LALIT KUMAR DANGI
FCA, ACS, ACMA, B.Com
IBBI Regd. Valuer – Securities and Financial Assets
Reg No. -IBBI/ RV/ 05/2020 /12901

STRICTLY PRIVATE AND CONFIDENTIAL

Dated: November 11th 2021

To,

The Board of Directors,
Vakrangee Limited
'Vakrangee Corporate House', Plot No 93,
Road No. 16, M.I.D.C. Marol, Andheri (East),
Mumbai, Maharashtra, 400093

And

The Board of Directors
VL E-Governance & IT Solutions Limited
(Formerly Known as Vakrangee Logistics Pvt Ltd)
'Vakrangee Corporate House', Plot No 93,
Road No. 16, M.I.D.C. Marol, Andheri (East),
Mumbai, Maharashtra, 400093

Dear Sirs,

Sub: Report on Recommendation of Share Entitlement Ratio for Demerger of E – Governance & IT/ITES Business of the Demerged Company and Vesting into VL E-Governance & IT Solutions Limited/ ("Resulting Company)

1. SCOPE AND PURPOSE OF THE REPORT

1.1 We have been informed by the Management of the Companies (hereinafter referred to as the 'Management') that they are considering the proposal of Demerger of E – Governance & IT/ITES Business of the Demerged Company and Vesting into VL E-Governance & IT Solutions Limited ("Resulting Company) vide a Scheme of Arrangement amongst the Demerged Company, the Resulting Company and their Respective Shareholders and Creditors under the Provisions of Section 230 to 232 read with section 66 and other applicable provisions, if any, of the Companies Act, 2013.

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Subject to necessary approvals, the Demerged Undertaking of 'VL' would demerged from 'VL' into 'VL E-GOV' with effect from appointed date of April 1st, 2021 ('Appointed Date').

Pursuant to scheme, of the Consideration for the proposed Demerger, 'VL E-GOV' will allot its equity shares of the face value of INR 10 each fully paid up to the equity shareholders of 'VL'. The existing pre-demerger issued share capital of 'VL E-GOV' will be cancelled pursuant to scheme.

1.2 In this regard, we have requested to issue a report opining on the share entitlement ratio for the Proposed Demerger as recommended by the Management of 'Vakrangee Ltd '.

The scope of our service is to determine the share entitlement ratio as at the valuation date after considering the facts of the case and report on the same in accordance with generally accepted professional standards including Indian Valuation Standards, 2018 issued by the Institute of Chartered Accountants of India (ICAI) and applicable Securities Exchange Board of India ('SEBI' Regulations) as may be applicable to the Listed Entities.

1.3 This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter.

2.1 BACKGROUND ABOUT THE COMPANIES

2.1. Vakrangee Ltd:

Vakrangee Ltd ('VL') is listed on the BSE with the BSE code of 511431 and at NSE with the NSE Symbol of VAKRANGEE. The Company was incorporated in the year 1990. The Corporate Identification Number is L65990MH1990PLC056669.

It is technology-driven company centred around building India's largest network of last-mile retail outlets to deliver services to the unserved and the underserved rural, semi-urban and urban population of the country & It offers an extensive array of services across various sectors by providing BFSI, ATM, E-Commerce & Logistics Services.

The registered office of the company is at Vakrangee Corporate House, Plot No 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai 400093, Maharashtra, India.

For the half yearly ended: (September 30th, 2021), Total Income of the Company was INR 31,815.22 (In Lakhs) and Profit After Tax stood at INR 4,394.75 (In Lakhs).

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The Issued and Paid up Share Capital of the Company is INR 10,594.06 (In Lakhs) for the period.

