

August 24, 2020

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 - 400051
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Dear Sir/Madam,

Sub:- First Integrated Annual Report with Assurance from Independent Auditor Grant Thornton.

Ref.: Vakrangee Limited – Scrip Code – 511431/VAKRANGEE

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the 1st Integrated Annual Report and 30th Annual Accounts of the Company for the financial year 2019-20. The Integrated Annual Report has been sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

The Report is Vakrangee's 1st Integrated Annual Report. It covers information during the period 1st April 2019 to 31st March 2020. For the Report, we have adopted the Integrated Reporting <IR> framework of the International Integrated Reporting Council (IIRC).

Integrated Annual Report of the Company for the financial year ended March 31, 2020 is also available on the Company's website at the below mentioned link:
https://vakrangee.in/annual_general_meetings.html.

Thanking you,

Yours faithfully,

For Vakrangee Limited

Sd/-

Mehul Raval
Company Secretary
ACS:18300



THE NEW-AGE INDIA



2019 - 20
INTEGRATED
ANNUAL
REPORT



2019 - 20
INTEGRATED ANNUAL REPORT





New-Age India

The essence of Vakrangee lies in its unwavering determination to see that every Indian has the opportunity to benefit from financial inclusion and access to the global marketplace. As a means to achieve our goal, we have bundled modern-day conveniences into our new franchisee-model of Next-Gen Vakrangee Kendra. Providing access to services like Banking, ATM, Online Shopping, Online Pharmacy and other services to the underserved and unserved population of the country, our Next-Gen Vakrangee Kendras have truly promoted a New-Age India.

Our persistent efforts for financial, social and digital inclusion of the underserved and unserved population of India have been gaining ground. With only 3,504 outlets in FY 2018-19, we have now expanded to over 10,000+ operational outlets and are onboarding 24,000+ Next-Gen Vakrangee Kendras till date. By CY2020, we aim to expand to a proud network of 25,000 Next-Gen Vakrangee Kendras across India. We further plan to expand this network to 3,00,000 outlets by 2025.

Achievements, in the form of either rewards like "India's Top 100 Franchisees" or growing network of outlets, manifest confidence of our stakeholders in our highly-evolved business. Our asset-light franchisee-based model, robust debt-free balance sheet, strong governance system, and resolute focus on creating environmental and social value for our stakeholders resonate with the opportunities and enablers offered in a New-Age India.

Our business is guided by our long-term vision of being the most trustworthy physical as well as online convenience store across India. As a responsible organisation, we deliver our promise of financial, social and digital inclusion while respecting the environment and people. We strive to create maximum value for our stakeholders at minimal cost, whether economic, social or environmental. Our well-defined policies and robust governance system ensure that we are focused on our promise. From encouraging women's participation as franchisees to running a multi-speciality hospital, we believe that in a New-Age India it is imperative to do good while doing well.

ABOUT THE REPORT

Vakrangee Limited (Vakrangee's) Integrated Annual Report (Report) FY 2019-20 elaborates on the organisation's inclusive approach of creating value for stakeholders. The Report presents our governance, strategy, performance and outlook of business.

Scope

The Report is Vakrangee's first Integrated Annual Report. It covers information in the period of 1st April 2019 to 31st March 2020. For the Report, we have adopted the Integrated Reporting <IR> framework of the International Integrated Reporting Council (IIRC). The Report provides a comprehensive overview of how we create financial and non-financial value in terms of six capitals of <IR>, for our stakeholders. The six capitals are financial, manufactured, natural, human, intellectual, and social and relationship capital. In addition to an inclusive approach for economic, social and environmental impacts of the organisation, we aim to present our governance framework for robust business processes and long-term growth. The Report also includes method of engagement with identified key stakeholders and material topics discussed with them. It describes our corporate governance, risk management framework and strategies to mitigate risks.

Responsibility Statement

Vakrangee's senior management has reviewed the content of the Report, under the guidance of the Board. The Report's integrity, accuracy and completeness of information has therefore, been ensured.

Reporting Framework

Financial and statutory information reported is aligned to leading frameworks. It adheres to reporting requirements of Companies Act, 2013 and rules thereunder, the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements), Indian Accounting Standards (IndAS), the Global Reporting Initiative (GRI), the National Voluntary Guidelines (NVGs) for Business Responsibility Report (BRR) and UN-Sustainable Development Goals (UN-SDGs), among others. Similarly, non-financial information adheres to IIRC framework.

Reporting Boundary

The Report presents information on business activities and their role in creating value over the short, medium and long term, and therefore, is material to our stakeholders. In addition to information related to corporate office, we have also provided an overview of Next-Gen Vakrangee Kendras, evaluated from our survey of 503 franchisees.

Independent assurance

We have reported performance of six capitals in terms of Key Performance Indicators (KPIs). Grant Thornton India LLP has provided a limited assurance as per ISAE3000 and Type 1 moderate assurance as per AA1000AS assurance on select KPIs for FY 2019-20. They are mentioned in the assurance statement, which also forms part of the Report.

IN THIS REPORT

CORPORATE OVERVIEW

- 1 --- New Age India
- 2 --- About the Report
- 3 --- FY 2019-20 Highlights
- 4 --- Message from Chairman
- 6 --- Message from Managing Director & Group CEO
- 10 -- About Vakrangee
- 18 -- Board of Directors
- 20 -- Corporate Structure
- 21 -- Our Key Management
- 22 -- Corporate Governance
- 26 -- Rewards and Recognitions
- 26 -- Membership of Associations

STRATEGY AND PERFORMANCE

- 28 -- Stakeholder Engagement and Materiality
- 32 -- Value Creation Model
- 34 -- Business Risks and Opportunities

Performance of Capitals

- 42 -- Financial Capital
- 46 -- Manufactured Capital
- 50 -- Human Capital
- 66 -- Intellectual Capital
- 72 -- Social and Relationship Capital
- 86 -- Natural Capital

98 -- *SDG Mapping*

100 -- *GRI Content Index*

104 -- *Assurance Statement*

STATUTORY REPORTS

- 112 - Management Discussion and Analysis
- 130 - Directors' Report
- 166 - Corporate Governance Report
- 182 - Business Responsibility Report

FINANCIAL STATEMENTS

- 192 - Standalone Statements
- 248 - Consolidated Statements

FY 2019-20 Highlights

ECONOMIC PERFORMANCE

Total Income

INR 76,270
Lakhs

PAT

INR 7,128
Lakhs

EBITDA

INR 10,124
Lakhs

Dividend Payout Ratio

37.2%

Total Next-Gen Kendras
(Operational)

10,000+

White Label ATMs

4,506

Presence in

6,150
Postal Codes

Total Employees

1,362

ESG PERFORMANCE

Male:Female Ratio for
Corporate Headquarter

2.79:1

Male:Female Income
Parity

1.45:1

% of Females at Corporate
HQ

26.33%

% of Females:
Management Council

28%

Next-Gen Outlets in Tier V
and Tier VI

> 70%

Next-Gen Kendras in LWE
and Tribal Districts

1,977

Next-Gen Kendras owned by:

Women: **1,048**
Divyang: **907**

Franchisees trained in
advanced technology

10,000

Percentage of Energy
from Solar

15.21%

GHG Emission avoided
through use of
Renewable Energy

47.527 MTCO₂e

Paper Saved

248.47 MT

Suppliers Assessed on
ESG impact

7

Skill Development
Training

> 608 hours

Instances of Data Breach

0

CSR Expenditure

INR 84.85
Lakhs

Investment in R&D and
advanced technology

INR 200
Lakhs



Chairman Message

Dear Stakeholders,

I have been part of the Vakrangee group for quite some time, but have recently taken charge as the Non-Executive Chairman, from January 2020 onwards. With my new stint, I share the same vision as of Dinesh's and we look forward to creating a vast network of Digital convenience stores across the country with onboarding of 3,00,000 Kendras by 2025. The last financial year has been very fruitful and we have expanded our network across 30 states in the country by setting up more than 10,000 Kendras. We aim to become India's No. 1 retailer for facilitating universal financial, digital and social inclusion. We have aligned our growth plans in line with the bold ambition of Indian government and dynamic demands of the young demography.

While I write this letter, the world is undergoing through a huge disruption caused due to the COVID-19 pandemic. Our economic activity has also been affected largely because of the uncertainties prevailing across the globe, and from where we stand currently, it seems this situation is going to stay here for some time now impacting all the segments of the society and every economic activity. While the current crisis is unprecedented, we also firmly believe that on the other side of every crisis is an opportunity; we are working resolutely towards capturing the same. It is my pleasure to inform you all, that during the lockdown, our Kendras have functioned in all the locations and have taken every possible step to fulfil the customers' requirements. I am pleased to witness how our 10,000+ kendras have been serving the citizens of our nation and helping them get access to key essential services like Banking, ATM and Tele medicine consultation services.

Novel Coronavirus has made us redefine our risks evaluation and mitigation strategies for the organisation. The pandemic has also accelerated the pace of change and has led to a paradigm shift in the business operations. It is also providing a thrust to carve out an innovative path towards a technological and operational evolution, which at present, is difficult to envisage. At Vakrangee, we had foreseen the supply chain disruptions and with robust Risk management practices in place, Company had already begun the preparation since the start of this COVID-19 pandemic situation when the total nationwide lockdown started on the future requirements of key equipment's. The company is now well placed to deliver on the growth strategy with a clear visibility of onboarding 24,000+ outlets till date, in addition to the 10,000+ operational outlets.

“ We have expanded our network across 30 states & UT in the country by setting up more than 10,000 Kendras. We aim to become India’s No. 1 retailer for facilitating universal financial, digital and social inclusion. ”

It is very heartening to see that Vakrangee is taking the financial and digital literacy to the bottom of the socio-economic pyramid and serving as the last-mile link to connect India’s unserved and underserved rural and urban citizens by offering them the same products and services at the same time, competitive price and same service levels. Our Company is acting as the biggest equaliser by bridging the gap between the urban and rural population in India.

Vakrangee has always been a Responsible and Socially Conscious Company with a focus to serve the unserved and focused on building a sustainable business model. We have mapped our sustainability initiatives with the United Nation’s Sustainable Development Goals. The Company aim is to efficiently adopt these goals and address the global challenges, which includes poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.

Vakrangee is committed to ensuring that the corporate governance framework, policies and practices are of a high

standard and is aligned to emerging governance trends and meeting stakeholder expectations. Our Integrated Annual report is one of the key step towards enhancing our disclosures and explaining all our stakeholders about the interactions between financial, Environmental, Governance related and societal factors and underline their influence on our company’s long-term success.

I would also like to express my sincere gratitude to our stakeholders and their confidence in us. This is one of the factors which encourages us to push our limits, innovate and reach the last mile throughout the length and breadth of our country.

Sincerely,

Ramesh Joshi

(Non-Executive Chairman)



MD and Group CEO Message

Dear Stakeholders,

It is my pleasure to present to you our first Integrated Annual Report. Since Vakrangee's inception, it has been our sincerest endeavor to steer the organisation to excellence. The past financial year too, was no different. Service to underserved and unserved has always been at the heart of Vakrangee. This year, we have reinforced our belief of service through a holistic and thriving viewpoint of "value". In the Integrated Report, we aim to present how Vakrangee creates and sustains value through expanding network, new partnerships, leveraging technology or supporting employees across the country.

For Vakrangee, FY2020 was a year of scaling up our transformational journey which we initiated last year. During the year, we significantly scaled up our highly recognisable "Next-Gen" format Kendra network to more than 10,000+ Operational outlets as compared to 3,504 operational outlets in FY2019. Further, another 24,000+ outlets till date, are under On-Boarding process and would soon become operational. These stores are exclusive unified branded stores for delivering a consistent consumer experience and well-defined service levels. During the year under review, we successfully reached 10,000+ Next-Gen Vakrangee Kendras, spread across covering 30 states and Union Territories, over 500 districts and 6,150 postal codes. Out of these outlets, 70% outlets are in Tier V & VI cities.

Vakrangee aims to become India's No. 1 retailer for facilitating universal financial, digital and social inclusion. We facilitate inclusion through innovative ideas and proven modern technologies, at our outlets or "Next-Gen Vakrangee Kendras". Our vision is now set to create the world's largest franchisee based distribution channel in India. Our planned target is to have a last mile presence across all postal codes, covering each and every Gram Panchayat in the country.

It was also a year in which we enhanced our services portfolio significantly, bringing the widest range of options to our customers, while giving our franchisees a much faster path to breaking even and profitability. During the year we introduced affordable vHealth by Aetna (A CVS Health Company) telemedicine services to our customers in underserved rural locations. The service is set to give patients in rural locations a very different experience when they see a doctor, to listen to their concerns, and do a virtual consultation and will help reduce the need for physical consultations by over 70%. Further, we

“Service to underserved and unserved has always been at the heart of Vakrangee. This year, we have reinforced our belief of service through a holistic and thriving viewpoint of “value”.

shall also be able to arrange home blood tests and doorstep delivery of medicines through vHealth's partner network. With this partnership, we have expanded the range of services available at our exclusive Nextgen Vakrangee Kendras making them into a one stop shop for all the Healthcare requirements of our customers.

Further during the year we renewed our key Licenses and partner agreements such as the ATM license from the Reserve Bank of India(RBI), Agreement with Amazon as well as some more new partnerships such as with Chhattisgarh Rajya Gramin Bank for banking BC points and Corporate Agency tie up with Life Insurance Corporation of India (LIC) to distribute Micro Insurance products through Nextgen Vakrangee Kendra network. As we move forward to expand our new breed of Kendra across India, I believe that our growing network will benefit immensely from a regimented degree of standardisation and consistency, in terms of the quality of our facilities, and in terms of the service levels we offer our customers. In January 2020, we were also nominated in “India's Top 100 Franchisees” list by the Franchisee India magazine. Such acclamation motivates us to continue creating value for our stakeholders.

Being a Responsible and Socially Conscious Company

At Vakrangee, we have always attempted to be a Responsible and Socially Conscious company. Through our network of kendras, we are taking the financial and digital literacy to the bottom of the socio economic pyramid and serving as the last-mile link to connect India's unserved and underserved rural and urban citizens by offering them the same products and services at the same time, competitive price and same service levels. We are acting as the biggest equaliser by bridging the gap between the urban and rural population in India

FY 2019-20 was a year of strengthening our network of Next-Gen Vakrangee Kendras, and of re-assessing our priorities. Vakrangee is committed to protect the environment, promote human rights and good governance. Our environmental, social and governance framework is founded on the concept of overall sustainable development of the economy. We revamped our policies and disclosures that determine all major decisions and actions of the Company. Taking a more holistic viewpoint, we formed new policies such as environment policy, GHG reduction policy, human rights policy, data privacy policy and business continuity policy, to be maximize our positive impact on stakeholders.

During the year, in recognition of our superior Environmental, Social and Governance models, Our Company Vakrangee Limited (VL) has been globally ranked No.1 in the Sustainalytics ESG Risk rating rankings out of the 668 companies assessed in the Software and Services industry across worldwide. Sustainalytics is a global leader in Environment, Social and governance (ESG) and Corporate Governance research and ratings. Sustainalytics has recognised the company's leadership in sustainability-related matters by giving a score of 7.4 Negligible in ESG risk rating.

We are honoured and excited to receive this rating from Sustainalytics. This rating is a validation of our belief and commitment to our Business model of Nextgen Vakrangee Kendras. Also, Our Company has been accepted as a Signatory of the United Nations Global Compact. We are now part of a global network of over 9,500 companies and 3,000 non-business participants that are committed to building a sustainable future.

Our Business strategy has been mapped with the sustainability initiatives along with the United Nation's Sustainable Development Goals. The UN SDG goals are interconnected, and we intend to implement them in order to make the world a better place. We believe that businesses can have a positive impact on the societies they serve.

Empowering the Economy through Financial, Social & Digital Inclusion

In its National Strategy for Financial Inclusion 2019-24, the Reserve Bank of India (RBI) recommended universal access to financial services. In other words, a formal financial service provider should be accessible to every village within a 5 km radius. Furthermore, customers should be on-boarded for financial services through a hassle-free digital process.¹ RBI's recommendation is an impetus for Vakrangee to establish outlets in the remotest locations of the country.

Our growth plans are in line with the bold ambition of Indian government and dynamic demands of the young demography. As a fully digitised outlet, we create value for customers in a hassle-free system. In addition, we aim to curate a purposeful portfolio of conveniences for India. Whether it is opening bank accounts under Pradhan Mantri Jan Dhan Yojana or enrolling citizens for Jeevan Jyoti Beema Yojana, we strive to provide benefits to as many citizens as possible. Similar to our assisted online shopping service with Amazon, we tied up with vHealth by Aetna in FY 2019-20 for assisted telemedicine services to the underserved rural locations.

We have emerged as the fastest growing and 3rd largest White Label ATM player in the country. As per Grant Thornton report "Financial Inclusion in Rural India", In the ATM segment, rural share of public sector banks is 20%, in private sector it is 9%. However, the rural share of White Label ATM is 49%. Thus, this indicates that WLAs have a larger presence across Rural India. Our Company has a major share of 66% in Rural India and we have emerged as the 13th largest ATM operator in India. In Rural India we are the 3rd largest ATM operator behind only SBI and Tata Indicash as per the Grant Thornton Report.

Impact of Covid-19 on Business Operations

During COVID pandemic, we have been successful in opening more than 10,000 of our outlets during this period of lockdown since we have been providing essential services. However, the service offering at our outlets was limited as majorly only Banking and ATM services were operational whereas other key services like Online shopping, online pharmacy, Travel services and Logistics were closed due to on ground delivery challenges and travel ban amidst Lockdown. Further in Banking services, we witnessed lower ticket size transactions and absence of deposit transactions whereby only withdrawal transactions were in focus during the said period.

This makes us one of the very few companies globally who are operational during a lockdown and providing key emergency and essential services to the citizens in the most environment friendly manner at the remotest parts of the country thereby

servicing unserved and underserved parts of the country. At the same time, health of our franchisees and customers is important to us and all our Vakrangee Kendras are maintaining complete safety protocols and also maintaining proper hygiene at the outlets.

We believe our Brand awareness and store awareness has increased significantly during this period of COVID-19 pandemic as our kendras have been open and are providing key essential services in their neighborhoods, due to which we believe we shall emerge as the store of choice for our customers for all their Essential needs. Further, now as the situation improves and unlock 1.0 has begun since 8th June, we expect our services to normalize over the next couple of months and business growth momentum to improve going forward. Due to our enhanced visibility during this lockdown period and an aggressive marketing campaign done over the last 6 months, the Company has received an overwhelming response on the same and has received huge number of new enquires for NextGen Vakrangee franchisee model.

Further, Under Pradhan Mantri Mudra Yojana (PMMY) the Banks have started to extend finance to the micro enterprises which are in the business of manufacturing, trading and service sector in rural, urban & metro areas.

I am pleased to share that our company has entered into a partnership arrangement with Union Bank of India (UBI) to provide the loan facility for Pan India Nextgen Vakrangee Kendra franchisees. The bank is now offering a special product for our franchisees under Union Mudra Scheme. Union Bank of India has an overall planned outlay of Rs. 2,000 crore and sanctioned the outlay of Rs. 800 Crores (first tranche) under Union Mudra Scheme for Nextgen Vakrangee Kendra franchisees. The Loans covered under MUDRA scheme are collateral free loans. This is a huge boost to our potential franchisees, thereby easing the On-Boarding process for our potential franchisees. The company believes and is very confident to achieve its store expansion targets well before the stated timelines. The Company has a planned target of opening 3,00,000 outlets by 2025 and will be opening in a batch of 25,000 each. Due to the overwhelming response received on the new enquiries, the Company has already initiated the on-boarding to Go-live process of these outlets and have already begun the preparation on key requirements to achieve this feat.

Impact of COVID-19 on Supply Chain and Pro-active Measure Taken

There has been disruption in the supply chain and few challenges in the procurement of the Hardware equipment's for the kendra outlet. Most of these equipment's are imported and are assembled in India. In the current environment, we expect atleast 25-30% price hike in the case of hardware equipment's. However, with robust Risk management practices in place,

¹ Last accessed on 12th July 2020.

https://www.business-standard.com/article/finance/rbi-unveils-5-yr-financial-inclusion-strategy-here-re-key-recommendations-120022100029_1.html.

Company had already begun the preparation since the start of this COVID-19 pandemic situation when the total nationwide lockdown started on the future requirements of key equipment.

We have leveraged our Strong balance sheet to support our vendors financially in this moment of crises, to meet our projected requirements as well as have successfully ensured an uninterrupted supply of Software and Hardware equipment's without any material price impact. It gives me immense pleasure to share that we have the software and hardware procurement well in place for another batch of 25,000 Kendras. This would give us a huge advantage in our industry segment as our franchisee viability would be much better as well as initiation process would be quick and unaffected due to any supply chain constraints in the near future.

Financial Results

I am pleased to report to you that, despite a year of major transformation and Kendra upgradation, your Company attained a commendable total revenue of Rs. 762.70 crore, and Profit After Tax (PAT) at Rs. 71.28 crore. Our PAT has increased by 182% as our Gross margins have normalized post up-gradation to the NextGen format stores as well as robust cost control measures in place.

I am pleased to inform you that early indicators show encouraging financial performance coming out of the new format Kendras. Operating under three different models – 'Gold', 'Silver' and 'Bronze', all these new Kendra models come with advanced technological capabilities and are crossing break-even points well within 18-24 months of starting. The profitability of these Kendras has also improved significantly, due to the service levels extended through these models; greater foot falls; and higher customer satisfaction. Overall, we attained a count of 10,000+ operational outlets as of FY2020, with approximately ~303.7 billion throughput (for FY2019-20) based on close to ~96.8 million transactions taking place on an annual basis on our Next-Gen platform. Due to an increase in the footfalls in the outlets and upgraded quality of services, these franchisees are reaching their break-even point very quickly as compared to the old format Kendras. Our franchisee-based network is founded on an asset-light model, and we are adequately resourced to scale our network without the support of any debt. As we expand our operational Next-Gen Kendra outlets significantly over the next financial year, I would expect our top and bottom lines to also improve commensurately over the current and ensuing financial years.

Closing remarks

We maintain our long-term vision of becoming the most trusted physical and online convenience store across India. With a unique franchisee-driven business model developed over a period of time, we are confident in our mix of ingredients to achieve our vision while scaling our transformation.

In closing, I would like to welcome Mr. Ramesh Joshi, the new Chairman of Vakrangee. We have successfully implemented the Kotak committee recommendations in Pursuance of Highest standards of Corporate governance and In Line with SEBI's revised Listing Obligations and Disclosure Regulations with regard to separation of roles of Chairman and Managing Director, and that the persons holding these responsibilities should not be related to each other. Also, as per the said clause the Chairperson of the Company has to be a non-executive director.

Mr. Ramesh Joshi, in his distinguished and illustrious career sprawling over 40+ years, he has held several leadership positions in the Reserve Bank of India and has been Nominee Director on behalf of RBI on the Boards of Various Banks, and retired as an Executive Director of SEBI. He will serve as a mentor and continue as a Guiding force on issues presented to the Board, especially in the areas of Corporate Governance practices and all type of Business Risk assessment & Mitigation initiatives. We look forward to working with him and have faith in his ability to steer Vakrangee to become a highly respected Indian corporate.

Also, I would like to welcome Mr. H.C Mittal, our newly appointed Independent director which will further strengthen our Board independence and enhance our corporate governance standards. Mr. Mittal has a rich experience of over 37 years in the field of Banking and Financial inclusion where he has held several positions and headed several projects at Union Bank of India. He would add value and be a guiding mentor for us in the field of Banking and Financial Inclusion.

I would like to take this opportunity to thank our shareholders and employees for their contribution and support. We also thank our franchisees and business partners for their perpetual support and faith in realising Vakrangee's dream.

Warm Regards,

Dinesh Nandwana

(Managing Director and Group CEO)

About Vakrangee

'A promise to unserved' resonates with our purpose. We aim to provide every Indian an opportunity to benefit from financial, social and digital inclusion, and facilitate access to the global marketplace. We strive to connect the unserved and underserved rural, semi-rural and urban India with modern-day essential products and services. We leverage our experience, expertise, scale, technology, partnerships and local know-how to create meaningful and impactful transformations in economy.

As a responsible and socially conscious Company, we facilitate financial and digital literacy at the bottom of the pyramid. We strive to empower rural citizens, promote entrepreneurship, generate employment, develop professional skills and raise standard of living of stakeholders.

Over the past 26 years, we have persevered to bring the best offers to our customers while cultivating cordial relations with other stakeholders. As a result, we have been able to not only boost customer satisfaction but also built strong partnerships with our stakeholders.

VISION

Vakrangee aims to be the most trustworthy physical as well as online convenience store across India. We will keep expanding this network until we are in close proximity to the last excluded person within the country.

MISSION

Vakrangee intends to become India's No. 1 retailer by offering innovative ideas and proven modern technologies for facilitating universal financial, digital and social inclusion.

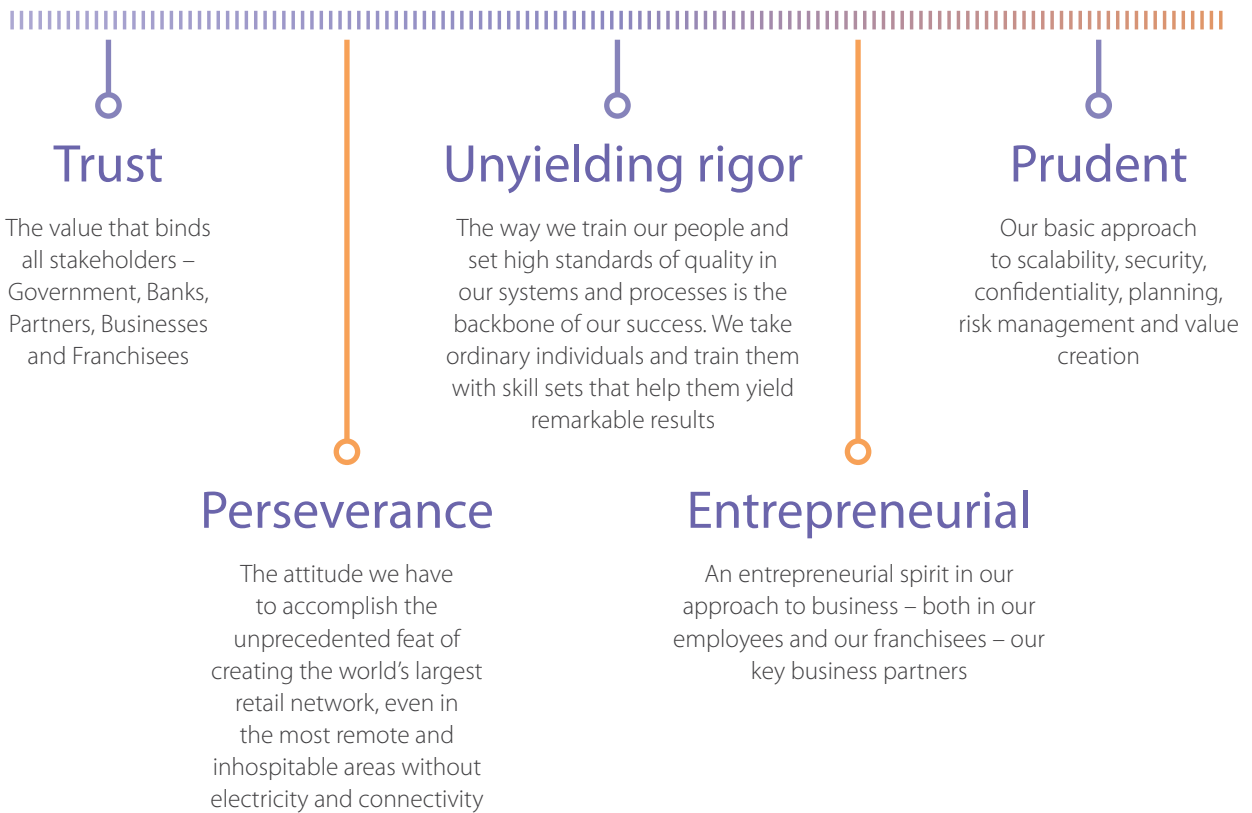
BRAND PROMISE

Vakrangee aims to be the most trustworthy local convenience store across India. We promise to give every Indian, their rightful access to a wide range of modern-day products and services, which are reasonably priced and of high quality. We also aim to be present within a short travelling distance of every Indian and will continue to keep expanding our network until we are close to the last excluded person within the country.



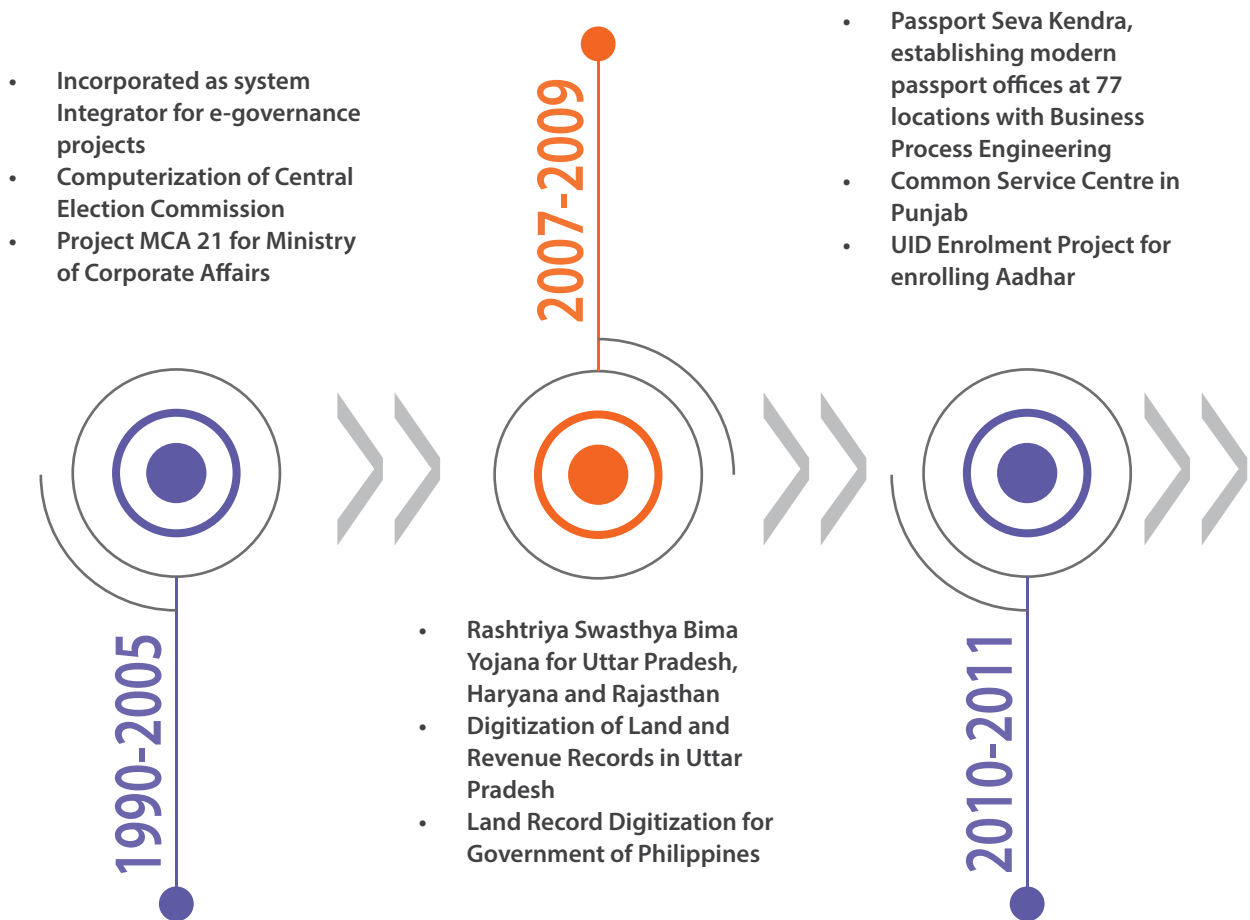
OUR BRAND PRINCIPLES

The core of our organisation lies in our brand principles. We inculcate our brand principles into every aspect of business operations in order to deliver our commitments effectively, efficiently and ethically. As a result, we continuously strike a balance between what we do and who we are.



Keeping with time

Following depict illustrates how we have evolved over time to serve citizens of India better. From being system integrator for e-governance projects in 1990s to establishing exclusive and standardized assisted digital convenience stores, we have developed unique solutions to provide modern-day essential services to the unserved and underserved people of the country.





Our Products and Services



We operate on an asset-light, franchisee-based business model to cater to the needs of its stakeholders. As a result, our franchisees own and operate relatively fewer capital assets. Our assisted digital convenience stores, called “Next-Gen Vakarangee Kendras”, act as one-stop solutions for multiple products and services. We have carefully curated an array of digital offerings including banking, finance, insurance, ATM, logistics, online shopping, healthcare, travel, telecom and bill payment services, to maximize benefits to people. Moreover, we enhance trust and loyalty of our stakeholders by offering the same product and services, at the same time, competitive price and same service levels.



BFSI

Banking services
Insurance services
Financial services



ATM

Financial Transactions
Non financial Transactions

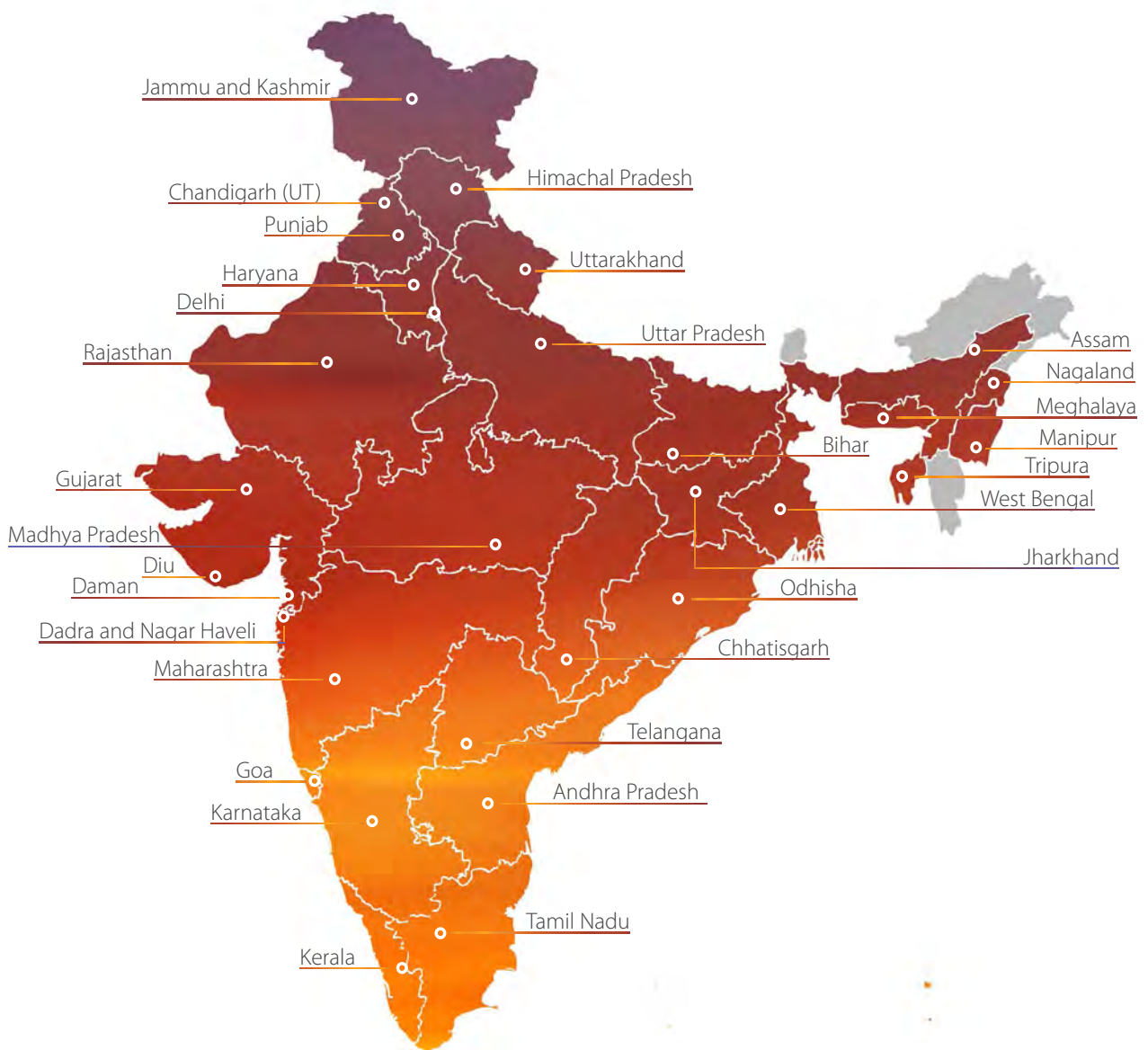


E-commerce and Logistics

Assisted online shopping
Assisted online healthcare
Assisted online travel services
Telecom and bill payment services
Logistics

Our Reach

Since 1990, we have been deepening its presence in India to offer urban convenience to the unserved and underserved. We are one of the largest franchisee network in India with over 10,000 Next-Gen Vakrangee Kendras located in 30 States and Union Territories, covering more than 500 districts and 6,150 postal codes. Around 70% of our presence is in tier V and tier VI locations. Furthermore, we aim to establish 25,000 Next-Gen Vakrangee Kendras by 2020. Following illustration depicts our presence across India.



* As of 30th June, 2020

* 10,000+ Operational outlets & 24,000+ outlets under on-boarding Process

Our Strengths

1

Tie-up with reputed partners and access to key licenses

- ◆ Portfolio of key licenses and robust partnerships strengthened over the past 25 years
- ◆ Diverse bouquet of products and services

Technology and integration expertise

- ◆ In-house proprietary technology platform
- ◆ Real-time transactions
- ◆ Pass-through server architecture for data security and privacy
- ◆ Over two decades of system integration capabilities
- ◆ Company's systems are integrated with core banking servers of the banks
- ◆ Pioneer in Aadhar-based biometric enabled banking

2

3

On-ground field presence till block level

- ◆ Robust on-ground presence to assist franchisees at block level
- ◆ Over 1,000 field-staff in state, division, district
- ◆ Efficient team of Block Area Managers
- ◆ Continuous support to franchisees for smooth operations and healthy sales generation

Size and scale with strong franchisee model

- ◆ Robust store economics for remarkable growth across all stores
- ◆ Scale leading to 'partner of choice'

4

Our Alliances

We not only collaborate with the best in the industry, but also assist our partners in reaching the underserved and unserved markets of India.

BANKING SERVICE



ATM



FINANCIAL SERVICE



INSURANCE SERVICE



ASSISTED ONLINE SHOPPING



ASSISTED ONLINE HEALTHCARE



TELECOM AND BILL PAYMENT SERVICE



ASSISTED ONLINE TRAVEL SERVICE



Board of Directors



RAMESH JOSHI Non-Executive Chairman

Ramesh Joshi has vast Industry experience and is a graduate in Economics and Law from the University of Nagpur. In his long and illustrious career sprawling over 40+ years in the apex Bank, he has held several leadership positions in the Reserve Bank of India (RBI), such as General Manager- Exchange Control Dept., Rural Planning & Credit Dept., and also served as Chief General Manager until year 2000, in the financial regulator of the Country. Vakrangee is also in the business of financial services such as Banking and ATM which is also regulated by RBI and his vast experience in same industry in which our company is into and also has the financial experience which help us in our business, processes, audit and other corporate governance practices. He has been Nominee Director on behalf of RBI on the Boards of various banks and financial Institutions viz, State Bank of Mysore, (1996-1998) Ind Bank Mutual Fund, Inter Connected Stock Exchange of India Ltd, Malaprabha Gramin Bank, Karnataka State Financial Corporation and Maharashtra State Financial Corporation (1998-1999) and retired as an Executive Director of SEBI in the year 2002. He has travelled abroad widely and currently is serving as a senior corporate consultant to multiple companies. He is on the Panel of Arbitrators for NSE, BSE, and MCX.



