

October 10, 2021

To,

Department of Corporate Relationship BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001	Corporate Relationship Department National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
--	--

Dear Sir/Madam,

Sub.: DEMERGER UPDATE PRESENTATION

Ref.: Scrip Code – 511431/VAKRANGEE

With reference to the captioned subject and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the DEMERGER UPDATE PRESENTATION considered in the Board Meeting of the Company held today on October 10, 2021.

Kindly take the above on your record.

Thanking you

Yours faithfully,

For Vakrangee Limited



Sachin Khandekar
Company Secretary
(Mem. No.: A50577)



Encl.: A/a

THE ASSISTED DIGITAL CONVENIENCE STORE



BANKING



FINANCIAL SERVICES



INSURANCE



ATM



ONLINE SHOPPING



ASSISTED ONLINE PHARMACY



BILL PAYMENT & RECHARGES



ASSISTED ONLINE TRAVEL SERVICES



ASSISTED ONLINE EDUCATION



ONLINE AGRICULTURAL PRODUCTS & SERVICES

VAKRANGEE LIMITED DEMERGER UPDATE

This presentation has been prepared by Vakrangee Limited (“Vakrangee” or “VL” or the “Company”) solely for your information and for your use and may not be taken away, reproduced, redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization or firm) or published in whole or in part, for any purpose. By attending this presentation, you are agreeing to be bound by the foregoing restrictions and to maintain absolute confidentiality regarding the information disclosed in these materials.

The information contained in this presentation does not constitute or form any part of any offer, invitation or recommendation to purchase or subscribe for any securities in any jurisdiction, and neither the issue of the information nor anything contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment on the part of any person to proceed with any transaction. The information contained in these materials has not been independently verified. No representation or warranty, express or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented or contained in these materials.

Any forward-looking statements in this presentation are subject to risks and uncertainties that could cause actual results to differ materially from those that may be inferred to being expressed in, or implied by, such statements. Such forward-looking statements are not indicative or guarantees of future performance. Any forward-looking statements, projections and industry data made by third parties included in this presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

This presentation may not be all inclusive and may not contain all of the information that you may consider material. The information presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed. Neither the Company nor any of its affiliates, advisers or representatives accepts liability whatsoever for any loss howsoever arising from any information presented or contained in these materials.

THIS PRESENTATION IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ELSEWHERE.

DEMERGER UPDATE

- 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.

BOARD DECISION ON DEMERGER:

**VAKRANGEE TO RESTRUCTURE ITS BUSINESS FOR SHAREHOLDER VALUE CREATION
TO DEMERGE ITS NON CORE BUSINESS OF E-GOVERNANCE AND IT/ITES AS A SEPARATE ENTITY
TO BE LISTED**

- Demerger to unlock the potential of the Core Vakrangee kendra Business in the current Listed entity.
- Current Listed Entity “Vakrangee Limited” to consist of 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.

PROPOSED DEMERGER STRUCTURE

PRE-DEMERGER



POST-
DEMERGER
ARRANGEMENT

1

**VAKRANGEE LIMITED –
CURRENT LISTED ENTITY**

2

**VL E-GOVERNANCE & IT
SOLUTIONS BUSINESS
DIVISION – TO BE LISTED**

POST-
DEMERGER
ARRANGEMENT

TO INCLUDE :-

- VAKRANGEE KENDRA BUSINESS (PHYSICAL OUTLETS)
- BHARATEASY MOBILE SUPER APP (DIGITAL PLATFORM)

TO INCLUDE :-

- E-GOVERNANCE BUSINESS
- IT/ITES BUSINESS
- IT EQUIPMENT PROCUREMENT & TRADING SERVICES

KEY FEATURES :

- ASSET LIGHT BUSINESS MODEL
- SCALABLE FRANCHISEE MODEL
- HIGH RETURN ON CAPITAL
- FREE CASH FLOW POSITIVE

KEY FEATURES:

