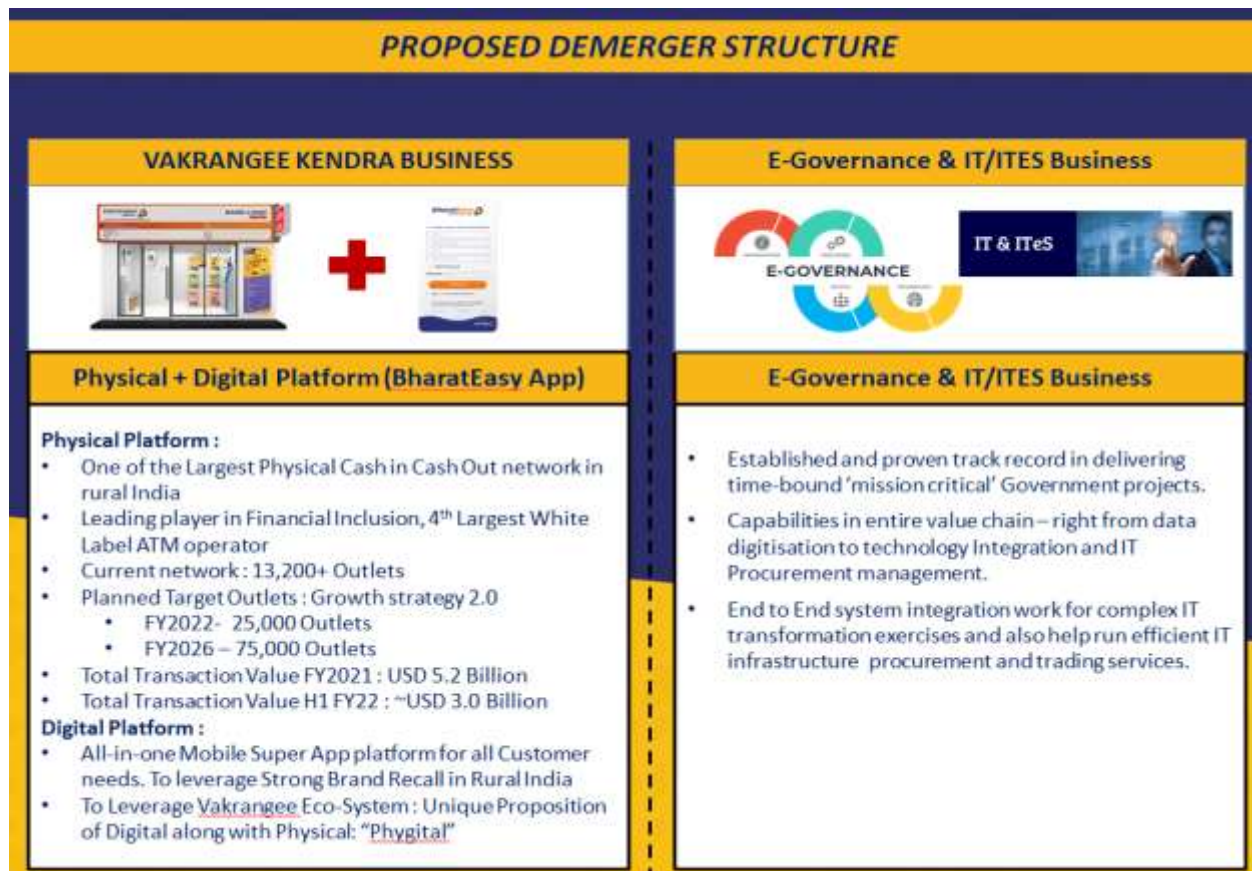
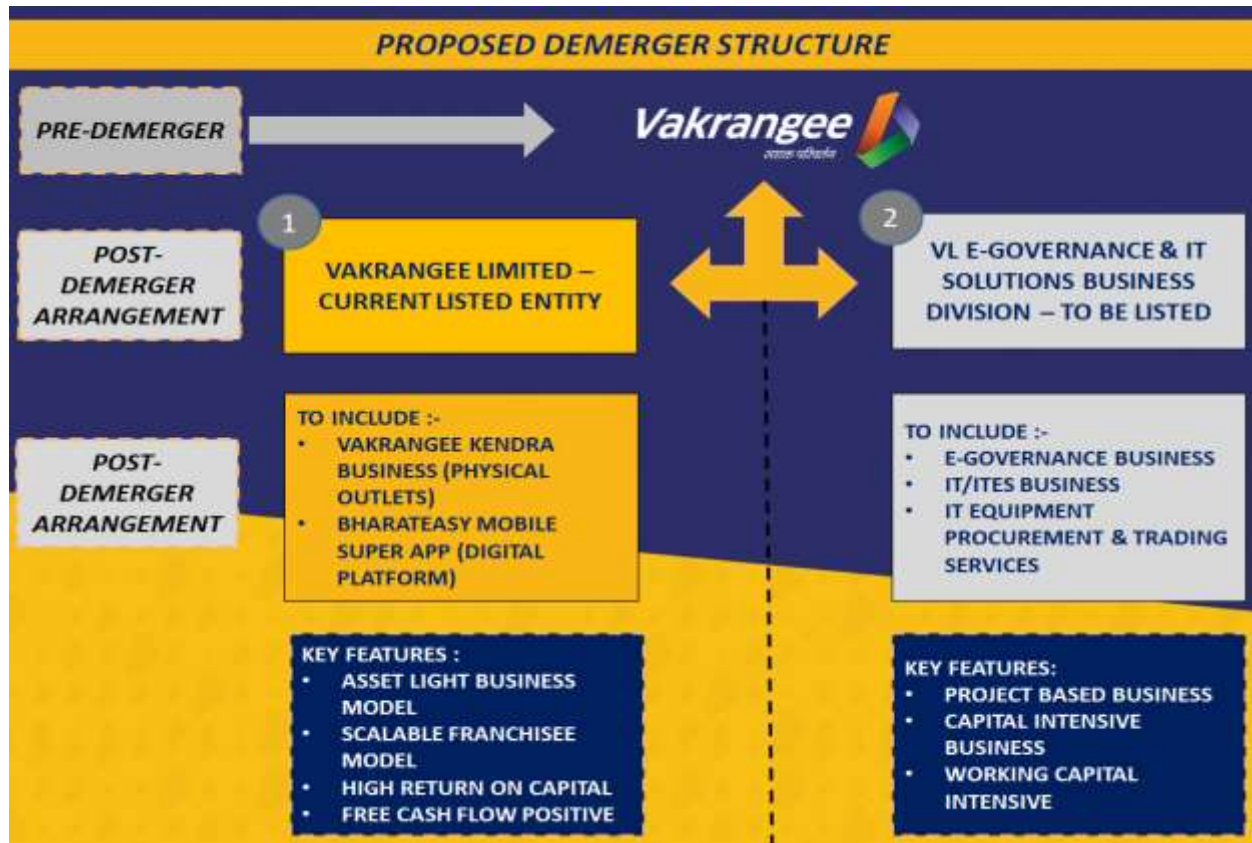
MUMBAI, October 10, 2021: In an endeavour to maximize shareholder value, Vakrangee Limited today announced the demerger of both the businesses (Vakrangee Kendra Business as well as E-Governance & IT/ITES Business), each of which require greater attention and possess growth potential, due to which the Company has decided for the segregation of the business. The Board of Directors of Vakrangee Limited in its meeting held today, approved the demerger of its E-Governance and IT/ITES division into a separate entity.