DINESH NANDWANA Managing Director and Group CEO

Dinesh Nandwana holds a Chartered Accountant degree from the Institute of Chartered Accountants of India. He drives and oversees the overall business at Vakrangee since its inception in 1990. He has been instrumental in moulding Vakrangee from a modest consultancy Company to a prominent force to be reckoned with. He has scaled the Company to a new orbit of growth. Astute and dynamic leadership qualities back his vast experience. Under his vision, the Company has set a track record for consistent and sustainable growth. As a frontrunner of the organisation, he ensures a tone of integrity and ethics across the operations and establishes the highest standards of corporate governance.



DR. NISHIKANT HAYATNAGARKAR Whole-Time Director - Research & Development

Dr. Nishikant Hayatnagarkar is a Doctorate in Computer Science from IIT Powai, Mumbai and is associated with the Company since 1994. He is a wellknown personality in the field of microchip designing. He has also developed a voice recognition system, which was widely used in various applications like Tele Banking, Tele Gas Booking, amongst others. and has also designed and developed a multi-lingual Keyboard and was a consultant to Media Labs Asia - Kamal Rekhi School for Information Technology (IIT Mumbai) for development of Multi-lingual data input device - Marathi language Key Board (Key - Lekh) and E-Lekh (Tablet based Marathi language Input).



SUNIL AGARWAL Non-Executive Independent Director

Sunil Agarwal has completed his Bachelor of Commerce and has over 35 years of strong experience in business management and administration. He is a successful businessman with good leadership qualities to control massive projects and explore new business opportunities.



B. L. MEENA Non-Executive Independent Director

B. L. Meena has rich experience of having worked in different Government departments in the field of audit and accounting, including being FNCO (Financial Controller) of Indian Railway Traffic Service where he served for 28 years. He has vast experience in the field of audit and accounting and is the guiding force to the Company specially in the areas of audit and accounting. He also helped the Company in setting up processes for the accounting and corporate affairs.



AVINASH VYAS Non-Executive Independent Director

He has extensive experience in audit certification for externally aided projects funded by foreign agencies such as the World Bank and its extended arms, JICA-japan international cooperation agency, KfW Germany amongst others. He holds a bachelor's degree in Commerce and is LL.B. (professional) which adds to his business acumen. He has been part of audit for various companies and which adds value to the Company. He serves as Chief Financial Officer (CFO) for Dinker Industries OPC Private Limited. His expertise into the financial industry sector and our business industry is also the same which helps a lot to our business.



SUJATA CHATTOPADHYAY Non-Executive Independent Director

Sujata Chattopadhyay is a Fellow member of the Institute of Cost Accountants of India and the institute of Company Secretaries of India and an Insolvency Professional. She has 30 years of rich experience across various industries and geographies. Presently in full time practice as a Company Secretary. She is an Independent Director at Polygenta Technologies Limited, Arysta Lifescience India, Steel Exchange India Limited, and Industrial Investment Trust Limited, IITL Projects Limited and Resident Director of Felguera Gruas India Private Limited.



HARI CHAND MITTAL Non-Executive Independent Director

Hari Chand Mittal is a postgraduate with a degree in Master of Commerce and a certified associate from Indian Institute of Bankers. In his long and illustrious career of more than 37 years with Union Bank of India, he has held several leadership positions including Mumbai and then entire Maharashtra under Pune Zone as Field General Manager, from where he retired on 31 July 2019. He possesses vast exposure and practical experience in various fields of banking administration, enriched by deep understanding of operations as well as finance, ranging from MSME, Retail, Agriculture and other fields like Foreign Exchange, Import / Export & Financial Inclusion. He has not only been a passionate banker but also a devoted administrator, motivational speaker, guide, mentor, leader, evaluator, team builder, friend, visionary and crisis manager throughout his career.



RANBIR DATT Nominee Director

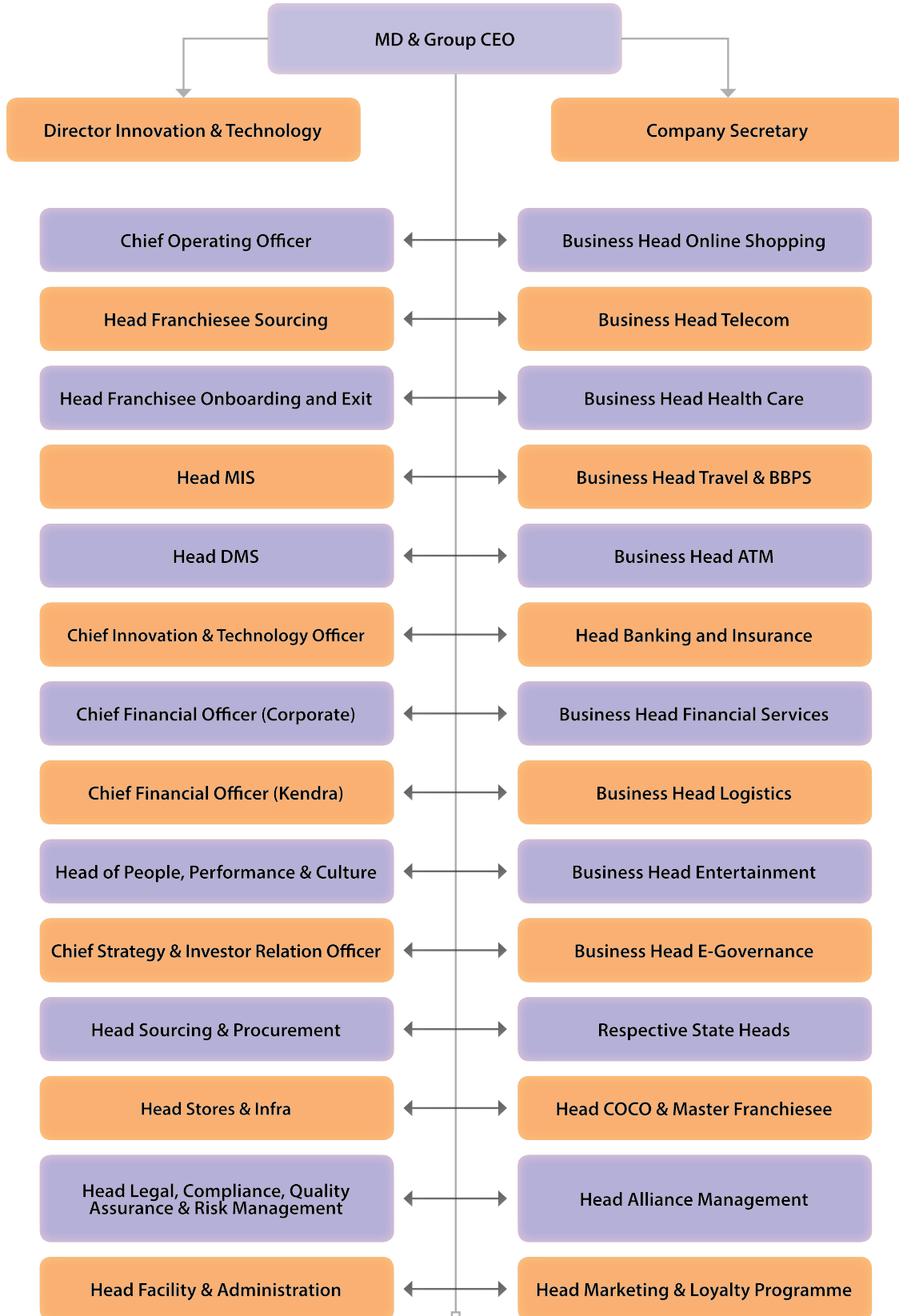
Ranbir Datt joined Life Insurance Corporation of India (LIC) as Assistant Administrative Officer in 1984. He worked as the Head of various channels in LIC of India viz., Department of Pension & Group Superannuation, Bancassurance, Micro Insurance, Office Service & Estates amongst others. He also worked in LICs vertical like LIC Housing Finance Ltd and LIC Nomura Mutual Fund. He was also in charge of two most significant Divisions at Nagpur and Karnal. He has experience of training at Director level. He has retired as Executive Director of Corporate Planning/New Projects.



ANIL KHANNA Non-Executive Director

Anil Khanna is currently the Non-Executive Director. Prior to Vakrangee, he has been in the position of Managing Director of Blue Dart Express Limited. He has 40 years of experience in various industries and has been with Blue Dart since 1992. Under his leadership and guidance, Blue Dart was able to broaden its strategic focus from being an air express Company to a full-fledged logistics organisation, offering a wide range of products and services, as well as Industry specific solutions in air and ground express segments.

Corporate Structure



Our Key Management

We take pride in exceptional leadership skills of its strong senior management. The senior management is key behind our strategic goals, focused deliverables, continuous success and steady growth. Our accomplished leadership determined to achieve our purpose are:



DINESH NANDWANA

Managing Director and Group CEO

Mr. Dinesh Nandwana has over 27 years of business experience. He drives and oversees the overall business at Vakrangee since its inception in 1990. He is fully committed and will continue to play an active role in Business strategy and operations. Mr. Nandwana has been instrumental in molding Vakrangee from a modest consultancy Company to a prominent force to be reckoned with. He has scaled the Company to a new orbit of growth. Astute and dynamic leadership qualities back his vast experience.

Under his vision, the Company has set a track record for consistent and sustainable growth. As a front-runner of the organization, he ensures a tone of integrity and ethics across operations and establishes the highest standards of corporate governance. He has received a CA Entrepreneur Path Breaker Award 2017 by Institute of Chartered Accountants of India and memento from the former Honorable President of India, Late Shri Shankar Dayal Sharma in 1996. Additionally, he is a recipient of the 'CA Business Leader - SME' (3rd Rank) award by the Institute of Chartered Accountants of India for the year 1997. Mr. Nandwana holds a bachelor's degree in Commerce from Rajasthan University and a Chartered Accountant degree from the Institute of Chartered Accountants of India.



DR. NISHIKANT HAYATNAGARKAR

Whole-Time Director - Research & Development

Dr. Nishikant Hayatnagarkar is a Doctorate in Computer Science from IIT-Powai, Mumbai. He is associated with the Company since 1994. He is a well-known personality in the field of microchip designing. Dr. Nishikant has developed a voice recognition system, which is widely used in various applications like Tele Banking, Tele Gas Booking amongst others. He has also designed and developed Multilingual Keyboard and is a consultant to Media Labs Asia – Kamal Rekhi School for Information Technology (IIT Mumbai) for development of Multilingual data input device – Marathi language Key Board (Key – Lekh) and E-Lekh (Tablet based Marathi language Input).

Corporate Governance

Our robust philosophy of corporate governance is founded on a rich legacy of fair, ethical and transparent governance practices. We believe that strong corporate governance shapes a Company, and promotes ethics, accountability and transparency in an organization. It equips us for long-term success and strengthens trust of our shareholders, employees, business partners, customers, franchisees and local community in our organisation. With strong corporate governance structure, guided by our inclusive policy, we continue to go from strength to strength.

Through the Corporate Governance structure, our Board, along with its Committees undertake fiduciary responsibilities for all stakeholders by ensuring transparency, fair play, independence in decision-making.

Adhering to our corporate governance policy, we respect and protect interests of our stakeholders. Shareholder returns, credit ratings, initiatives for Corporate Social Responsibility, Greenhouse gas emissions accounting and verification are few instances of our commitment to stakeholders and responsible business operations.

Our Board of Directors oversees the affairs of Company in the best interest of shareholders, providing necessary guidance and strategic vision. The Board meets at least 4 times in a year with a maximum time gap not exceeding 120 days intervening between two consecutive board meetings as per Section 173 of Companies Act, 2013 read with Regulation 17 of SEBI LODR 2015. We have identified following skills and competencies for effective functioning of the Company:

1. Knowledge on Company's business, policies and culture, major risks, threats and potential opportunities of the Company
2. Behavioral skills- attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
3. Business strategy, sales and marketing, corporate governance, forex management administration, decision-making
4. Technical/ professional skills and specialized knowledge in relation to Company's business

In this section, we present our corporate governance framework aimed to maintain the highest standards in business operations.

Corporate Governance Framework

Composition of Board

- Superior skills, diverse expertise and extensive years of experience
- 10-member Board with a good mix of both Executive and Non-Executive Directors including Independent Directors
- 6 Non-Executive Independent Directors (including 1 female Director), 1 Non-Executive Non-Independent Director, 1 Nominee Director (representing Life Insurance Corporation of India Limited, holding equity investment in Company) and 2 Executive Directors

Functions of Board

- Board of Directors are the backbone of a Company. They not only provide overall direction and formulate strategy for Company, but also establish management policies, govern overall business performance for optimal effectiveness. They ensure business operations serve long-term interests of stakeholders. They report to shareholders on their stewardship of Company
- Day-to-day operations of Company are driven by Managing Director and Group CEO, who reports to the Board of Directors

Performance evaluation

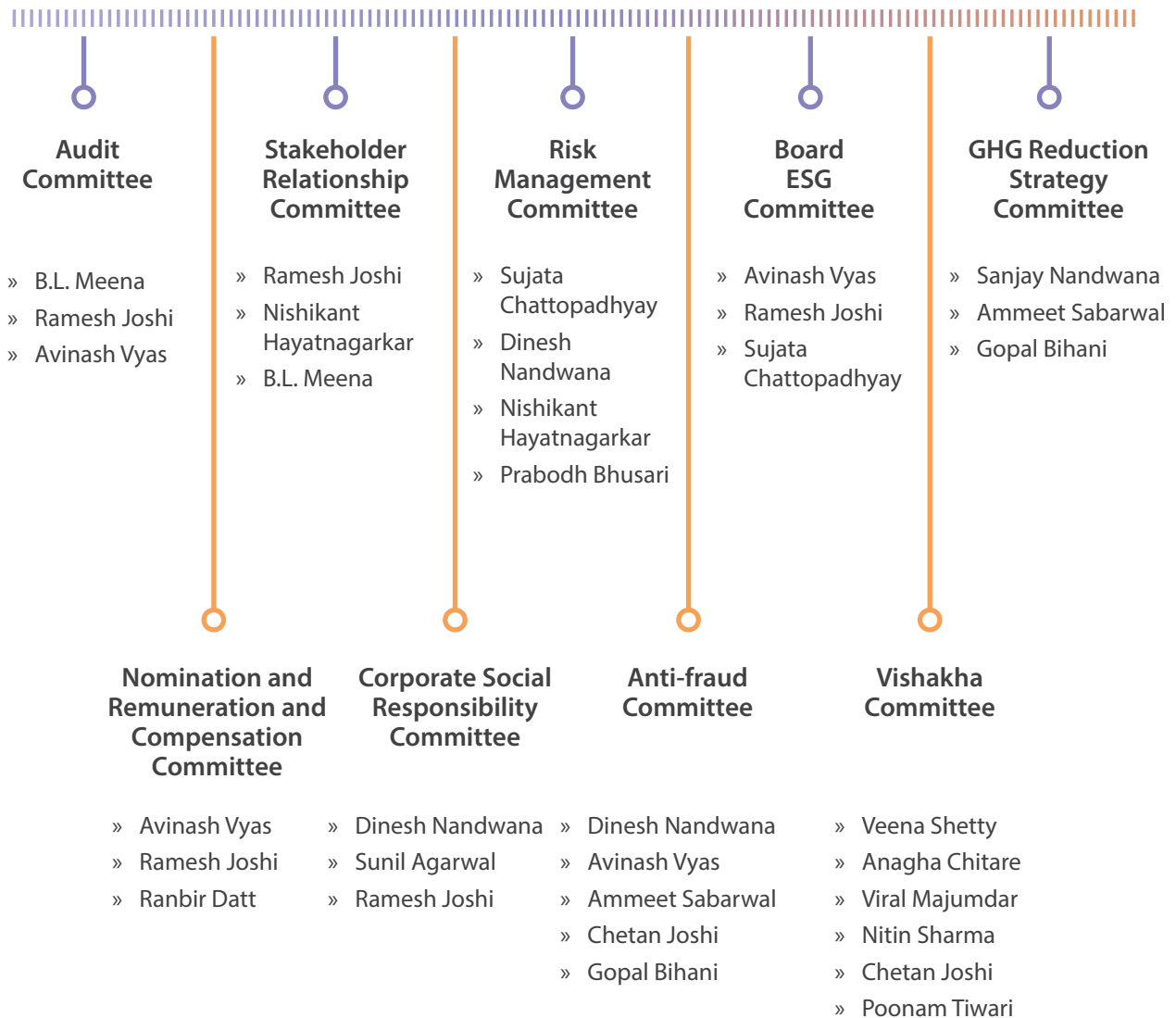
- The Nomination and Remuneration and Compensation Committee shall evaluate the performance of each Director, Key Managerial Personnel and Senior Management of the Company and rate his/ her performance
- The Board shall evaluate performance of the Independent Director in the same way as that of Executive Director of Company

Effectiveness of Board of Directors

- Effectiveness of the Board shall be measured on the basis of ratings given by the Nomination and Remuneration and Compensation Committee to each Director
- Accordingly, the Board shall decide on appointment, re-appointment and removal of the under-performing Directors of the Company

Board /Executive Committees

Board and other Executive committees deal with particular issues requiring extensive knowledge and specialized areas of expertise. For smooth functioning of business, we have formed the following internal committees:



Factsheet

Particulars	Response
Size of Board	10
Number of Independent Directors	6
Board orientation and education program	Yes
Annual review of independence of the Board	Yes
Separate Board Chair and CEO/ MD	Yes
Independent Board Chair	Yes
Charters for Board Committees	Yes
Independent Audit Committee	Yes
Number of financial experts on Audit Committee	3
Independent Compensation Committee/ Nomination and Remuneration and Compensation Committee	Yes
Number of Board meetings held in FY 2019-20	5
Independent Directors can hold meetings without the presence of Management	Yes
Tenure policy for Independent Directors	Yes
Holders of 15% / 10% of outstanding shares can call a special meeting	Yes
Annual Board and Committee evaluations	Yes
Annual Individual Director evaluations	Yes
Annual equity grant to non-employee Directors	No
Director stock ownership and holding requirement / ESOP policy	Yes
Executive stock ownership policy / ESOP policy	Yes
Corporate governance guidelines approved by the Board	Yes
Corporate compliance program	Yes
Standards of business conduct	Yes
Finance code of professional conduct	Yes

Rewards and Recognition

Our prestigious rewards symbolize our commitment to a valuable and growing organization. We have elaborated few recent achievements below:



Nominated in "India's Top 100 Franchisees" list by the Franchisee India Magazine in January 2020 edition



"Best Financial Services Retailer of the Year" at the Indian Retail Awards 2019

Membership of Association

We are member of the following major trade and chamber or association:

- ◆ Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- ◆ Confederation of ATM Industry (CATMi)
- ◆ National Association of Software and Services Companies (NASSCOM)
- ◆ CSC e-Governance Services India Limited
- ◆ Signatory member of United Nations Global Compact (UNGC)
- ◆ Member of Business Correspondent Federation of India (BCFI)

Corporate Information



Board of Directors

Ramesh Joshi

Non-Executive Chairman

Dinesh Nandwana

Managing Director & Group CEO

Dr. Nishikant Hayatnagar

Whole-Time Director

Sunil Agarwal

Non-Executive Independent Director

B.L. Meena

Non-Executive Independent Director

Avinash Vyas

Non-Executive Independent Director

Sujata Chattopadhyay

Non-Executive Independent Director

H.C. Mittal

Non-Executive Independent Director

Ranbir Datt

Nominee Director

Anil Khanna

Non-Executive Director

Chief Financial Officer

Subhash Singhania

Company Secretary & Compliance Officer

Mehul Raval

Statutory Auditor

M/S A.P. Sanzgiri & Co.

Chartered Accountants, Mumbai

Bankers

Union Bank of India

HDFC Bank Limited

Axis Bank Limited

IndusInd Bank Limited

ICICI Bank Limited

IDBI Bank Limited

Bank of Maharashtra

Bank of India

Allahabad Bank

Punjab National Bank

Bank of Baroda

Purvanchal Bank

Baroda Uttar Pradesh Gramin Bank

Chhattisgarh Rajya Gramin Bank

Rajasthan Marudhara Gramin Bank

Registrar

M/s. Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis,

Makwana Road, Marol, Andheri (East),

Mumbai, Maharashtra - 400059

Telephone No. : 022- 62638200

Fax No. : 022- 62638299

Email : info@bigshareonline.com

Registered Office

Vakrangee Limited

Vakrangee Corporate House,

Plot No. 93, Road No. 16,

M.I.D.C. Marol, Andheri (East),

Mumbai, Maharashtra - 400093

Telephone No. : 022-28503412 / 67765100

Email : info@vakrangee.in

Website : www.vakrangee.in



Stakeholder Engagement






An integral part of our values is trust, which acts as the foundation for the relationship we maintain with all our stakeholders including Government, Banks, Partners, Businesses, Franchisees and many more. Through our values and policies, we aim to foster entrepreneurial spirit in our employees as well as franchisees, who are our key partners.



We have formal mechanisms in place to ensure continuous bilateral engagement with key stakeholders to understand their expectations and concerns. We identify our key stakeholders based on their influence on our organization and extent of impact our operations have on them. All our key stakeholder groups participate actively in our materiality analysis exercise.

After identification of stakeholders, a formal engagement is carried out at a fixed frequency or as required. It also helps us in sharing information on its approach and actions in areas of stakeholder interest. We have multiple communication/engagement channels mentioned in the Stakeholder engagement framework below, which provide us with valuable feedback which are incorporated in our business decisions. We evaluate a variety of sources in order to obtain a precise picture of our stakeholder's concerns. This involves various communication channels like customer and employee surveys, meetings, specialist unit workshops and discussions with individual stakeholder groups.

Stakeholder Engagement Details for FY 2019-20

Stakeholder Group	Engagement Method	Key topics highlighted
 <p>Franchisees</p>	<p>A designated Relationship Manager present for each franchisee cluster, Regular store surveys to ensure franchisee and customer satisfaction, Field team on Ground, Webinars with Business Service Heads and State level or District level Franchisee meets with Senior Management including MD/CEO and State Heads</p>	<ol style="list-style-type: none"> 1. Marketing Support & Strategy 2. Training, guidance and support 3. Franchisee Satisfaction 4. Grievance addressal
 <p>Employees</p>	<p>Training & communications, Annual employee surveys, Mentorship programs and Employee affinity groups</p>	<ol style="list-style-type: none"> 1. Human Rights issues 2. Employee Engagement & Feedback 3. Operational aspects 4. Performance review 5. Talent development Training, skill development 6. Code of conduct and Business conduct processes and policies 7. Company business initiatives and strategies 8. Franchisee and Customer behavior and response towards Company's Business model

Stakeholder Group	Engagement Method	Key topics highlighted
 Business Partners	Regular Quarterly and ad hoc need based interactions with Business Service Partners and senior management, team webinars, training	<ol style="list-style-type: none"> 1. Service availability in remote locations 2. Service Manual and Training Guidelines 3. Customer reach and business sales targets strategy 4. Business risks and their mitigation strategies 5. IT related Integration; Data privacy and security
 Shareholders and Investors	Quarterly Conference call, press releases, analysts meet, one-on-one meetings, Board presentations, Annual General Meetings, Reports, Investor presentations on quarterly basis, Domestic as well as International Roadshows, Site visits	<ol style="list-style-type: none"> 1. Environment, Social and Governance strategy 2. Key company level Strategy and developments 3. Company Business Performance 4. Technological innovations 5. Shareholder voting rights
 Customers	Regular store surveys to ensure franchise owner and customer satisfaction, Chatbots and Virtual Assistant, SMS/ WHATSAPP Campaign for any offers or service introduction	<ol style="list-style-type: none"> 1. New services and offerings 2. Customer Grievance addressal and Satisfaction 3. Customer Queries 4. Data Privacy and Security
 Community	Monitoring of community interventions, CSR programs, recruitment of franchise owners	<ol style="list-style-type: none"> 1. Livelihood generation 2. Social Infrastructure development for local rural communities 3. Financial, social and Digital inclusion 4. Easy access to basic services like Universal Banking, Insurance and social security benefits through DBT (Direct benefit transfer)
 Suppliers and Vendors	Monitoring and review, regular meetings with Contract Manager – progress review meetings, technical review meetings, longer-term review and audits, Supplier code of conduct undertaking by the suppliers and vendors	<ol style="list-style-type: none"> 1. Product and service requirement 2. Quality Check and Pilot testing 3. ESG Compliance on the product (EPEAT certification) and of supplier and vendor 4. Performance review and audit survey review on supply chain monitoring 5. Performance review on product and service as per the requirement 6. Feedback on support and maintenance of the respective product or service 7. Grievance Addressal 8. Product Customization (Example ATM made Divyang friendly as well as paperless ATM customization done as per our discussion with Supplier OEMs.)

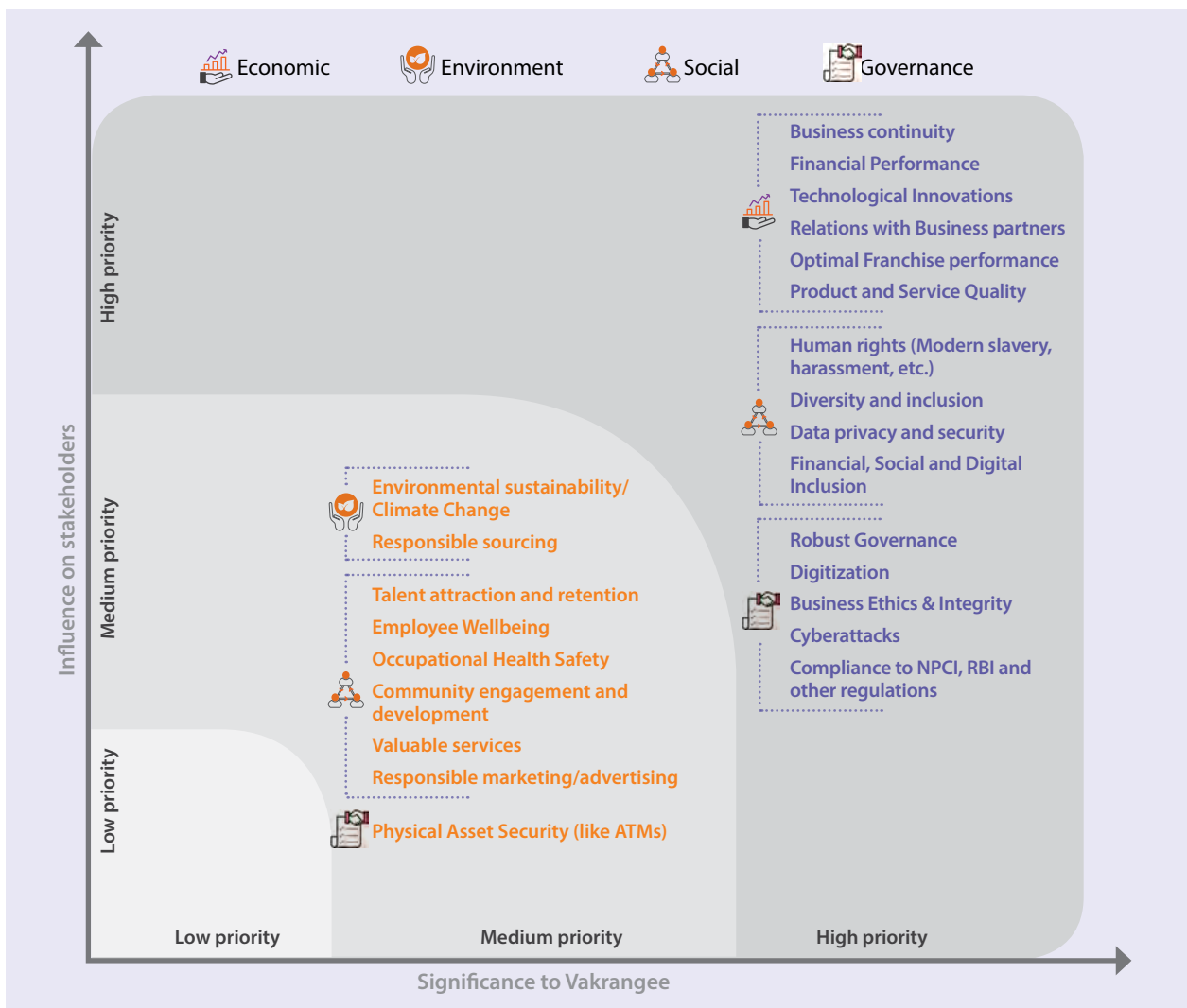
Stakeholder Group	Engagement Method	Key topics highlighted
 <p>Industry bodies (Confederation of ATM Industry, CATMi)</p>	Trade events, conferences, newsletter, publications, Interaction with regulatory bodies on an on-going basis through Industry body membership such as CATMI for ATM, BCFI, Meetings with NPCI (National payment corporation of India), Meetings with RBI	<ol style="list-style-type: none"> 1. ATM growth 2. Advocacy for best industry practices 3. Technological innovations in ATM industry 4. Education and training 5. WLA initiatives and Financial Inclusion initiatives 6. Financial and social inclusion initiatives in Rural India. 7. Industry feedback and expectation management on White label ATM business and Business correspondent banking services in India. 8. Industry representation to Reserve Bank of India (RBI) and DFS (Department of Financial services) 9. Prevention of any unethical practices if any and corrective strategy being implemented 10. Digital India, RuPay cards and ATM expansion initiatives
 <p>NGO, NPO and civil societies</p>	Monitoring of community interventions, CSR programs	<ol style="list-style-type: none"> 1. Healthcare access 2. Promoting education 3. Youth employment 4. Environmental sustainability
 <p>Government and Regulatory bodies</p>	Meetings and representation to Regulatory bodies on periodic basis, membership in associations	<ol style="list-style-type: none"> 1. Promotion of financial, social and digital inclusion 2. Industry feedback and expectation management on White label ATM business and Business correspondent banking services in India. 3. Industry representation to Reserve Bank of India (RBI) and DFS (Department of Financial services) 4. Review discussion with National Payments Corporation of India (NPCI) 5. WLA License renewal and periodic Audit performed by RBI

Materiality

We offer three business segment services in the last mile delivery retail outlets named – Next Gen Kendras. We offer Banking services, Insurance services, ATM services and Ecommerce & Logistics facilities at our Kendras through our partners. Hence these areas of operation have been the basis of determining the material topics for our business. By the materiality exercise, we aim to identify both the ESG risks and opportunities we face as a business. As part of our existing ongoing engagement with our stakeholders, we undertook our first materiality exercise in 2019, where our stakeholders communicated the material topics in relevance to their relationship with us.

The material topics constitutes areas of concern for both our key stakeholders and us. The materiality assessment was

carried out against the following filters – financial impacts & risks, legal drivers, internal policy drivers, peer performance and stakeholder concerns. We have engaged with our key stakeholders to discuss the material topics and captured stakeholder voting into high, medium and low priorities for each topic. The prioritization of the material topics was based on the impact on our business and significance to key stakeholders. The results of our materiality assessment were plotted on the Materiality Matrix in low-medium-high zone, wherein orange zone represent the high priority topics, blue zone represent the medium priority topics and white zone represent low priority topics. To assess the priority of each of these topics within the context of the company, we analyzed the materiality in relation to our goals and the expectations of our stakeholders.



Based on this prioritization, we have considered only the topics in the high and medium priority zone to be our focus material topics as detailed below. These focus material topics have been classified into economic, environment, social and governance aspects which are aligned with our business principles. Various sections in our report details our strategies and progress with respect to these focus material topics.

Value Creation Model

INPUTS



Financial Capital

- Paid-up capital – INR 1,05,94.05 lakhs
- Capital work-in-progress – INR 461.82 lakhs



Human Capital

- 1,362 employee strength
- 26.33% women at corporate HQ
- 2,511 hours of training for permanent ISO, induction and behavioural aspects, etc.



Social and Relationship Capital

- CSR expenditure – INR 84.85 lakhs
- Efficient grievance redressal mechanism



Manufactured Capital

- 10,027 Next-Gen Vakrangee Kendras
- Out of 91 LWE districts in India, employees available in 47 districts
- Out of 164 tribal districts in India, employees available in 56 districts



Intellectual Capital

- Implementation of advanced technology - IoT, VA, AR, Virtual Assistance, AI, ML, blockchain



Natural Capital

- Initiatives – Save paper, green building, green data centres, ISO certifications

HOW WE OPERATE

RISKS and OPPORTUNITIES

Rapid changes in technology

Geographical presence

BUSINESS ENABLERS

STRATEGIC FOCUS

Asset-light Business

Diversified business units

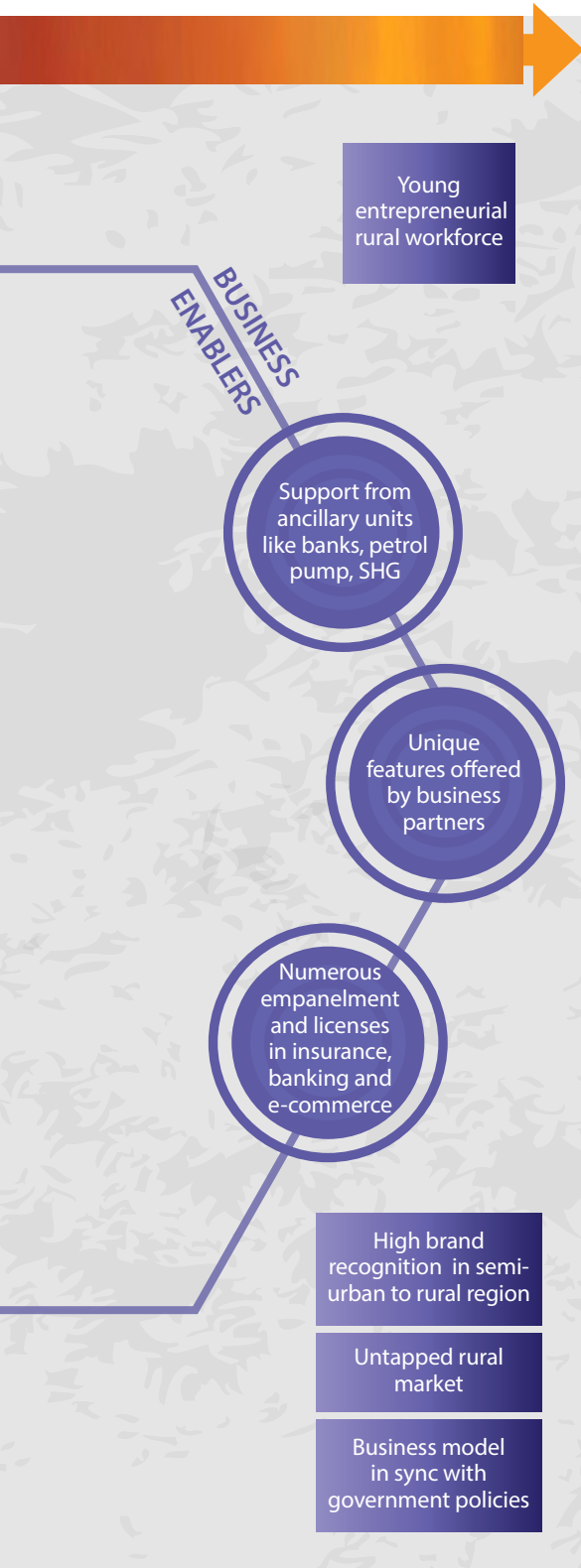
Exclusive technology platform

Heavy dependence on franchisee model

Rapid changes in government policies

Revenue-generating capability of Next-Gen Vakrangee Kendras

Workforce presence till grass-root level



OUTPUTS

OUTCOMES

- Revenue – INR 76,269.98 lakhs
- PAT – INR 7,128.00 lakhs
- Return on Net Worth – 2.72%



- Increase in profitability of business

- Diversity at workplace
- Voluntary attrition rate – 5.4%
- Average years of association – 3.71



- Equal opportunity at work
- Increase in motivation and employee satisfaction
- 67% employees feel happy and proud working with us

- Support from local community
- 0 complaints for breach of customer privacy from customers, third party, regulatory bodies and local community



- Strong relations with all stakeholders
- Enhanced trust of stakeholders

- One-stop shop providing access to varied products and services
- Number of outlets in:
 - » General districts – 8,050
 - » LWE districts – 619
 - » Tribal districts – 1,100
 - » Both LWE & tribal districts – 258



- Employment among local community

- Monitoring 10,027 outlets with IoT



- Robust systems and processes

- 44,091,588 paperless ATM transactions
- 49,622,241 paperless banking transactions
- Solar energy used for 15.21% electricity consumption at corporate office



- Natural resource conservation

Business risks and opportunities

Risk management framework

Today's business environment is fraught with risks and unexpected events that challenge business performance. With market conditions becoming more volatile and complex, it is imperative to identify risks proactively and respond to them suitably. To ensure sustainable business growth, and promote a proactive approach in evaluating, resolving and reporting risks associated with business, we have formulated a Risk Management Policy. Our policy adheres to Regulation 21 of SEBI LODR and RBI's guidelines on Risk Management in Banking Correspondence and White Label ATM (WLA) business.

Risk management is active identification, analysis, evaluation, treatment and documentation of risks that may pose a threat to our business. Our Board of Directors periodically review and evaluate risk management system of the Company. Similarly, our Head of Department is responsible for implementing the risk management system, as applicable, and report to the Board and Audit Committee.

For a comprehensive management of risks to organization, our Board shall:

1. Be responsible for framing, implementing and monitoring risk management plan for the Company;
2. Ensure that SOPs of all departments and verticals are prepared as per the best global practices and are compliant with ESG parameters and UN-SDGs and are free from any business or legal risks;
3. Define roles and responsibilities of Risk Management Committee and may delegate monitoring and reviewing of risk management plan to the Committee and such other functions as it may deem fit;
4. Ensure that the appropriate systems for risk management are in place;
5. Independent Directors shall help in bringing an independent judgement to bear on Board's deliberations on issues of risk management and satisfy themselves that the system of risk management are robust and defensible. They shall also participate in major decisions affecting organization's risk profile;
6. Have awareness of and continually monitor management of strategic risks;
7. Be satisfied that processes and controls are in place for managing less significant risks; be satisfied that

an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly; ensure risk management is integrated into board reporting and annual reporting mechanisms;

8. Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

We have constituted a Risk Management Committee with majority members of the Board of Directors. Composition of our Risk Management Committee is:

Name of Director	Designation
Ms. Sujata Chattopadhyay	Chairperson
Mr. Dinesh Nandwana	Member
Dr. Nishikant Hayatnagarkar	Member
Mr. Prabodh Bhusari	Member

Terms of references for the Risk Management Committee are:

- To ensure that all the current and future material risk-exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management.
- To establish a framework for the company's risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability
- To evaluate actual and potential Human Rights risk related to Data Privacy
- To verify the Human Rights Risk Assessment framework related to Data Privacy
- To monitor implementation of Human Rights Risk Assessment framework related to Data Privacy

- To report Human Rights Risk Assessment to the Board of Directors related to Data Privacy
- To evaluate actual and potential risk identified related to Human Capital
- To approve the action plan created as per the risks identified
- To monitor implementation of the detailed action plan
- To report the findings of Human Capital Risk Assessment to the Board of Directors.

The Committee shall have free access to management and management information. It shall meet at least once a year. Moreover, as its authority, it may seek advice of external experts or consultants, wherever judged necessary.

Furthermore, the Committee shall review the policy at least every year to ensure it meets the requirements of legislation and the needs of the organization. Once the risk management committee reviews risks, they are disclosed to all stakeholders.