- PROJECT BASED BUSINESS
- CAPITAL INTENSIVE BUSINESS
- WORKING CAPITAL INTENSIVE

PROPOSED DEMERGER STRUCTURE

VAKRANGEE KENDRA BUSINESS



Physical + Digital Platform (BharatEasy App)

Physical Platform :

- One of the Largest Physical Cash in Cash Out network in rural India
- Leading player in Financial Inclusion, 4th Largest White Label ATM operator
- Current network : 13,200+ Outlets
- Planned Target Outlets : Growth strategy 2.0
 - FY2022- 25,000 Outlets
 - FY2026 – 75,000 Outlets
- Total Transaction Value FY2021 : USD 5.2 Billion
- Total Transaction Value H1 FY22 : ~USD 3.0 Billion

Digital Platform :

- All-in-one Mobile Super App platform for all Customer needs. To leverage Strong Brand Recall in Rural India
- To Leverage Vakrangee Eco-System : Unique Proposition of Digital along with Physical: “Phygital”

E-Governance & IT/ITES Business



E-Governance & IT/ITES Business

- Established and proven track record in delivering time-bound ‘mission critical’ Government projects.
- Capabilities in entire value chain – right from data digitisation to technology Integration and IT Procurement management.
- End to End system integration work for complex IT transformation exercises and also help run efficient IT infrastructure procurement and trading services.

- **The Demerger will unlock value of both businesses and result in shareholder value maximisation.**
- We believe that both the businesses (Vakrangee Kendra Business as well as E-Governance & IT/ITES Business) require greater attention and possess growth potential, due to which the Company has decided for the segregation of the business.
- **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 segment 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.
- 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.**

POST DEMERGER :

VAKRANGEE LIMITED TO EMERGE AS PURE RETAIL CONSUMER CENTRIC BUSINESS

**RETAIL CONSUMER
CENTRIC BUSINESS**

**STRONG RURAL BRAND
PRESENCE**

**UNIQUE PHYSICAL +
DIGITAL PLATFORM**

ASSET LIGHT MODEL

**SCALABLE FRANCHISEE
LED MODEL**

**DEBT FREE BALANCE
SHEET**

**HIGH RETURN ON
CAPITAL**

**FREE CASH FLOW
POSITIVE**

**HIGH RETURN ON
EQUITY**

**VAKRANGEE LIMITED TO EMERGE AS ONE OF INDIA'S LARGEST RURAL DISTRIBUTION
PLATFORM ALONG WITH DIGITAL PLATFORM OF BHARATEASY MOBILE SUPER APP**

Sr. No	Particulars	Details
1	Brief details of the division(s) to be demerged;	<p>The Company has currently two business segments viz,</p> <ol style="list-style-type: none"> Vakrangee Kendra business which includes the Physical Kendra outlet business as well as the Digital Platform business of BharatEasy Mobile super app. E-governance & IT/ITES business. <p>The Demerged Company would demerge its E-Governance and IT/ITES division (hereinafter referred to as the "Demerged Undertaking") including all its assets, investments, liabilities, rights, benefits, interests and obligations (as specifically set out in the Scheme) to the Resulting Company and it would continue to run and operate the E-Governance and IT/ITES Division.</p>
2	Brief details of change in shareholding pattern (if any) of all entities;	<p>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.</p> <p>The overall economic interest of the equity shareholders of the Demerged Company shall remain the same in both the Companies. The post Scheme shareholding pattern of Demerged Company and resulting company will be as follows:</p>

DEMERGED COMPANY			RESULTING COMPANY		
Category	No. of Equity Shares	%	Category	No. of Equity Shares	%
Promoter	45,13,53,165	42.60	Promoter	4,51,35,316	42.60
Public	60,80,52,475	57.40	Public	6,08,05,248	57.40
Total	1,05,94,05,640	100.00	Total	10,59,40,564	100.00

Thank You