As defined in the scheme "Demerged Undertaking" means: E-Governance & IT/ITES business undertaking of the Demerged Company, on a going concern basis, which shall include (without limitation)

1. E-Governance & IT/ ITES business undertaking is having moveable and immoveable assets and loans & advances; and shall in relation to the aforesaid undertaking and/or division on a going concern basis, which shall include (without limitation):

2. All properties of the E-Governance & IT/ITES business undertaking wherever situated, moveable or immoveable including flats, investments together with all present and future liabilities (including contingent liabilities) if any, appertaining to or relatable to Demerged Undertaking;

3. All investments, the benefit of any deposits, financial assets, funds belonging to or proposed to be utilized for the Demerged Undertaking, all other rights and benefits, funds, benefits of all agreements, subsidies, grants and tax credits, incentive Schemes formulated by Central or State Governments, contracts and arrangements (other than employee related contracts) and all other interests in connection with or relating to the Demerged Undertaking;

4. All permits, quotas, rights, entitlements and benefits, licenses, bids, tenders, letters of intent, expressions of interest, municipal permissions, approvals, consents, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, and all other interests in connection with or relating to the Demerged Undertaking;

5. All earnest moneys and/or security deposits, if any, paid or received by the Demerged Company in connection with or relating to the Demerged Undertaking;

6. All necessary records, files, papers, and information, manuals, data, quotations, and other records in connection with or relating to the Demerged Undertaking;

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7. All liabilities arising out of the activities or operation of the Demerged Undertaking, duties and obligations relatable to the Investment Undertaking on the Appointed Date.

8. All employees on the payroll of the Demerged Company employed in the Demerged Undertaking, as identified by the Board of Directors of the Demerged Company, as on the Effective Date;

9. All employees on the payroll of the Demerged Company employed in the Demerged Undertaking, as identified by the Board of Directors of the Demerged Company, as on the Effective Date;

(**Note 1: -** For the purpose of this Scheme, a Statement of Account of E-Governance & IT/ITES business undertaking is drawn up as on the Appointed Date giving details of assets and liabilities of the Demerged Undertaking; and is duly certified by Chartered Accountant of VL).

(**Note 2: -** Any question that may arise as to whether a particular asset or liability pertains or does not pertain to E-Governance & IT/ITES business undertaking shall be decided by mutual agreement between the Board of Directors of VL and VL E-GOV).

(**Note 3: -** It is intended that the definition of E-Governance & IT/ITES business undertaking under this clause would enable the transfer of all property & all assets and ascertained liabilities of and E-Governance & IT/ITES business undertaking of VL pursuant to this Scheme).

2.2. The Shareholding Pattern of 'Vakrangee Ltd' as at March 31, 2021 & Share Capital Structure as on September 30, 2021:

Category of Shareholder	No. of Equity Shares Face Value of INR 10/- Each	Percentage
Promoter & Promoter Group	45,13,53,165	42.60%
Non-Promoter	60,80,52,475	57.40%
Total	**105,94,05,640**	**100%**

Source: Company

Share Capital	Amount in Rs.
125,00,00,000 Equity Shares of Re. 1/- Each (Authorised Share Capital)	125,00,00,000
Total	125,00,00,000
Issued, Subscribed and Paid Up Capital	
105,94,05,640 Equity Shares of Re. 1/- each	105,94,05,640
Total	**105,94,05,640**

Source: Company

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2.3. VL E-Governance & IT Solutions Limited:

The Resulting Company was incorporated under Companies Act,2013 on 18th March 2016.

The registered office of the company is at Vakrangee Corporate House, Plot No 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai 400093, Maharashtra, India.

The Resulting Company currently is an Unlisted Public Limited Company and the entire Issued, Subscribed and Paid up Equity Share Capital is held by the Demerged Company. By virtue of the Shareholding pattern, the Resulting Company is a Wholly Owned Subsidiary of the Demerged Company. The main object clauses of the Memorandum of Association of the Resulting Company authorize the Resulting Company:

1. To carry on business as manufactures, products, developers, processors, dealers, traders, importers, exporters, stockists, distributors or agents in software, information technology, e-commerce, e-mail, internet, multimedia, data processing, data management, telefilms, motion movies, web paging, telecommunication including peripherals computer data processing machine, systems and components thereof.

1(A) To undertake designing & development, research of software systems, products and solutions in all areas of application including those in emerging niche segments like internet, website, applications solutions software, enterprise resource planning (ERP), ecommerce, value added products and other business applications either for its own use or for sale in India or for export outside India and to design, develop such systems and application software for or on behalf of manufactures, owners and users of computer systems, telecom, digital, electronic equipment in India or elsewhere in world.

1(B) To develop, provide, undertake design, import, export, distribute and deals in Systems and Application software for microprocessor based information systems, offshore software development project, software project consultancy, development of computer languages and allied computer service and to own and/or operate data processing and service bureau centers in India and Abroad.