While we have been proactive in mitigating risks, we have also been successful in transforming them into business opportunities. The most recent example is of how we transformed the business risk of COVID-19 pandemic into a profitable business opportunity. On 24th March 2020, our Honorable Prime Minister ordered a nation-wide lockdown to protect every Indian citizen from the fatal disease of COVID-19. Amidst nation-wide lockdown, we are committed to serve the nation through our essential services like banking facilities and ATM at over 10,000 Next-Gen Vakrangee Kendras. Our Business Correspondents are offering banking services by distributing government subsidies at the doorstep of Jan Dhan Account holders in remote locations across the country. Furthermore, to eliminate the need for citizens to travel, we have successfully deployed mobile van facilities across Mumbai Metropolitan Region to provide essential services like banking, ATM, online pharmacy, telemedicine health services, mobile recharge and online shopping of groceries. We plan to extend mobile van services across India shortly.

“ We are committed towards our duty and responsibility to make sure that key services are available to the citizens. We believe at this moment of crises, it is our duty to help people and make these essential services available at the citizens to make their lives easier. ”

- Dinesh Nandwana
 Managing Director & Group CEO

Business risks

For long-term value, we anticipate risks threatening our development and that of our stakeholders, while capitalizing on new opportunities offered by a changing world. At Vakrangee, we have adopted formal and systematic approaches to mitigate our risks. We conduct risk assessments to identify and evaluate risks. The risk assessment involves a detailed study on threats and vulnerability resulting in risks and having the potential to affect our organisation.

Steps followed in assessing and evaluating risks are:



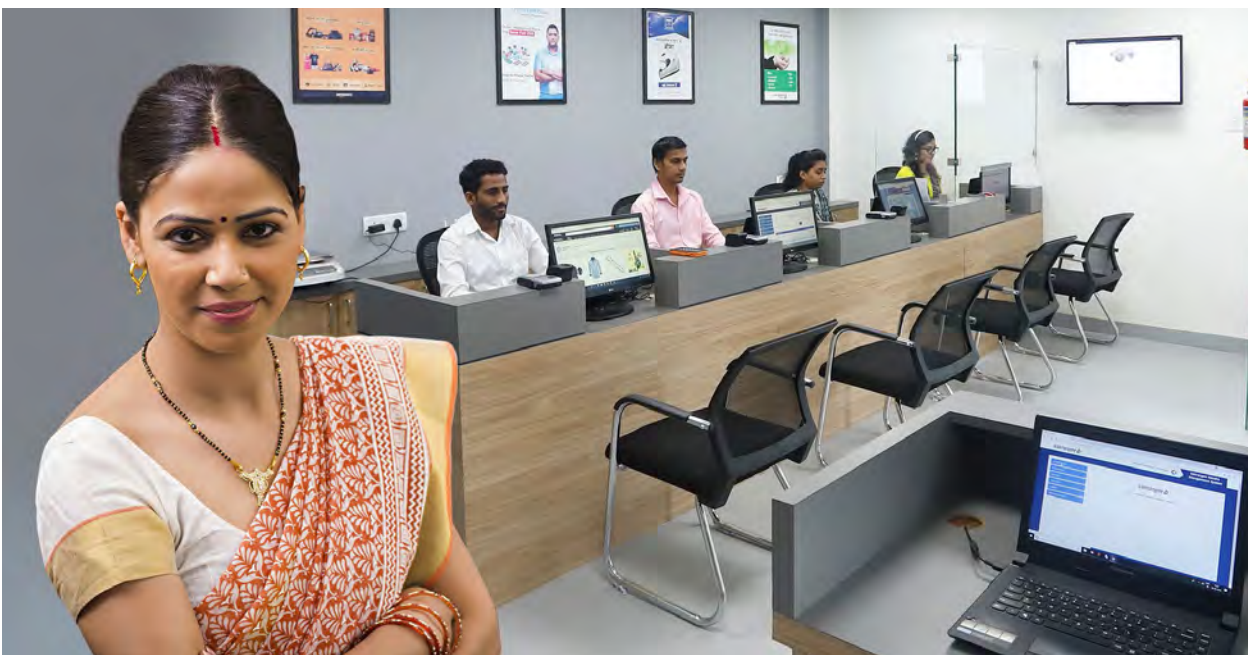
Once the potential risk is identified, it will be recognized as such and then be described in terms of its potential effects.

After risks are identified, the likelihood and consequence of each risk is found out. The exact nature of the risk and how it could affect organisation goals and objectives is determined.










Risk evaluation determines the magnitude of risk, which is a combination of the likelihood of the risk and the severity of its consequences. Once risk magnitude is established, a decision is made whether the risk is acceptable or not. If it is not acceptable, the next step will be to determine what needs to be done in order to mitigate the risk.

Risk treatment involves assessment of all the risks identified, and then creating and implementing action plans that will mitigate the risks until they are at acceptable levels. However, focus is not only at minimizing the negative risks, but also at how the opportunities that have been identified can be enhanced.

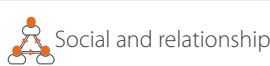
Once identifying details of risks and steps to mitigate them, it shall be used to regularly monitor, track and review risks.









Risks identified and evaluated through these assessments are enumerated below:

Risk	Significance	Mitigation measure	Linkage with capital
Changes in government policies	Among others, our business is dependent on government policy for financial inclusion in semi-urban and rural India. Changes in government policies may affect our business.	We proactively engage with various stakeholders, continuously review and monitor India's economic and financial policies, and participate in representation at trade bodies.	 
Rapid technological transformation	As a financial-technology company, we use electronics such as laptops, printers and technology like IoT and biometric identification, to provide our services. Disruptive innovations may hit Company's margins	<p>We understand the importance of a next generation business model in the digital age. To align with the government's mission of digital payment and leverage the advantage, we are in the process of developing a Unified Payment Platform to process all payments including card payment, UPI, AEPS, Aadhaar Pay, QR, amongst others. It will enable our Next-Gen Vakrangee Kendras to accept payment from our customers through any mode of payment. We are one of the pioneers of Aadhaar enabled Payment System (AePS) based banking. Implementation of an integrated digital payment mechanism empowers us to make banking services available to every citizen of India. We are already in final stage of launching all types of payment mechanisms at our Kendras.</p> <p>We understand that technological obsolescence is a practical reality. We continuously evaluate technological obsolescence, and makes necessary investments to employ the best available technology. Our procurement policy considers all regulatory requirements and capabilities of future upgrades.</p>	  
Heavy dependence on franchisee model	Though franchisee model enables aggressive expansion, risks associated with the franchisee model persist. If any franchise suffers a reputation loss, our brand name and image may take a hit. Moreover, the margins on franchisees are less and legal issues may disrupt the smooth operations.	We can opt for an alternate arrangement of franchise model in future, as require. We can easily deploy revenue-based banking correspondence and White Label ATMs in future as an alternate arrangement.	   
Legal risk	As we are governed by various laws and regulations, we are exposed to legal risks in case of any violation	Our experienced team of professionals and advisors evaluate risks of a contract, ascertain our responsibilities, and restrict our liabilities in a contract to ensure that we adhere to all contractual commitments.	All

Capitals



BUSINESS RISKS AND OPPORTUNITIES

Risk	Significance	Mitigation measure	Linkage with capital
Financial reporting risk	Changing laws, regulations and standards in accounting, corporate governance and public disclosure such as SEBI rules and Indian stock market listing regulations, create uncertainty in business. Possible lack of specification in new laws, standards and regulations can lead to varying interpretations. Their application may evolve over time, as and when regulatory and governing bodies provide new guidance. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance because of ongoing revisions to such corporate governance standards.	We maintain high standards of corporate governance and public disclosure to abide by evolving laws, regulations and standards.	  
Corporate accounting fraud	Accounting fraud or corporate accounting fraud arise from misusing or misdirecting funds, overstating revenues, understating expenses, etc. pose a risk to business.	<p>We mitigate these risks by:</p> <ul style="list-style-type: none"> • Understanding applicable laws and regulations, • Conducting risk assessment, • Enforcing and monitoring code of conduct for key executives. • Instituting whistleblower mechanisms, • Deploying strategy and process for implementing new controls, • Adhering to internal control practices that prevent collusion and concentration of authority. • Employing mechanisms for multiple authorization of key transactions with cross-checks, • Scrutinizing management information to identify dissimilarity of comparative figures and ratios, • Creating a favorable atmosphere for internal auditors in reporting, • Highlighting any instance of minor non-adherence to procedures and manuals, and a host of other steps throughout the organisation. 	  

Capitals

Financial



Manufactured



Human





Social and relationship



Intellectual Capital



Natural

Risk	Significance	Mitigation measure	Linkage with capital
Cyber risk	Breach of user data privacy, data leakage, cyber-attacks are reasons of concern in today's business environment. Increasing number of devices connected to the internet not only helps in data management but also makes data more vulnerable and unprotected	<p>We prioritize privacy and security of data. Few of our mitigation measures include:</p> <ul style="list-style-type: none"> • Validation and filtration of end-point inputs- End-point devices are the entry point for authentic and valid data into the system. We use an authentic and legitimate end-point device • Mandatory Access Control (MAC) limits the access of each user to a set of tasks and timeframe • Digital signatures using asymmetric encryption: regular audits, hash chaining are standard practices to keep our data secure • Monitor logs on a real-time basis to identify anomalies, misuses and abnormality • Data tagging and time stamps to trace unauthorized activity • Encryption is a crucial part of maintaining confidentiality and integrity of data. Database contents of data in-transit and at rest are encrypted. We apply additional protection for data in-transit through SSL encryption to connect the client and server, ensuring that only trusted computers can access the encrypted data. Encryption of data within the database, access control, masking sensitive data and stringent authorization policies, keeping security patches up to date. Deploying encryption on all data on a granular basis helps ensure that even if there is a system breach, the data itself remains protected. • Key exchange policy: Loading and managing ATM encryption keys. Hardware Security Module (HSM) facilitate key life-cycle management, including generating, distributing and injecting ATM encryption keys. These tamper-evident, tamper-responsive servers are equipped with an internal secure cryptographic device for key storage and comply with all other major industry standards like ISO, PCI, DSS, etc. • We have installed "anti-skimming card reader" at its ATMs to prevent skimming attacks. 	   

Capitals



Financial



Manufactured



Human



Social and relationship







Intellectual Capital



Natural

BUSINESS RISKS AND OPPORTUNITIES

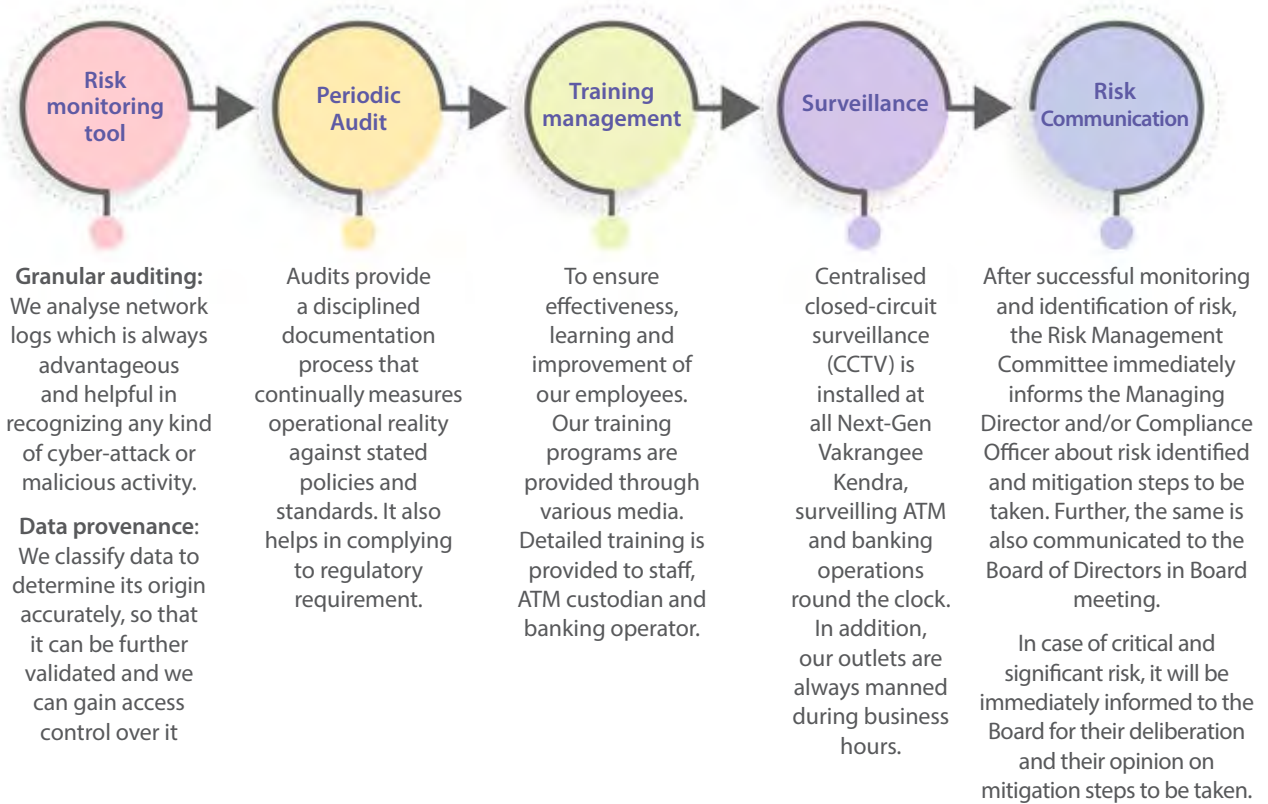
Risk	Significance	Mitigation measure	Linkage with capital
Theft of physical assets	Security and safety of franchisee and outlets is of utmost importance. Hence, any risk arising from theft, physical burglary attack, any damage or loss to outlet has to be evaded. ATM is a valuable asset of the company, which is given to the franchisee on a custodian basis. Therefore, proper maintenance of the ATM asset as well as security of the asset has been of prime importance to the company	<ul style="list-style-type: none"> We have implemented a master Insurance policy which now covers the entire hardware of the Kendra, ATM machine, cash-in-transit and cash at outlet upto INR 10 lakhs. This policy was finalized and executed in FY2019-20. ATM maintenance is completely taken care of by a unique offering. Herein, all year servicing of ATM along with coverage of any damage of spare parts is taken care of by simple monthly maintenance plus insurance product. 	   

Risks identified and mitigated for the current financial year

Risk Identified	Mitigation Strategy
Security and safety of the franchisee and its outlet is of utmost importance, hence any risk arising out of theft, physical burglary attack, any damage or loss to the outlet needed to be taken care of. Further, ATM is a valuable asset of the company, which is given to the franchisee on a Custodian basis. Therefore, proper maintenance of the ATM asset as well as security of the Asset has been of prime importance.	<p>Mitigation 1: We have implemented a master Insurance policy which now covers the entire hardware of the Kendra, ATM machine, cash-in-transit and cash at outlet upto Rs. 10 Lakhs. This policy was finalized and executed in FY2019-20.</p> <p>Mitigation 2: ATM maintenance is completely taken care off by a unique offering whereby the all year servicing of the ATM along with coverage of any damage of spare parts is taken care off by the simple monthly maintenance + insurance product.</p>
The Government of India has been focusing on digital payments across the country. Currently, Not all payment mechanism are enabled at the Kendra network such as QR code and UPI payments	We understand the importance of having a next generation business model in the digital age. To align with the government’s mission of digital payment and leveraging on the advantage, we are working on developing a Unified Payment Platform to process all payments including card payment, UPI, AEPS, Aadhaar Pay, QR amongst others. This will enable our Next Gen Vakrangee Kendras to accept payments from our customers through any mode of payment. We are one of the pioneers of Aadhaar enabled Payment System (AePS) based banking system. The implementation of an integrated digital payment mechanism is empowering us to make the banking services available to every citizen of India, till the last Tier. We are already in final stage of launching all type of payment mechanisms at our Kendra

Risk monitoring and communication

The Company has adopted well established process to monitor and identify any arising risk which are as follows:



Internal control system and adequacy

We have always focused on maintaining a strong internal control system, which is commensurate with the Company's size and nature of operations. The Company's internal controls are structured in a manner to ensure reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies, laws and accounting standards

Business opportunities

Revolutionizing rural healthcare

Company's recent alliance with vHealth by Aetna expands our offerings of essential products to the underserved and unserved citizens of India. vHealth, a fully-owned subsidiary of Aetna Inc, a CVS Health Company is one of the world's leading health services providers of Telemedicine services. It offers privileged access to its nationwide network of hospitals and clinics.

The telemedicine service is set to provide patients in rural locations a different experience when they consult a doctor virtually. We shall also be able to arrange home blood tests, doorstep delivery of medicines through vHealth's partner network. With this partnership, we have expanded the bouquet of services available at our exclusive Next-Gen Vakrangee Kendras making them into one stop shop for all the requirements of our customers.

Business expansion

We are planning to expand our business to North East, Tamil Nadu and Jammu & Kashmir and cater to the requirements of the rural customers in these regions.



Financial Capital

Integrating Robustness of Financial Growth with Contribution to Financial Inclusion

The strength of financial numbers and robustness of the system provides a strong foothold in the current market today. However, beyond the numbers it is also about adding the best possible practices to facilitate the economic growth thereby reducing inequality and enhancing the standard of living in the communities involved.

We aim at financial inclusion adhering to the government initiatives to build the New-Age India and be a facilitator of the same. Over the last decade, largely due to the high-impact government initiatives like Pradhan Mantri Jan Dhan Yojana (PMJDY), Direct Benefit Transfer (DBT) and issue of RuPay cards, among others has accelerated the growth of financial inclusion in India. We reciprocate the vision of the government through several services we provide including financial security by providing loans, Aadhaar enabled payment system, facilitating and providing banking services in the rural sector, bridging the gap between the urban and the rural India through not only banking services but also through last mile delivery of products through e-commerce outlets.

We are a unique technology driven company focused on building India's largest network of last-mile retail outlets to deliver services like real-time BFSI, ATM, e-commerce and logistics to the unserved rural, semi-urban and urban markets in the local/state/national ecosystem providing financial inclusion in tandem with the government policies. The Assisted Digital

Convenience stores are known as "Vakrangee Kendra" which is the only business segment we operate in, acting as the "One stop shop" for availing various services and products.

Our business model proves to be sustainable which primarily focuses on enabling the stakeholders to benefit through our vast network of outlets thereby driving financial, social and digital inclusion mostly in rural India with an ultimate purpose to ensure that every Indian has the opportunity to benefit and has access to the global marketplace. The business model, the products and the services we provide, aims at enhancing sustainability.

For Vakrangee, FY2020 was a year of scaling up our transformational journey which we initiated last year. During the year, we significantly scaled up our highly recognisable "Next-Gen" format Kendra network to more than 10,000+ Operational outlets as compared to 3,504 operational outlets in FY2019. Further, another 24,000+ outlets are under On-Boarding process till date, of which 15,000 outlets would become operational by December 2020 and the balance would become operational by June 2021 which are spread across covering 32 States and Union Territories, over 560+ districts and 7,250+ postal codes. Out of these outlets, 70% outlets are in Tier V & VI cities. These stores are exclusive unified branded stores for delivering a consistent consumer experience and well-defined service levels.

SDGS ALIGNED



Quantifying Financial Performance

The financial robustness for FY2019-20 and the performance can be highlighted and brought into comparison with the FY2018-19. Beyond creating value and driving the financial inclusion through the New Age India initiatives, we have demonstrated strong numbers on profitability, which reflects on growth and progress through the financial year.

Particulars	Standalone (in lakhs)		Consolidated (in lakhs)	
	2019-2020	2018 - 2019	2019-2020	2018 - 2019
Revenue from Operations	62,335.23	1,44,977.39	68,522.16	1,50,822.69
Other Income	7,599.58	7,813.29	7,747.82	7,997.11
Profit / Loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	9,153.39	4,903.32	10,140.45	5,830.23
Less: Depreciation/ Amortization/ Impairment	1,486.04	870.98	1,488.60	873.54
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	7,667.35	4,032.34	8,651.85	4,956.69
Less: Finance Costs	0.00	0.00	0.00	0.00
Profit /Loss before Exceptional items and Tax Expense	7,667.35	4,032.34	8,651.85	4,956.69
Add/(Less): Exceptional Expense	503.51	177.40	503.41	177.50
Profit /Loss before Tax Expense	8,170.75	4,209.74	9,155.26	5,134.09
Less: Tax Expense (Current & Deferred)	1,718.38	2,191.80	2,027.26	2,611.46
Profit /Loss for the year (1)	6,452.37	2,017.94	7,128.00	2,522.63
Total Comprehensive Income/Loss (2)	18.62	(58.46)	54.33	(13.80)
Total (1+2)	6,470.70	1,959.48	7,182.33	2,508.83
Balance of profit /loss for earlier years	1,86,894.00	1,94,693.38	1,87,875.91	1,95,170.60
Less: Transfer to Reserves	0.00	(6,626.21)	0.00	(6,626.21)
Less: Dividend paid on Equity Shares	(2,648.51)	(2,647.01)	(2,648.51)	(2,647.01)
Less: Dividend Distribution Tax	(544.41)	(544.10)	(544.41)	(544.10)
Balance carried forward	1,90,153.46	1,86,894.00	1,91,810.00	1,87,875.91

Operating with an asset light model indicates the relatively lower ownership of capital assets. We were focused on our capital management objectives to safeguard our ability to continue as a going concern, so that we can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure

to reduce the cost of capital. The total net borrowings of cash and cash equivalents stood at zero and thereby refrain from the exposure to the payment of interest making our company debt free, which extrapolates, to us having zero interest coverage ratio and debt to equity ratio.

FINANCIAL CAPITAL

Total Income

The total income stood at INR 76,269.98 lakhs for the financial year. Revenue for FY20 has been impacted as the Company revamped the business to Exclusive standardized NextGen Format stores.

PAT

There has been a multifold increase in the profit after tax as compared to the previous financial year which stood at INR 7,128.00 lakhs. Profitability has increased by 182% due to positive operating leverage as well as Gross profit Margin reached back to normalcy post up-gradation exercise.

EBITDA

The EBITDA stood at INR 10,124.45 lakhs and has increased with respect to the previous financial year indicating the lesser operating costs and higher earnings.

Return on Net Worth

The profit for the financial year has increased leading to a greater return on net worth and stood at 2.72%

EPS

Earnings per share EPS (basic) for the face value of INR 1 stood at INR 0.67 in FY20.

Dividend Payout

Dividend per share Rs. 0.25 for the face value of INR 1 stood at INR 2,648.51 Lakhs in FY20.

Dividend Payout % - 37.2

Standalone:

Our company's total income during the year under review was INR 69,934.81 Lakhs as compared to INR 1,52,790.68 Lakhs in the previous year. The Profit after tax was INR 6,452.37 Lakhs as compared to INR 2,017.94 Lakhs in the previous year.

Consolidated:

Our company's total income during the year under review was INR 76,269.98 Lakhs as compared to INR 1,58,819.80 Lakhs in the previous year. The Profit after tax was INR 7,128.00 Lakhs as compared to INR 2,522.63 Lakhs in the previous year.

The dividend payout is in accordance with company's Dividend Distribution Policy. We are pleased to recommend a dividend of INR 0.25/- per equity share (previous year INR 0.25/- per equity share), subject to the approval by the shareholders at the forthcoming Annual General Meeting.

The total dividend payout will be of INR 2,648.51 Lakhs.

No amount is proposed to be transferred to the reserves.

Our Paid-up Equity Share Capital as on March 31, 2020 stands at INR 1,05,94,05,640/- comprising of 1,05,94,05,640 equity shares of INR. 1/- each.

CSR: Boosting the change and development

Our CSR initiatives aim to create a positive impact within communities through deeper engagements. During the past few years, we have invested INR 84.85 Lakhs in FY 2019-20 and INR 92.50 Lakhs in FY 2018-19. Towards various social interventions like healthcare, education and other initiatives.

Below are the details of CSR expenditures for FY 2019-20:

(INR In Lakhs)

CSR project or activity identified	Sector in which the project is covered (Clause number of Schedule VII to the Companies Act, 2013, as amended)	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
				Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads			
My Home India	Cl.(iii) Social Awareness	Mumbai (Maharashtra)	50.00	50.00		760.00	Direct
VIPRA Foundation	Cl.(ii) Infrastructure for Education	Mumbai (Maharashtra)	20.00	20.00		32.59	Direct
Mental Health Foundation (India)	Cl.(i) Health Care	New Delhi	5.00	5.00		10.00	Direct
RVG Educational Foundation	Cl.(ii) Promoting Education	Mumbai (Maharashtra)	5.00	5.00		5.00	Direct
Lions Club of Juhu Service Fund	Cl.(ii) Infrastructure for Education	Mumbai (Maharashtra)	4.00	4.00		9.50	Direct
Rajsthani Seva Sanstha, Bhayander	Cl.(i) Health Care	Thane (Maharashtra)	0.60	0.60		10.35	Direct
Lions Club of Mumbai Rising Stars	Cl.(i) & (ii) Eradicating Hunger, Promoting education.	Thane (Maharashtra)	0.25	0.25		0.25	Direct

Thus, through continuous improvement in the strategies and initiatives, we aim at bringing positive changes considering The New Age India as a backbone of the interventions thereby bringing financial inclusion in the sustainable future growth.



Manufactured Capital

The New-Age India is an enabler of universal financial, social as well as digital inclusion. Aligning with the similar goal, for the New Age India, we aligned our long term strategy for geographical expansion. In 2018, we launched the Next-Gen Vakrangee Kendra model with a standardised look and feel, and consistent service for uniform customer experience. We began with 3,504 Next-Gen Vakrangee Kendras in FY 2018-19. Only a year later, in FY 2019-20, we have expanded to 10,027 operational Next-Gen Vakrangee Kendras across India, and are in the process of on-boarding 24,000+ more such outlets till date. Over 80% of our Next-Gen Vakrangee Kendras are in tier IV, V and VI locations in India. By CY2020, we aim to expand to a network of 25,000 Operational outlets. Furthermore, we plan to enhance our network to 3,00,000 outlets by FY 2024-25.

We are driven by our commitment to offer innovative services for facilitating universal financial, digital and social inclusion in India. Our essential services like banking, insurance, e-commerce and logistics assist in including the underserved and unserved population of India, in rural as well as urban locations, into the mainstream.

Our Next-Gen Vakrangee Kendras add value to our customers in various ways. Inadequate infrastructure in rural India prevents availability of and access to basic facilities like banking, ATM, social security, insurance, online shopping, online pharmacy, travel services and tele medical consultation. Moreover, a high percentage of rural citizens are uneducated and digitally deprived. Our assisted digital and modern services not only present access to essential services to all customers.

Similarly, in urban locations, our outlets are based in slum locations and hutment areas that are difficult to reach and serve. Our customer base in urban areas primarily include migrant workers, household help, rickshaw pullers, cab drivers,


who live in slums and find it difficult to avail basic services like banking, money transfer, online shopping, bill payments, mobile recharge, online pharmacy, tele-consultation with expert doctors, etc.

Our franchisees have an option to establish gold, silver or bronze model outlet, as per their requirement. While these models differ in terms of financial investment, area of outlet and number of counters, they are common in terms of services offered, and look and feel of the outlet.

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- Minimum area of 300 sq. ft.
- 4 counters, owner's desk
- ATM




Gold outlet

- Minimum area of 100 sq. ft.
- 2 counters
- ATM



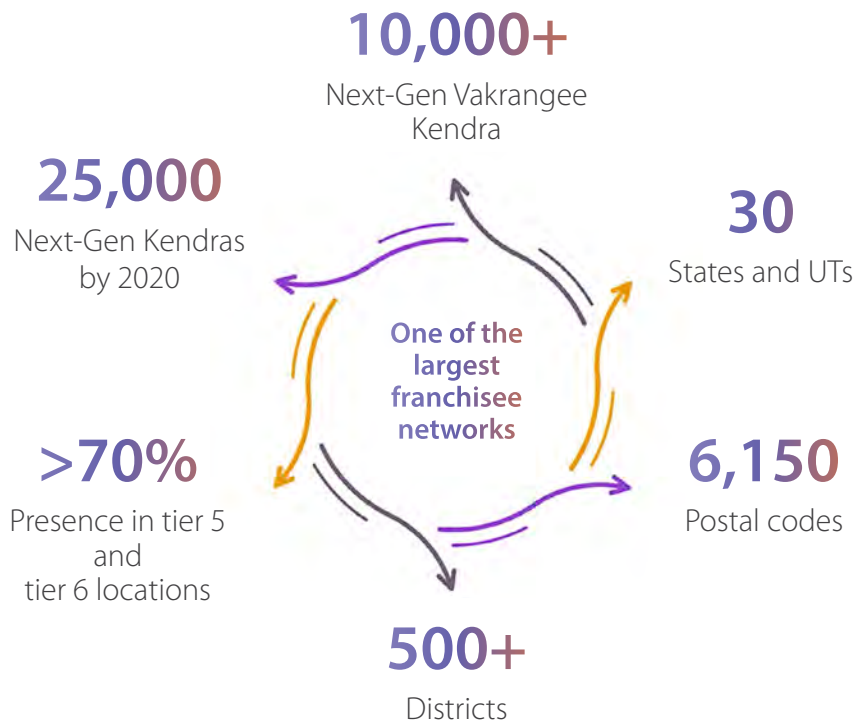
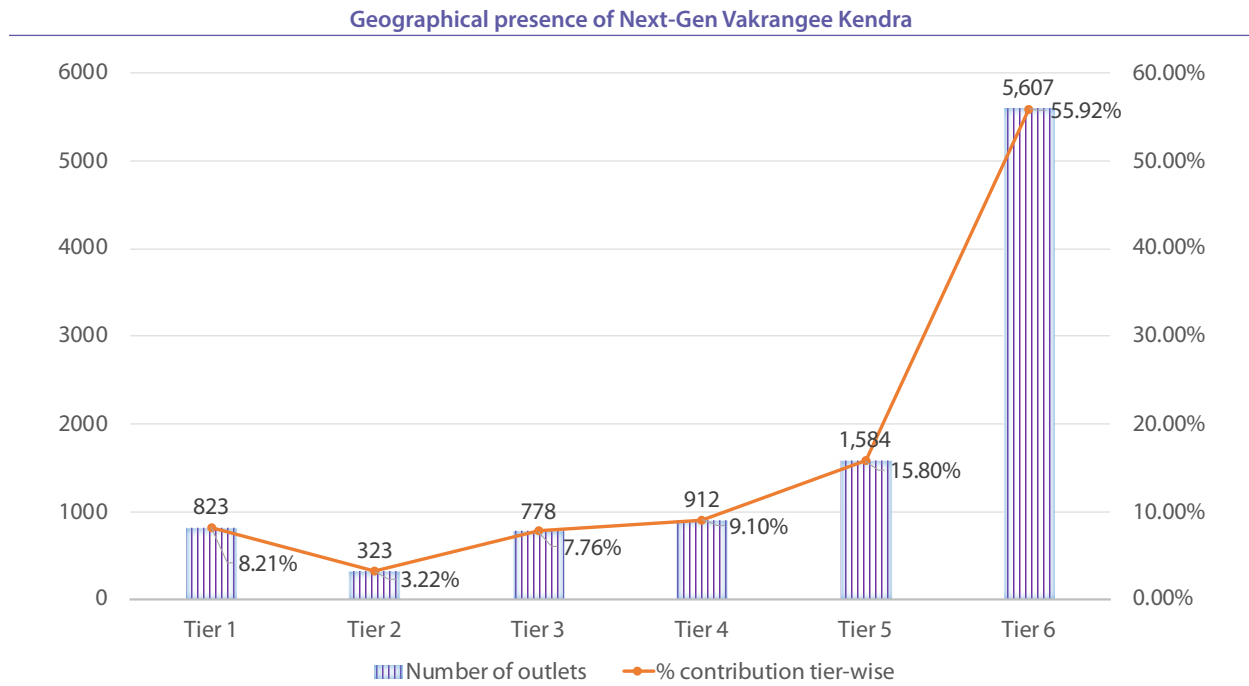
Silver outlet

- Minimum area of 65 sq. ft.
- 1 counter
- ATM



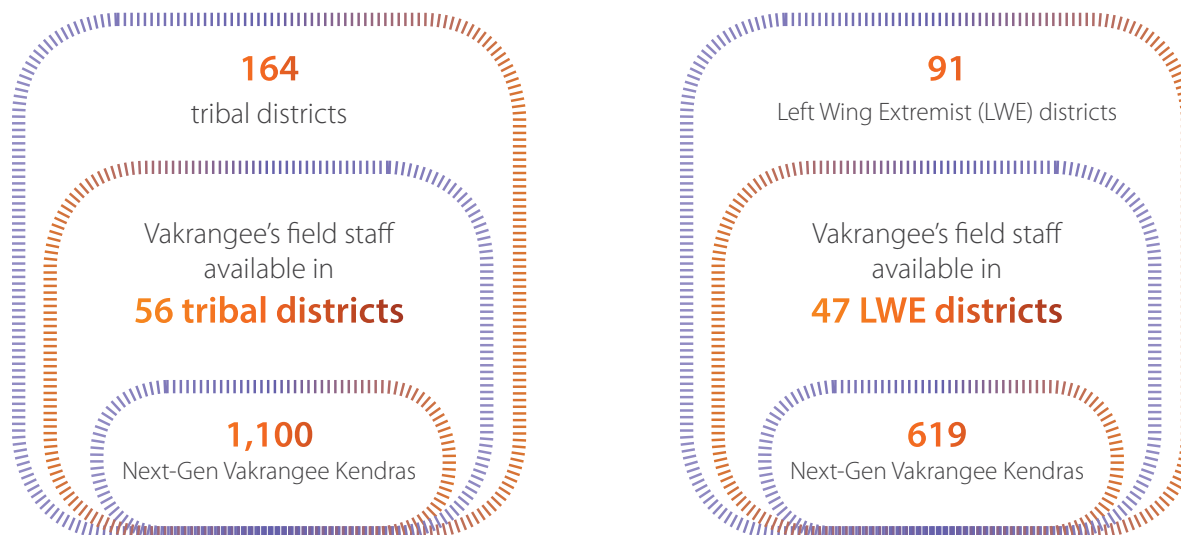
Bronze outlet

Following is a tier-wise break-up of 10,000+ operational Next-Gen Vakrangee Kendras across India:



MANUFACTURED CAPITAL

Moreover, **8,050 Next-Gen Vakrangee Kendras** are present in general districts, **1,100 Next-Gen Vakrangee Kendras** in tribal districts, **619 Next-Gen Vakrangee Kendras** in LWE districts and **258 Next-Gen Vakrangee Kendras** are located in both LWE and tribal districts in India.



In addition to location-wise break-up, we also present service-wise break-up in the following table:

Service	Detail	Count
Social security: Aadhar enrolment	Number of Aadhar enrolments (social security number) done till date	506 lakhs
Banking	Number of financial transactions – FY20	494.99 lakhs
	Gross value of transactions – FY20	INR 20,30,030.01 lakhs
ATM	Number of ATMs as of 31st March 2020	4,506
	Number of transactions in last 1 year – FY20	440.91 lakhs
	Gross value of transactions – FY20	INR 8,89,989.83 lakhs

Our efforts are towards proper allocation of resources and expansion in a way that not only benefits our growth but also facilitates daily activities for the unserved and underserved section of society. In FY 2019-20 we were nominated in "India's Top 100 Franchisees" list by the Franchisee India Magazine in January 2020 edition. We were also awarded "Best Financial Services Retailer of the Year" at the Indian Retail Awards 2019. Such awards confirm that we are driven by purpose.

Divyang Facility at the Next-Gen Vakrangee Kendra

Aligning with the New Age India and our vision of social inclusion, we focus on promoting equality all across our outlets irrespective of gender, caste, creed, race, etc. We currently have more than 10,000 outlets, out of which almost all ATMs are divyang-friendly, in other words, user-friendly for specially abled persons (disabled and visually impaired). Few unique features offered by our outlets are:

- All our ATMs are talking-ATMs and have Braille friendly keypads
- Any visually challenged customer accessing our ATM can use the headphone and transact on the ATM with the help of Braille enabled pin pad
- We have followed and implemented the IBA norms for our talking-ATMs
- We have requested our franchisees to install ramps in outlets, wherever feasible for easy access to the ATMs through wheelchairs

Security Measures available at Kendra

Our line and location of business may expose our outlets to theft, burglaries, fire outbreak, etc. For instance, our Next-Gen Vakrangee Kendras are located at various Tier IV and Tier V locations, which have history of similar incidents. In order to ensure safety of our financial and non-financial assets and our employees, we have adopted various safety measures to facilitate smooth flow of operations. It is our duty to ensure that money deposited by our customers at the outlet remains safe. A snapshot of our initiatives are listed below:



Insurance Policy for NextGen Vakrangee Kendra Outlets

Vakrangee Kendra Insurance policy includes hardware at the outlet, ATM as well as cash in ATM upto Rs.10 lakhs, including cash in transit. As on date, 30th June 2020, 4,827 outlets have been included in this Insurance scheme. This insurance and maintenance policy is mandatory once the ATM machine is installed and made live



Locker Safety Facility

Every Next-Gen Vakrangee Kendra has a Safe Locker, which is part of the mandatory hardware kit. The key role of the safe locker to ensure safety of the cash available at the outlet



Centralized Monitoring CCTV Surveillance

We have installed Centralised CCTV system for enhanced security at our store. CCTV along with a NVR and a 2 TB hard disk is part of our overall franchisee hardware kit. We adhere to RBI guidelines to maintain more than 90 days video recording backup



Fire Extinguisher at the Outlet

As a fire safety measure, every Vakrangee Kendra outlet has an arrangement for a fire extinguisher, as per the store design guidelines, to prevent against fire outbreak



Human Capital

The New-Age India is a harbinger of improved living conditions with a focus on equal work opportunities. With a population of 1,341 million people as of March 2020¹, India's share of working age population (15 – 65 years) is 67.27%² of country's total population. In 2019, India's labour force participation rate stood at 49.3%.³ By 2027, the country is set to provide the world's largest workforce, as a billion people will be in the age group of 15 to 64 years.⁴

Coupled with India's demographic advantage, factors such as improving educational standards, enhancing job opportunities, empowering women and skilling the youth will assist in achieving the potential of the New-Age India. As per Economic Survey of 2018-19, inclusiveness is the bedrock of human development agenda of India.⁵

We believe that our long-term success in today's business environment is closely linked to our human capital. We strive to become an employer of choice by providing a compelling employee value proposition and creating a safe as well as healthy workplace. Our strong workforce of 1,362 employees bear testimony to our commitment. In this section, we aim to provide information on how we engage our human capital to translate our strategic priorities into action. We aim to explain both quantitative and qualitative details on our internal human capital or employees for a comprehensive understanding of readers.

Strengthening our Internal Processes

In addition to UN-SDGs, we conform to conventions of the International Labour Organisation, principles of United Nations Global Compact and all Labour Laws of India. We have undertaken various ISO certifications to strengthen our performance.

ISO 45001:2018 - Occupational Health and Safety Management System

We were certified with ISO 45001:2018 Occupational Health and Safety Management System on 12th March 2020. Our aim is to mitigate any factor that can cause employees and businesses irreparable harm. ISO 45001:2018 is concerned with mitigating any factor that are either harmful or pose danger to workers' physical and/ or mental well-being. It has improved employees' satisfaction, retention and improved employees' health, increased productivity and reduced absenteeism.

ISO 37001:2016 Anti-bribery Management System

Our certification on Anti-bribery Management System demonstrates our compliance and commitment to ethical business practices. ISO 37001 provides practical guidance on establishing, implementing, maintaining, reviewing and improving anti-bribery management systems.

ISO 20400:2017 Sustainable Procurement

Our certification on Sustainable Procurement implements responsible sourcing. In the reporting year, we assessed 7 suppliers on their environmental and social impact.

SDGS ALIGNED



¹ Last accessed on 23rd July 2020. <https://www.ceicdata.com/en/indicator/india/labour-force-participation-rate>

² Last accessed on 23rd July 2020. <http://statisticstimes.com/demographics/population-of-india.php>

³ Last accessed on 23rd July 2020. <https://www.ceicdata.com/en/indicator/india/labour-force-participation-rate>

⁴ Last accessed on 23rd July 2020. <https://www.livemint.com/Opinion/2WSy5ZGR9ZO3KLDMGiJq2J/Indias-burgeoning-youth-are-the-worlds-future.html>

⁵ Last accessed on 23rd July 2020.