As on June 19, 2021 the Board of Directors of Vakrangee Limited had approved Demerger of its digital Division. However, The Board of Directors have now after due deliberations and detailed discussions, taking into consideration the best interest of all its stakeholders, have finally decided to demerge its E-Governance and IT/ITES division. Whereas the digital division will continue to be part of the current listed entity Vakrangee Limited.

Vakrangee Kendra Business is Retail centric Consumer facing business whereby we are building the last mile physical distribution platform as well as a B2C E-Commerce focussed Mobile Super app Digital platform. Further, Vakrangee Kendra business (Physical as well as Digital) is an Asset Light, High return on capital business and thereby will get the proper representation post the Demerger.

E-Governance & IT/ITES Business is a capital intensive B2B business. It is Capex Heavy as well as Working capital Intensive. The E-Governance & IT/ITES Business division requires different skill sets and focused approach towards time bound project execution capabilities as well as dedicated efforts on collection of Debtors, Vendor management and trading of IT equipment's.

➤ **Proposed Demerger Structure:**

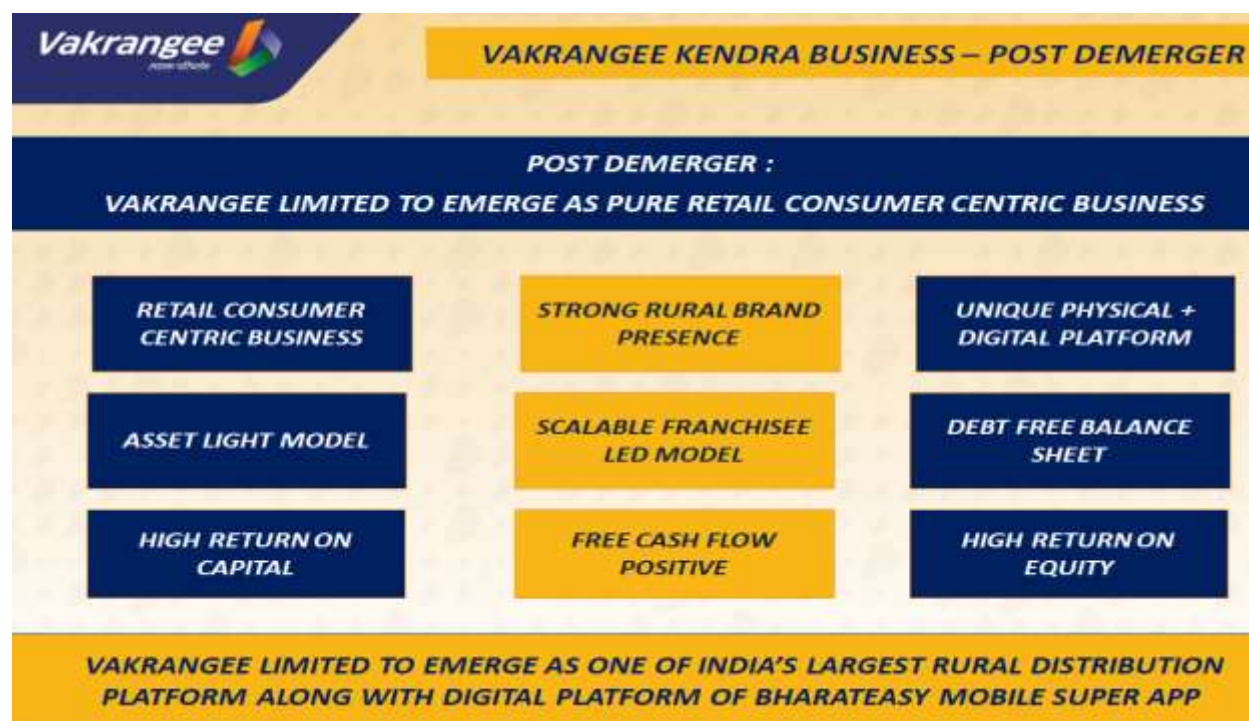


Commenting on the development, **Mr. Dinesh Nandwana, Managing Director & Group CEO, Vakrangee Limited** said, *“This is part of Vakrangee’s continuing endeavour to maximize value for all of its shareholders. We have been relentless in building the organization that is future ready and our efforts have been unwavering during this transformational journey.*

The Demerger will enable both the Companies to enhance business operations by streamlining operations, more efficient management control and outlining independent growth strategies. Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock value for the shareholders.

The Core business of Vakrangee Limited (Physical outlets as well as Digital Mobile super app platform) will get a proper representation as it is an Asset Light franchisee based model with High return on capital and Positive Free cash flows. This would lead to significant improvement in financials and return ratios for the core business.”

➤ **Post Demerger – Vakrangee Limited to Emerge as Pure Retail Consumer Centric Business**



Pursuant to the scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE. Further the existing Shareholders of the Demerged Company would hold the shares of two listed entities after the scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.

Upon this scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this scheme, the Resulting Company shall, without any further act or deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by him / her / it in the Demerged Company, One (1) new Equity share of the Resulting Company of the face value of Rs. 10/- each fully paid up.

About Vakrangee Limited**(BSE Code: 511431; NSE Code: VAKRANGEE)**

Incorporated in 1990, Vakrangee is the 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. The Assisted Digital Convenience stores are called as "Vakrangee Kendra" which acts as the "One-stop shop" for availing various services and products.

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