1 (C) To act as facilitator between service provider and end user of services to render governmental / non-governmental services, including but not limited to ticket booking services (IRCTC), postal services, facilitate utility services, any other governmental services to promote general wellbeing of the public at large and other support services.

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1(D) To manufacture, develop, procure, produce, import or engage any professional to manufacture, develop any software to make all the activities of the Company available in the form of an application or software available on any device such as mobile or computer or such other devises as may be found appropriate and to make the services of the Company available to the public at large in India and abroad.

- **The 'Resulting Company' is incorporated to carry on the business of Logistic provider. The main services offered by the Resulting Company include forward delivery, reverse pick-ups and courier booking and through its network ensures a hassle-free experience to its partners and end customers.**

- **The Shareholding Pattern of** VL E-Governance & IT Solutions Limited as on March 31, 2021 is as:

Name of the Shareholder	Number of Shares held	Percentage of Holding
Vakrangee Limited	1,19,99,999	100
Dinesh Nandwana (As a Nominee of Vakrangee Limited)	1	0
Total	1,20,00,000	100

The Shareholding Pattern of VL E-Governance & IT Solutions Limited as on September 30, 2021 is as:

Name of the Shareholder	Number of Shares held	Percentage of Holding
Vakrangee Limited	1,19,99,994	100
Dinesh Nandwana (As a Nominee of Vakrangee Limited)	1	0
Nishikant Hayatnagarkar (As a Nominee of Vakrangee Limited)	1	0
Jitendra Jog (As a Nominee of Vakrangee Limited)	1	0
Viral Mujumdar (As a Nominee of Vakrangee Limited)	1	0
Sachin Khandekar (As a Nominee of Vakrangee Limited)	1	0
Ajay Jangid (As a Nominee of Vakrangee Limited)	1	0
TOTAL	1,20,00,000	100

Source: Company

Share Capital	Amount in Rs.
Authorized Share Capital	
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid Up Capital	
1,20,00,000 Equity Shares of Rs. 10/- each	12,00,00,000

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As on September 30th , 2021, the Equity Share Capital is INR 1,20,00,000 Total Income is INR 1982.18 (in '000') and Total Profit is INR 1487.74 (in '000') for the period.

3.1 SOURCES OF INFORMATION/ DATA

For the purpose of this exercise, we have relied upon the following sources of the information received from the Management and the information available in the public domain:

a) Draft Scheme of Arrangement pursuant to which the proposed Demerger is to be undertaken for the specified objective.
b) Shareholding Pattern of Vakrangee Ltd and VL E-Governance & IT Solutions Limited as on 31st March, 2021;
c) Audited Financial Statements of 'VL' and 'VL E-Governance & IT Solutions Limited' as on 31st March, 2021;
d) Un-audited Financials of 'VL' along with Limited Review Report'' as on 30th September, 2021;
e) Audited Financials of VL E-GOV as on 30th September, 2021;
f) Such other information and explanations as we required and which have been provided by the Management to understand the rationale and basis of arriving at the recommended share entitlement ratio.

4.1 SCOPE, LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

a) The Report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
b) This report has been prepared for the Board of Directors of the Companies solely for the purpose of opining on the fair share entitlement ratio for the proposed Demerger as recommended by the management of the Companies.
c) The Management has been provided with the opportunity to review the Draft Report as part of our standard practise to make sure that factual inaccuracies/ omissions are avoided in our final report.
d) For the purpose of this exercise, we were provided with both written and verbal information including information detailed herein above in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies/its Auditors/ its Consultants is that of the Companies. Also with respect to explanation and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material facts

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about the Companies/Demerged Undertaking. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our conclusions.

e) The work does not constitute an audit, due diligence or certification of these information referred to in this report, including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, nothing has come to our attention to indicate that the information provided/ obtained was materially mis-stated / incorrect or would not afford reasonable grounds upon which to base the report.

f) This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies/ Demerged Undertaking / 'Vakrangee Limited' and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Companies/ Demerged Undertaking. Events are transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

g) The fee for the engagement and this report is not contingent upon the results reported.

h) This report is prepared only in connection with the Proposed Demerger exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.

i) The Report is not, nor should it be construed as our opining or certifying the compliance of the Proposed Demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Proposed Demerger.