[https://www.clearias.com/human-capital/#:~:text=India's%20achievements%20in%20this%20field,\(HDI\)%202018%20is%20130.](https://www.clearias.com/human-capital/#:~:text=India's%20achievements%20in%20this%20field,(HDI)%202018%20is%20130.)

Human Capital Risk

Human Capital Risk Assessment

Our Risk Management Committee is responsible for human capital risk assessment. We conduct human capital risk assessment on a regular basis. Once we have identified the potential and actual risks related to human capital or talent, we classify them into low, medium and high.

Low	Medium	High
<ul style="list-style-type: none"> Factors affecting our human capital risks are not very significant Risks assessed in FY 2019-20 <ul style="list-style-type: none"> Different standards for employees performing the same work Biological risks Economic risks 	<ul style="list-style-type: none"> Factors affecting our human capital risks are important Risks assessed in FY 2019-20 <ul style="list-style-type: none"> Lack of adequate training programs for Talent development Lack of staff motivation program Lack of incentive to retain staff Moral risks related to misuse or misapplication of organisation's resources 	<ul style="list-style-type: none"> Factors affecting our human capital risks are highly critical Risks assessed in FY 2019-20 <ul style="list-style-type: none"> Shortage of people with right skillset at field level Shortage of people with right skillset at our corporate and state offices Risk related to attracting people with the right skillset

Evaluating human capital risks makes it possible to identify factors with a significant negative impact on the activities of personnel and organisation. Our Head-People, Performance and Culture creates an action plan for managing human capital risks and provides information such as:

- Human capital risk identification
- Classification of human capital risks
- Description of losses from human capital risks
- Description of human capital risk management strategy

- Sequence of actions necessary to implement human capital risk management strategy
- Timing of implementation of human capital risk management strategy
- Officials responsible for implementing human capital risk management strategy

Detailed action plan, also defining roles and responsibilities of officials and timelines for a task, is thereafter approved by the Risk Management Committee of the Board. We prepare an annual activity calendar for all activities for mitigating any kind of human capital risk. Few parameters for measuring effectiveness of activities of the plan are:

Number of candidates who applied for a role	Number of candidates who appeared for the role	Number of candidates selected for a role	Feedback of benefits offered to employees	Feedback of work culture by existing employees
Number of people recommended for promotion by their reporting managers	Outcome to periodic reviews conducted post-training sessions	Feedback of effective on mentorship program given by mentees	Number of incidents of employee misappropriation	Number of employees retained

Organisational Culture

We believe that a professional and respectful work culture supports productivity, growth and positivity. We aim to build a work culture of meaningful work as well as continuous engagement. We seek fair resolutions, base our decisions on merit, deal fairly and honestly with stakeholders, and maintain transparency in decision-making. For appropriate workplace decorum and employer-employee relationship, we have laid down a code of conduct for all employees.

We believe in maintaining the highest standard of moral principles and ethics in the organisation. We preach and practise a defined code of ethics and moral values at workplace. All employees must follow the code of conduct irrespective of hierarchy and designation. The code of conduct includes terms such as alcohol and drug free workplace, health and safety for all employees and the organisation, respect for individuals, protection of Company property, professionalism within office and while representing Company outside office and integrity, among others. For more details, please refer to [Code of Conduct – for Employees](#).

To inculcate a transparent and progressive work culture, we encourage employees to share their innovative ideas to improve employee engagement at workplace. We respect and consider their ideas, views and opinions, and treat them with courtesy and politeness. We often praise and reward them thereby, inspiring them to give their best at work. Our incentive schemes, rewards and recognition programs, engagement activities create a sense of belongingness for employees and boost their morale. If at

any point, an employee feels mistreated, he can report to humanresource@vakrangee.in or on (022) 67765130.

A culture of open-door policy wherein employees are free to approach any superior or peers is inculcated at our organization. We invite and welcome inputs from different segments of employees. They can give feedback to any of their colleagues irrespective of hierarchy. Peer-to-peer feedback makes employees feel valued and helps in improving performance of under-performing employees. In addition, we conduct employee surveys for employees' feedback on human capital, and publish survey results in our internal portal.

We take feedback from employees or external source seriously. As self-appraisal, our Human Resource department regularly conducts employee survey to find out gaps in management policies, leadership methodology, etc. Thereafter, we update responses on our human resource management portal, and work on key areas of improvement. Such steps allow us to bring high levels of transparency in the organisation.

We conduct business on the principles of fairness, honesty, integrity, and respect. We do not tolerate bribery and corruption in any form. Our employees and franchisees should not, directly or indirectly, offer or receive any illegal or improper payments or comparable benefits intended or perceived to obtain undue favours for the conduct of our business. In FY 2019-20, there was no confirmed incident of corruption recorded at the organization.



Human Rights

We recognise the valuable role businesses play in long-term protection of human rights. In this regard, we are committed to respecting human rights of not only our workforce, but also of our communities and other stakeholders impacted by our operations, including franchisees, vendors and business partners. In addition to ourselves, our [Human Rights Policy](#) applies to entities we own, entities wherein we hold a majority interest, and facilities we manage. International bodies and documents such as United Nations Universal Declaration of Human Rights, United Nations Global Compact and International Labor Organisation's conventions, guide us to deliver our commitments well.

Our Human Rights policy encourages socio-economic empowerment through inclusive growth. It provides a broad framework to ensure that all employees are treated with respect and dignity. In effect, we seek to identify, assess and minimise potential adverse impacts through due diligence and management of issues, and resolving grievances of our stakeholders. We have communicated about the policy to our employees, and included it as part of agreement and code of conduct of franchisees. Moreover, our Corporate Human Resources team is responsible for reviewing and updating standards on social policies, and providing support to all concerned.

Our initiatives adhering to our human rights policy:

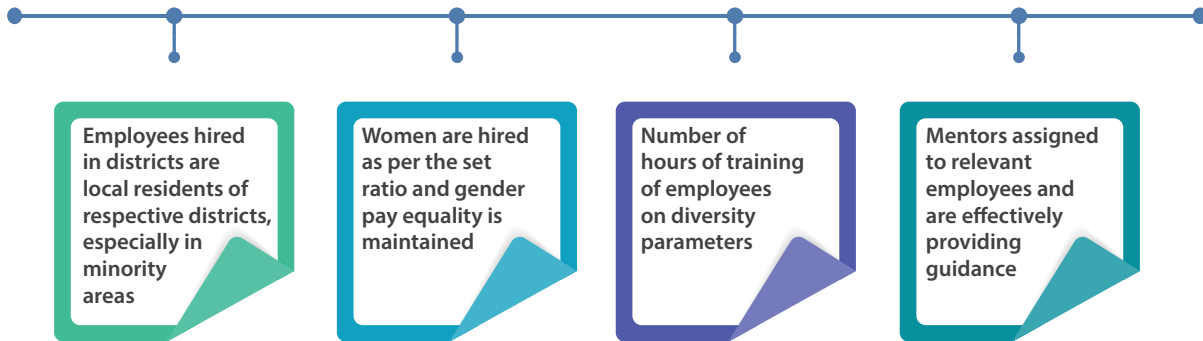
1. **Compliance with labor laws:** We abide by all applicable laws, namely wages, work hours, overtime, benefits, pay practices, classification of employment according to job level and status. We also commit to protect data of customers, vendors and employees, ex-employees and retirees by using multi-layered password protected authentication systems, automated tools, tracking mechanisms and information-sharing on a need-to-know basis.
2. **Continuous engagement:** We create awareness of human rights among employees at various levels of operations through training and communication. For continuous improvement, we share our good practices, set and review targets, monitor and report on our performances. We establish accountability by assigning adequate responsibilities for effective management of human rights risks. Any employee who believes there is a conflict in our policy and practices can raise concerns with the Human Resource department, Legal department and the local management.
3. **Diversity at workplace:** We respect rights of all our stakeholders. We provide equal opportunity and consider rights of women and minorities, divyang and those associated with special care and assistance.
4. **Harassment-free workplace:** We commit to maintain a workplace free of violence, harassment, intimidation and any other unsafe or disruptive conditions due to internal and external threats. We prohibit child labour, forced/ trafficked labour including indentured labour, bonded labour, military labour, modern forms of slavery and any form of human trafficking. We do not recruit an individual who is not a graduate, therefore, appointment of child labor is not applicable across our organization. In the reporting year, we received 0 complaints regarding child labour, forced labour or sexual harassment.
5. **Freedom of association:** We respect our employees' right to form, join or not join labour union without fear of reprisal, intimidation or harassment. We are part of the Information Technology industry, which typically has relatively fewer labour unions compared to manufacturing industry. Due to nature of our business, we do not have a gathering of several employees under one roof, at a time, except corporate employees that contribute to only 15% of total employees. Maximum employees are field-employees spread out in different locations across the country. Therefore, we do not face situations of freedom of association in business usually.
6. **Healthy and safe workplace:** Our healthy and safe workplace aligns with our requirements as well as those of applicable health laws and regulations. We consult employees to address and remedy identified risks of accidents, injury and health impacts. Moreover, we encourage employees to highlight concerns or health and security hazards to the management.
7. **Grievance redressal mechanism:** We have an online portal for open and structured discussions to address employees' concerns related to human rights and decent labour. We have also formed a Vishakha Committee to address incidents related to sexual harassment. For more details, please visit our [Human Rights Policy](#).

Different business and functional leadership teams own our progress on aspects of human rights. It is under constant review of the Board of Directors. During annual review system, we survey our employees each year. Thereafter, we provide each employee's feedback to the Nomination and Remuneration and Compensation Committee, for its review and further action.

Diversity and Inclusion

We are committed to grow as a truly diverse and inclusive company. We embrace people of varied culture and encourage different perspectives to build a sustainable business. We believe in valuing our employees and creating high-performing teams of individuals from diverse backgrounds. As a responsible organisation, we prohibit discrimination based on individual's race, colour, religion, disability, gender, national origin, sexual orientation, age, genetic information or any other legally protected status. In FY 2019-20, we faced 0 instance of discrimination on the aforementioned aspects. We provide equal opportunities to all employees in the process of hiring, promotion, talent development and retention, trainings, mentorship program, and employee affinity group.

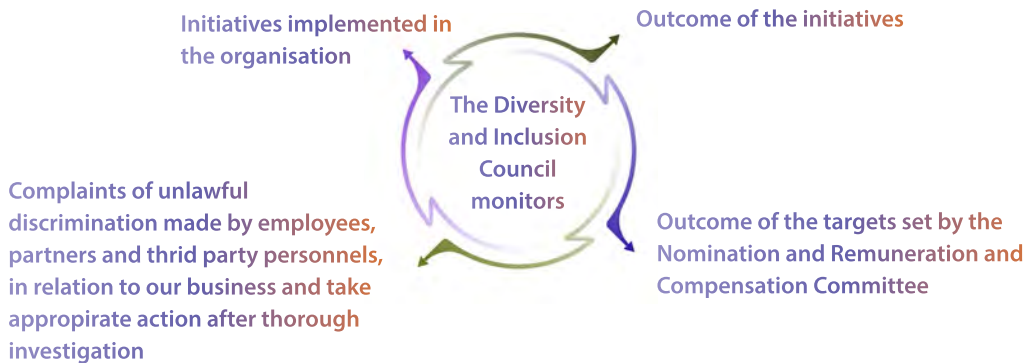
In order to accomplish our commitments in [Diversity Programme and Inclusion Policy](#), we have formed an independent sub-committee of Board members, called "Nomination and Remuneration and Compensation Committee", responsible for initiatives of diversity. The committee submits a quarterly report on diversity initiatives of the organization to the Board of Directors during Board meeting. Following are few Key Performance Indicators (KPIs) reviewed by the Nomination and Remuneration and Compensation committee:



Furthermore, in order to design, implement and monitor our initiatives for diversity, the Nomination and Remuneration and Compensation Committee has formed a Diversity and Inclusion Council. The Council undertakes the agenda of building a safe workplace- infrastructure and agricultural designs, as well as addressing privacy concerns of employees. The Council reports to the Sub-committee and can be reached at diversity@vakrangee.in.

Diversity Monitoring or Audits

Our initiatives, measures and targets for diversity and inclusion strengthen our workplace for better impact. The Diversity and Inclusion Council regularly collects and monitors data on diversity at the organisation. It reports its monitoring outcomes to the Nomination and Remuneration and Compensation Committee on a quarterly basis. Thereafter the Committee presents results to the Board of Directors during Board meetings held quarterly. Furthermore, an independent third party also conducts audits annually. The Diversity and Inclusion Council monitors the following:



Few key performance indicators (KPI) monitored and their results in 2019 are as follows:

KPI	Count
Number of males at corporate HQ	221
Number of females at corporate HQ	79
Male/Female Ratio at corporate headquarter*	2.79:1
Percentage of females at corporate HQ	26.33%
Number of employees from minority group in the organisation	161
Percentage of employees from minority group in the organisation	11.8%
Number of females representing company's management council	24
Percentage of females representing company's management council	25.81%

* Only corporate headquarter staff is considered as field staff is primarily male. Nature of field job involves travelling 30-50 kms per day to visit outlets in rural locations. Mostly males prefer to apply for such field roles.

We extend our diversity and inclusion program to our franchisees, business partners and customers. In the past, we have taken multiple initiatives to ensure that voices of women and minority groups are heard, and they are empowered in local community wherein we operate.








Gender Equality

In continuation to our stand for non-discrimination, we support gender equality at all times. Our recruitment policy prioritises merit and skills of applicants irrespective of their gender. Similarly, remuneration offered to all employees is at par with industry standards irrespective of race, gender, age, colour, religion, disability or genetic information.

Nomination and Remuneration and Compensation Committee is also responsible to ensure gender pay equality programs at our organisation. In order to design, implement, monitor and review gender pay equality program, the sub-committee has formed a Pay Equity Committee. The Committee comprises of Head of Human Resources, Head of Strategy, Chief Operating Officer and Chief Financial Officer and reports to Nomination and Remuneration and Compensation Committee.

In addition, a global and independent firm audits our initiatives. The independent firm audits our gender pay equality parameters and provides its findings and recommendations of compensation gaps, if any. The Nomination and Remuneration and Compensation Committee ensures that all recommendations and findings are presented to the Board of Directors and are addressed in a timely and satisfactorily manner.

We have undertaken multiple initiatives to improve gender equality parameters and close the gender pay gap, if any. Following is a brief on our initiatives:

-  **Pay equity committee:** Our objective is to create a workplace where we reward teams fairly, irrespective of gender. In this regard, we have created a Pay Equity committee.
-  **Encouraging salary negotiations by showing salary ranges:** As it is less likely for women to negotiate their pay, we communicate a salary range for a particular role to encourage women to negotiate their salary.
-  **Fair reward system:** By fair reward system, we set a threshold, target and maximum for pay increases or bonuses to ensure equitable, merit-based reward distribution among men and women employees.
-  **Promote and disclose pay transparency:** We disclose band-wise and designation-wise payment to males and female employees, on an annual basis.
-  **Salary and bonus:** We verify two aspects to ensure that the practice of disbursing salary and bonus is not discriminatory. These are:
 - Regular basic salary for female and male-dominated jobs are in parity
 - Criteria for rewarding bonus is same for males and female employees.
-  **Promote and support flexibility:** We create equal access to opportunities for women and men. We educate supervisors about how to manage flexible work schedules and balance their work and familial responsibilities.
-  **Average increment of women employees:** We monitor average increment of employees in the organisation and compare it with the average increment across the organisation. In the past 2 years, women increment is 15% higher than average increment of employees in organisation. It helps us understand the gap in skillsets of women. Accordingly, we plan additional workshops and training sessions to support women in performing better in their roles.

Few KPIs to measure the gender pay equality program are:

Determine equal value

An effective tool to compare jobs and determine its value is the ILO guide of Promoting Equity: Gender-Neutral Job Evaluation. We determine the numerical value of job on gender-neutral criteria such as skills and qualification.

Listing all jobs in organisation

All details of job including qualification, level, job band and department, in organisation are studied. Qualification is further broken down into work-related, knowledge-related, manual dexterity and inter-personal skills.

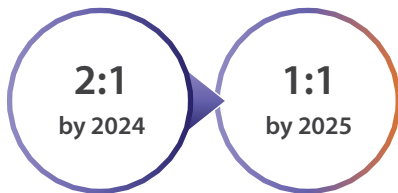
Education level and field of study

Basic educational qualification of all full-time employees is graduation or 10+2+3. All employees are paid equally, fairly, and transparently based on their level of education and additional qualification such as post-graduation degree, paid work experience in industry, informal training.

At the start of a financial year, Nomination and Remuneration and Compensation Committee sets targets for gender pay equality. We have designed our targets such that we reach 1:1 ratio of male: female across the organisation. Following are few ratios of male: female salary across organisation and designation as of FY 2019-20:

Male: female ratio detail	Male: female ratio
Average salary across organisation	0.95:1
Median salary across organisation	0.72:1
Median salary male/ female ratio at corporate headquarter*	1.45:1
Average salary of Assistant Manager	0.93:1
Average salary of Manager	0.77:1
Average salary of Deputy General Manager	1.11:1
Average salary of General Manager	1.12:1
Average salary of Associate Vice President	1.0006:1
Average salary of Vice President	2.35:1

Our planned targets regarding male: female ratio for the upcoming years are as follows:



Targeted Recruitment

We are an equal opportunity employer. We aim to employ the best talent across the globe from diverse background. Being present across India, we work together with people from diverse backgrounds to achieve our organisational goals. Our recruitment criteria includes parameters such as aptitude, competency mapping, skill-set benchmarking, and ability.

Internal Job Posting

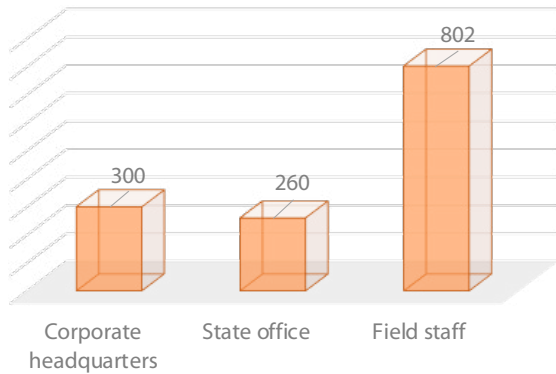
Our permanent employees can switch departments internally to enhance their professional skills. Through the Internal Job Posting portal, they can apply for vacancies at the different departments of the organisation. The portal allows us to promote internal recruitment within ranks within the organisation. Moreover, we encourage internal referrals by incentivising current permanent employees with cash rewards.

External Recruitment

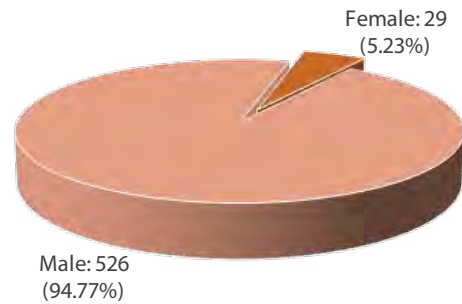
Our recruitment team visits local educational institutions in different states and regions. We hire from diverse colleges, regional universities including women's colleges and tribal colleges in rural India. As over 70% of our outlets are in rural India, we generate local employment and offer talent development opportunities. We have collaborated with several educational institutions such as Chitkara University, Chandigarh, Indian Institute of Information Technology, Kota, and Balaji Institute of Modern Management. As a result, we have created direct employment opportunities for 1,362 individuals in FY 2019-20.

We recruited 555 individuals in FY 2019-20. Furthermore, we encourage applications from minority groups at our corporate office. In 2019, out of total number of employees recruited across India, 11.8% were from minority groups.

Permanent employees in FY 2019-20



New permanent employees recruited in FY 2019-20



Our business model involves a hierarchical structure of block officer, district managers, state heads as on-field staff. Being a rural-focused organisation, we hire our field staff from local communities, including minority groups. As of FY 2019-20, we have a team of 260 employees in state office and 802 employees as local field staff. Out of 802 local field staff, 183 employees are new joiners. Moreover, our local field staff is available in 47 out of 91 Left-Wing Extremists (LWE) districts and 56 out of 164 tribal districts in the country.

In addition to minority groups and women, we also encourage employment of divyang and retired military professionals. We undertake recruitment from Armed Forces Recruitment Board and Indian Army Recruitment Board. For our divyang staff, we have facilitated special features in the premises of our corporate office. We also have a ramp facility at various locations of office and Braille feature at most of our access points. As of FY 2019-20, we have 2 divyang individuals as permanent employees.

Mentorship

For a smooth transition of new joiners in the organisation, we assign a mentor of the same work profile as the role. We impart training and seminars for new joiners to groom them as core team members. Mentors share their experience to guide employees and help them to align their individual goals with career development with us. We also conduct training programs for skilled employees interested in becoming mentors to employees of various mentorship programs, on a semi-annual basis. Following table outlines our mentorship programs:

Mentorship program	Function of program
Minority group program	Special mentorship program for our employees from the minority groups as several people are recruited from rural India. Mentor of the group helps employees gain a sense of belongingness at workplace and excel in their career.
Women mentorship program	100% women employees are mapped to a senior woman mentor with a vast experience and insights. Mentor supports mentees in enhancing their professional knowledge and expertise as well as guiding them in personal matters such as childcare, which may influence their productivity at work. In FY 2019-20, we launched a special mentorship programme for women in middle management, thereby extending the program from entry level to middle management. Each woman from middle management was assigned a mentor from senior management to assist her in taking senior roles in the organisation. Currently, we have 3 mentees mapped to a mentor, especially at senior level, thereby enabling mentors to give special attention to mentees.
Specially-abled mentorship program	We have assigned mentors to our divyang staff to assist them in carrying out their roles and responsibilities effectively. Mentors with similar job profile and activities guide their mentees.

Mentorship program	Function of program
Military mentorship program	Mentor guides former military professionals and their spouses. The program facilitates a smooth transition from military life to a corporate life, and builds required skills of ex-military professionals to succeed in corporate roles.
New-joiner program	A mentor is mapped to all employees joining the organisation. He/ she helps the new-joiner to understand the corporate culture and take up their role more effectively.
Mentor and buddy program	This program is especially for State Heads (or Buddy) who have recently joined the organisation, and require assistance in understanding the operations of the State. Each State Head is linked to a senior State Head who has been working with us for more than 5 years. Mentor State Head shares his knowledge and experience as well as guides the Buddy in achieving his targets.

Employee Affinity Group or Networking Group

Employees with similar interests can form 'Affinity Groups' or 'Networking Groups'. These groups aid in recruitment by providing perspectives on techniques for a targeted group. Employee affinity groups can increase number of women and minorities employed in the organisation. Membership also helps in creating an inclusive environment and fostering retention of employees. The groups not only help in attracting, developing, retaining talent, but also facilitate developing new business opportunities, promoting the brand and community outreach. They enable harmony and better work culture in the organisation. Following are few Employee Affinity Groups:

Affinity Group	Role of Affinity Group
Women professionals	Group's objective is to ensure overall well-being of the female workforce. Group members help women in balancing their work with personal commitments. 50% of females in our Core Strategy Team are mentors to the Women Professionals affinity group.
Regional affinity groups	Affinity groups categorised into native locations of employees- Northern India, Eastern India, Western India, Southern India and Central India.
Working families	Also referred to as "Working Parents Support Group", the group discusses needs of parenting and supports its members. We offer the facility of an in-house crèche to working parents.
Minority in India	The group represents employees from minority groups in our country. It facilitates in attracting talent from various parts of the country, especially from underserved and unserved districts. Employees are represented by a Co-ordinator who communicates opinions of the group to the management.
Specially-abled professionals	With a talented pool of specially-abled professionals, this group creates awareness, drives opportunities for growth in the workplace. Members mentor and support one another in overcoming challenges to perform their tasks and in realizing their full potential.
Ex-military professionals	Group connects ex-military professionals at the organisation and fosters an environment of support and empowerment.
Young professionals	Comprises of employees freshly recruited from educational institutes, and are in the organisation for less than 5 years. Group provides training of required skills to fresher and helps him develop his career path.

Training and Development

We believe that successful employees result in a successful organisation. The Diversity and Inclusion Council conducts multiple trainings for all employees at each level of the organisation- tactical, strategic and leadership levels. We regularly conduct seminars and knowledge-sharing sessions to improve knowledge base of employees. Additionally, we provide soft-skills training to employees to enhance their communication skills. Our competency programs include customized development programs, off-the-shelf training, and accredited development program.

We hold trainings as per the target of number of training man-hours set by the Nomination and Remuneration and Compensation Committee. We plan to conduct training sessions annually based on headcount of the organisation and training hours assigned to each employee per year. As per the training plan, every employee is enrolled for at least 2 training workshops or programs per year. Duration of each workshop is 6 hours, of which 1 hour is allocated for diversity-related session. Thereby, we target 16,344 man-hours of training for 1,362 employees per year. In FY 2019-20, we conducted 2,511 hours of training for permanent employees on ISO, induction, behavioural aspects, etc. In the reporting year, all 1,362 employees, including 79 female employees and 2 divyang employees, were trained in induction, health and safety and ISO training. Following table represents a break-up of information related to training:

Type of training	Employees joined	Per employee training	Total training hours	Course content	Remarks
Mandatory employee training at the time of joining	555	4	2,220	1. All HR policies 2. Ethics and Moral Code of Conduct 3. Anti-corruption Policy 4. Prevention of Sexual Harassment 5. Human Rights Policy 6. Business Conduct Training 7. Data Privacy	Tests conducted after the session to judge level of understanding
Refresh training conducted periodically	76	2	152	1. All HR policies 2. Ethics and Moral Code of Conduct 3. Anti-corruption Policy 4. Prevention of Sexual Harassment 5. Human Rights Policy 6. Business Conduct Training 7. Data Privacy & Security	Trainings conducted as refreshment training for employees on turn basis periodically and skill upgradation
	76	8	608	Skill Upgradation Training	

We hold special training programs on inclusive team culture for senior level managers. In FY 2019-20, we conducted training programs especially for our women middle-management team. Training sessions aimed to impart skills required to become an effective leader. Over 80% of female participants were positive about training sessions helping them with the confidence and skills required for a leadership role.

In addition to women employees, we also focus on minority groups by holding seminars and training sessions to provide the right skills and guidance in succeeding in their roles. In the reporting year, we imparted over 608 hours of skill development training to minority groups. Similarly, for our 6 security staff, we conducted training sessions of 108 hours on organization’s human rights policy, procedures and applications of security, and any other training relevant to security, in FY 2019-20.

Training and development programs assisted employees in upskilling their skillsets. We were able to hire for managerial and senior roles from within the organisation, rather than external sources. 250 employees were promoted to managerial and senior roles in last year due to our training and development programs. On an average, we were able to save INR 1 lakh per position due to promotion, and INR 250 lakhs previous year because of targeted leadership program trainings. Following initiatives improve productivity of our employees:

1. **Alignment:** aligning employee's work with organisation's targets
2. **Pay parity:** paying employees a fair salary on a regular schedule
3. **Opportunities:** creating opportunities for employees to do their best
4. **Safety:** developing a safe office environment providing quality health benefits and offering a pension plan
5. **Belongingness:** embracing and celebrating diversity, promoting collaboration across teams, and offering equal access to programs and employee initiatives
6. **Esteem:** recognizing team contributions, providing employee feedback, and rewarding exceptional employee performance
7. **Self-actualization:** creating personalized training plans, offering custom management tracks, and providing high-level mentorship from executives on a regular basis.
8. **Wellness program:** implementing a workplace wellness program



In addition, our training programs specific to customer service department assisted in resolving customer service-related issues. They increased internal and external customer satisfaction levels by 15% and 9% respectively.

Talent Retention

We believe that talent retention is extremely important for our long-term growth. We keep employees engaged in the organisation by assigning them challenging work, setting achievable and cross-functional targets, and training them in cross-disciplinary skills. In addition, benefits such as wellness program, parental support program and mobility benefits keep our employees actively engaged and committed to the organisation.

Our Early Interventions Team focuses on new joiners and conducts regular meetings to understand the gap in their orientation process and departments. These meetings are held periodically at an interval of 45 days, 90 days, 125 days and 180 days. Through our on-boarding and joining process, we have been able to curb attrition among new joiners by 8% in the first 180 days from the date of joining.

Employees receiving periodic trainings are likely to stay motivated and engaged in the organisation for longer time-period. On an average, employees are associated with us for 3.71 years. In addition, average age of our employees is 33.76 years. Our initiatives have enabled us to reduce attrition rate and retain employees. In the reporting year, we recorded a voluntary attrition rate of permanent employees at 5.4%.

Our Head- People, Performance and Culture department monitors retention rate in organisation and strives to improve it on regular basis. Monitored findings are reported to the Nomination and Remuneration and Compensation Committee.

Employee Satisfaction

We have been an employee-friendly institution since inception. We focus on output and physical presence of staff. We follow flexible timing with a cut of 8 hours as per the prescribed law. If an employee works for more than 8 hours, we then compensate him or her for the same. In addition, we provide 21 days of annual leave and 9 days of public holidays. Up to 30 days of annual leave can be carried forward to the next year and pending leaves over 30 days get encashed to employees. Also, 2nd and 4th Saturday of a month are holidays for all employees.



To facilitate a culture of work-life balance, we provide 184 days of maternity leave with pay to employees for each child. We offer maternity claim of upto INR 60,000 for hospital expenses during pregnancy. We preserve their employment during the agreed leave. Furthermore, we also offer a crèche facility to female employees who find it difficult to manage work with children. In FY 2019-20, 3 female employees availed parental leaves. All 3 employees returned to work after their parental leaves.

Moreover, we provide in-kind benefits fully or partially financed by the Company, such as paid time-off, public holidays, career break for purposes such as studies, medical emergencies or attending to household duties, and fringe benefits like parking, and mobile reimbursement.

We offer aforementioned benefits to all employees without any gender bias. As per our policy, 100% of employees are eligible to receive Employee Stock Options (ESOPs) as per their band level. We offer ESOPs scheme at discounted rates. In the reporting year, we provided ESOPs to 242 employees, and rewarded approximately 100 employees for event-related performance. Furthermore, 100% of our employees received performance review in FY 2019-20. We also offer gratuity to employees at the time of separation on completion of 5 years of continued service. We review these benefits annually to adhere to industry's best practices.

We protect information generated within organisation or acquired through business relations. We sign a Non-Disclosure Agreement (NDA) with employees for maintaining confidentiality of their information, including information related to health. NDA also restricts employees to furnish any detail about the company to any individual,

organisation or group. Our HR department safeguards the signed copy of NDA, along with other employee details. If at any point we come to know that confidential information has been compromised, we will initiate disciplinary action against those responsible.

Retirement Policy

Our retirement policy is applicable to all permanent employees working with us. The age of retirement for an employee is 58 years. However, the management may extend retirement of an employee on a year-to-year basis based on the medical condition and performance in the previous year. The HR department notifies an employee in this regard at least 30 days prior to his date of retirement.

Benefits upon Retirement:

- Upon retirement, we complete all necessary documentation for final settlement within next 30 days for the retired employee;
- Permanent staff are entitled to retirement benefits such as gratuity, which is processed within a period of 45 days from retirement date. They are also eligible for a monthly pension under the Employee Pension Scheme (EPS);
- We provide retirement letters to retired employees stating their experience in the organisation;
- Retired employee also receives a felicitation from the organisation on his last day as a gesture of his invaluable service rendered to the organization

Our engagement with employees is based on trust, integrity, two-way commitment and communication between the organisation and employees. Our approach increases chances of business success and contributes to organisational and individual performance, productivity and well-being. We typically measure the following 10 parameters related to employee engagement:

1. Pride in employer
2. Satisfaction with employer
3. Job satisfaction
4. Opportunity to perform well at challenging work
5. Recognition and positive feedback for one's contribution
6. Personal support from supervisor
7. Effort above and beyond the minimum
8. Understanding the link between one's job and organisation's mission
9. Prospects of future growth with one's employer
10. Intention to stay with one's employer

01

Employee engagement activities

- Motivational programs like Employee Happiness Session;
- Sponsorship for community runs - Hiranandani Thane Marathon;
- Organizing family events and celebrations for employees - Mother's Day, Independence Day, Republic Day, Chaitra Navratri, Happiness Sessions, International Women's Day;
- Promote and participate in sports such as Box Cricket, Tug of War, Corporate Super Fives Tournament. Employees form an Internal Soccer and Cricket teams and participate with employees from other teams;
- Competitions such as Rangoli making competition.

02

Employee engagement survey

- 67% employees feel happy and proud working at Vakrangee and are satisfied with their job;
- 73% employees feel inspired and connected with the co-workers;
- 81% employees feel that their manager encourages collaboration in the team;
- 82% employees feel their manager is committed to provide guidance and motivation;
- 70% employees feel that they can count on their peers in need of help;
- 77% employees feel that their manager assigns challenging assessments to them and is successful in building trust amongst the team members;
- 68% employees feel that they receive constructive feedback from their manager and peers which help them improve their overall performance.

03

Convenience store

- Employees can avail services from the in-house convenience store like:
 - ATM service;
 - Travel ticket booking;
 - Online shopping;
 - Online pharmacy;
 - Insurance policies;
 - Banking services;
 - Bill payments.



We believe that along with fair compensation, employees also want fair treatment and appreciation of efforts. We recognize employees for especially:

1. Ability to manage and champion change
2. Innovation
3. Systems improvement
4. Customer or client retention
5. Significant personal development
6. Actions that embody the organisation's core values

We reward employees for their exemplary performance, in the following ways:

1. On the SPOT award
2. Quality award
3. Performance of the quarter award
4. Annual performance award or Employee of the year
5. Internal employee award
6. Performance certificate

Moreover, employees present appreciation cards to appreciate work of peers. We celebrate wedding anniversaries of employees and award tenured talent for completing 5, 8, 10, 12, and 15 years at the organisation.

Health and Safety

We safeguard health and safety of all employees at workplace, and ensure that safety tools and processes are in place at all times to combat any mis-happening. With the help of ISO 45001:2018, we demonstrate our commitment to occupational health and safety management as well as implement robust health and safety measures. Our commitment also improves employee satisfaction and retention, and improved employees' health, increased productivity and reduced absenteeism.

We take measures to promote health and well-being of our workers. We continuously engage workers in development, implementation and performance evaluation of our occupational health and safety policy, management systems and programs. We also offer healthcare services or voluntary health promotion programs to workers, which help them to improve their diet or quit smoking.

Work-related hazards vary significantly across different locations. We have grouped these incidents based on geographical areas and business line. We have also identified potential hazards or incidents causing high-risk injury (We classify high-risk injuries as those, which could result in fatality, and employee is not able to recover within 4 months).

We insist relevant field staff such, or Block Officers and Divisional Operating Managers to travel on four-wheeler or book a taxi ride for business-related travel. While loading cash in ATMs, we expect employees to strictly follow our Standard Operating Procedures to avoid any theft and in turn any fatal incident. We encourage employees to follow our guidelines and standards at all times. Similarly, employees at our corporate office work on either laptops or desktops. They sit for long hours at workstations and tend to strain their eyes. In FY 2019-20, we recorded 0 fatalities as a result of work-related ill-health.

We believe in the saying, "health is wealth", and therefore, conduct various initiatives to help employees stay fit physically and remain stress-free. Our Human Resource department is responsible for executing and monitoring fitness initiatives at our organisation. We consider it our responsibility to provide a diverse suite of well-being programs focused on physical, mental, financial and spiritual health of employees. We believe that such programs drive employees' productivity, retention and engagement. We have also communicated a help-line number to report all safety-related issues.

Vakrangee as the associate sponsor of Hiranandani Marathon



Following section elaborates on benefits at our organisation:

1. **Employee Assistance Program (EAP):** Our employee assistance program provides psychological support to employees facing issues in their personal and professional lives through our counselling sessions. EAP coaches employees to make smarter health decisions, exercise, improve nutrition, lose weight, and quit habits like smoking and chewing tobacco or guthka.
2. **Practical well-being support:** There may be situations where employees are unable to give their best at work. Familial commitments, relocation, household duties, and legal or financial matters may distract employees or even result in their absence at work. We provide work-life consultation, personalized research and resources to help employees balance work with personal matters and stay focused on their jobs.
3. We promote **health and fitness initiatives** like marathon, Yoga, Zumba, and training programs for workplace and employee happiness.
4. **Smoking Cessation Program:** Smoking Cessation Programs are carried out periodically to help those employees who are smokers to quit the habit of smoking. A trainer defines a personalized "quit plan" and provides live chat coaching and text messaging support.
5. For a healthy workplace, we have laid down a policy prohibiting employees from consuming drugs, alcohol, tobacco, guthka, or any substance. Any employee found violating the policy and endangering lives of other employees as well as himself, will be subject to strict disciplinary action.
6. **Yoga classes:** Yoga and meditation are extremely effective stress-relievers. We have scheduled 2 classes per week for employees.
7. **Medical room facility with Company doctor:** We have a medical room facility in our corporate office. Employees use the medical room to relax when they are not feeling well or experience un-ease at work. Our in-house doctor visits Head Office every Friday from 11 am to 1 pm.
8. **Work-life balance:** We provide flexible work schedules to help employees balance their professional and personal responsibilities.
9. **Parental support and crèche facility:** We provide parental support and crèche facility for parents who find it difficult to manage work and children.
10. **Health monitoring and blood checks:** We conduct health monitoring and blood checks once a year for all employees free of cost. We also provide additional support and guidance from medical practitioner wherever necessary.
11. **Healthy lunch and snacks:** Lunch Committee in the organisation ensures that lunch and snacks are nutritious, and with less calories.
12. **Health and safety training:** Safety trainings for employees include emergency action plan training, and first-aid for oneself, when injured and unaccompanied. First-aid kit consists of gauze piece, cotton, spirit, scissor, sticking plaster, bandages, anti-inflammatory, anti-pyretic, anti-emetic and anti-allergic medicines. We examine our inventory of first-aid monthly.
13. **Fire safety and emergency drill:** We hold fire drills for employees from time to time. We have installed fire extinguishers and fire alarms at different places of corporate office. Fire drills prepare employees to respond to emergencies quickly, calmly and safely.
14. **Self-defence training:** Self-defence training prevents workplace violence. We conduct these trainings periodically to equip employees against harmful incidents or physical attacks. Employees capable of protecting themselves are more confident, perform well, and develop leadership potential. It also helps in developing assertiveness and reducing aggressiveness.
15. **Medical insurance policy:** We offer Group Term Life Insurance Policy, Group Medclaim Policy and Accidental Cover Insurance to all employees. The policy covers hospitalization and home treatment of all ailments, including Covid-19. Employees can avail the policy for self, spouse and two children. We also have a term life insurance covering up to INR 100 lakhs in case of death of any employee. Health-related information is only provided to another person (employee's supervisor, staff handling payroll, deductions, benefits, etc.) after employee's consent. We keep employees' medclaim files separately to prevent breach of information.
16. **Special Leave:** In rare instances, our field staff have encountered injuries while travelling to outlets. We provide Special Leave to employees who met with accidents on duty, including travel to and from place of work, life-threatening diseases like cancer, dengue, malaria, typhoid, and tuberculosis.

Grievance Redressal

We treat sexual harassment as an act of unacceptable conduct and social crime. We have zero tolerance toward any act of sexual harassment. As per the regulatory requirement, we have formed "Vishakha Committee" and an Internal Complaints Committee to address such incidents as and when reported.

We have a qualified team of professionals for addressing grievances, of our permanent employees and franchisees. A query management system for employees records employees' grievances and reports them directly to the HR Head at corporate office. Additionally, the Internal Complaints Committee and Vishakha Committee also address concerns of permanent employees.

