Strictly Private & Confidential

November 12, 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-400093.

Sub: Fairness Opinion on the Recommendation of Share Exchange Ratio for the proposed Scheme of Arrangement between Vakrangee Limited ("Demerged Company") and VL E-Governance & IT Solutions Limited (*Formerly Known as Vakrangee Logistics Private Limited*) **("Resulting Company") and their respective shareholders and creditors**

Dear Sir/ Madam,

We refer to our engagement letter, whereby Ashika Capital Limited (hereinafter referred to as "**Ashika**") was appointed by Vakrangee Limited (hereinafter referred to as "**Demerged Company**") to provide a fairness opinion to them on the Share Exchange Ratio for the proposed demerger of E-Governance & IT/ITES Business ("**Demerged Undertaking**", as defined in the Draft Scheme Document) of the Demerged Company and vesting into VL E-Governance & IT Solutions Limited (*Formerly Known as Vakrangee Logistics Private Limited*) ("**Resulting Company**") on a going concern basis.

1. Scope and Purpose:

We understand that the Board of Directors of Demerged Company is proposing the demerger of the Demerged Undertaking and vesting into the Resulting Company, on a going concern basis ("**Proposed Demerger**"). The proposed demerger is to be carried out pursuant to a Scheme of Arrangement ("**Scheme**") between the companies and their respective shareholders and creditors under the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act 2013 (including any statutory modifications, re-enactments or amendments thereof) and other applicable securities and capital market laws and rules issued thereunder to the extent applicable.

Pursuant to the Scheme, the equity shareholders of the Demerged Company will receive the equity shares in Resulting Company as consideration for their respective shareholding in Demerged Company. The terms and conditions of the proposed demerger are more fully set out in Draft Scheme of Arrangement for the Proposed Demerger ("**Draft Scheme Document**") shared with us, the final version of which will be filed by the aforementioned companies with the appropriate authorities.

We further understand that the share exchange ratio for the proposed demerger has been arrived at based on a report dated November 11, 2021 ("**Valuation Report**") being issued by Mr. Lalit Kumar Dangi, Registered Valuer - Securities and Financial Assets, with Insolvency and Bankruptcy Board of India (**'IBBI'**) with Registration Number: IBBI/RV/05/2020/12901('**Valuer'**).

Based on our examination of the Valuation Report, we understand that, pursuant to the Scheme, the Resulting Company will issue and allot One (1) new Equity Share of the face value of Rs. 10/- each fully paid up to every member of the Demerged Company holding Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by them in the Demerged Company.

We further understand that, upon the Scheme being effective, all the shareholders of Demerged Company would also become the shareholders of Resulting Company and their shareholding would mirror the existing shareholding in Demerged Company (prior to the Demerger) and the outstanding (prior to the Demerger) issued and paid up share capital of Resulting Company will get cancelled by way of capital reduction as an integral part of the Scheme.

In connection with the aforesaid, you requested our independent opinion ("**Opinion**") as to the fairness of the share exchange ratio recommended in the Valuation Report by the Valuer.

2. Background of the Companies that are parties to the Scheme:

Vakrangee Limited:

The Demerged Company ("**Vakrangee Limited**") was incorporated on May 28, 1990, under the Companies Act, 1956. 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 Corporate Identification Number (CIN) of the Company is L65990MH1990PLC056669.

The Demerged Company is technology-driven company centered 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 and offers an extensive array of services across various sectors by providing BFSI, ATM, E-Commerce & Logistics Services.

The equity shares of Demerged Company shares are presently listed on BSE Limited, Mumbai ('**BSE'**) with Scrip Code: 511431 and National Stock Exchange of India Limited, Mumbai ('**NSE'**) with Symbol: VAKRANGEE.

For the half year ended September 30, 2021, Total Income of the Demerged Company was INR 31,815.22 Lakhs and Profit After Tax stood at INR 4,394.75 Lakhs.

The share capital structure of the Demerged Company as per the last audited balance sheet as at March 31, 2021 and as on date, is as under:

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

The Demerged Company has an outstanding Employees Stock Option Scheme, ESOP Scheme 2014, the exercise of which may result in increase in its subscribed and paid up capital.

The shareholding pattern of the Demerged Company, as on September 30, 2021, is as under:

Category of Shareholder	No. of Shares	% of Shareholding
Promoter & Promoter Group	45,13,53,165	42.60%
Public	60,80,52,475	57.40%
Total	**105,94,05,640**	**100.00%**

VL E-Governance & IT Solutions Limited:

The Resulting Company ("**VL E-Governance & IT Solutions Limited**") was originally incorporated as a private Limited Company under the Companies Act, 2013, on March 18, 2016 in the name of Vakrangee Logistics Private Limited in the State of Maharashtra. The Corporate Identification Number (CIN) of the Company is U74110MH2016PLC274618.

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 would 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;

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;

For the half year ended September 30, 2021, the Total Income of the Resulting Company is INR 1982.18 (in '000') and Total Profit is INR 1487.74 (in '000') for the said period.