j) Any person/ party intending to provide finance / divest / invest in the shares/ convertible instruments / business of the Companies / Demerged Undertaking / 'VL' shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

k) The Decision to carry out the transaction (including consideration thereof) lies entirely with the Management / The Board of Directors of 'VL' and 'VL E-Governance & IT Solutions Limited' and our work and our finding shall not constitute a recommendation as to whether or not the Management / The Board of Directors should carry out the Proposed Demerger.

l) The Report is meant for the purpose mentioned in Para 1 only and should not be used for any other purpose other than the purpose mentioned therein. The Report should not be copies or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In

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no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available.

m) We nor my partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which report is being issued. All such parties expressly disclaim any and all liability for or based on or relating to any such information contained in this report.

5.1 BASIS OF DETERMINATION OF SHARE ENTITLEMENT RATIO

1. Based on our Review, information made available to us and discussion with the Management, in our Opinion the share entitlement ratio recommended by the Management in consideration for the Proposed Demerger of E - Governance & IT/ITES Business of 'Vakrangee Ltd' ("the Demerged Company") and Vesting into 'VL E-Governance & IT Solutions Limited' ("Resulting Company) is reasonable.
2. We believe that the Share Entitlement Ratio is fair considering the following:
   a) As a part of the Scheme of arrangement, the E - Governance & IT/ITES Business of 'Vakrangee Ltd' ("the Demerged Company") is proposed to be demerged into 'VL E-Governance & IT Solutions Limited'. 'Vakrangee Ltd' has identified assets and liabilities of the E - Governance & IT/ITES Business which will be taken over by and transferred to 'VL E-Governance & IT Solutions Limited'.
   b) We understand that, upon the scheme being effective, all the shareholders of 'VL' would also become the shareholders of 'VL E-Governance & IT Solutions Limited' and with the outstanding issued and paid up share capital of 'VL E-Governance & IT Solutions Limited' will get cancelled by way of capital reduction and their shareholding in 'VL E-Governance & IT Solutions Limited' would mirror their existing shareholding in 'VL' prior to the Demerger.
   c) 'VL E-Governance & IT Solutions Limited' is in E-Governance & IT/ITES business. For the half yearly period: (September 30th, 2021), the Equity Share Capital is INR 1,20,00,000, Total Income is INR 1982.18 (in '000') and Total Profit is INR 1487.74 (in '000')
   d) The Management has proposed a share entitlement ratio of Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by him / her / it in the Demerged Company shall be issued One (1) new Equity share of the Resulting Company of the face value of Rs. 10/- each fully paid up;
   e) We understand that the Share Entitlement Ratio has been recommended keeping in mind the future equity servicing capacity and minimum share capital requirement of 'VL E-Governance & IT Solutions Limited'

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f) Therefore, in our view, the share entitlement ratio is fair and equitable, considering that all the shareholders of 'VL', upon the proposed Demerger, have their inter-se economic interests, rights, obligations in 'VL E-Governance & IT Solutions Limited' post demerger in the same proportion as their existing economic interest, rights and obligation in 'VL' Pre-Demerger.

g) For the reason mentioned above, no relative valuation of Demerged Undertaking and of 'VL E-Governance & IT Solutions Limited' is required to be undertaken for the Proposed Demerger. Accordingly, valuation approaches as indicated in the format (as shown below) as prescribed by Circular Number NSE /CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case

Valuation Methodology	Demerged Undertaking of 'Vakrangee Ltd'		'VL E-Governance & IT Solutions Limited'	
	Value Per Share	Weights	Value Per Share	Weights
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative Value	NA	NA	NA	NA

NA = Not Applied / Not Applicable

6.1 CONCLUSION

As mentioned in Para 1.1. above, in consideration for the proposed Demerger, 'VL E-Governance & IT Solutions Limited' would issue equity shares to the equity shareholders of 'Vakrangee Ltd'. In the light of the above and on consideration of all the relevant factors and circumstances and subject to our scope, limitations as mentioned above, following share entitlement ratio is fair.

"Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by him / her / it in the Demerged Company shall be issued One (1) new Equity share of the Resulting Company of the face value of Rs. 10/- each fully paid up;"

Mr. Lalit Kumar Dangi
(IBBI Registered Valuer)

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