We use multiple platforms to broadcast our values, principles, standards and norms to employees across the Company. Following are few methods to communicate with our employees:





Intellectual Capital

One possible solution for constraints of well-being in India is bundled in the strength of digitisation. The New-Age India is an environment of opportunities to leverage digitisation for improved comfort and refined standard of living. Technologies such as Aadhar-enabled Payment System (AePS) and Artificial Intelligence (AI) support the growing population of Digital consumers. NITI Aayog suggests that by integrating AI, India could add USD 5 trillion in its economy.¹ Whether in the form of ambitious government policies or simply proactive internet users, focus on innovative digital platforms is imperative for a favourable business ecosystem.

We are amplifying the opportunities presented by New-Age India through a digital transformation in the way we deliver our promises. Judging the crucial role of digitisation in business, we have positioned technology as one of the unique strategic enablers in our business model. Our modern business offerings, delivered by an innovative business model, are transforming the rural landscape of India and impacting countless citizens on a daily basis.

As a technology-driven company, our Intellectual Capital is one of the most important assets of our business. Intangibles such as knowledge, procedures, systems and protocols play an integral role to both safeguard our processes as well as leverage the possibilities offered in a New-Age India. As we rely on our employees and franchisees to deliver our mission of digital and financial inclusion in India, our intellectual capital revolves around the application of knowledge, tools and software by customers, franchisees and employees. Our intellectual capital covers the standard operating procedures, policies, software, tools, risk management strategies and R&D that make us a unique enterprise.

Our Technological Achievements

- Over two decades of System Integration Capabilities
- Inter-operable banking – Integration with the core banking servers of banks
- Pioneer in Aadhaar-based biometric enabled banking



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¹ Last accessed on 23rd July 2020. <https://www.analyticsinsight.net/state-of-artificial-intelligence-in-india/#:~:text=In%20June%202018%2C%20India's%20national,its%20economy%20through%20integrating%20AI.>

Our Value-driven Technological Services for Digital India

INPUT	OUTPUT	OUTCOME	IMPACT
<ul style="list-style-type: none"> • Aadhar-enabled banking • Inter-operable integration with core banking servers • Data privacy and security • Next-Gen payment systems • Artificial Intelligence and Natural Language Processing • Virtual Assistance • Internet of Things • Chatbot Conversational Interface and Designs • Blockchain • Big data and data analytics 	<ul style="list-style-type: none"> • Presence in 30 states and UTs, over 500 districts, and more than 6,150 postal codes in India • Over 70% outlets or more than 7,000 outlets in Tier V and Tier VI locations in India 	<ul style="list-style-type: none"> • Services to previously ignored rural population • Prevalence of essential services like banking, e-commerce, insurance and logistics in remote areas • Hassle-free services saves time and increases productivity of customers and franchisees • Greater inclusiveness in society as services like biometric-enabled banking help illiterate citizens avail banking service with ease • No need to travel long distances due to provision of interoperable banking 	<ul style="list-style-type: none"> • Access to financial products in all regions of India • Access to digital services (e-commerce, logistics, telemedicine, etc.) for personal and business needs in maximum regions of India • Equal access to all services to all strata of society • Ease of usage and trust by stakeholders

Policies and Standards for Protecting Information

We have well-defined policies designed to aid all major decisions and actions in a manner that protect our rights and those of our stakeholders. Our policies cover all areas of business impact including environment, social and governance laying out robust guidelines for operations. They also extend to our supply chain, and thereby support equal rights along the value chain. Our collection of policies for ethical usage and data privacy includes Fraud Prevention Policy, Data Privacy policy, Acceptable Use Policy, Intellectual Property Rights & Ownership Policy, Information Security & Management Policy and Data Request Management Policy. In addition, we are certified with ISO/IEC 27001:2013 Information Security Management System and ISO 20000-1:2011 Information Technology Service Management to strengthen our data security and implement best practices.

Data Privacy

We go beyond ensuring access to digital and financial services. We also strive to be a reliable organisation where our customers trust us with the safety of their personal information. Our Data Privacy program handles data protection and privacy by categorising data based on sensitivity (confidentiality), criticality (availability), identifiability (privacy) and compliance. This categorisation is then used to determine the safeguards required.

One of our top priorities is ensuring information safety as we house sensitive information of our customers. We have

laid down procedures for risk management, information safety and compliance with internal controls on corporate governance. We have an Information Privacy Policy to ensure enforcement of compliance with mandatory regulatory, internal compliance, best practices, legal and ethical requirements along with need for managing risk. We have appointed a Data Protection Officer as a data controller who records the purposes of all data processed and implements measures to appropriately manage risks for the rights and freedoms of data subjects. As a commitment towards information security and data privacy, one representative from the Board of Directors is part of Governance of Information Security and Data Privacy Organisation Structure. We firmly believe that involvement of all stakeholders for risk assessment (e.g. executive board, board of directors, top management, HOD's, other management team) is essential to ensure privacy of stakeholder information.

We have been certified with ISO standards. ISO/IEC 27001:2013 Information Security Management System provides protection of sensitive data of the company and our customers. It offers a robust model for security risk assessment, security design, implementation and management. In addition, we have ISO 20000-1:2011 - IT Management System. It benefits us with improved IT service management, reliable IT services with reduced downtimes, minimal risk of errors, lower costs, time-saving and increased customer confidence. The certification confirms that our management practices are tightly controlled and applied consistently. Similarly, our certification of ISO 9001:2015 Quality Management System improves the quality of our services and demonstrates our ability to consistently provide products and services that meet customer and regulatory requirements.

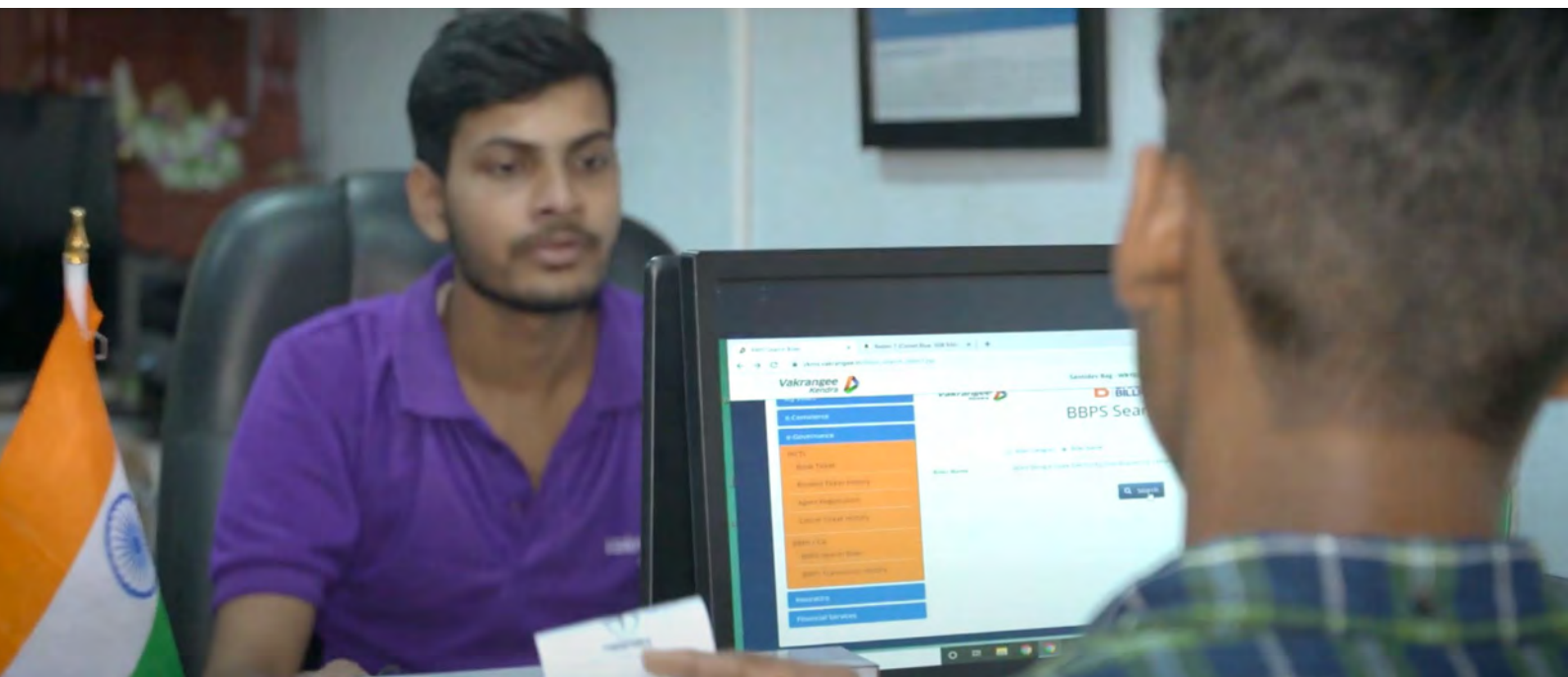
We have security specifications in place with a defined user policy that ensures user authentication for every user of the server. Going forward, we are planning to undertake certifications such as ISO 31000 Risk Management; ISO 22301 Societal security – Business continuity management; ISO/TR 13569 – Financial services – Information security guidelines; ISO/IEC 13335 Information technology – Security techniques – Management of information and communications. With a purpose of delivering convenience to our customers, we are continuously investing in best-in-class technologies and upgrading our systems so that we can seamlessly cater to our customers, while ensuring safety and protection of confidential data.

Our Technology Suite for a Digital Revolution

Our software capabilities are the backbone of our services and business objective for digital inclusion. We lead the way as a pioneer in Aadhaar based biometric enabled banking. Through our breakthrough Aadhaar enabled banking systems, we have been instrumental in bridging the digital and financial divide and have created a scope for equal access to the same quality services across genders and locations. We have an advanced proprietary technology platform that allows us to offer our services through systematic real-time integration with our partner systems. Our qualified team of professionals provides anytime technical assistance to our franchisees.

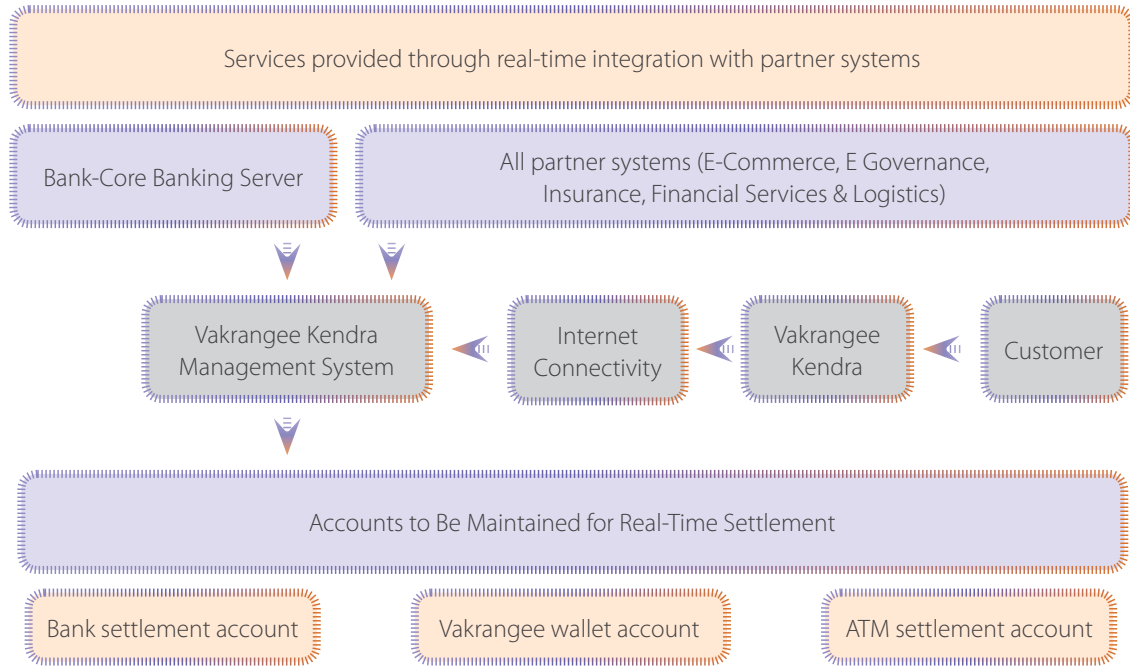
Our technology platform is integrated with the core banking servers of multiple banks, delivering real-time and interoperable banking access. Moreover, we have securely integrated with systems of our partners across E-Commerce, E-Governance, Insurance, and Logistics. Our well-positioned biometric authentication system enables seamless Know Your Customer (KYC) processes and paperless banking. In order to boost our technology, we have built a pass-through server architecture for data security and privacy. We are proud to have over two decades of system integration capabilities. An efficient team trained to handle day-to-day technical glitches supports all these features.

Our efficient IT team enables us to adopt most recent technological transformation available in the world with ease. We maintain the importance of data privacy and information security while unifying experience for our stakeholders. Our team orchestrates different solutions such as SaaS, PaaS, and IaaS or on premise. We regularly invest and upgrade software as required, to evolve with the changing trends of technology. Our competitive advantage of technology enables us to remain competitive in transforming the landscape of our business. Furthermore, we encourage employees to innovate to meet company's ambitious goals, by providing a competitive salary. Salaries are reviewed each year, with increases based on performance and the market value of the position. Employees also benefit from annual cash bonuses and Employee Stock Options (ESOPs) based on performance of individual, company and, in some cases, business unit.



We are quick to adopt modern technology if it is better than our technologies currently in use. We focus our efforts on implementing technology to meet the needs of our organisation. We leverage the best technological development to meet the advanced needs of our organisation. Through a proactive adaptation strategy with the latest technological services, we are able to cater to the ever-evolving requirements of India.

Our Proprietary Technology Platform



Next-Gen Payment Solutions

We promote the Government of India’s focus on digitisation by offering our next generation business model for the digital age. With the push towards adoption of digital payments across the country, we understand the importance of having a next generation business model. To leverage technological adoption, we are developing a “Unified Payment Platform” to process all payments including card payment, UPI, AePS, Aadhaar Pay and QR, among others. The platform will enable customers to make payment through any mode of transaction. We are one of the pioneers of AePS based banking system in the country. Implementation of an integrated digital payment mechanism empowers us to make banking services available to every citizen of India, until the last mile.

Data Security

Our business model deals with sensitive information of our business partners and customers who access our services through various channels. With a growing population of

digitally literate citizens, data is one of the most valuable assets in our organisation. Utmost security to this asset further builds trust of our stakeholders. One of the biggest challenges faced by the industry is implementation of user privacy rights and data security. Apart from the growing threats to data security, new data privacy laws and growing enforcement of existing regulations have been challenging data governance efficiency of the organisation. We witness a rapid growth in data proliferation across the organisation. To conform to regulations and ensure information privacy and safety, we have taken several meaningful steps.

Our senior management has constituted Vakrangee Information Security Committee, which is responsible for defining and improving the Information Security Management System (ISMS). This team reports to the Chief Information Security Officer. Our Information Security Committee is responsible for drafting policy, having reviews performed, publication and communication to the grassroots of enterprise. Further, policy and standards are ensured to be reviewed by Information Security Committee and approved by Executive Level Management as an extended responsibility.

We have security measures in place that are consistent with the sensitivity of personal information. Data privacy and information security calls for creation of a communication and training program. Further, it describes the need to ensure stakeholder understanding, compliance to the data privacy and information security program. In this regard, we have trained 300 employees and over 10,000 franchisees for advanced technologies.

We have formed multiple teams to ensure smooth operations of data security operations. Data Governance team ensures that data classifications including data management characteristics, data security and privacy classification are established. Data owner and data governance team ensure that privacy by design is embraced. Controls for security for private data are established at a data service level wherever applicable rather than at an application level. Data privacy, information security and governance team ensure that the guidelines for data controls are placed for new changes or changes to existing capabilities. As a result of our efforts, there was no instance of data breach in our organization or at the outlets.

Big Data and Data Analytics

Large sets of data are generated and stored with us every day, which need to be further sorted, arranged and stored methodically. This is not possible through conventional database systems. Hence, we have adapted our systems to big data. We understand that the amount of data generated will increase particularly due to the increase in number of devices, artificial intelligence and other data streams. We have started working with data analytics to utilise the data generated by processing and analysing it to get behavioural insights. We are making use of artificial intelligence and machine learning, which considers historic data to make accurate predictions that help us take proactive actions.

Artificial Intelligence and Machine Learning

Artificial intelligence (AI) and Machine Learning (ML) are integral components of any corporate strategy due to their ability to process high volumes of data. We adopt AI and ML technologies into our business since they develop cognitive abilities and are leading technologies for the next Industrial Revolution. AI and ML are being leveraged to improve our product lines, design advanced business solutions, pull relevant information from big piles of data to improve the accuracy, assist in assignment of resources, maximise automation of existing processes, and save countless human hours. We focus on deploying AI as an augmentation tool for the current workforce, providing engineers and other

professionals with added insights that will increase their efficiency and free them up to focus on enriching the customer experience.

Internet of Things

Internet of Things (IoT) is a disruptive technology that connects multiple devices like wearable devices, enterprise-wide physical assets, and other electronic devices through sensors, actuators, amongst others. It helps in gathering real-time data from across departments, processes, or business lines. This network of devices can share data and enable management of devices and applications, as per stimuli. We adopt this technology in improving process efficiency, utilisation of assets and productivity. IoT enables us to monitor ATMs, electric surveillance and logistics at corporate office. In FY 2019-20, we monitored 10,000 franchisees with the help of IoT.

Chatbot Conversational Interface and Designs

Chatbots, a prominent technology across different industries, for conversational interfaces and Natural Language Processing (NLP) for human-like voice conversation enable us to deploy innovative technology in the New Age India for several benefits. Chatbots are used in various forms like a personal assistant performing instant two-way conversation by answering queries, taking notes, running video on demand, or a customer-service executive, who provides all sorts of information on products or services.

Augmented Reality and Virtual Reality as a Mixed Reality

Virtual Reality (VR) offers users to experience spatial presence while Augmented Reality (AR) helps simulate things that are not present in the real world. We adopt these technologies to virtually experience the product or service before buying, and without making them physically available.

Block chain

We have initiated adoption of Block chain in our organisation to leverage robust security features to protect any kind of transactions and eliminate reconciliation. Block chain is designed to have no single point of failure (SPOF) due to its complex and highly encrypted model. Individuals are empowered to control their personal data like identity

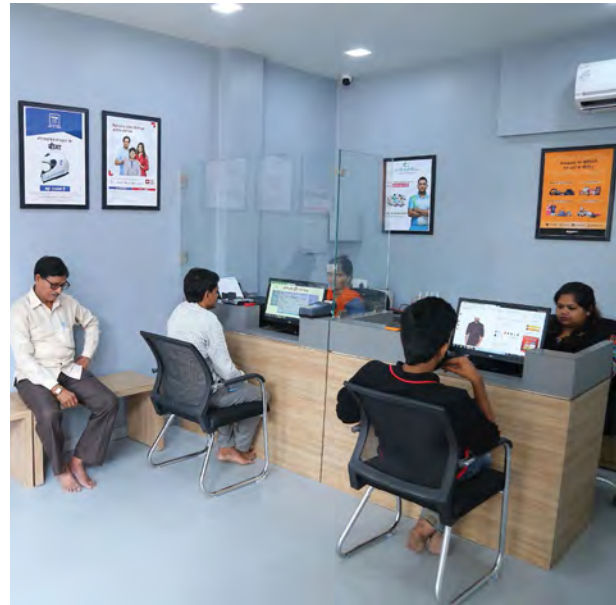
proofs, citizenships, financial and educational records. We leverage the feature of cryptographic security of transactions to protect data from hackers. Moreover, we are exploring distributed public digital ledger to devise solutions to record critical information and transactions, such as intellectual property management, digital transactions, identity management, auditing, business agreements and contracts.

Virtual Assistance –Voice-based Services

We have adopted virtual assistance and integrated voice based services for our customer applications to offer convenience in everyday life. A collection of virtual assistants such as Apple Siri, Amazon Echo, Google Assistant, Microsoft Cortana and Samsung Bixby have proved to be trend setters and have evolved the way in which people perform their day-to-day tasks using voice recognition, artificial intelligence, natural language processing, and machine learning technologies.

Licenses

We aim to provide opportunities to rural entrepreneurs and hence, go to great lengths to make them feel at ease along their journey with us. We ensure the Next-Gen Vakrangee Kendras are asset-light investments owing to majority of outlets being in rural areas with a brick and mortar layout. We charge the franchisees only for the hardware and software licenses of our proprietary platform. We earn revenue from software usages and license where customers obtain a “right to use”. Revenue from software and license is recognised when the software and license is made available to the customer, whereas, revenue from licenses, where the customer obtains a “right to access”, is recognised over the access period. We also own the license from Reserve Bank of India (RBI) to set up and manage White Label ATMs, enabling real-time cash withdrawals from all the banks. We have added over 3,200 White Label ATMs in the past 2 years and are now the 3rd largest and fastest growing White Label ATM player in the country.¹ Due to our continued efforts, the number of White Label ATM transactions stood at 44,091,588 for FY 2019-20.



Research and Development

We are committed to fuelling our Research and Development (R&D), and use the latest available technology to advance our vision of digital, financial and social inclusion, and equitable development of India. We continue to expand our technical expertise by working with the latest available technology to serve our customers and improve our business operations. Our investment in R&D and advanced technology for FY 2019-20 was approximately INR 2 crore.

Commitment for Continuous Improvement

Our technology platform is a snapshot of the potential offered by the New Age India, as well as how we are employing it in business. We understand that with the changing global environment, India needs services that are updated with technological advancements and service quality standards. We established, implemented, maintained and continually improving information security standard by our Plan-Do-Check-Act (PDCA) approach and other methodologies for continual improvement. Senior management play a pivotal role in promoting continual improvement in intellectual capital of business and ensures that our commitment to continual improvement in the information security. Furthermore, they periodically review information security management system for its continued suitability, adequacy, and effectiveness.

¹ Last accessed on 24th July 2020. <https://www.moneycontrol.com/news/business/announcements/vakrangee-emerges-as-a-leader-in-financial-social-inclusion-initiatives-in-rural-india-4872621.html>



Social and Relationship Capital

India, a country of 1.24 billion is rich in diversity, shares common destiny, and hopes and aspirations. India is known for its rich culture based on harmony and social accommodation. In our journey towards a New-Age India, it has been our endeavour to build an inclusive society, where everyone has equal access to a wide range of modern-day products and services. Our mission to facilitate universal financial, digital, and social inclusion necessitates us to engage with several stakeholders. Strengthening cooperation with all stakeholders and leveraging technological innovation play a crucial role in not only achieving our mission but also contributing to the success of a New-Age India.

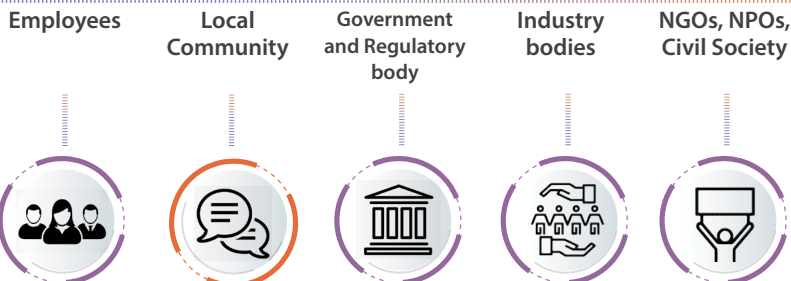
We duly recognise the importance of building and nurturing a healthy and long-term relationship with all our stakeholders. Whether it is our customers, employees, or the regulatory bodies, we strive to integrate stakeholders' commitments in our business decisions while maintaining transparent communications through various channels. 100% of our key stakeholders have been made aware of our policies and procedures. These policies and procedures guide us to connect with our stakeholders at regular interval, thereby strengthening our relationship with them even further.

SDGS ALIGNED

- 1 NO POVERTY
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



OUR STAKEHOLDERS



Engagement with Shareholders and Investors

We firmly believe that constructive engagement with shareholders can provide valuable insight, which will assist the Board in adhering to its commitment of maintaining high standards of governance. We have a detailed shareholders' engagement policy in place, which promotes open and sustained dialogue with our shareholders. We believe it is important to have direct regular engagement with them in order to exchange new and innovative ideas. Our investor relations team is primarily responsible for keeping regular communications with our shareholders and providing required information to the shareholders in a timely and accurate manner. Various channels of communication adopted for interaction with shareholders include:

- Conference calls
- Business updates through press releases
- Analyst meetings
- Roadshows
- Face-to-face interactions such as Annual General Meeting- an open platform for our shareholders to have a face-to-face discussion with the senior management and the Board. The sessions are recorded and uploaded on our website.

In addition, we have board presentations, publish annual reports and designate investor relation contacts to facilitate communication and query resolution for our shareholders. For more information, please visit [Shareholder Engagement Policy](#)

Engagement with Suppliers/ Vendors

Our suppliers play an integral part in our business. We seek to maintain a relationship of trust and mutual co-operation with them. We ensure that all our suppliers comply with necessary social, business integrity and environmental sustainability standards defined in our supplier policies and adopt leading practices to reduce social impact and environment footprints. We expect our suppliers to review and comply with these standards and regularly improve upon the parameters to help contribute to the welfare of society and environment.

Our sustainable sourcing and green procurement policy clearly define the prerequisites for our suppliers for doing business with us. Furthermore, our sustainable sourcing policy is based on the four guiding principles-Social, Business Ethics, Environmental sustainability and Quality focus.



We expect our suppliers to adhere to the following few commitments, when working with us:

1. Comply with all applicable laws in accordance with principles of International Labour Organisation (ILO), UN Global Compact and UN Universal Declaration of Human Rights;
2. Respect that all workers or employees have freedom of association and right to collective bargaining;
3. Suppliers' employees should not be harassed or intimidated in their right to join an organisation;
4. Commit to our policy by signing our Supplier Code of Conduct during her or his on-boarding process;
5. Ensure that they do not employ any person below the age of 15 years or as per minimum age for work provided in the applicable law. If a young worker, above the minimum age of work is employed, supplier must ensure that she/he is not exposed to harmful or dangerous tasks, which deprive her or him of opportunity to attend school;
6. Engage and protect local communities and indigenous people by providing employment as well as goods and services. Suppliers should also protect legal rights of local people, not limited to land rights;
7. Suppliers must treat their employees with dignity and respect. There should be no discrimination in employment practices on the grounds of gender, race, religion, age, marital status, disability, sexual orientation or citizenship etc.

SOCIAL AND RELATIONSHIP CAPITAL

We are committed to sustainable procurement. We give preference to suppliers with lower environmental impact of products and services, thereby having a clear focus on the following parameters:

- Reduction of water consumption
- Reduction in consumption of energy
- Efforts in keeping the environment green
- Encouraging diversity of talent
- Encouraging compliance with human rights conventions
- Adhere to all applicable laws of land
- Provide clear, accurate and appropriate reporting to the company on all relevant matters

We regularly interact with our suppliers and monitor their performance against the ESG requirements through the following:

Internal Audits

Under this, we undertake an unbiased, independent review of the systems of our suppliers against the identified key performance indicators (KPIs) to verify the strategies and processes adopted by the suppliers for dealing with ESG risks.



Meetings

We conduct regular meetings with our suppliers particularly the one with whom we have a long-term contract. Some common contract management meetings undertaken with the suppliers include:

- **Progress Review Meeting:** These meetings are done with the supplier's management team on a regular basis. The agenda for these meetings are generally workers' well-being, sustainable sourcing of products, steps to reduce environmental impacts, ESG performance trends, impending contract events or milestones, changes of the contract, proposed actions/ responses to current or potential problems and similar matter affecting the operation of contract
- **Technical Review Meetings:** These meetings are between our technical representative and supplier's technical expert. The agenda for these meetings are generally review of technical reports, ESG performance data and discussion of the role and contribution of technical team in achieving the ESG parameters.
- **Long-term Review and Audits:** These meetings determine the progress of ESG requirements and the changes, which are to be undertaken within the supplier's system to meet the gaps, if any. These meetings are undertaken in a systematised manner to ensure that the ESG objectives outlined for our suppliers can be achieved.

In our extended supply chain, we monitor and verify suppliers' performance and improvement as per the policy. Furthermore, we will consider every effort of suppliers to embrace sustainability within their business. We reserve the right to ask suppliers to map supply chain back to origin, in order to facilitate assessment of supply chain compliance. In addition, we reserve the right to audit any supplier's facilities periodically. We will provide results of audits, including areas of improvement, to suppliers.

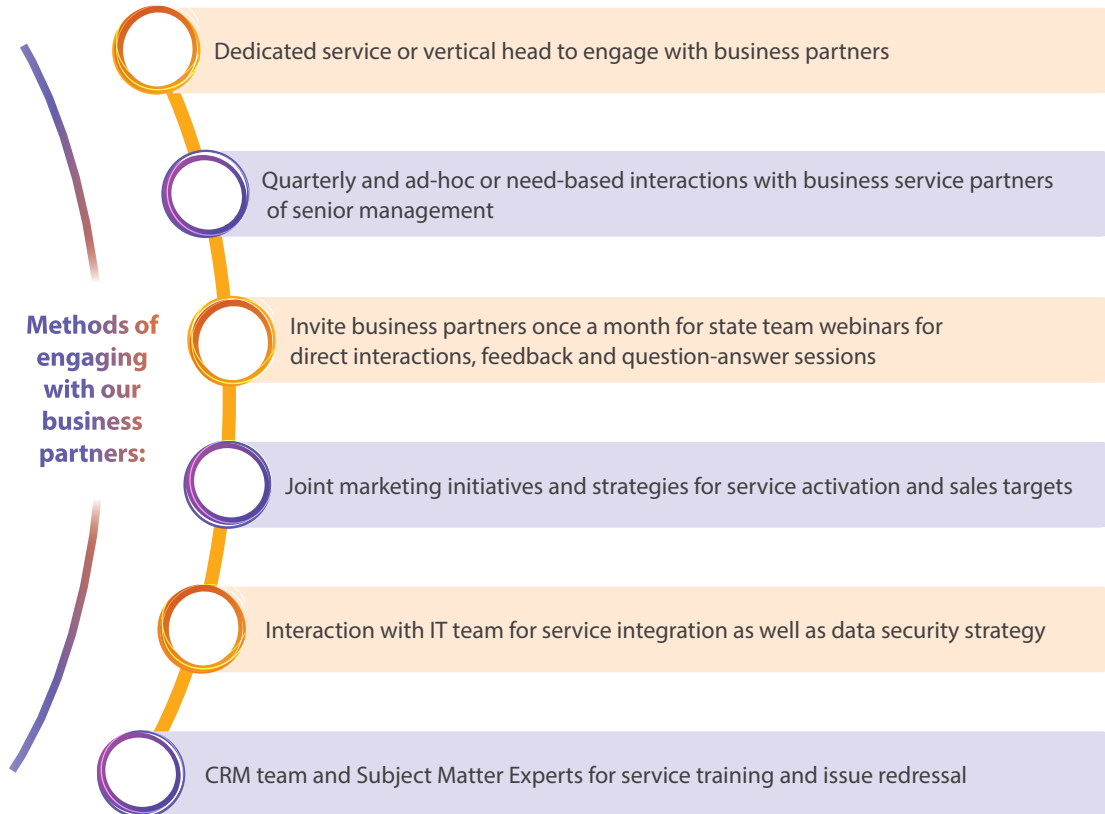
For more information, please visit [Sustainable Sourcing Policy](#) and [Green Procurement Policy](#).



Engagement with Business Partners

Our business partners are one of our key stakeholders enhancing our creation of value. We collaborate with industry leaders to deliver the best quality products and services efficiently and effectively. Moreover, we boost the reach to unserved and underserved markets of India. Following are few methods of engaging with our business partners:

In order to provide best-in-class products and services to the underserved and unserved India, we continuously collaborate with leaders of diverse industries. Keeping true to the motto of "Sab Kaam Ek Dukaan", we have built robust strategic alliances for all our services.



Engagement with Franchisees

As our business is based on a franchise model, our engagement with the franchisees becomes very vital in sustaining and expanding our business. The reputation and brand image of our company is majorly dependent on franchisees; therefore, we ensure they comply with all our rules and norms.

Franchisees are required to sign an agreement with us during the on-boarding process. The agreement clearly enumerates the roles and responsibilities of franchisees and our obligations for the operations of franchisees. It also postulates the ESG parameters, which each franchisee has to follow in order to operate smoothly. We monitor the efficiency and performance of franchisees as well as his/her ability to handle the ATM hardware and conduct surprise inspections.

Our dedicated team of 802 field staff comprising Block Officers and District Managers work on the field level with franchisees to support them in business operations in any way possible.

Our Technical Support Desk (TSD) facility is an important communications link between franchisees and the company. It serves as a central point of contact for information and support with regards to the technical queries of franchisees. The TSD manages all calls centrally via a dedicated phone number 022 - 67765178 and toll-free number 18002744427. We have two modes of TSD information/query capturing mechanism:



Voice call mode:

- The franchisee caller needs to provide VKID (Vakrangee Kendra ID)
- A ticket number is verified for any issue raised by the franchisee. If the ticket is not raised, the same is raised by the TSD executive on the call and the ticket number is shared with franchise for future reference.

Email mode

- Franchisee can send an email on fi.helpdesk@vakrangee.in with a valid VKMS ticket number through his official email ID only.
- Once the ticket number is verified from the email, the ticket is checked for assignment status.

The TSD executive who is assigned the ticket does all necessary coordination with OEM, vendors or service providers. Escalations, if any, are done as per the escalation matrix of the respective OEMs, vendors, or the service providers. If there is no proper resolution even after escalations, the same is escalated to the purchase department to take action as per SLAs and Agreement. Once the ticket is resolved, the franchisee is informed through an auto email.

For more details regarding the TSD, please visit: [Vakrangee Kendra Franchisee Technical Support Desk Process and Customer Support Process](#)

We promote an equal opportunity workplace and hence there are no instances of discrimination in franchisees on the basis of remuneration, recruitment, race, colour, gender, religion, political opinion, nationality, social origin, age, disability, migrant status and diseases. We also have strict policies against child labour, forced labour and sexual harassment.

Franchises owned by:

Women:
1,048

Divyang:
907

We impart several skill and technology related trainings to the employees of franchises. The types of training imparted are:

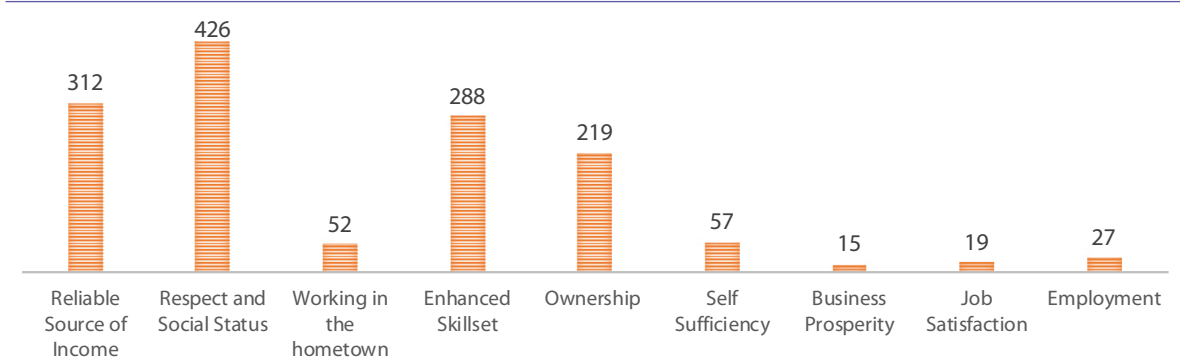
- Induction module
- VKMS and banking
- Ad hoc or need-based training by CRM and SME
- OEM training for ATM
- HR code of conduct
- Online Webinar

Additionally, training manuals and videos are also uploaded on the VKMS.

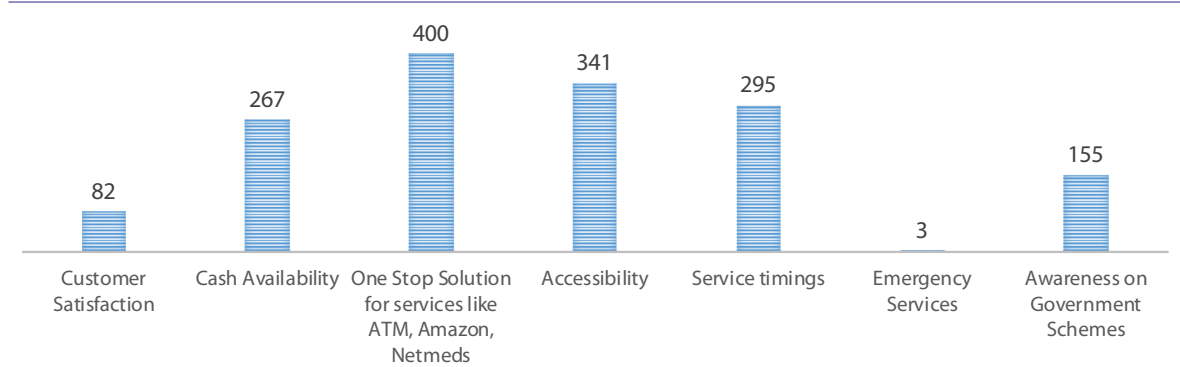
IMPACT ASSESSMENT SURVEY

In FY 2019-20, we conducted a survey of over 500 franchises to assess the impact, which we have created for Kendras, their employees, nearby communities and customers. The results of the survey are detailed in the graphs below:

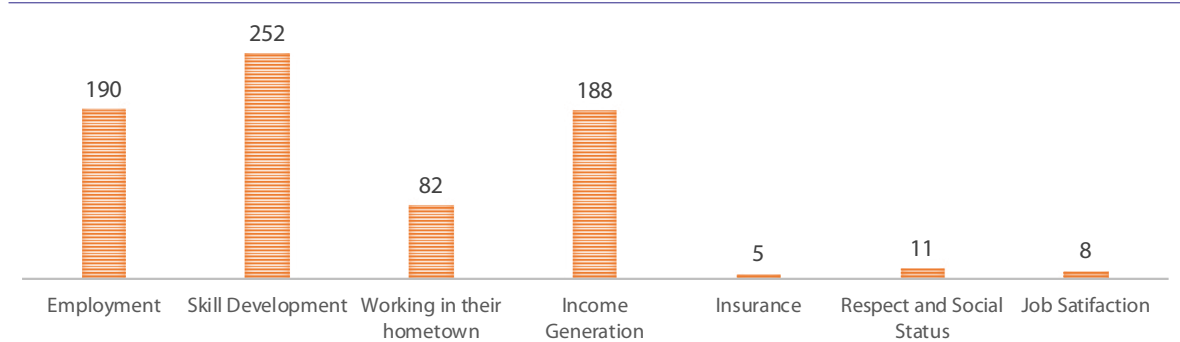
Impact on Kendras (No of responses)



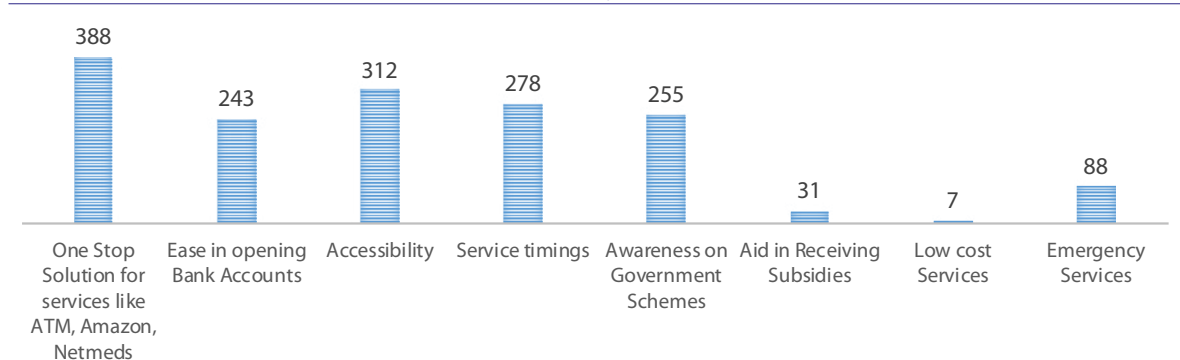
Impact on Customers (No of responses)



Impact on Employees (No of responses)



Impact on Community (No of responses)



Engagement with Customers

Number of outlets offering following services:

BFSI:

10,027

ATM:

4,506

E-Commerce & Logistics:

10,027

The nature of our business model is dependent on understanding the needs of community in rural, semi-urban and remote areas and providing them access to all possible services that can be beneficial for them. Our customers are generally the ones who do not have easy access to facilities like monetary transaction, online purchasing etc., which are otherwise a click away on people's phone in metropolitan cities.