The share capital structure of the Resulting Company as per the last audited balance sheet as at March 31, 2021 and as on date, is as under:

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

The Shareholding Pattern of the Resulting Company, as on March 31, 2021 is as under:

Name of the Shareholder	No. of Shares	% of Shareholding
Vakrangee Limited	1,19,99,999	100.00%
Dinesh Nandwana (as a Nominee of Vakrangee Limited)	1	-
Total	**1,20,00,000**	**100.00%**

The Shareholding Pattern of the Resulting Company, as on September 30, 2021 is as under:

Name of the Shareholder	No. of Shares	% of Shareholding
Vakrangee Limited	1,19,99,994	100.00%
Dinesh Nandwana (as a Nominee of Vakrangee Limited)	1	-
Nishikant Hayatnagarkar (as a Nominee of Vakrangee Limited)	1	-
Jitendra Jog (as a Nominee of Vakrangee Limited)	1	-
Viral Mujumdar (as a Nominee of Vakrangee Limited)	1	-
Sachin Khandekar (as a Nominee of Vakrangee Limited)	1	-
Ajay Jangid (as a Nominee of Vakrangee Limited)	1	-
TOTAL	**1,20,00,000**	**100.00%**

3. Sources of Information:

In connection with this Opinion, we have:

(i) reviewed the management certified copy of Draft Scheme Document and the Valuation Report;
(ii) reviewed certain publicly available historical business, operational and financial information with respect to Demerged Company available in its annual & interim reports and company presentations, as provided by the Company, and sought certain clarifications with respect to the same;
(iii) held discussions with the Valuer, in relation to the valuation report and recommendation;
(iv) sought various clarifications from the respective senior management teams of the relevant companies;
(v) reviewed published & secondary sources of data, whether or not made available by the Companies; and
(vi) performed such other financial analysis and considered such other information and factors as we deemed appropriate.

4. Basis of Opinion:

The Proposed Demerger would enable the Resulting Company to enhance Operational efficiencies, ensuring synergies through pooling of the financial, managerial, personnel capabilities, skills and expertise and the management is of the view that segregation of the Demerged Undertaking would lead to the following benefits:

a. The transfer and vesting of the Demerged Undertaking to the Resulting Company through the Scheme is with a view to unlock the economic value of both the divisions.
b. The demerger is likely to enable the business and activities comprised in the demerged undertaking and remaining business and activities of Demerged Company to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings will ensure required

depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their business.

c. Vakrangee Kendra Business is Retail centric Consumer facing business whereby the Demerged Company is building the last mile physical distribution platform as well as a B2C E-Commerce focused Mobile Super app Digital platform.
d. Vakrangee Kendra Business (Physical as well as Digital) is an asset light, high return on Capital business and thereby will get proper representation post demerger.
e. 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 segment requires different skill sets and focused approach towards time bound project execution capabilities as well as dedicated efforts on collection of Debtors / Receivables, Vendor management and procurement of IT equipment which would be possible post demerger.
f. The focus is on enhancing strategic flexibility to build a viable platform solely focusing on each of the businesses (Vakrangee Kendra Business as well as E-Governance & IT/ITES Business).
g. The Demerger will enable both the Companies to enhance business operations by streamlining operations more efficient management control and outlining independent growth strategies.
h. Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock value for the shareholders.
i. Each undertaking will be able to target and attract new customers corresponding to their own business.
j. The demerger will unlock value of both business and result in shareholder value maximization.

The Scheme shall be in the beneficial interest of the shareholders of the companies. The Scheme shall not be in any manner prejudicial to the interest of the concerned members, creditors, employees or general public at large.

The key features of the Scheme provided to us through the Draft Scheme Document are as under:

1. Upon the Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of the 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.

2. The equity shares issued and allotted by the Resulting Company in terms of the Scheme shall rank *pari passu* in all respects with the existing equity shares of the Resulting Company.

3. Pursuant to the scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of E-Governance and IT/ITES business for the shareholders of the Demerged Company. 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.

We have relied on the Draft Scheme Document and taken the above mentioned key features of the Scheme (together with other facts and assumptions set forth) into account while determining the meaning of fairness,from a financial point of view, for the purposes of this Opinion.

All capitalized terms not defined herein shall have the same meaning, as set out in the Draft Scheme Document.

5. Exclusions and Limitations:

Our Opinion is limited to the extent of review of documents as provided to us by the Company including the Valuation Report prepared by the Valuer and the Draft Scheme Document.

We have assumed and relied upon the accuracy and completeness of all information and documents providedto us, data publicly available or otherwise reviewed by or discussed with us. We have relied upon the Companies' assurance that they are not aware of any facts or circumstances that would make such information or data incomplete, inaccurate or misleading in any material respect.

We have not carried out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Companies, and / or their subsidiaries/affiliates. In particular, we do not express any opinion as to the value of any asset of Companies, and / or their subsidiaries/affiliates, whetherat current time or in the future. No investigation of Company's claim to title of assets has been made for thepurpose of the exercise and the claim to such rights has been assumed to be fully valid.