Our unique technology-driven service is focused on building India's largest network of last-mile retail outlets to deliver real-time BFSI, ATM, e-commerce and logistics services to the unserved rural, semi-urban and urban markets. The assisted digital convenience stores or Next-Gen Vakrangee Kendras act as a "One-stop Shop" for availing various services and products. The adjacent figure highlights the number of outlets providing each of the aforementioned services. Owing to recent launch of bronze model, ATMs are yet to be fully functional across few outlets. Similarly, banking services take almost half a year for activation.

Our purpose is to ensure that every Indian has an opportunity to benefit from financial, digital and social inclusion and has access to the global marketplace. We aim to improve the standard of living of rural citizens in the country. We are the human equalisers of life, bridging the gap between India's urban and rural population.

Customer Satisfaction

To get a clear sense of how we have created a positive impact in the lives of the community, we undertook a third party survey study on customer satisfaction and community acceptance. This study highlighted that we have gained the trust of our customers in a short span of time, which could be reciprocated by providing additional benefits to them.

Loyalty Program for Customers

In order to strengthen our relationship with our customers, we launched India's first rural focused "Kendra Loyalty Program" to recognise our customers' loyalty by providing them extra benefits and a more rewarding and better experience across its network of Next-Gen Vakrangee Kendras. The program is more personal and relevant to customer by rewarding customers for what and how they shop at their nearest Next-Gen Vakrangee Kendra. It provides loyal customers personalised offers, access to exclusive events and services as well as opportunities to earn points. Furthermore, an incentive scheme was launched for customers walking into our outlets. We held a lucky draw system where customers won household items such as toaster, iron, mixer and one lucky winner also won a Hero motorcycle.

Engagement with Government and Regulatory Authority

Though we have no direct relationship with Government bodies, however we own the White Label ATM license from the Reserve Bank of India (RBI) to set up and manage the ATMs. We are the 13th largest ATM operator in India. More than two-third of our ATMs are in rural India making us the 3rd largest ATM operator. Through our vast network of Next-Gen Vakrangee Kendras, we provide every citizen the facility of ATM at every Next-Gen Vakrangee Kendra. Our purpose is to provide a reliable network of ATMs that helps the population to do the basic financial and non-financial transactions. Apart from the ATM service, we have association with PSU banks and private players. We engage with Government as well as private partners to drive financial, social and digital inclusion throughout the rural communities in India.

- We have tie-ups with major nationalized banks such as Union Bank of India, Bank of Baroda, Bank of India, Allahabad bank, etc. In FY 2019-20, we tied-up with Chhattisgarh Rajya Gramin Bank (CRGB) (Government-owned scheduled bank sponsored by State Bank of India) for Banking Business Correspondent (BC) point service for Next-Gen Vakrangee Kendra in the state of Chhattisgarh;
- We are a member of Confederation of ATM Industry (CATMi) since 2016. CATMi is dedicated to promote the interests of the ATM industry through combined and concerted efforts of liaison with Government regulators and financial institutions / banks in India. We have played a constructive role in CATMi in promoting White Label ATM (WLA) business in India. We have supported CATMi in promotion of franchisee model in India and have been part of various committees of CATMi working on policy advocacy for WLA business;
- We are a member of Business Correspondent Federation of India (BCFI) for BC banking services. We also interact with National Payments Corporation of India (NPCI) for our ATM service.

Engagement with Industry Bodies

As a member of various national associations such as Associated Chambers of Commerce and Industry of India (ASSOCHAM), National Association of Software and Services Companies (NASSCOM) and Business Correspondent Federation of India (BCFI), among others, we follow to the best practices of industries. Additionally, we are a signatory member of the United Nations Global Compact.

We interact with industry bodies on an on-going basis through industry body membership. We are a part of meetings with National Payment Corporation of India (NPCI) for Digital India, RuPay cards and ATM expansion initiatives. We also engage through monthly updates with NPCI. As part of industry bodies, we are able to participate in discussions as well as contribute to addressing economic challenges, among others.

Engagement with NGOs, NPOs and Civil Societies

We regularly interact with NGOs, NPOs and civil societies for monitoring of community interventions and CSR programs.



Engagement with Local Community

Since our inception, we have aligned our business performance to our vision of an inclusive society for equality among citizens. We understand that businesses have a responsibility towards the local community wherein they operate. Our business operations enable us to take financial and digital literacy to the bottom of the socio-economic pyramid and serve as the last-mile link for India's unserved and underserved citizens. We have mapped our business growth strategy with the United Nations Sustainable Development Goals (UNSDGs). We engage with Government as well as private partners to drive financial, social and digital inclusion throughout the rural communities in India. Some of the key social impacts for the community through our business-as-usual activities include:

- Reducing inequality by improving the standard of living of rural citizens in the country. We are the human equalisers of life, bridging the gap between India's urban and rural population;
- Promoting gender equality by providing opportunity to own a franchises by both women and men. We also ensure full and effective participation and equal opportunities for leadership at all levels of decision-making. Additionally, we adopt and strengthen sound policies for the promotion of gender equality and women empowerment;
- Skill enhancement through training of people in various Kendra services;
- Our franchisees create local work opportunities by hiring resources and undertaking skill development, with certification for banking and insurance services. We are driving rural consumption and rural growth through our Kendras;
- We leverage our technology platform to provide a range of solutions and real-time access to over 1,000 lakh products and 1,000 services under a single roof, thereby creating last mile infrastructure for distribution of various products and services. We are building resilient infrastructure and fostering technology innovation through real-time paperless biometric-enabled banking. Inter-operable banking is achieved by connecting the core banking servers of banks.

Though the fundamental nature of our business model, we aim at benefitting the community located remotely. We also undertake a number of initiatives beyond our business purview for the upliftment of the marginalised sections of the society. We have a CSR policy in place, which informs about our vision, objective, initiatives, CSR committee, guiding principle and many other activities, which provide clarity on our approach towards CSR.

CSR Policy

We foster at an inclusive environment of growth & sustainable development of the community, ensuring harmony between community & business operations. We take major strides with a clear path towards the development of the unserved section of the community. The CSR committee is responsible for strategising & implementation of the CSR practices in the Company.

CSR Committee

As per Section 135 of Companies Act, 2013, a CSR committee has been constituted which comprise of following members of the Board:

Name of member	Designation
Mr. Dinesh Nandwana	Chairman
Mr. Ramesh Joshi	Member
Mr. Sunil Agarwal	Member

The committee is responsible for formulating and recommending a Corporate Social Responsibility Policy to the Board. The Policy shall indicate the activities to be undertaken by the Company as specified in Schedule VII; recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and monitor the Corporate Social Responsibility Policy of the Company from time to time.

Guiding Principles of CSR Implementation

We have also identified some of the guiding principles that help us to achieve our CSR objectives in a professional and integrated manner.

- 1 Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/community in which it operates;
- 2 Create a positive footprint within the society by creating inclusive and enabling infrastructure/ environment for liveable communities;
- 3 Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of natural resources;
- 4 Work towards mainstreaming the marginalised segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives;
- 5 Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators;
- 6 Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life;
- 7 Emphasise on providing basic nutrition/health care facilities with special focus on establishing health centres for the mother and child as well as the elderly;
- 8 Facilitate water conservation by reducing water consumption at the plants and taking up rainwater harvesting projects;
- 9 Create a business value chain, which is sustainable – environmentally, socially, economically.
- 10 Promote an inclusive work culture;
- 11 Work towards generating awareness for creating public infrastructure that is barrier free, inclusive and enabling for all including the elderly and the disabled;
- 12 Create positive awareness towards the need to adopt measures that lead towards reducing carbon footprint, dependence on fossil fuels and promote alternate energy approaches;
- 13 Promoting the well-being and development of employees and their families through an inspiring corporate culture that engenders good values;
- 14 Encourage and motivate employees to spend time volunteering on issues of their interest. Employee participation is an important part of developing responsible citizenship.

SOCIAL AND RELATIONSHIP CAPITAL

For us, sustainable development of communities, wherein we operate, is a significant part of our corporate social responsibility. Our focus areas include financial, social and digital inclusion. We may adopt any one or more of the following initiatives and activities as enumerated in Schedule VII of the Companies Act, 2013 or as may be amended from time to time under this CSR Policy:

1. **Healthcare** - Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh setup by the central Government for the promotion of sanitation and availability of safe drinking water;
2. **Contribution to various bodies** - Contributing or collaborating with registered trust, voluntary organisations, academic institutes, Government or a registered society or a company undertaking CSR activities;
3. **Education** - Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects;
4. **Equality** - Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and other facilities for senior citizens and undertaking measures for reducing inequalities faced by socially and economically backward groups;
5. **Environment** - Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
6. **Preservation of art and culture** - Protection of natural heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries; promotion and development of traditional arts and handicrafts;
7. **Armed forces** - Measures for the benefit of armed forces veterans, war widows and their dependents;
8. **Sports** - Training to promote rural sport, nationally recognised sports, Paralympic sport and Olympic sports;
9. **Contribution to incubators** - Contribution to incubators funded by central Government or state Government or any agency or public sector undertaking of central Government or state Government, and contributions to public funded universities, Indian Institute of Technology (IITs), national laboratories and autonomous bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
10. **Contributions or funds provided to technology incubators** located within academic institutions which are approved by the central Government;
11. **Rural development projects;**
12. **Slum area development**



Our CSR initiatives aim to create a positive impact within communities through deeper engagements. We invested a total of INR 84.85 lakhs towards various social interventions like healthcare, education and other initiatives in this FY 2019-20. The break-up of the amount spent during the financial year is detailed in the table below:

CSR project	Sector	State and district where projects or programs was undertaken	Amount spent on the projects or programs (INR lakhs)	Cumulative expenditure upto the reporting period (INR lakhs)
My Home India	Cl.(iii) Social Awareness	Mumbai (Maharashtra)	50.00	760.00
VIPRA Foundation	Cl.(ii) Infrastructure for Education	Mumbai (Maharashtra)	20.00	32.59
Mental Health Foundation (India)	Cl.(i) Health Care	New Delhi	5.00	10.00
RVG Educational Foundation	Cl.(ii) Promoting Education	Mumbai (Maharashtra)	5.00	5.00
Lions Club of Juhu Service Fund	Cl.(ii) Infrastructure for Education	Mumbai (Maharashtra)	4.00	9.50
Rajasthani Seva Sanstha, Bhayander	Cl.(i) Health Care	Thane (Maharashtra)	0.60	10.35
Lions Club of Mumbai Rising Stars	Cl.(i) & (ii) Eradicating Hunger, Promoting education.	Thane (Maharashtra)	0.25	0.25

Key CSR Initiatives undertaken during FY 2019-20

HEALTHCARE

We are running a multi-speciality hospital in the city of Kota, Rajasthan. The hospital performs all the multi-speciality treatments such as cardiology, neurology, urology, general surgery, gynaecology, orthopaedic, gastroenterology, amongst others on a no-profit no-loss basis. Medical services provided in this multi-speciality are 30-40% cheaper than the prevailing rates in the town. Furthermore, patients who are unable to borne the cost of treatment are provided free of charge medical services. Treatments costing approximately INR 50 lakhs are offered free of cost in a year. Cost of food facility for indoor patients stood at INR 10 lakhs in the year 2019-20. The donation given by us is used for cardiac setup (CTVS) at the hospital that enables about 40- 50 bypass surgeries and valve surgeries in a month.

Multi-speciality hospital, Kota



EDUCATION

We are the industry partner for setting up of IIIT Kota, and have contributed INR 320 lakhs or 2.5% of the total capital cost of INR 12,800 lakhs. Objectives of this scheme are:

- To make it the foremost institution in information technology and allied fields of knowledge in the global context
- To develop competent and capable youth imbued with the spirit of innovation and entrepreneurship with the social and environmental orientation to meet the knowledge needs of the country
- To provide global leadership in information technology and allied fields and promote
- To ensure transparency of the highest order in matters of admission, appointment to various positions, academic evaluation, administration and finance

Moreover, we have also committed to contributing towards research labs, projects, and internships, faculty chairs, amongst others with an aim to further the objectives of the scheme as agreed upon in the tripartite MoU signed between central Government, state Government and various industry partners.



IIT, Kota

Engagement with Our People

In our endeavour to build a relationship of mutual trust and understanding, we continuously engage with our people. The well-being of each individual at our workplace is of paramount importance to us. We therefore, have developed various means through which we engage with our people. We also ensure to keep our employees informed and updated about our values, principles, standards and norms of behaviour at regular intervals.

The chapter on Human Capital in this report has detailed information on various systems and policies in place through which we maintain a relationship of transparency, mutual respect, equality and care with our people.

HR manual

The HR manual is a handbook which has the company policies, values, standards and norms defined in it which is amended at regular intervals. It is accessible to all the employees in the shared folder on the Vkrangee internal server. In addition to it, the copy of HR manual is also available with the HR department and respective department heads for the employees to refer it

HRMS

Our internal Human Resource Management System (HRMS) is the latest company policies, circulars, notices, etc. are displayed for the employees to go through and make themselves well versed with it

WhatsApp group

We have a whatsapp broadcast group through which we keep on broadcasting the updates with respect to the company policies & processes

Group email id

We have a common email ID groups created for all our employees through which important and regular communication is being passed on to the employees. It includes the circulars, notices, etc. which updates the employees on the norms of behaviour or standards or processes

VKMS

Our Vkrangee Kendra Management System (VKMS) is an IT platform which is accessible to all its employees across the organisation. VKMS is also a medium through which all employees are kept updated and informed about the company and its values

Grievance Redressal

In FY 2019-20, we recorded 0 complaints from customers, third parties, regulatory bodies and local community members, concerning breach of customer privacy. There was no theft, identified leak or loss of customer data in the reporting year. In FY 2019-20, there has been no instance of significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic domains. We received 2 complaints regarding unethical and unlawful behaviour. Both complaints have been addressed and duly resolved.

We assessed 100% of our operations for risks related to corruption. In this regard, we also conducted Anti-bribery management audit and compliance management audit successfully. Moreover, we did not face any case of confirmed incidents for corruption, public cases regarding corruption or any legal action regarding anti-competitive behaviour and violation of anti-trust.

We have a well-defined whistleblower policy that provides a platform for franchisees, its employees, business partners or any other third party to raise concern regarding any irregularity, misconduct or unethical matters within our ecosystem whether financially or otherwise. For more details, please visit [Whistleblower Policy](#).

In order to enhance transparency across business operations and stakeholders, we have uploaded all our policies and developments of company on our website (<https://www.vakrangee.in/>). Moreover, 100% of our permanent employees, franchisees and business partners have been made aware of our policies. All franchisees and suppliers also sign a code of conduct in line with our policies and commitment.

ISO certification

We are certified with ISO 37001:2016 Anti-bribery Management System to demonstrate our compliance and commitment to ethical business practices. Our certification of ISO 45001:2018 Occupational Health and Safety Management System equips us to mitigate factors, which may cause employees and business any irreparable harm. Similarly, ISO 19600:2014 Compliance Management System provides guidance for establishing, developing, implementing, evaluating, maintaining and improving an effective and responsive compliance management system within the organization. In addition, we are accredited with other ISO certifications that strengthen our business performance and improve our service delivery. Please visit our [ISO Policy](#) for more information.





Natural Capital

An ever-increasing focus on environmental protection and holistic development has propelled us to integrate sustainable operations in business while safeguarding the environment in which we operate. Developments in the country for environmental stewardship including ratification of the Paris Agreement and launch of Clean India Mission have encouraged action from not only the Government but also individual businesses. Furthermore, business growth across India requires corporates to embrace sustainability as part of their strategic agenda.

The New-Age Indian businesses recognise the need of incorporating environmental protection in business-as-usual. India's largest bank, State Bank of India, has rolled out a "Green Bond Framework" to allocate green bonds proceeds in projects including renewable energy, low carbon buildings, and waste and pollution control.¹ Union Bank of India's Go Green campaign to reduce environmental footprint, Aditya Birla Capital's waste management and recycling initiatives and Government of India's measures for 100 water-stressed districts are only few instances of a wider inclination for conserving natural capital. The New-Age India offers an impetus to focus on environmental impact of business operations as well as an ecosystem to leverage the opportunities. We are stepping up to this demand through our robust governance mechanism and several green initiatives.

Thinking Global, Acting Local

Our sustainability framework is based on sustainable development of the economy as a whole. We are committed to protect the environment through good governance. We have aligned our policies to the United Nations Sustainable Development Goals (UN SDG). Our aim is to efficiently adopt the SDGs and contribute to addressing global challenges including climate change and environmental degradation. In addition, we have signed the United Nations Global Compact and committed to its principles on human rights, labour standards and environmental protection. Moreover, we strive to ensure that our business operations are complementary to the National Voluntary Guidelines of the Indian Government (NVGs). Our alliances and commitments are enabling us contribute to the broader goal of a sustainable nation.

Our Policies for Sustainability

Sustainability is ingrained in all aspects of our operations. Starting with setting up Next-Gen Vakrangee Kendras to paperless banking, we have strived to minimise our environmental footprint while maximising creation of value. Our policies are oriented towards good governance of natural resources and footprint of operations. Furthermore, we have detailed our approach to prevent environmental degradation and adopt sustainable operations in business operations in our Communication of Progress policy. Following section describes our policies for environmental protection:

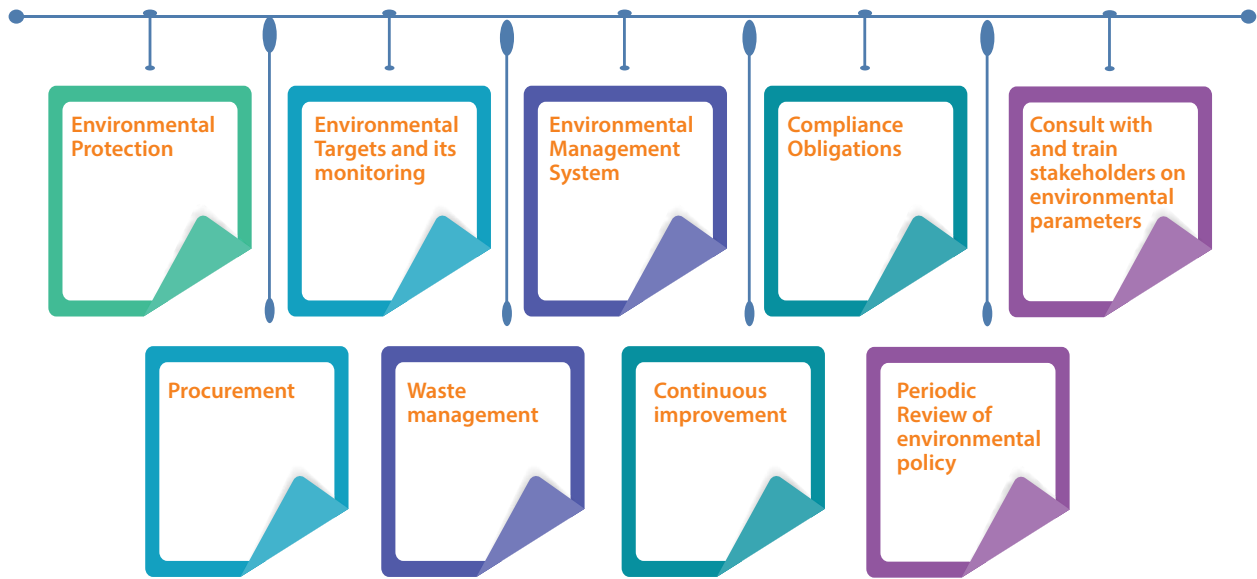
SDGS ALIGNED



¹ Last accessed on 27th July 2020. <https://sbi.co.in/documents/17836/24259/Green+Bond+Framework.pdf>

Environmental Policy

We are committed to measure and reduce our greenhouse gas emissions as well as material usage. As a responsible organisation, we assess and monitor our operations to reduce environmental risks without compromising natural assets of our country. We engage our employees, franchisees, business partners, customers and shareholders to follow environmental-friendly practices across the value chain. Our environmental policy guides us to integrate a life cycle perspective in our environmental management processes while concurrently enhancing our operations to improve our environmental performance. Our environmental commitments include the following action areas:



Sustainable Sourcing Policy

We commit to adopt policies across supply chains that help to preserve the environment. With uncertainties in supply chain security due to extreme weather patterns or natural disasters, our focus is to protect both our business while balancing suppliers’ interest. Sustainable sourcing policy expects our suppliers to comply with necessary social, business integrity and environmental sustainability standards defined in this policy and adopt best practices to reduce our environment footprint. Our sustainable sourcing policy is built on the following guiding principles:

Social

We conduct business activities with respect for human rights and require our suppliers to adhere to the same. We expect our suppliers to comply with all applicable laws, in accordance with the principles of the International Labor Organisation, the UN Global Compact and the UN Universal Declaration of Human Rights.

Business Ethics

We conduct our business in an ethical manner and require our suppliers to also follow ethical business operations while being mindful of aspects like conflicts of interest, bribery corruption, gifts and donations, maintenance of confidentiality, anti-competitive behaviour, fraudulent activities, regulatory compliance, fair compensation, grievance and whistleblower mechanisms

Environmental Sustainability

We aim at making our value chain environmentally friendly and responsible. We are committed to comply with the requirements of local laws for environment in the countries and regions where suppliers operate and from where they source material, product or services. We commit to give preference to suppliers with lower environmental impact of products and services.

Quality Focus

We are ISO 9001 certified QMS (Quality Management Systems) company since 1998. We always strive to be the best at what we do. ISO 9001:2015 is used to demonstrate our ability to consistently provide products and services that meet customer and regulatory requirements and to demonstrate continuous improvement.

GHG Reduction Program

We consider climate change as a serious environmental threat that calls for immediate and concerted action among all sections of society. We take steps and initiatives to address climate change that not only reduces our environmental footprint but also ensures availability of products and services at our Next-Gen Vakrangee Kendras in the most environment friendly manner. We strive to reduce carbon footprint at our Office and across all our Next-Gen Vakrangee Kendras. We aim to be present within a short distance of every citizen, and continue to expand our network until we are close to the last excluded person. Our aim is also significant in conserving energy and net greenhouse gas emissions required to travel to our Next-Gen Vakrangee Kendras.

Green Procurement Policy

We are committed to sustainable growth and in alignment to our Sustainable Sourcing Policy, we have incorporated environmental considerations in procurement decisions related to purchase of products and office related products to minimise the environmental impact across the lifecycle of the products and services, which we procure. By abiding by our procurement standards, we expect all our suppliers to comply with necessary environmental sustainability standards defined in this policy and adopt best practices to reduce our environment footprint. We also expect our suppliers to review these standards, ensure adherence and improve up on parameters on a regular basis to help contribute to the welfare of the society and environment.

Through our Green Procurement Policy, we aim to reduce use of toxic substances, conserve natural resources, minimise waste generation and release of pollutants/ emissions and maximise reusability and recyclability across the value chain of our product or service.

Robust Governance

Our commitment for sustainability is supported by a robust governance mechanism. Our governance bodies oversee the impact areas of our business operations and major global risks faced by all businesses, such as climate change risks. We have multiple roles and teams that are responsible for management of various aspect of sustainability in our operations. The table below lists the governance bodies responsible for management and achievement of sustainable operations.

Personnel	Responsibility
Board Oversight: Board-level Responsibility	<ol style="list-style-type: none"> 1. Accountability starts with our Board, which provides governance and oversight over the strategy, operations, and management. 2. The Board actively and regularly reviews enterprise risk, which includes business continuity risk factors, among which are climate related factors. 3. The Board determines its own priorities and considers enterprise risk a key area for regular review on continuity, including climate-related risks, if identified as significant. 4. The Board oversees our senior management; to whom it has delegated authority to manage the day-to-day climate-related matters. 5. Within the company's most senior management group, there is a dedicated committee – The GHG Reduction Strategy Committee, which determines and monitors key environmental strategies. 6. Management briefs the Board or the Nominating and Governance Committee, as applicable, on climate / environment -related issues.
Chief Executive Officer (CEO)	<ol style="list-style-type: none"> 1. To integrate sustainable development goals into Business strategy & Operations. 2. Assess and manage ESG-related risks and opportunities on regular periodic quarterly basis. 3. Sets and drive progress against company-wide objectives from a general business perspective, including through different business groups

Personnel	Responsibility
Chief Operating Officer (COO)	<ol style="list-style-type: none"> 1. Assess and manage Environment-related risks and opportunities on a Quarterly basis 2. To implement the Environment related Initiatives across Business operations at the Field level. 3. Along with Admin Team, Drive the operational progress needed to meet Resource efficiency targets, for example by supporting our facilities management teams to improve energy efficiency and ensure programs are appropriately resourced. 4. This two-pronged approach enables to make faster progress and articulate our journey consistently to employees and other stakeholders
GHG Reduction Strategy Committee	<ol style="list-style-type: none"> 1. Regularly discuss and identify the various Environment related Issues, initiatives, monitor & measures those initiatives of the company from time to time. 2. The reporting and disclosure is done on an annual basis

Energy and Greenhouse Gas (GHG) Emissions

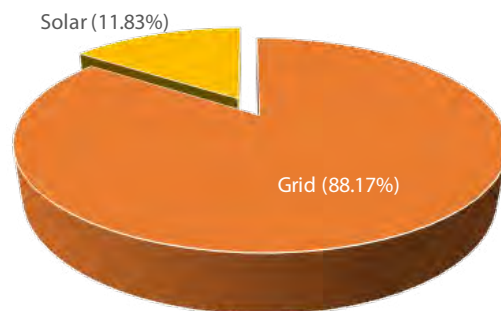
We operate an asset-light business model. Stringent waste and material policies ensure that there is almost no adverse impact on the environment due to our operations or our outlets. A major contributor to our GHG emissions is our energy consumption, which is being addressed by our long-term and short-term targets on GHG emissions. Targets detailed below have been set on our emissions in 2019, which have been the baseline. Since FY 2018-19 is the first year of our new business model with Next-Gen Vakrangee Kendras, all progress is being monitored with respect to performance in the first year. We have several practices in place, most notable our paperless Kendras, which reduces paper consumption, waste generation and also contributes to the conservation of forest resources.

Energy Consumption

Electricity consumed in corporate office in FY 2019-20 (Kwh per annum)

Grid	4,31,822
Solar ²	57,960
Total	4,89,782

Electricity Consumption FY 2019-20



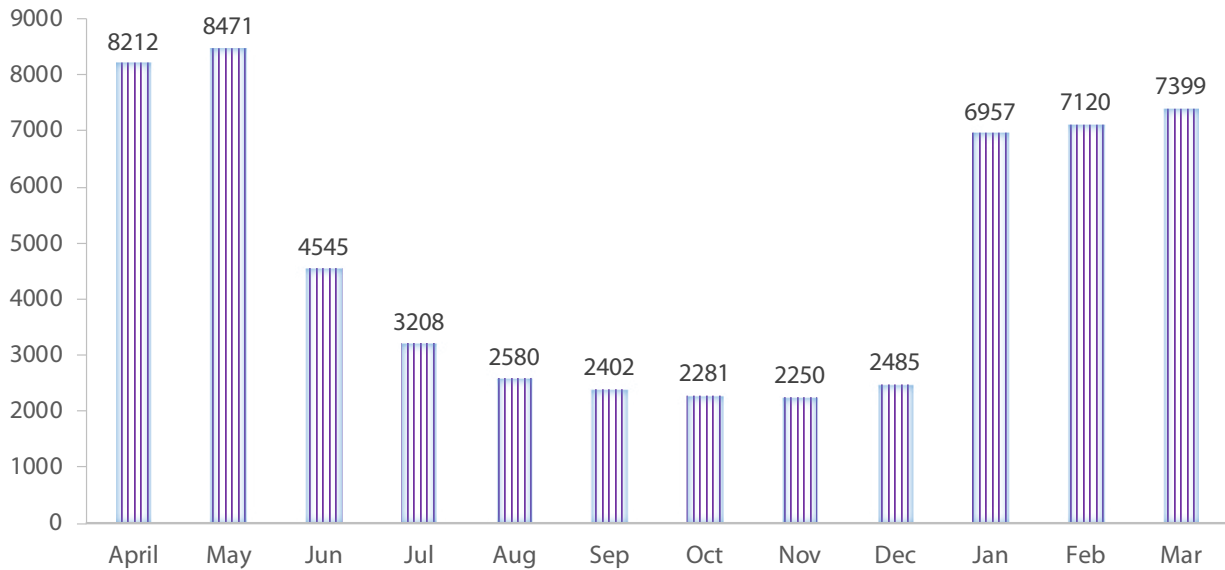
² The generation from June 2019 to December 2020 is 50% of the expected generation due to the fact that half of the Solar Panels were covered in black plastic as you were having water leakage issues at the top floor of the building. We were not responsible for this loss of generation

NATURAL CAPITAL

In FY 2019-20, we undertook a third party inspection to certify conformity for implementation of solar panel whereby 15.21% of our electricity consumption is now through solar energy, obtained from our rooftop Solar PV of 57.12 KW capacity. This has resulted in electricity consumption of 57,960 Kwh in FY 2019-20, thereby enabling in a saving of 47.527 MTCO₂e of greenhouse gases from being emitted as part of our business operations. The average annual fuel consumption from company-owned vehicles has been calculated based on the distance travelled and fuel consumed for FY 2019-20.

Fuel consumed by company-owned cars for transportation in FY 2019-20 (Kwh per annum) is 6932.50 Ltr of Diesel.

Solar electricity consumption in FY 2019-20 (Kwh)

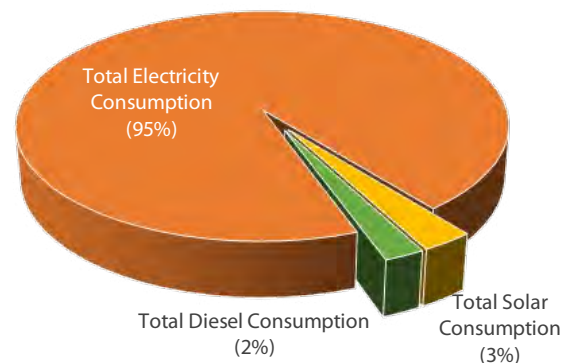


We also ensure that we keep a track of the energy consumed at our Kendras, to be up to date on the environmental impacts of our Kendras. Since our Kendras are asset light, the energy consumption of our Kendras is generally low.

Energy Consumption in Next Gen Vakrangee Kendras FY2020

Consumption	Count
Total Electricity Consumption (Kwh)	7,48,262
Total Solar Consumption (Kwh)	23,205
Total Diesel Consumption (L)	1,675
Total Diesel Consumption (Kwh)	17,996
Total Consumption (Kwh)	7,89,463

Energy Consumed in Next Gen Kendra FY 2019-20



The coverage of above data is for 317 Next Gen Vakrangee Kendras in all locations of India.

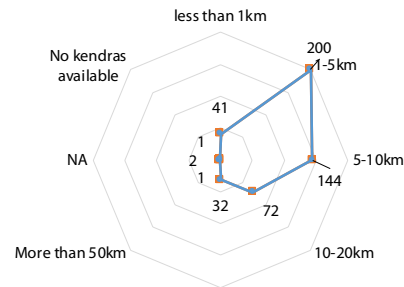
Energy Reduction

Owing to the increasing network of Next-Gen Vakrangee Kendras, the CO₂ emission per beneficiary per visit has significantly reduced. We conducted a study with our customers in over 500 Kendras on various parameters, with distance travelled to reach our Kendra being one of these parameters. The distances travelled are mentioned below, it can be noted that a majority of the customers replied they can reach our Kendras within 1 to 5 kilometres, mostly through walking or public transport, effectively saving on fuel and associated greenhouse gas emissions.

Distance Travelled to reach nearest Next Gen Vakrangee Kendra in FY 2019-20

Nearest Next-gen Kendra	Number of Kendras
less than 1km	41
1-5km	200
5-10km	144
10-20km	72
20-50km	32
More than 50km	1
NA	2
No kendras available	1

Distance ranges travelled by customers to reach Next-Gen Kendra FY 2019-20



Means of Transportation used to reach Vakrangee Kendras, as reported by customers

Access to Kendra (primary conveyance only)	Number of Kendras
Bus	149
Cycle	11
Own conveyance	71
Rickshaw	10
Walking	157
Shared Auto	73
Others	10

GHG Emissions

Following table elaborates our greenhouse gas emissions in corporate office in FY 2019-20 (kgCO₂e):

Scope 1 ³	20,533.55
Scope 2 ⁴	354,094.04
Total	374,627.59

We have tracked the emissions covered from the distance travelled by company owned cars, which makes up for 20,533.55 kgCO₂e.

Our outlets are located within walking distance to our customer, communities as well as franchisees. This results in low greenhouse gas emissions from commuting by motor transport to Next-Gen Vakrangee Kendras.

GHG Emission Reduction Initiatives

Our steps and initiatives to address climate change not only reduce our environmental footprint, but also help in ensuring availability of products and services at our outlets in the most environment-friendly manner, and therefore is sustainable for future generations. We strive to reduce

carbon footprint and improve health safety at our corporate office and across all our Next-Gen Vakrangee Kendras.

Our outlets contribute to minimising carbon footprint. We provide biometric enabled paperless banking services, ATM, financial services, insurance services, e-Governance services, logistics services and e-Commerce products and services. We offer our customers a variety of products and services within walking distance, which is time effective and saves fuel.

Green building offices

Our new corporate office building is built on a green building concept. Key features of our corporate office building include energy-efficient design, rooftop solar photovoltaic (PV) panels for renewable energy, solar thermal installations, chiller waste heat recovery units, and solar PV panel-based peripheral lighting systems. We have equipped our office with solar power. Our workplace is constructed with glass walls to allow maximum sunlight within the premises. By doing this, we are eliminating the use of electricity by replacing it with daylight. We have also installed LED lightings to ensure responsible consumption of electricity.

³ For the emissions calculations, IPCC 2006 guidelines for National Greenhouse Gas Inventories has been considered.

⁴ For the emissions calculations, User Guide (Version 8.0) of Central Electricity Authority (Ministry of Power, Govt. of India) has been considered.



Green Data Centres

The increasing need for storing information, computing and analysis has led to capacities of existing data centres being expanded. Data centres are one of largest energy consumers and the company has optimised the 'data centre' facility into a single facility to leverage system efficiencies and exercise better control on energy performance. Various improvement initiatives to enhance the energy performance of the data centre have been undertaken. Initiatives such as high and medium density server rooms, server virtualisation, server consolidation, cold aisle containment, managing optimal levels of inlet temperature, etc. have yielded good results to reduce the energy intensity of data centre and contribute towards environmental sustainability.

Targets on Greenhouse Gas Emissions Reduction

Our greenhouse gas emission reduction program is rigorously monitored and cross-checked with our targets. The GHG Reduction Strategy Committee has the managerial responsibility regarding GHG emissions. The role and responsibility of the committee is to regularly discuss and identify the various initiatives and monitor & measures those initiatives of the company from time to time. Reporting and disclosure of the same is done on an annual basis.

Our environmental targets are set, benchmarked and reviewed against environmental objectives and targets on

an ongoing basis. This helps us progress towards achieving continual improvement in environmental performance and overall environmental management system. We also continuously monitor and measure the progress of the various key initiatives taken to reduce the GHG Emissions.

- Short-term goals on reduction of GHG emission
Our Short-term Yearly targeted goal is a 5% reduction per year in absolute Scope 1 and Scope 2 GHG emissions from our own operations, compared to a 2019 baseline.
- Long-term goals on reduction of GHG emission
Our long-term GHG reduction targets for 2025 at our own operations: Our long-term targeted goal is a 25% reduction in absolute Scope 1 and Scope 2 GHG emissions from our own operations by 2025 compared to the 2019 baseline. Additional focus is to also reduce Scope 3 Emissions.

We also conduct an Independent third party audit in the corporate office. It covers verification of emission from anthropogenic sources of greenhouse gases included within the organisation's boundary and is based on ISO 14064-3: 2006. To elaborate, it covers physical infrastructure, activities, technologies and processes of the organisation. The boundary of the inspection was Vakrangee Corporate House, MIDC, Andheri (E), Mumbai.

Achieving Short-term GHG Reduction Target – 2021

In 2021, we will collectively save approximately 120.11 million A4 size papers considering 25,000 Outlets, through our initiatives. Environmental impact– Savings in GHG emissions due to paperless banking and ATM services

Particulars	Energy/resources saved in banking	Energy/resources saved in ATM	Energy/ resources saved by Digital Annual Report
A4 size paper saved (in million)	65	55.11	32.72
Quantity of paper saved (in metric tonnes)	335	275.57	163.61
CO ₂ equiv. of greenhouse gas emissions avoided (in pounds)	44,10,000	49,50,000	2,940,000
Wood saved (in U.S. short tonnes)	1,340	1,100	653
Water saved (in gallons)	71,60,000	59,00,000	3,500,000
Solid waste avoided (in pounds)	3,94,000	3,24,000	193,000
Energy saved (in million BTU)	8,530	7,020	4,170
Trees saved from being cut for paper (in number)	8,020	6,600	3,920

Environmental impact– Savings in carbon emissions due to reduction in travel

Parameter	Minimum	Maximum
Carbon emission savings - targeted outlets per day (kg CO ₂ e)	11,35,000	48,23,750
Carbon emission savings - targeted outlets per year (kg CO ₂ e)	41,42,75,000	1,76,06,68,750

Achieving Long-term GHG Reduction Targets - 2025

To achieve our long-term targets to reduce greenhouse gas emissions, we are focusing on the following strategies:

- To reduce our specific energy consumption by designing energy efficiencies into our facilities such as increasing the usage of Renewable energy like Solar. Currently around 16% of energy consumption is through solar power;
- In addition to solar panels at our corporate office, we plan to increase our share of renewable energy through power purchase agreements with private renewable energy generators;
- Focus on green infrastructure, usage of clean technologies, green IT, and IT-enabled operational efficiencies to support our energy and carbon management process;
- Focus on sustainable procurement through our green procurement policy. Preference to procure only EPEAT certified products;
- Our corporate office is a green building initiative. Key features of our green buildings include energy-efficient design, onsite renewable energy through rooftop solar photovoltaic (PV) panels, daylight harvesting through glass walls, usage of recycled material and net-zero discharge initiatives;
- We have also initiated to give employees incentives to commute by carpool/vanpool, bike, and public transit, which helps to reduce Scope 3 GHG emissions from employee commuting;
- We plan to set up electric vehicles charging stations at our facilities to encourage our employees to use electric cars;
- Leveraging technology (video conferencing) to reduce local and inter-city travel, educating customers to move to paperless transactions, through internet and biometric enabled banking, thereby avoiding the usage of paper;
- Reduction in use of plastic: We have taken continual efforts to reduce food waste in canteen. To reduce use of plastic, we have restricted use of plastic package drinking water bottles. We have started use of glass water bottles for office meetings.

Water

We aim to connect every Indian to our expansive network of Next-Gen Vakrangee Kendras. Due to the location of our outlets in most neighbourhood, we have initiated free water to provide access to drinking water. These areas are often remote and far-flung from public infrastructure. Every outlet has an arrangement of a water cooler providing drinking water facilities to people, free of cost. Since almost 70% of Next-Gen Vakrangee Kendras are centred in tier V and tier VI cities, we are creating clean water drinking facilities in remote areas, which can be accessed without charge at any time.

At our corporate office, we rely on water from the municipal water supply. The annual quantity of water withdrawn from the municipal water supply for FY2020 is 4,756 Kilo Litres. Currently, we have no setup in our corporate office to recycle used water, however, we aim to have the infrastructure to recycle the water consumed in the near future.

Next-Gen Vakrangee Kendra water consumption FY 2019-20

Our Next Gen Kendras provide drinking water to the community in which they are situated. Drinking water is available through a water cooler setup at every outlet, free of cost. On an average, each Kendra provides between 20 to 40 litres per day. We source our drinking water from vendors, municipal water supply, bore well, etc., which ensures a steady supply of water to our customers and the people in communities surrounding the kendras and is a reliable option for water during seasons of water shortages.

Waste

We are working towards achieving environmentally sound management of paper through prevention, reduction, recycling and reuse to minimise their adverse impacts on environment. Our outlets also minimise hazardous waste by using refillable ink cartridges. Hence, total waste generated in our operations is minimal.

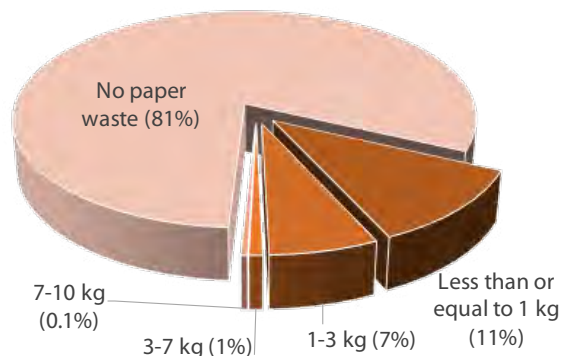
We provide paperless banking services, thereby reducing ink and paper wastage. Moreover, bank accounts are opened electronically through e-KYC process. We use state-of-the-art technology such as inter-operability and real time transactions. In addition, we use advanced features that are environmentally beneficial such as paperless banking, real-time banking and biometric evaluation that curbs generation of any paper or plastic waste at our Next-Gen Vakrangee Kendras.

We also ensure that we abide with all regulatory requirements of the land while managing our waste. We ensure that all our E-waste generated in our corporate office is sent for recycling at authorized vendor facilities and in FY2020, 1,170 kg of E-waste was sent for recycling to our vendor facilities in Delhi and Lucknow.

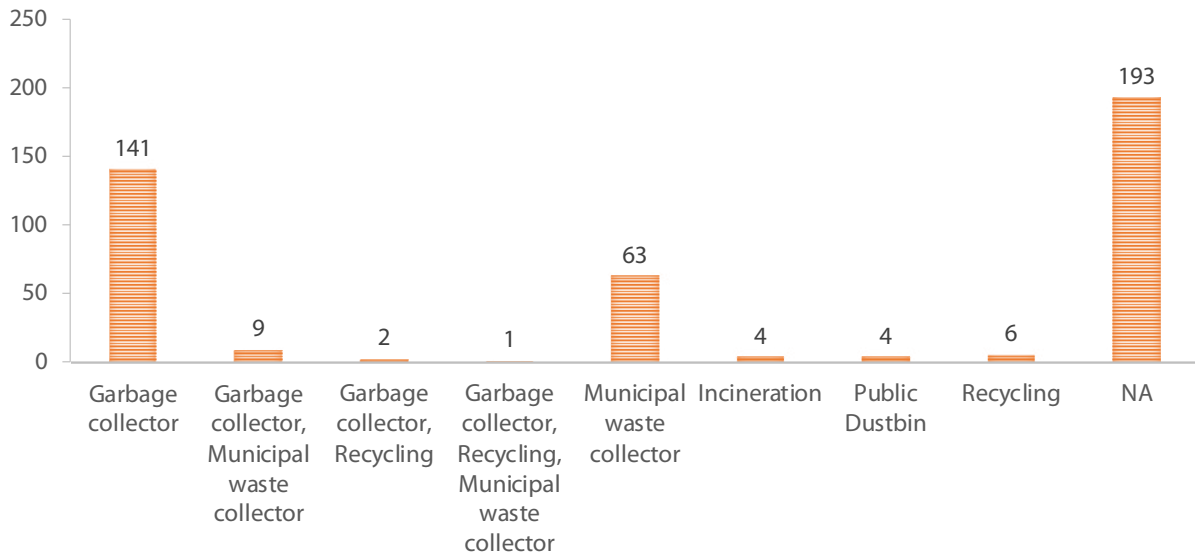
We conducted a study with our customers in over 500 Kendras on various parameters, two of these parameters are waste generated at each Kendra and waste disposal methods used. Since implementing the papeless banking and ATM services, a lot of our Kendras have reported zero paper waste and in the occasional event of waste generation, this waste is sent to the local kabadiwala (recycler). The waste generated at our Next-Gen Vakrangee Kendra in FY 2019-20 is detailed below:

Paper Waste	
Quantity Generated (in Kg)	Number of Kendras
less than or equal to 1 kg	55
1-3 kg	32
3-7 kg	4
7-10 kg	2
No paper waste	399

Waste Generation at Next-Gen Vakrangee Kendras



Next-Gen Vakrangee Kendra waste disposal method (No of kendras)



Land Utilisation – Brownfield Operations

We are conscious of the impact of Greenfield operations on land availability and surrounding biodiversity. To control the usage of natural resources and prevent biodiversity degradation, entailed in building outlets on fresh piece of land, we encourage our franchises to construct the Next-Gen Vakrangee Kendras on already established land so that citizens do not get physically or economically displaced. Ensuring brownfield operations while expanding our business has benefitted both the surrounding environment and communities.

Working with our Suppliers

We ensure that our suppliers abide by our sustainable procurement policy. We expect them to comply with social, business integrity and environmental sustainability standards defined in our policy. The policy is applicable to all workers and employees of any of our suppliers including permanent, temporary, contract agency and migrant workers. Each supplier must provide commitment to our policy by signing our Supplier Code of Conduct, which will be provided during the supplier on-boarding process.

Our sustainable procurement policy governs the following aspects of environmental sustainability at our suppliers' operations sites

- Environmental management principles at manufacturing plants
- Applying principles of Reduce, Reuse and Recycle
- Reduction of Greenhouse gas emissions and other harmful air emissions
- Adopting green initiatives and practices

We have dedicated contract managers who monitor all supplier contracts. Contract managers continuously assesses and verify ESG parameters defined by the organisation.

We also implement in-depth monitoring of suppliers' social, ethical and environmental practices, thus guaranteeing expertise, transparency and independence of assessments. All procurements of the company have been identified and mapped in terms of risks as well as opportunities related to each purchasing category. The ensuring matrix distinguished three levels of stake: low, medium and high. This is related to the impact in terms of environment, social, product, service use, supply chain and business integrity.

We have undertaken a document-based audit of suppliers on four pillars: environment, labour practices, fair business practices and supply chain management. After assessment, suppliers receive scorecards that detail their performance with respect to other suppliers, their areas of improvements and areas performing well. Suppliers are also encouraged to consider feedbacks to implement Corrective Action Plan (CAP) to improve their performance.

We also perform on-site audits several low-performing suppliers through their Dedicated Contract Manager. These help suppliers to improve their practices by getting them more involved and proving ways of improvement. This action is taken as part of our risk management program.

Our Initiatives - Reducing our Impact on Environment

Our commitment towards environmental and social responsibility strengthens our drive for sustainable business operations. We have translated our vision through various initiatives aimed at mitigating negative environmental impacts through our business and our supply chain operations.

Training Employees

We ensure that all employees are aware of individual and collective responsibilities towards environment as an integral part of their jobs. We establish systems to provide training and delineation of responsibilities and accountabilities with respect to the environment.

Energy-saving Technologies

We promote establishment of outlets in harmony with nature by implementing energy-saving and waste control policies. Towards the end of the establishment, we introduce the latest technologies to minimise the environmental load and create ways to protect the local ecology. We strive to preserve the environment and bring about a sustainable society. We have also implemented several energy-saving technologies and reducing environmental load at our offices and the Kendras. Few of our franchisees run their outlet completely on solar power.



Vakrangee Corporate Office - Solar Panel

Saving Paper

Save Paper through Biometric-enabled Paperless Banking

We continue our green endeavour of saving paper through initiatives such as e-KYC, interoperability, and real-time transactions. Furthermore, we use advanced features that are environment-friendly, such as paperless banking, real-time banking, and biometric evaluation. Being digital and paperless in nature, our outlets help in huge savings of paper waste.

A major initiative for reducing environmental footprint includes e-KYC for opening of bank accounts and biometric-enabled AePS (Aadhaar enabled Payment system) for paperless banking services. The initiative has resulted in saving approximately 5 A4 size papers per new account opened and 1 A4 size paper per 3 financial banking transactions. Through these initiatives, we have collectively saved approximately 16.5 million A4 size papers from its approximately 10,000 outlets in FY2020.

Energy/Resources saved from banking service in FY 2019-20:

Particulars	Energy/resources saved
A4 size paper saved (in million)	16.5
Quantity of paper saved (in metric tonnes)	74.84
CO ₂ equiv. of greenhouse gas emissions avoided (in pounds)	14,80,000
Wood saved (in U.S. short tonnes)	329
Water saved (in gallons)	17,60,000
Solid waste avoided (in pounds)	97,100
Energy saved (in million BTU)	2,100
Trees saved from being cut for paper (in number)	~1,980

(Source: Paper Calculator™)

Save Paper through Go-Green Initiative at ATM

We have adopted 'Go Green' initiatives for our ATM services, whereby ATM transactions do not generate printed receipts. Transaction acknowledgments are sent via SMS to customers. We are working towards achieving environmentally sound management of paper through prevention, reduction, recycling and reuse, in order to minimise their adverse impacts on the environment. Saving of approximately 25.22 MT A4 size papers has resulted in the following:

Source: Paper Calculator™ - <https://c.environmentalpaper.org/individual.html>

Energy/resources saved from ATM service in FY 2019-20:

Particulars	Energy/resources saved
Quantity of paper saved (in metric tonnes)	25.22
CO ₂ equiv. of greenhouse gas emissions avoided (in pounds)	536,000
Wood saved (in U.S. short tonnes)	58
Water saved (in gallons)	1,150,000
Solid waste avoided (in pounds)	22,000
Energy saved (in million BTU)	782
Trees saved from being cut for paper (in number)	~348

(Source: Paper Calculator™)

Save Paper through Promoting Digital e-copy of Annual Report

Vakrangee continues to encourage shareholders to opt for electronic copies of the annual report, instead of physical copies. During the year FY2020 130887 number of the shareholders opted for electronic copies thereby resulting into significant amount of paper savings. Saving of approximately 32.72 million A4 size papers has resulted in the following:

Energy/resources saved from digital Annual Report in FY 2020:

Particulars	Energy/resources saved
A4 size paper saved (in million)	32.72
Quantity of paper saved (in metric tonnes)	148.41
CO ₂ equiv. of greenhouse gas emissions avoided (in pounds)	29,40,000
Wood saved (in U.S. short tonnes)	653
Water saved (in gallons)	35,00,000
Solid waste avoided (in pounds)	1,93,000
Energy saved (in million BTU)	4,170
Trees saved from being cut for paper (in number)	~3,920

(Source: Paper Calculator™)

ISO Certifications

We understand the importance of maintaining certifications to ensure our systems and processes in place are in line with our environmental commitments. Hence, we take great care in ensuring that we are certified with the relevant topics to promote sustainable operations. We have various environment related ISO certifications such as ISO 20400:2017 - Sustainable Procurement Management System, ISO 14064-1:2006 & ISO 14064-2:2006 - Green House Gas Emission, ISO 19600:2015 - Compliance Management System, ISO 37001:2016 - Anti Bribery Management System, ISO 14001:2015 - Environmental Management System, ISO 45001:2018 - Occupational Health & Safety Management System.

ISO 14001:2015 - Environmental Management System

We got certified with ISO 14001:2015 - Environmental Management System on 12th March 2020, to improve environmental performance through efficient resource usage and waste reduction and thus gaining stakeholder trust and competitive advantage.

ISO 20400:2017 - Sustainable Procurement Management System

We got certified with ISO 20400 – Sustainable Procurement Management System on 12th March 2020. This standard helps us to recognise the importance of sustainable procurement and gives us a framework for its practical implementation.

ISO 14064-1:2006 & ISO 14064-2:2006 - Green House Gas Emission

We got certified with ISO 14064-1:2006 & ISO 14064-2:2006 - Green House Gas Emission on 13th March 2020. This standard provides guidance on quantifying and reporting greenhouse gas emissions. The goal of this standard is to provide a set of unambiguous and verifiable requirements or specifications to support organisations and proponents of GHG emissions reduction projects.

Source: Paper Calculator™ - <https://c.environmentalpaper.org/individual.html>

SDG Mapping

UN SDG Goal	Report sections describing activities contributing to the SDG Goal	Page no	<IR> Mapping
 <p>1 NO POVERTY</p> <p>End poverty in all its form everywhere</p>	Integrating Robustness of Financial Growth with Contribution to Financial Inclusion	42	Financial Capital
	Healthcare	82	Social & Relationship Capital
	Equality	82	
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	Healthcare: Nutrition & Sanitation	82	Social & Relationship Capital
	Healthcare	82	
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	Education	82 & 84	Social & Relationship Capital
	Equality	82	
	Training & Development	59	Human Capital
 <p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p>	Gender Equality	55	Human Capital
	Equality	82	Social & Relationship Capital
 <p>6 CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	Healthcare: Nutrition & Sanitation	82	Natural Capital
	Water	94	Social & Relationship Capital
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	Energy Saving Technologies	96	Natural Capital
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	Integrating Robustness of Financial Growth with Contribution to Financial Inclusion	42	Financial Capital
	Next-Gen Vakrangee Kendras	46	Manufacture Capital
	Organisational Culture	52	Human Capital
	Strengthening our Internal Processes	50	Intellectual Capital
	Our Proprietary Technology Platform	69	Social & Relationship Capital
	ISO Certification	85 & 97	Natural Capital

UN SDG Goal	Report sections describing activities contributing to the SDG Goal	Page no	<IR> Mapping	
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	Our technology suite for a digital revolution	68	Intellectual capital
		Energy consumption	89	Natural capital
		Green building offices	91	Social & relationship capital
		GHG emission reduction initiatives	91	
		Waste	94	
 <p>10 REDUCED INEQUALITIES</p>	Reduce income inequality within and among countries	Divyang facility at Next-Gen Vakrangee Kendra	48	Manufactured capital
		Engagement with franchisees	75	Social & relationship capital
		Diversity and inclusion	54	Social & relationship capital
		Gender equality	55	Human capital
		Mentorship	57	
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Ensure sustainable consumption and production patterns	Waste	94	Social & relationship capital
		Energy Consumption	89	Social & relationship capital
		Working with our suppliers	95	Natural capital
		GHG emissions	91	
 <p>13 CLIMATE ACTION</p>	Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy	Waste	94	Natural capital
		GHG emission reduction initiatives	91	Social & relationship capital
		Green building offices	91	Social & relationship capital
		Our policies for sustainability	86	
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Energy consumption	89	Natural Capital
		Working with our suppliers	95	Social & relationship capital
		Organisational culture	52	Social & relationship capital
		Strengthening our internal processes	50	Human capital
		Business ethics	87	Human capital
		ISO certification	97	Intellectual capital

GRI content index

GRI Standard	Disclosure	Reference	Page Number
102 - General Disclosure	102-1 Name of the Organization	Vakrangee Limited	IFC*
	102-2 Activites, brand, products and services	About Vakrangee Limited	10
	102-2 Activites, brand, products and services	Business Responsibility Report	182
	102-3 Location of headquarter	Corporate Information	27
	102-3 Location of headquarter	Business Responsibility Report	182
	102-4 Location of operations	Key Performance	3
	102-4 Location of operations	Business Responsibility Report	182
	102-5 Ownership and legal form	Director's Report	130
	102-5 Ownership and legal form	Business Responsibility Report	182
	102-6 Markets served	About Vakrangee Limited	10
	102-6 Markets served	Business Responsibility Report	182
	102-7 Scale of the organization	Key Performance	3
	102-7 Scale of the organization	Business Responsibility Report	182
	102-8 Information on employees and other workers	Business Responsibility Report	182
	102-8 Information on employees and other workers	Diversity and Inclusion	54
	102-11 Precautionary Principal or Approach	Director's Report	130
	102-13 Membership of associations	Membership of associations	26
	102-13 Membership of associations	Business Responsibility Report	182
	102-15 Key impacts, risk and opportunities	Business risks and opportunities	34
	102-16 Value, principals, standard, norms and behaviours	About Vakrangee Limited	10
	102-17 Mechanism for advice and concerns about ethics	Director's Report	130
	102-17 Mechanism for advice and concerns about ethics	Vigil Mechanism / Whistle Blower	138
	102-18 Governance structure	Corporate Information	27
	102-18 Governance structure	Our Corporate Structure	20
	102-18 Governance structure	Board of Directors	18
	102-18 Governance structure	Board Committees	24
	102-21 Consulting stakeholders on economic, environment and social topic	Stakeholder engagement & materiality analysis	28
102-22 Composition of the highest governace body and its committees	Director's Report	130	
102-22 Composition of the highest governace body and its committees	Board Committees	24	
102-22 Composition of the highest governace body and its committees	Board members	167	
102-22 Composition of the highest governace body and its committees	Board of Directors	18	
102-23 Chair of the highest governance body	Director's Report	130	
102-23 Chair of the highest governance body	Board members	167	

* Inside Front Cover

GRI Standard	Disclosure	Reference	Page Number
	102-23 Chair of the highest governance body	Board Committees	24
	102-24 Nominating and selecting the highest governance body	Nomination and Remuneration and Compensation Committee	169
	102-24 Nominating and selecting the highest governance body	Director's Report (Annex-4)	145
	102-25 Conflicts of interest	Director's Report	130
	102-25 Conflicts of interest	Disclosures	176
	102-26 Role of highest governance body in setting purpose, values and strategy	Board of Directors	20
	102-28 Evaluating the highest governance body's performance	Director's Report (Annex-4)	145
	102-29 Identifying and managing economic, environmental, and social impacts	Business risks and opportunities	34
	102-30 Effectiveness of risk management processes	Business risks and opportunities	34
	102-31 Review of economic, environmental, and social topics	Business risks and opportunities	34
	102-33 Communicating critical concerns	Director's Report	130
	102-33 Communicating critical concerns	Stakeholder engagement & materiality analysis	28
	102-35 Remuneration policies	Nomination and Remuneration and Compensation Committee	169
	102-36 Process for determining remuneration	Gender Equality	55
	102-36 Process for determining remuneration	Director's Report (Annex-4)	145
	102-38 Annual total compensation ratio	Director's Report (Annex-3)	144
	102-39 Percentage increase in annual total compensation ratio	Director's Report (Annex-3)	144
	102-40 List of stakeholder groups	Stakeholder engagement & materiality analysis	28
	102-42 Identifying and selecting stakeholders	Stakeholder engagement & materiality analysis	28
	102-43 Approach to stakeholder engagement	Stakeholder engagement & materiality analysis	28
	102-44 Key topics and concerns raised	Stakeholder engagement & materiality analysis	28
	102-45 Entities included in the consolidated financial statements	Consolidated Statements	257
	102-45 Entities included in the consolidated financial statements	Standalone Statement	201
	102-46 Defining report content and topic Boundaries	Report at a glance	IFC*
	102-47 List of material topics	Stakeholder engagement & materiality analysis	28
	102-48 Restatements of information	Standalone Statement	201
	102-49 Changes in reporting	First Annual Integrated Report	IFC*
	102-50 Reporting period	Report at a glance	IFC*
	102-51 Date of most recent report	First Annual Integrated Report	IFC*
	102-52 Reporting cycle	Report at a glance	IFC*

GRI CONTENT INDEX

GRI Standard	Disclosure	Reference	Page Number
	102-53 Contact point for questions regarding the report	Business Responsibility Report	182
	102-54 Claims of reporting in accordance with the GRI Standards	Report at a glance	IFC*
	102-55 GRI content index	GRI content Index	100
	102-56 External assurance	Report at a glance	IFC*
103 - Management Approach	103-1 Explanation of the material topic and its Boundary	Materiality	31
201 - Economic Performance	201-1 Direct economic value generated & distributed	Quantifying Financial Performance	43
	201-1 Direct economic value generated & distributed	Capital Wise Performance	119
	201-1 Direct economic value generated & distributed	Standalone Statement	201
203 - Indirect Economic Impacts	203-1 Infrastructure, investment & services supported	The "Vakrangee Effect": adopting economic, social and governance aspects	125
	203-1 Infrastructure, investment & services supported	Introduction	1
	203-2 Significant Indirect Economic Impacts	The "Vakrangee Effect": adopting economic, social and governance aspects	125
	203-2 Significant Indirect Economic Impacts	Standalone Statement	201
207 - Tax	207-4 Significant Indirect Economic Impacts	Quantifying Financial Performance	43
302 - Energy	302-1 Energy consumption within the organization	Energy and Greenhouse Gas (GHG) Emissions	89
	302-2 Energy consumption outside of the organization	Energy and Greenhouse Gas (GHG) Emissions	89
	302-5 Reduction in energy requirements of products and services	Saving Paper	96
303 - Water	303-3 Water withdrawal	Water	94
304 - Biodiversity	304-2 Significant impacts of activities, products, and services on biodiversity	Land Utilisation – Brownfield Operations	95
305 - Emissions	305-1 Direct (Scope 1) GHG emissions	Energy and Greenhouse Gas (GHG) Emissions	89
305 - Emissions	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Greenhouse Gas (GHG) Emissions	89
	305-3 Other indirect (Scope 3) GHG emissions	Energy and Greenhouse Gas (GHG) Emissions	89
	305-5 Reduction of GHG emissions	Saving Paper	96
306 - Effluents and waste	306-2 Waste by type and disposal method	Waste	94
307 - Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	Grievance Redressal	65
308 - Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Working with our Suppliers	95

GRI Standard	Disclosure	Reference	Page Number
	308-2 Negative environmental impacts in the supply chain and actions taken	Engagement with Suppliers/Vendors	73
401 - Employment	401-1 New employee hire and employee turnover	Diversity and Inclusion	54
	401-1 New employee hire and employee turnover	Principle 3	187
403 - Occupational Health & Safety	403-1 Occupational Health & Safety management system	Security Measures available at Kendra	49
	403-1 Occupational Health & Safety management system	Health and Safety	63
	403-3 Occupational health services	Health and Safety	63
	403-5 Worker training on occupational health & safety	Health and Safety	63
	403-6 Promotion on worker health	Health and Safety	63
	403-9 Work related injuries	Health and Safety	63
404 - Training and Education	404-1 Average hours of training per year per employee	Targeted Recruitment	56
	404-1 Average hours of training per year per employee	Training and Development	59
	404-2 Program for upgrading employee skills and transition assistance program	Training and Development	59
	404-2 Program for upgrading employee skills and transition assistance program	Targeted Recruitment	56
405-Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Engagement with Franchisees	75
	405-1 Diversities of governance bodies and employees	Diversity and Inclusion, Board of Directors	54, 18
406 - Non Discrimination	406-1 Incident of discrimination and corrective actions taken	Grievance Redressal	85
411 - Human Rights Assessment	411-1 Human Rights Assessments	Human Rights	53
413 - Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Engagement with Customers	78
	413-1 Operations with local community engagement, impact assessments, and development programs	Diversity and Inclusion	54
	413-1 Operations with local community engagement, impact assessments, and development programs	Engagement with Local Community	80
414 - Supplier Social Assesment	414-1 Supplier Screening	Strengthening our Internal Processes	50
	414-2 Negative Social Impacts in the supply chain and actions taken	Engagement with Suppliers/Vendors	73
419 - SocioEconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	Grievance Redressal	85
	419-1 Non-compliance with laws and regulations in the social and economic area	Human Rights	53



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Independent Limited Assurance Statement on the non-financial performance data and information in Annual Integrated Report for FY 2019-20

To
The Board of Directors
Vakrangee Limited
Mumbai, Maharashtra, India

Introduction

We have been engaged by the Management of Vakrangee Limited (**herein referred as “Vakrangee” or “The Company”**) to carry out limited assurance engagement and provide independent assurance statement on the selected non-financial performance as presented in their Annual Integrated Report for FY 2019-20 (**herein referred as “The Report”**). The review has been performed on select non-financial performance for a period beginning from 01 April, 2019 till 31 March, 2020¹.

Reporting Criteria

Vakrangee’s management is responsible for selecting the criteria and the report has been developed based on the principles of the International Integrated Reporting (<IR>) Framework published by the International Integrated Reporting Council (IIRC). Its sustainability performance reporting criteria has been derived from the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016.

Our Responsibility

Our responsibility, is to provide limited assurance on the select non-financial performance data and information as described in Scope, Boundary and Limitations. We disclaim any assumption of responsibility for any reliance on this assurance statement to any party or person other than Vakrangee management, or for any purpose other than that for which it was prepared. We provide no assurance over changes to the content of web-based information after the date of this assurance statement.

¹ The disclosure on number of on-boarding Kendras is till the period of 31st July, 2020.

Scope, Boundary and Limitations

Scope

Our Scope of Work, was limited to the review of non-financial performance data and information disclosed in the report, for the period of 01 April, 2019 till 31 March, 2020.

Non-financial performance disclosures subject to assurance were as follows:

Capital	Parameter	Performance Indicators	GRI Disclosure
Manufactured	Vakrangee Kendras	Vakrangee Kendras in general district	GRI -102, 202, 203
		Vakrangee Kendras in tribal areas	
		Vakrangee Kendras in LWE districts	
		Vakrangee Kendras in districts inclusive of LWE and tribal	
		Operational Next-Gen Vakrangee Kendras	
		Kendras in the process of onboarding	
	Vakrangee's field staff	Vakrangee's field staff available in tribal districts	GRI -102, 202
		Vakrangee's field staff available in LWE districts	
	Geographical Presence	Tier 1	GRI -102, 202
		Tier 2	
		Tier 3	
		Tier 4	
		Tier 5	
		Tier 6	
	Insurance	Outlets included in this scheme (insurance of outlets) as on 30/06/2020	GRI – 201
Awards	Nominated in "India's Top 100 Franchisees" list by the Franchisee India Magazine in January 2020 edition	GRI – 201	
	Awarded "Best Financial Services Retailer of the Year" at the Indian Retail Awards 2019		
Divyang friendly	Any visually challenged customer accessing our ATM can use the headphone and transact on the ATM with the help of Braille enabled pin pad	GRI – 203	
Human	Employee Details	Total Employees	GRI – 102
		Divyang (Male)	
		Average Age	

ASSURANCE STATEMENT

Employees in Corporate Headquarter	Male	GRI – 102
	Female	
	Number of women representing company's management council	
State Office	Male	GRI – 102
Field Employee	Male	GRI – 102
	Female	GRI – 102
New Employees	Male	GRI - 401
	Female	GRI - 401
New Employees on Field	Male	GRI - 401
Franchisee Owner	Women	GRI – 102, 405
	Divyang	
Training	ISO, Induction and Behavioral aspects	GRI -404
	Skill Training	
Parental Leave	Female employees	GRI – 401
Sustainable Procurement	suppliers assessed on their environmental and social impact	GRI - 308
Corruption	Incidents of corruption recorded at the organization	GRI – 205
Complaints	Complaints regarding child labour, forced labour or sexual harassment	GRI – 412
Remuneration Parity	Ratio at corporate headquarter	GRI – 405
	Average salary across organisation	
	Median salary across organisation	
	Median salary male/ female and ratio at corporate headquarter*	
	Average salary of Assistant Manager	
	Average salary of Manager	
	Average salary of Deputy General Manager	
	Average salary of General Manager	
	Average salary of Associate Vice President	
	Average salary of Vice President	
	Employee Satisfaction	
Employees feel inspired and connected with the co-workers;		

		<p>Employees feel that their manager encourages collaboration in the team;</p> <p>Employees feel their manager is committed to provide guidance and motivation;</p> <p>Employees feel that they can count on their peers in need of help;</p> <p>Employees feel that their manager assigns challenging assessments to them and is successful in building trust amongst the team members;</p> <p>Employees feel that they receive constructive feedback from their manager and peers which help them improve their overall performance.</p>	
	Fatalities	Fatalities as a result of work-related ill-health	GRI – 403
Intellectual	ISO Certifications	ISO/IEC 27001:2013 Information Security Management System	GRI - 203
		ISO 20000-1:2011 Information Technology Service Management	
		ISO 9001:2015 Quality Management System	
	ATM Transactions	White Label ATM transactions	GRI – 201
	IoT	Number of franchisees monitored with the use of IoT (They are monitoring ATMs and electric surveillance)	
	Training	Employees trained for advanced technologies	GRI – 404
	Data Breach	Instances of data breach in: 1. company 2. franchisee	GRI – 418
Social & Relationship	Outlet Break-up as per services	BFSI	GRI - 203
		ATM	
		E-Commerce & Logistics	
	CSR spent	Activity -wise CSR spent	GRI - 413
	Franchisee Owner	Women	GRI- 201, 203
		Divyang	
	Skill and Technology related training per franchisee	Insurance	GRI- 201, 203
VKMS			
Ad-hoc and need based by CRM and SME OEM for ATM			

ASSURANCE STATEMENT

		HR Code of conduct training	
	Claims	13th largest ATM operator in India. More than two-third of ATMs are in rural India making Vakrangee the 3rd largest ATM operator	GRI – 201, 203, 413
		Running a multi-speciality hospital in the city of Kota, Rajasthan	
		Industry partner for setting up IIIT Kota and have contributed INR 320 lakhs	
	Complaints	Unethical and Unlawful Behaviour	GRI – 205, 206
	Certifications	ISO 37001:2016 Anti-bribery Management System	GRI – 102, 307, 403, 419
		ISO 45001:2018 Occupational Health and Safety Management System	
		ISO 19600:2014 Compliance Management System	
Natural	Energy	Energy consumed (Scope 1)- Diesel/Petrol	GRI - 302
		Energy consumed (Scope 2) - Grid	
	Emissions	Scope 1	GRI - 302
		Scope 2	
	Green Building Initiatives	Rooftop Solar PV	GRI - 302
		Rooftop Solar PV Capacity	
		Solar PV panel based peripheral lighting system	
	Water	Water consumed	GRI – 303
	Waste	Waste Recycled	GRI - 306
	Paperless Transactions	ATM transactions	GRI - 306
		Banking transactions	
	Paper Saved	Quantity of paper saved	GRI - 306
	Certifications	ISO 14001:2015 - Environmental Management System	GRI - 307
ISO 20400:2017 - Sustainable Procurement Management System			
ISO 14064-1:2006 & ISO 14064-2:2006 - Green House Gas Emission			

We conducted out procedures in accordance with the following standards:

- Limited assurance requirements of International Standard on Assurance Engagement 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information (herein referred as "ISAE 3000") issued by the IFAC. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement to obtain sufficient appropriate evidence about whether the non-financial

performances are free from material misstatement. Under this standard, we have reviewed the information presented in the report against the characteristics of relevance, completeness, reliability, neutrality and understandability.

- AA1000 Assurance Standard 2008 (AA100AS 2008) by Accountability. This standard requires us to review the nature and extent of adherence to the AA1000AS principles, i.e., Inclusivity, Materiality and Responsiveness. We conducted the assurance as per the requirements of AA1000 assurance standard (2008) Type 1 assurance and applied a moderate level of assurance.

Boundary

Boundary of the report covers Vakrangee's operations in India, which includes:

- The Corporate Office located in Mumbai
- 10,027 Nextgen Kendra outlets**

**Banking transactions data consists of 12,487 Kendras which consists of 10,027 Nextgen Kendras and 2,460Kendras which were in older format and are currently under on-boarding process as Nextgen Kendras.

Limitations

We have relied on the information, documents, records, data, and explanations provided to us by the Company for the purpose of our review. Data review was restricted to data provided by the Corporate Office. We did not visit any office or Kendra office to complete this review.

The assurance scope excludes:

- Any disclosure other than those mentioned in the Scope section above
- Data and information outside the defined reporting period
- Data related to Company's financial performance, strategy and other related linkages expressed in the Report
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems

Assurance Procedures

Our assurance procedures involved methods to obtain evidence on the reliability of specified disclosures, that we considered necessary to provide sufficient evidence to support our assurance conclusion. The nature, timing and extent of the procedures performed were based on our professional judgment, including the assessment of the risks of material misstatement of the selected non-financial disclosures whether due to fraud or error. During the risk assessments, we have also considered the internal controls pertaining to the preparation of the Report to design appropriate assurance procedures, which includes::

- Interviewing senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.

- Reviewing the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
- Evaluating the suitability and application of Criteria and that the Criteria have been applied appropriately to the subject matter.
- Selecting key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
- Re-performing calculations to check accuracy of claims, and
- Reviewing data, information about sustainability performance data and statements in the report.

Our Conclusions

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Based on the procedures we have performed, nothing has come to our attention that suggests that the Vakrangee's non-financial performance data and information has not been prepared in accordance with the Criteria.

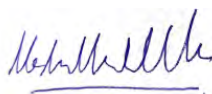
Our conclusion based on the AA1000 Accountability Principles of Inclusivity, Materiality and Responsiveness are as follows:

- **Inclusivity** – The Company has identified its key stakeholder groups based on the level of influence and impacts the company has on these stakeholder groups. However, they should implement a structured, documented process for stakeholder identification and prioritisation.
- **Materiality** – The Company has reported on material topics across economic, environmental, social, and governance aspects. However, the process of determination of materiality score and benchmark needs to be well documented.
- **Responsiveness** - The Company has demonstrated their commitment to understand stakeholder concerns, as evident from the various stakeholder consultation and engagement mechanisms that have been applied.

Our observations have been provided in a separate management letter to the company. However, these observations do not affect our conclusions regarding the Report.

Independence

We have complied with Grant Thornton's independence policies, which address the requirements of the IFAC Code of Ethics for Professional Accountants in the role as independent auditors. We also confirm that we have maintained our independence in the Report and there were no events or prohibited services related to the Assurance Engagement which could impair our independence.



Abhishek Tripathi
Executive Director

Dated: 21 August 2020





Statutory Reports and Financial Statements

Management

Discussion & Analysis

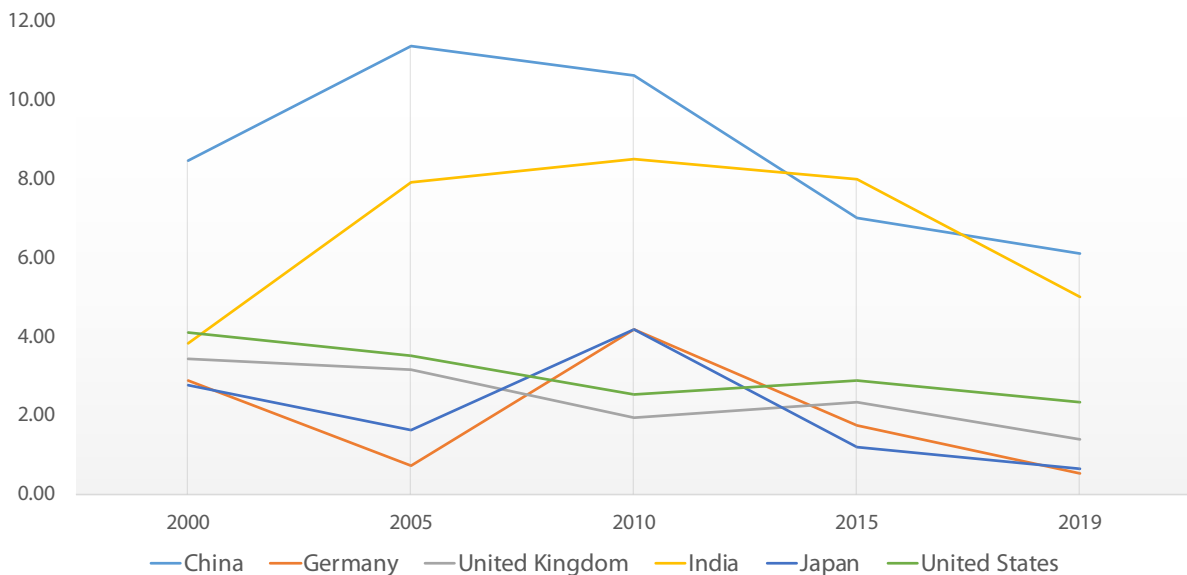
Overview

Economic performance

With positive stimulus for growth, India is poised to play a major role in the revival of global economy.

The Union Budget for 2019-20 highlights India as the fastest growing major economy and the sixth largest economy globally. In five years, the country has grown from USD 1.85 trillion economy in 2014 to USD 2.7 trillion in 2019¹. India's GDP grew at a rate of 5.02% in 2019 against 6.12% in 2018². While GDP suffered in H1 due to a weak environment for global manufacturing, trade and demand³, it slumped further in H2 of 2019-20 primarily in the aftermath of COVID-19 pandemic. The pandemic may have slowed India's economic performance; it has however presented the country with opportunities to become a self-reliant nation. With positive stimulus for growth, India is poised to play a major role in the revival of global economy. Following chart compares India's economic performance with few other countries.

GDP Growth (annual %)



¹ Union Budget of India 2019-20. Last accessed on 9th July 2020.

<https://www.ibef.org/economy/union-budget-2019-20#:~:text=The%20Union%20Budget%20for%202019,by%20the%20end%20of%20FY20.>

² Last accessed on 1st Aug. 2020. <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=IN>

³ <https://www.ibef.org/economy/economic-survey-2019-20>

The New Age India

As per the Union Budget for 2019-20, the Government of India will infuse capital worth INR 70,000 crore in public sector banks to propel their lending capacity⁴. In addition, the Union Minister for Finance and Corporate Affairs presented the 10-Point Vision for the Decade, with focus on Digital India in every sector and achieving a healthy society, among others⁵. The New-Age India presents not only opportunities but also an ecosystem to draw on the benefits.

10-Point Vision for the Decade

- | | |
|--|--|
| <p>1 Building Team India with Jan Bhagidari: Minimum Government Maximum Governance</p> | <p>2 Achieving Green Mother Earth and Blue Skies through pollution-free India</p> |
| <p>3 Making Digital India reach every sector of the economy</p> | <p>4 Launching Gaganyaan, Chandrayaan and other space and satellite programs</p> |
| <p>5 Building physical and social infrastructure</p> | <p>6 Water, water management and clean rivers</p> |
| <p>7 Blue economy</p> | <p>8 Self-sufficiency and export of food grains, pulses, oilseeds, fruits and vegetables</p> |
| <p>9 Achieving a healthy society via Ayushman Bharat, well-nourished women and children, safety of citizens</p> | <p>10 Emphasis on MSMEs, start-ups, defence, manufacturing, automobiles, electronics, fabs and batteries, and medical devices under Make in India</p> |

⁴ Last accessed on 1st Aug. 2020. <http://pibarchive.nic.in/newsite/PrintRelease.aspx?relid=191301>

⁵ Last accessed on 1st Aug. 2020. <http://pibarchive.nic.in/newsite/PrintRelease.aspx?relid=191301>

Industry's performance and outlook

E-Governance

We are proud to be a link for social, digital and financial inclusion in India. Services of Next-Gen Vakrangee Kendras not only present social schemes of Gol but also offer modern services of the private sector.