We have reviewed the underlining assumptions adopted to recommend the Share Exchange Ratio. One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where equity shares of Resulting Company are being issued as consideration to the shareholders of Demerged Company, it is not the absolute per share value that is important for framing an opinion but the relative per share value of Resulting Company vis-â-vis per share value of Demerged Company.

We have assumed, with the Company's consent that the Scheme will be in compliance with all applicable laws and other requirements and will be implemented on the terms described in the Draft Scheme Document,without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals

for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Company, and / or their relevant subsidiaries/ affiliates and their respective shareholders. We have assumed, at the directions of the Company that the final Scheme will not differ in any material respect from the Draft Scheme Document. We understand from the Company's management that the Scheme will be given effect to in totality and not in parts.

We express no view or opinion as to any terms or other aspects of the Scheme (other than the Recommendation of Share Exchange Ratio, from a financial point of view) including, without limitation, the form or structure of the proposed transaction. We were not requested to, and we did not, participate in the negotiations for the proposed transaction. Our Opinion is limited to the fairness, from a financial point of view, of the share exchange ratio proposed by the Valuer, to the shareholders of Demerged Company. Our analysis relates to the relative values of the Demerged Company. However, the actual transaction value may be significantly different from the result of our analysis and would depend on a number of other factors. We express no opinion or view with respect to the financial implications of the proposed transaction for any stakeholders, including creditors of the Company.

We express no view as to, and our Opinion does not address, the underlying business decision of the Company to effect the proposed transaction, the relative merits of the proposed transaction as compared to any other alternative business strategy, the effect of the proposed transaction on the Company or its affiliates, including, without limitation, possible implications on ownership structure, listing format, capital structure or trading price of Demerged Company's shares post completion of the proposed transaction. The Company remains solely responsible for the commercial assumptions on the basis of which it agrees to proceed with the proposed transaction. Our Opinion is necessarily based only upon information as referred to in this opinion. We have relied solely on representations, whether verbal or otherwise, made by the management ofthe Company for areas where the same has been made.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on the Company, and / or their subsidiaries/affiliates, and their respective shareholders, nor does our Opinion address any legal, tax, accounting or structural matters as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, Governmental investigation or other contingent liabilities to which the Company, and/ortheir subsidiaries/affiliates, are/or may be a party.

Our Opinion is necessarily based on financial, economic, monetary, market and other conditions as in effecton, and the information made available to us as of, the date hereof.

The opinion rendered in this report only represents the opinion of Ashika Capital Limited based upon information furnished by the Management and other sources and the said opinion shall be considered advisory in nature.

It should be understood that subsequent developments may affect this Opinion and we assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

Our Opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance, shareholders rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the Scheme other than the fairness, from a financial point of view, of the share recommendation proposed by the Valuer, to the shareholders of Demerged Company.

Our engagement as a fairness opinion provider is independent of our other business relationships, which we may have with the company, and / or their relevant subsidiaries/ affiliates. In addition, in the ordinary course of their respective business, affiliates of Ashika Capital Limited may invest in the securities of the companies, and / or their subsidiaries or group companies, for their own accounts and for the accounts of their clients, subject to the compliance of the SEBI (Prohibition of Insider Trading) Regulations, may at any time hold a position in such securities. We will not be responsible to any other person/party for any decision. Our engagement and opinion expressed herein solely for the benefit of the Board of Directors of the Company (in its capacity as such) in connection with its consideration of the Scheme and for none other. Delivery of our opinion does not create any fiduciary, equitable or contractual duties on Ashika Capital Limited (including, without limitation, any duty of trust or confidence). Further, our Opinion is being provided only for the limited purpose of complying with the SEBI Regulations / SEBI Circulars and the requirement of the stock exchanges on which the Company is listed or as required under applicable law, and for no other purpose. Neither Ashika Capital Limited, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information, contained therein.

The Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final Opinion.

The fee for our services is not contingent upon the results of the proposed Scheme. This document is subject to the laws of India.

Our Opinion is not intended to and does not constitute a recommendation to any party as to how such party should vote or act in connection with the Scheme or any matter related thereto.

6. Conclusion:

Based on our examination of the facts, information and documents mentioned herein and our discussions with the management of Demerged Company and other intermediaries as appointed by them inthis regard and subject to the foregoing, including various assumptions and limitations set forth herein, to the best of our knowledge and belief, we are of the opinion on the date hereof that from a financial point ofview, the Share Exchange Ratio recommended by the Valuer in the Valuation Report is fair to the shareholders of Demerged Company.

7. Distribution of Fairness Opinion:

This Fairness Opinion is for the purpose of submission to Stock Exchanges and disclosure on the companies and Stock Exchange Websites as required under the requirements of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and shall not be disclosed or referred to publicly or to any third party other than the purpose as mentioned above.

Thanking You,

Yours faithfully,
For **Ashika Capital Limited**

ASHIKA CAPITAL LIMITED MUMBAI 400 021

Narendra Kumar Gamini
Vice President-MBD