Financial inclusion is an imperative for holistic socio-economic growth of a country. The Government of India has launched several noteworthy schemes to promote financial inclusion within the country. Following are highlights of government's push for financial and social inclusion:

Pradhan Mantri Jan Dhan Yojana (PMJDY): Launched in 2014, PMJDY promotes universal access to banking services, financial literacy, access to credit, insurance and pension facilities. Till date, 39.95 crore PMJDY accounts had been opened⁶. While 20.9 crore (60%) of the account holders are in rural areas, 18.74 crore (over 53%) of account holders are women⁷. Moreover, total deposit in PMJDY accounts stood at INR 96,107 crore, with an average deposit per account doubling to INR 2,725 in 2019 from INR 1,064 in 2015⁸. Transactions on Aadhar-enabled Payment System through Bank Mitra have

grown over 80 times, from 52 transactions in 2015 to 4,291 transactions in 2019.⁹

Atal Pension Yojana (APY): APY was launched in 2015 and can be availed by saving account or post office saving account holders in the age group of 18 – 40 years. Subscribers or their nominees (upon demise of subscriber) would receive a guaranteed monthly pension from the age of 60 years. As of March 2019, 149.53 lakh subscribers had enrolled for APY, with a total pension wealth of INR 6,860.30 crore.¹⁰

Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY): Life insurance scheme for individuals of the age group of 18 years to 50 years. Gross enrolment for PMJJBY (as reported by banks, subject to verification of eligibility) stood at over 5.91 crore as of March 2019.¹¹

Pradhan Mantri Suraksha Beema Yojana (PMSBY): An insurance scheme open to individuals of 18 to 70 years with a bank or post office account. Risk coverage under PMSBY includes accidental death, full disability and partial disability. Gross enrolment for PMSBY (reported by banks, subject to verification of eligibility) was recorded at 15.47 crore as of March 2019.¹²

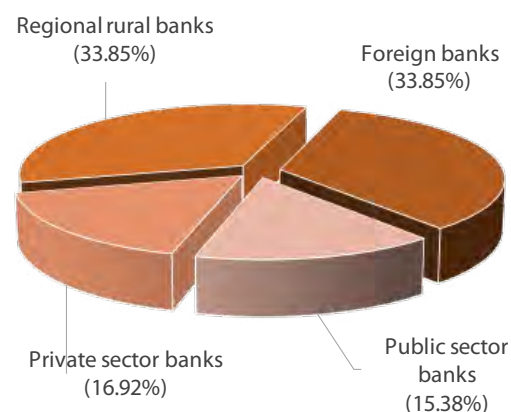
Banking

Indian banking sector comprises 20 public sector banks, 22 private sector banks, 45 regional rural banks and 44 foreign banks.¹³ While deposits grew at a CAGR of 13.93% during 2016-20, credit off-take grew at a CAGR of 13.93% in the same period. In other words, deposits reached USD 1.9 trillion and total credit extended increased to USD 1,936.29 billion by FY 2019-20.¹⁴

In its National Strategy for Financial Inclusion 2019-24, the Reserve Bank of India (RBI) recommended universal access to financial services. In other words, a formal financial service provider should be accessible to every village within a distance of 5 km. Furthermore, the report emphasizes efforts for digital on-boarding on customers for financial services.¹⁵

Composition of Indian banking sector

(Source: IBEF)



⁶ <https://pmjdy.gov.in/>

⁷ Last accessed on 10th July 2020. <https://financialservices.gov.in/banking-divisions/Important-Schemes>

⁸ Last accessed on 10th July 2020. <https://financialservices.gov.in/banking-divisions/Important-Schemes>

⁹ Last accessed on 10th July 2020. <https://financialservices.gov.in/banking-divisions/Important-Schemes>

¹⁰ Last accessed on 10th July 2020. <https://financialservices.gov.in/banking-divisions/Important-Schemes>

¹¹ Last accessed on 10th July 2020. <https://financialservices.gov.in/banking-divisions/Important-Schemes>

¹² Last accessed on 10th July 2020. <https://financialservices.gov.in/banking-divisions/Important-Schemes>

¹³ Last accessed on 1st Aug. 2020. <https://www.rbi.org.in/commonman/English/Scripts/BanksInIndia.aspx#SBIA>

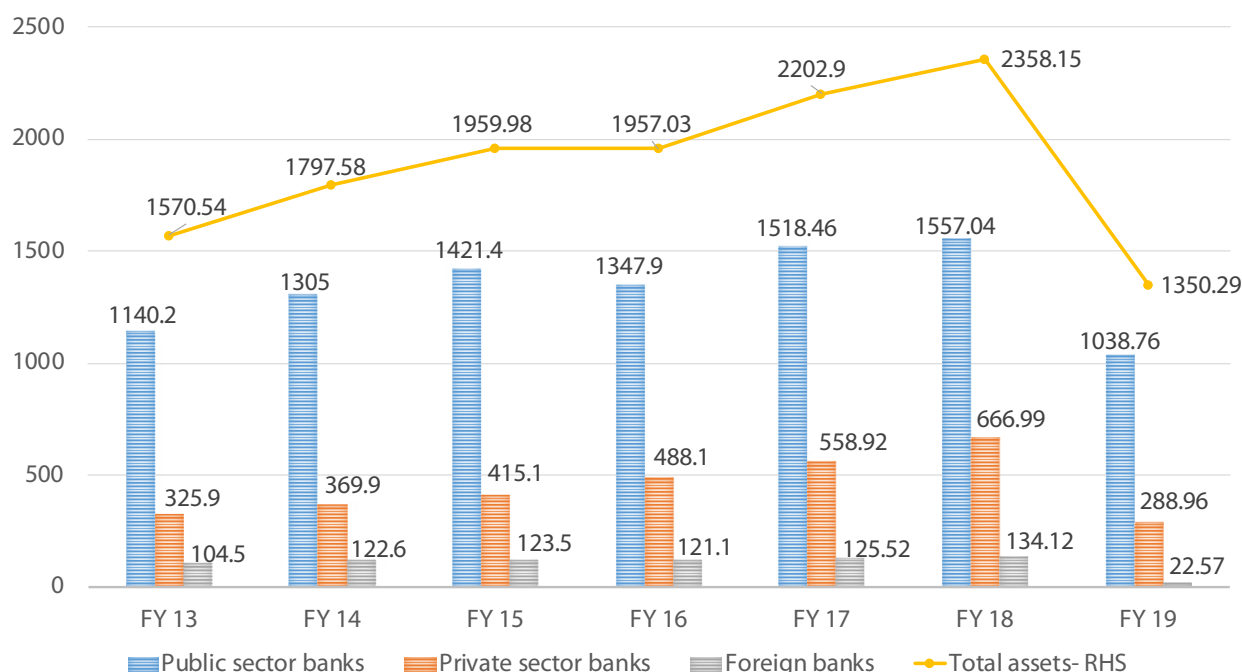
¹⁴ Last accessed on 20th July 2020. <https://www.ibef.org/industry/banking-presentation>

¹⁵ Last accessed on 1st Aug. 2020. <https://rbidocs.rbi.org.in/rdocs/content/pdfs/NSFIREPORT100119.pdf>

MANAGEMENT DISCUSSION & ANALYSIS

Total banking assets (US\$ bn)

(Source: IBEF)



As of March 2020, India had 1,56,330 functioning offices of commercial banks.¹⁶ Of these, 52,444 bank branches are present in rural India.¹⁷ Less than 15% villages have a brick-and-mortar bank branch in India, and banking correspondents (BC) are the only financial service providers in several villages. Close to 8 lakh agents serve a population of around 34 crore in face-to-face transactions.¹⁸

Digital payment in New-Age India is set to revolutionize payments and disbursement of credit massively. After demonetization, debit cards have replaced credit cards as a preferred mode of payment. In March 2020, transactions through Unified Payments Interface (UPI) stood at 1.24 billion at a value of INR 2.06 lakh crore.¹⁹ Furthermore,

internet banking, mobile banking and ATMs will improve operational efficiency and supplement increasing number of transactions. Rising income in rural India is expected to drive the need for banking in rural areas, and further accelerate the growth of banking sector.²⁰

Amidst COVID-19, economic activities have slowed down largely. In March 2020, Government of India announced a relief package worth INR 1.7 lakh crore as part of its Pradhan Mantri Garib Kalyan Yojana, to mitigate difficulties of vulnerable communities amidst lockdown. Moreover, Gov classified BC outlets as an essential service and permitted them to serve unbanked areas.²¹

¹⁶ Last accessed on 1st Aug. 2020. <https://dbie.rbi.org.in/BOE/OpenDocument/1608101727/OpenDocument/opendoc/openDocument.faces?logonSuccessful=true&shareId=0>

¹⁷ Last accessed on 1st Aug. 2020. <https://dbie.rbi.org.in/BOE/OpenDocument/1608101727/OpenDocument/opendoc/openDocument.faces?logonSuccessful=true&shareId=3>

¹⁸ Last accessed on 1st Aug. <https://niti.gov.in/we-are-looking-business-correspondents-pandemic-what-are-they-looking>

¹⁹ Last accessed on 1st Aug. 2020. <https://www.npci.org.in/product-statistics/upi-product-statistics>

²⁰ Last accessed on 20th July 2020. <https://www.ibef.org/industry/banking-presentation>

²¹ Last accessed on 1st Aug. 2020. <https://niti.gov.in/we-are-looking-business-correspondents-pandemic-what-are-they-looking>

Insurance

The insurance industry of India stands at 57 companies out of 24 companies are in the life insurance businesses, while 33 are non-life insurers. The government's policy of insuring the uninsured has gradually pushed the insurance penetration within the country, and proliferation of the insurance schemes.

The Gross premium collected by the life insurance companies in India has increased from INR 2.56 trillion (USD 39.7 billion) in FY 2011-12 to INR 7.31 trillion (USD 94.7 billion) in FY20. Between FY 2011-12 to FY 2019-20, premium from new business of life insurance companies in India increased at a CAGR of 15% to reach INR 2.13 trillion (USD 37 billion) in FY 2019-20. Insurance penetration (premium as percentage of GDP) in India overall reached 3.69% in 2017 from 2.71% in 2001.

Similarly, the market share of private sector companies in the non-life insurance market rose from 15% in FY 2003-04 to 56% till April 2020. Talking about life insurance segment, private players had a market share of 31.3% in new business in FY 2019-20.

Post COVID-19, market conditions look promising for life insurance industry due to several changes in regulatory framework, which will further lead to a change in the way the industry conducts its business and engages with its customers. Traditional practice of not purchasing insurance will slowly fade away with health risks posing threat to society. Overall, insurance industry is expected to reach USD 280 billion by 2020. In addition, India's life insurance industry is expected to increase by 14% to 15%, annually for the coming 3 to 5 years.²²

ATM

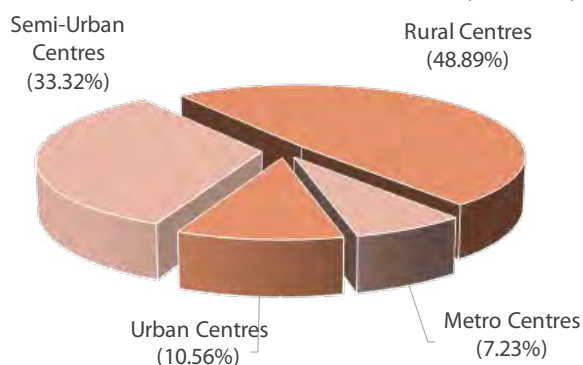
In India, cash is a favored means of payment. An increase in issuance of debit cards has not witnessed a commensurate increase in number of ATMs. As of March 2020, India had 2,10,769 ATMs.²³ Out of over 2,10,000 ATMs in India, the country has 45,270 ATMs in rural India²⁴. Share of White Label ATMs (WLA) in the country is 23,597, with 11,537 WLAs in rural India.²⁵ Number of WLAs in India grew by around 21% in March 2020 since March 2019.

Cash withdrawals from ATMs in the country are second only to China. Volume and value of ATM transactions recorded a CAGR of 9% and 10% over the past 5 years. In FY 2019-20, volume of cash withdrawals from ATMs stood at 8,876,600,133, and value of ATM transactions was a whopping INR 276,158,086 lakhs in India.²⁶

COVID-19 has affected both volume and value of ATM transactions in India. Cash withdrawals at both bank-owned and White Label ATMs have declined significantly owing to nation-wide lockdown.

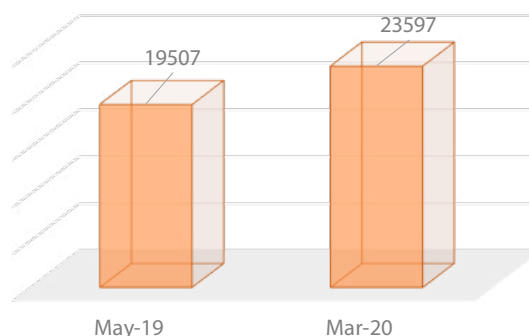
Region wise WLAs

(Source: RBI)



Number of WLAs in India

(Source: RBI)



²² <https://www.ibef.org/industry/insurance-sector-india.aspx#:~:text=The%20insurance%20industry%20of%20India,the%20non%20life%20insurance%20segment.>

²³ <https://rbidocs.rbi.org.in/rdocs/ATM/PDFs/ATM0320203A8362C0253D46D78706BE21CD6CA667.PDF>

²⁴ Last accessed on 11th July 2020. <https://www.rbi.org.in/Scripts/StateRegionATMView.aspx>

²⁵ Last accessed on 11th July 2020. <https://www.rbi.org.in/Scripts/StateRegionATMView.aspx>

²⁶ Last accessed on 11th July 2020. <https://www.rbi.org.in/Scripts/ATMView.aspx?atmid=110>

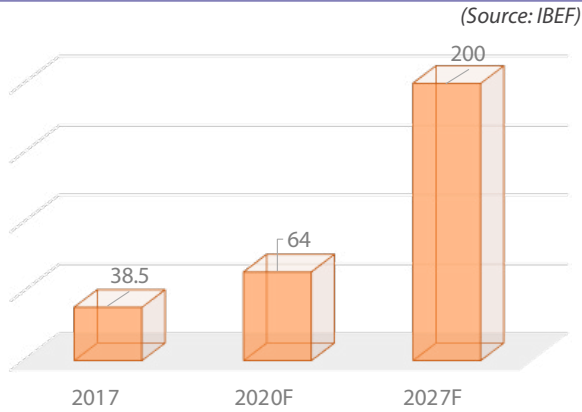
MANAGEMENT DISCUSSION & ANALYSIS

E-commerce

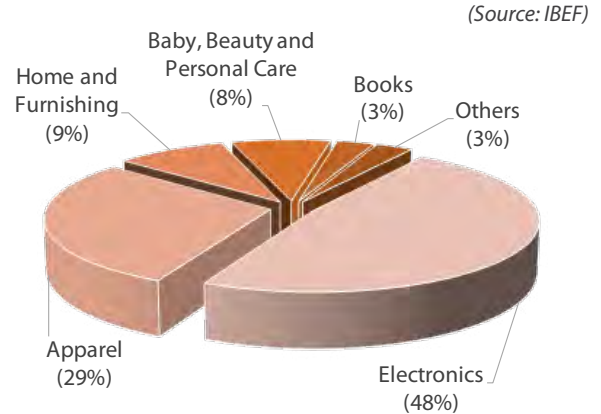
E-commerce is the fastest growing market in India and is projected to reach USD 84 billion in 2021, further growing by approximately 1200% by 2026.²⁷ The industry is supported by rising income, increase in number of internet users, high smartphone penetration, policy reforms, government initiatives and young demography.

While a section of India relies on the world of e-commerce for items such as toothbrush, mobile phones, electronics, furniture and other products, there still remains a large population that is unexposed to online shopping. The need to bridge this gap between exposure and non-exposure to e-commerce requires access to all products and services at the same price across India.

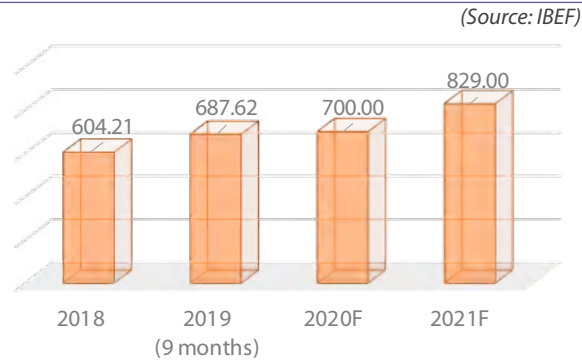
E-commerce market size in India (US\$ bn)



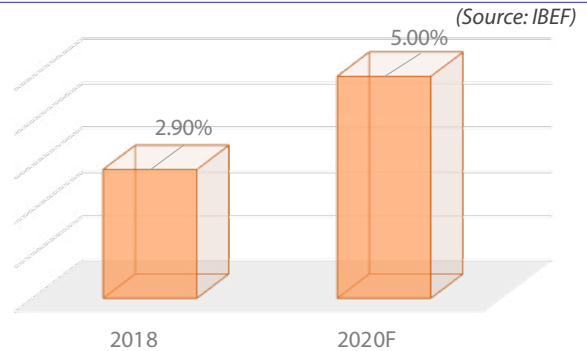
E-commerce composition in 2019



Internet users in India (million)



Growth of Online Retail vs Total Retail



Indian e-commerce market can be segmented into online travel, online retail and online healthcare. Improved rail and air connectivity, along with growing number of internet users in tier 2 and 3 cities, have boosted online travel segment in the country. Amidst the pandemic, travel industry has also taken a hard hit. Prolonged lockdowns and restrictions on travel within the country have resulted in losses for the travel industry. However, gradual recovery of travel industry in the country is on the rise.

Telemedicine may be an effective solution to challenges in delivery of healthcare, training, low-cost consultation and diagnostic facilities in rural India. It is expected to reach USD 32 million by 2020, growing at a CAGR of 20% between

FY 2015-16 to FY 2019-20.²⁸ Favorable factors, particularly, robust digital footprint, government initiatives and digital biometric identification programs have fueled market growth for digital healthcare in India.

COVID-19 is overburdening the healthcare system in India. Temporarily closing out-patient departments to free up doctors and medical staff have left patients with other ailments unattended. Regular check-ups and therapies for chronic diseases are on halt due to either travel restrictions or temporary closed services. Amidst restrictions and closures, telemedicine has stepped in to serve patients in India.

²⁷ Last accessed on 11th July 2020. <https://www.ibef.org/industry/ecommerce-presentation#:~:text=In%202019%2C%20it%20was%20estimated,1%2C200%20per%20cent%20by%202026.>

²⁸ Last accessed on 1st Aug. <https://www.ibef.org/download/healthcare-jan-2019.pdf>

Logistics

Indian logistics is a fast-paced and competitive market. Emergence of e-commerce, streamlined GST, government projects on infrastructure development are few factors to propel the domestic logistics sector. India has played a vital role in improving its global ranking on trading across borders from 146th rank in 2017 to 80th rank in 2016. Department of Commerce is working hard towards reducing the logistics costs from the current 14% of the of GDP to almost 10% by 2022 by adopting an integrated approach of developing a logistics portal which will be a single window market place to all the stakeholders.²⁹ Investments in

logistics, including infrastructure, is expected to touch USD 500 billion, annually by 2025.³⁰

The global pandemic has affected the logistics sector in the country. Even as Government of India announced relief measures in the country, volume of inland logistics may fall. Overall, we can notice responses and innovations of different industries to the pandemic. As the economy reopens gradually, there will be a need to mould our business model accordingly to stay ahead in our growth curve. Following sections elaborate our corporate strategy and resilience in the volatile, uncertain, complex and ambiguous business environment.

Vakrangee's Performance Highlights in the New-Age India

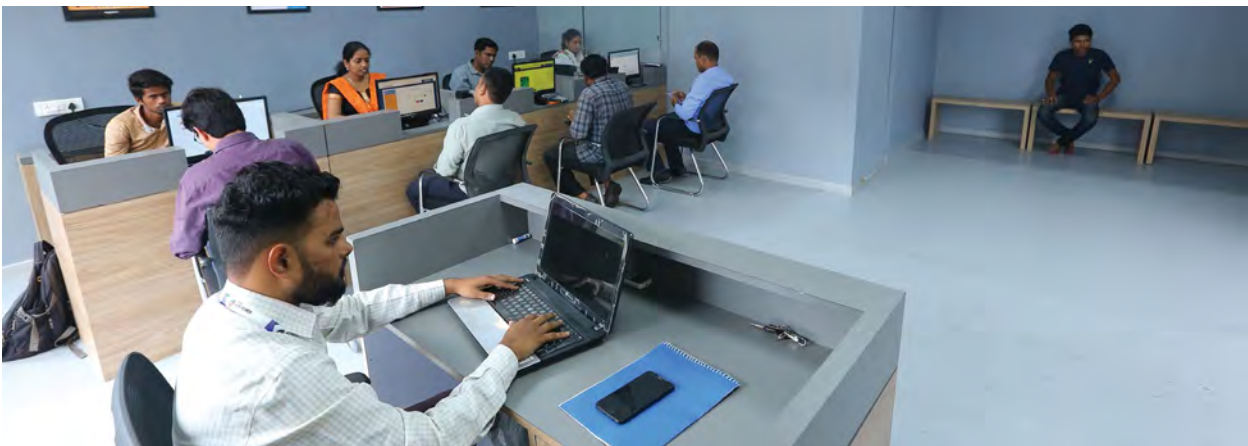
The New-Age India encapsulates a changing business environment and adapting business dynamics. In the new norm of volatility, uncertainty, complexity and ambiguity, our Next-Gen Vakrangee Kendras have proved to be a remarkable symbol of evolution, resilience and stability, repeatedly. In other words, our outlets are powerhouses of minimal footprint and maximum value. This section provides an overview on how we are sustaining value across different stakeholders.

Performance of our Next-Gen Vakrangee Kendras

PRODUCT-WISE PERFORMANCE

Our over 10,000 Next-Gen Vakrangee Kendras have been operating exceptionally to deliver our promise of convenience and inclusion to the underserved and unserved citizens of India. Whether it is keeping outlets open till late at night or helping citizens during the COVID-19 pandemic, our franchisees proudly support building of a New-Age India. Our product-wise performance results present our hard work, sincerity and endurance to achieve our mission.

In FY 2019-20, our ATMs recorded total number of transactions as more than 440.68 lakhs, while gross value of ATM transactions stood at over INR 8,89,989.83 lakhs. Similarly, number of transactions for our banking service was around 494.99 lakhs, recording a gross value of INR 20,30,030.01 lakhs in the reporting year.



²⁹ Last accessed on 1st Aug. 2020. <https://pib.gov.in/newsite/PrintRelease.aspx?relid=186255>

³⁰ Last accessed on 1st Aug. 2020. <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1540616>

MANAGEMENT DISCUSSION & ANALYSIS

CAPITAL-WISE PERFORMANCE

In the financial year 2019-20, the total Income of our company stood at INR 69,934.81 lakhs while the EBIDTA stood at INR 9,137.38 lakhs in FY 2019-20. The PAT stood at INR 6,452.37 lakhs in FY 2019-20 and the EPS (basic) for the face value of INR 1 stood at INR 0.61 in FY 2019-20.*

Financial capital 

Key financial ratios*

Particulars	FY 2019-20	Explanation
Debtors Turnover (%)	0.48	It is assumed that the entire revenue from operations represents total credit sales less sales return and allowances. The ratio between the average trade receivables and the revenue from operations is considered
Inventory Turnover (%)	104.58	The ratio between the revenue from operations and the average inventory between beginning and end of FY 20 is taken. The net sales is considered in this regard
Interest Coverage Ratio (%)	NA	We have not incurred any 'Finance Cost' during the FY and thus, the ratio is not applicable
Current Ratio (%)	11.63	There has been an decrease in current assets and increase in current liability and the value signifies the ratio between the current assets to the current liabilities
Debt Equity Ratio (%)	0.07	Considering we are unlevered, i.e. we have no long term/short term borrowings, the ratio may not be considered. However, it can still be presented by taking the ratio between the total liabilities to total equity
Operating Profit Margin (%)	12.30	For the computation of the ratio, EBIT is taken without considering the exceptional items
Net Profit Margin (%)	10.35	An increase in the profit level for this FY has anchored the growth in the net profit margin which is the ratio of the net profit and the revenue from operations
Return on Net worth (%)	2.47	The net profit for the FY has increased leading to a greater return on net worth, which is calculated by taking into consideration the ratio between the net profit and the shareholder's equity.

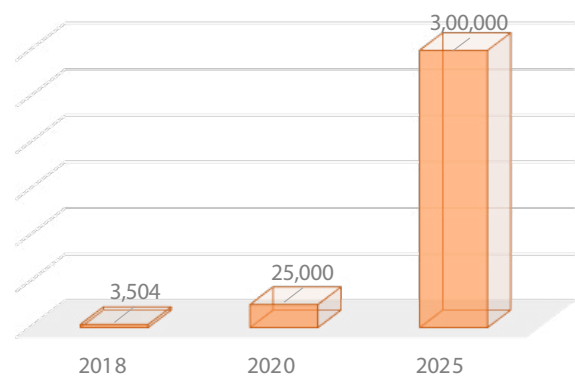
* The above figures and calculations are on standalone basis

Manufactured capital 

In our endeavour to become India's No. 1 retailer by offering innovative ideas and proven modern technologies for facilitating universal financial, digital and social inclusion, we are expanding our reach continuously. With already 34,000 outlets (10,000+ operational outlets and 24,000+ outlets under on-boarding process till date), we are well on track to achieve our target for 2020. Following graph highlights a rapid growth trajectory of our successful business model.

We have remained true to our promise of "Ab Poori Duniya Pados Mein". Our 10,000 + outlets are present across tier 1 to 6, with around 70% of presence in tier 5 and 6 locations. In a matter of only 2 years, we have covered 30 states and UTs, 6,150 postal codes and over 500 districts. Our outlets are also present in 164 tribal districts and 90 Left Wing Extremist districts.

Number of Next-Gen Vakrangee Kendra

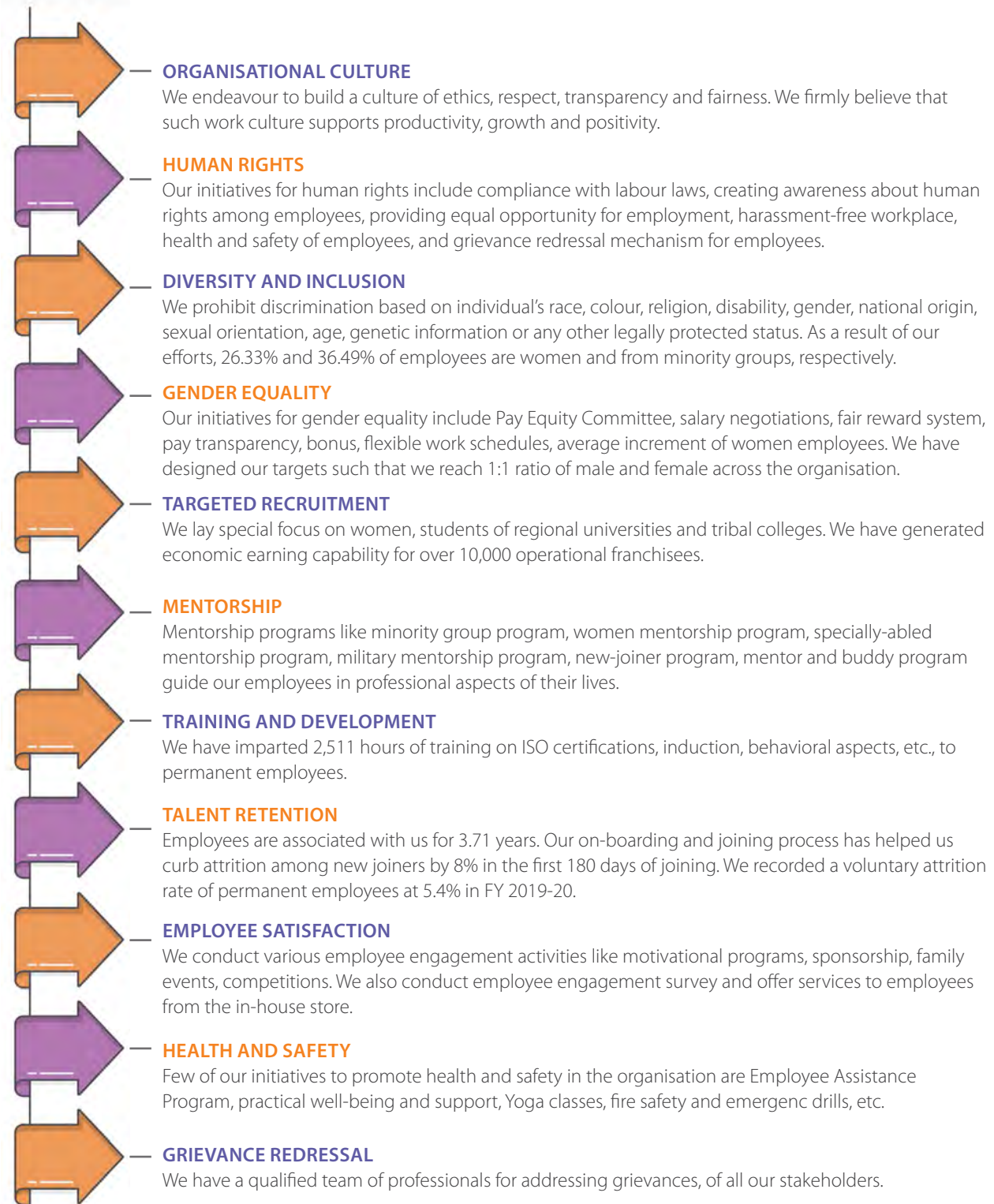


Human capital



We value our employees and their motivation to achieve the shared purpose of serving the underserved and unserved citizens of India. By investing in human capital, we have experienced a gain in productivity, employee loyalty and motivation to work. In FY 2019-20, we also signed the United Nations Global Compact.

Our drivers of value for human capital are:



MANAGEMENT DISCUSSION & ANALYSIS

Social and relationship capital



In the social and relationship capital, we have assessed our relationship with various key stakeholders such as employees, franchisees, customers, business partners, local community wherein we operate, shareholders, suppliers and government or regulatory bodies. We seek to maintain a relationship of cooperation and trust with all our stakeholders. In this regard, we have released policies such as Sustainable Sourcing Policy, Green Procurement Policy, Corporate Social Responsibility Policy, Political Involvement Policy and Shareholder Engagement Policy, among others, concerning different stakeholders. Policies represent not only our commitment to harmonious relationships but also guide us in engaging with our stakeholders diligently. Following is a snapshot of how we interacted with each identified stakeholder:



SHAREHOLDERS

We interacted with shareholders through conference calls, business updates through press releases, roadshows, analyst meetings, and Annual General Meeting. We have recorded and uploaded the sessions on our website



SUPPLIERS/ VENDORS

Assessed 7 suppliers on the basis of their social and environmental impact. Moreover, we conducted regular meetings and held internal audits to monitor their performance on our ESG requirements



FRANCHISEES

- Enrolled 10,027 franchisees and currently on-boarding over 24,000 franchises till date.
- Attractive return on investment and quick payback of capital expenditure offered to franchisees
- Franchisees have reported a significant increase in income and have gained trust and respect in community
- Encouraged women to establish outlets. Over 60% women are franchisees in Rajasthan
- Dedicated franchisee-focused team to provide continuous operations and marketing support
- Skill upgradation is an inherent part as franchisee or his/ her employee needs to clear banking certification and insurance training and certification



CUSTOMERS

- Not only have we launched over 10,000 outlets, but we have also successfully delivered diverse services to our customers. In the past financial year, we recorded over 440 lakh ATM transactions and around 500 lakh transactions in banking
- Third party survey of Next-Gen Vakrangee Kendra's impact on customers describes that we have gained trust of customers in a short span of time
- Launched India's first rural-focused "Kendra Loyalty Program" to reward our customers



GOVERNMENT AND REGULATORY AUTHORITY

- We have no direct relationship with Government bodies, however, we own a license from Reserve Bank of India to set up and manage White Label ATMs. We are the 13th largest and 3rd largest ATM operator in India and rural India, respectively
- Tie-ups with major nationalised banks, and collaborated with Chhattisgarh Rajya Gramin Bank in FY 2019-20
- Member of CATMi, BCFI and NPCI, well-recognized industry bodies in the country



LOCAL COMMUNITY

- Adhered to Corporate Social Responsibility Policy for harmony between business and community
- Key CSR initiatives include multi-speciality hospital in Kota and collaboration in establishment of IIIT Kota



EMPLOYEES

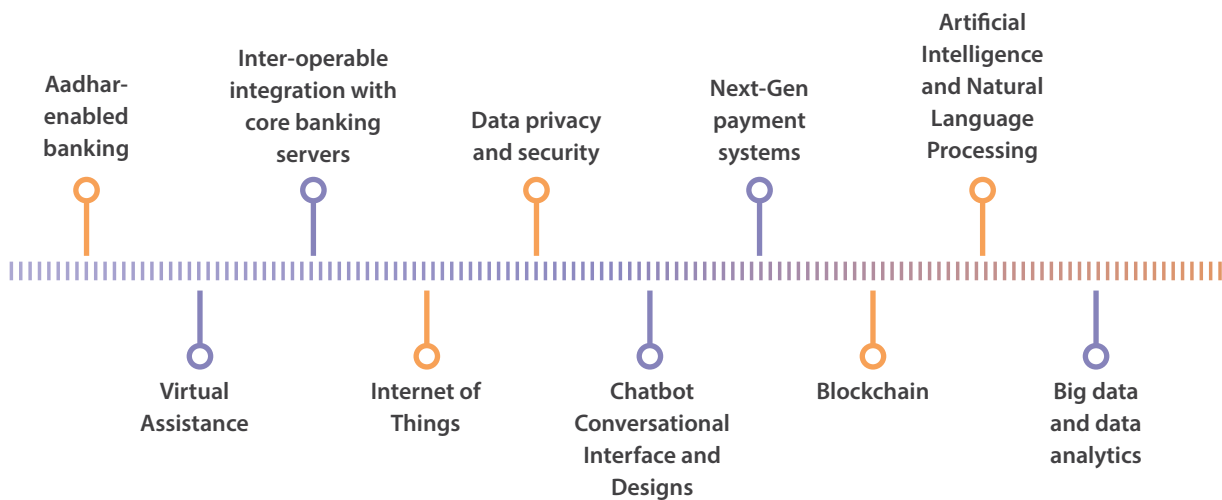
- Build mutual trust and understanding with the help of HR manual, HRMS, WhatsApp group, Group e-mail id, VKMS, Online Webinar
- Conducted employee engagement activities, employee engagement survey, and convenience stores for employees

Intellectual capital



We have launched our Next-Gen Vakrangee Kendra model to bridge the gap between the emerging digital India and the underserved population concentrated outside the urban setting. The New age India is ushering in a cashless economy supported by rampant digitization and technology adoption. To ensure the underserved population are included in this economic sphere, we have taken up a suite of technology that is built into our proprietary platform to aid us in our mission. We are always on the lookout for cutting-edge technology that can be integrated into our business model to offer better services to our customers.

Our Suite of Technologies



Few highlights in FY 2019-20 are:

- We are certified in the relevant ISO standard certifications that ensure that we have proper systems and processes in place to run our operations. ISO/IEC 27001:2013 Information Security Management System provides protection of sensitive data of the company and our customers;
- ISO 20000-1:2011 - IT Management System benefits us with improved IT service management, reliable IT services with reduced downtimes, minimal risk of errors, lower costs, time-saving and increased customer confidence;
- ISO 9001:2015 Quality Management System improves the quality of our services and demonstrates our ability to consistently provide products and services that meet customer and regulatory requirements;
- We also planning to improve our operations by undertaking certifications such as ISO 31000 Risk Management; ISO 22301 Societal security – Business continuity management; ISO/TR 13569 – Financial services – Information security guidelines; ISO/IEC 13335 Information technology – Security techniques – Management of information and communications;
- Our investment in R&D and advanced technology for FY 2019-20 was approximately INR 2 crore;
- We have trained 300 employees and over 10,000 franchisees for advanced technologies;
- As a result of strengthening data security in our operations, we faced 0 instance of data breach in our corporate office and outlets;
- We monitored 10,000 franchisees with the help of Internet of Things in FY 2019-20.

MANAGEMENT DISCUSSION & ANALYSIS**Natural capital****Growth with environmental stewardship**

New-age India is aware of need for transparency in environmental impacts of businesses. We are growing in line with this sentiment and have committed to grow with minimal environmental footprint. We have set short-term and long-term targets to curb our carbon emissions. Moreover, we have carefully devised a set of initiatives to help us achieve our environment-related targets while providing the best means of digital, social and financial inclusion to our customers.

Impact of initiatives

Our initiatives for reducing adverse environmental impact is based directly on our business model such as location of our outlets. Our activities are guided by well-defined corporate policies.

- Go-Green Initiatives in all ATMs aimed at reduction in paper consumption by introducing paperless ATMs. This has reduced paper consumption and paper waste to almost nil;
- Biometric-enabled paperless banking aimed at reduction of paper consumed and waste generated in our Next-Gen Vakrangee Kendras. This has also contributed to major reduction in paper consumption and paper waste;
- Our commitment to expand Next-Gen Vakrangee Kendras in rural India has reduced the distance travelled by customers and franchisees drastically, thereby contributing to reduction in fuel consumed for travel and associated greenhouse gas emissions;
- Installation of rooftop solar PV at our corporate office has resulted in 15.21% of our energy consumption from solar energy, thus reducing our dependence on non-renewable energy sources. It has enabled reduction of 47.527 MTCO₂e greenhouse gas emissions. Our franchisees are also encouraged to setup renewable energy sources in their outlets;
- Various improvement initiatives to develop green building for our corporate office and energy efficient data centres is expected to result in reduced energy consumption;
- Our Next-Gen Vakrangee Kendras are established in existing infrastructure to reduce the need to acquire and clear new piece of land. It has avoided adverse impact on biodiversity due to construction, as well reduced pressure on land utilization;
- Since almost 70% of Next-Gen Vakrangee Kendras are centred in tier V and tier VI cities, we are creating clean water drinking facilities in remote areas, which can be accessed without charge at any time;
- We have implemented several technologies for saving energy and reducing environmental load at our offices and Next-Gen Vakrangee Kendras. Few of our franchisees run their outlet completely on solar power;
- We have also received ISO certifications on ISO 14001:2015 - Environmental Management System, ISO 20400:2017 - Sustainable Procurement Management System, and ISO 14064-1:2006 & ISO 14064-2:2006 - Green House Gas Emission to strengthen our performance in environmental stewardship.



Business Outlook: Our Corporate Strategy

Our purpose is to ensure that every Indian has an opportunity to benefit from financial, digital and social inclusion. Our unique business model includes a vast network of outlets spread across the length and breadth of the country.

In parallel to our endeavour for a better India, we have committed to the Sustainable Development Goals for a better world. We aim to adopt these Goals and address global challenges, such as poverty, inequality, climate change and environmental degradation. We incorporate Environmental, Social and Governance (ESG) initiatives in our fundamental business process for sustainable development.

We are taking the financial and digital literacy to the bottom of the socio-economic pyramid and serving as the last-mile link to connect India's unserved and underserved rural and urban citizens by offering them the same products and services at the same time alongside competitive pricing. We act as the biggest equaliser by bridging the gap of financial, social and digital inclusion in urban and rural India. We aim at achieving financial inclusion through the promotion of Government's financial schemes and the social inclusion initiatives such as PMJDY and social security insurance schemes. We are providing universal access to banking, insurance and pension schemes alongside Direct Benefit Transfer of subsidies.

Our overall objective is to deepen our presence in India and keep enhancing our service portfolio to create a seamless

customer experience. Our major focus lies in expansion of Next-Gen Vakrangee outlets through its asset-light franchisee-based model. We have adopted short and medium term target of on-boarding 25,000 outlets by December 2020 and a long-term target of on-boarding 3,00,000 Next-Gen Vakrangee Kendra outlets by 2025. The strategy behind the company's planned target is to have a local presence on pan India basis - in every gram panchayat as well as urban ward of the country, to facilitate every citizen access to essential services within walkable distance. We intend to become India's No. 1 retailer by offering innovative ideas through proven modern technologies for facilitating universal financial, digital and social inclusion.

For seamless customer experience, we aim to improve convenience quotient of Next-Gen Vakrangee Kendras by unifying our brand experience across all our franchisee categories within the marketplace. Our objective is to become the world's top-notch assisted digital convenience store with standardised, unified and one-look branding for infrastructure, making our Kendras distinctly identifiable as "assisted digital convenience stores".

Our service offering strategy is to keep expanding the service offering bouquet to make sure maximum services are available to citizens under one roof. Our motto for customers is to become the Store of choice for their daily usage and convenience services. As we say, "Sab Kaam Ek Dukaan" or "Ab Poori Duniya Pados main".

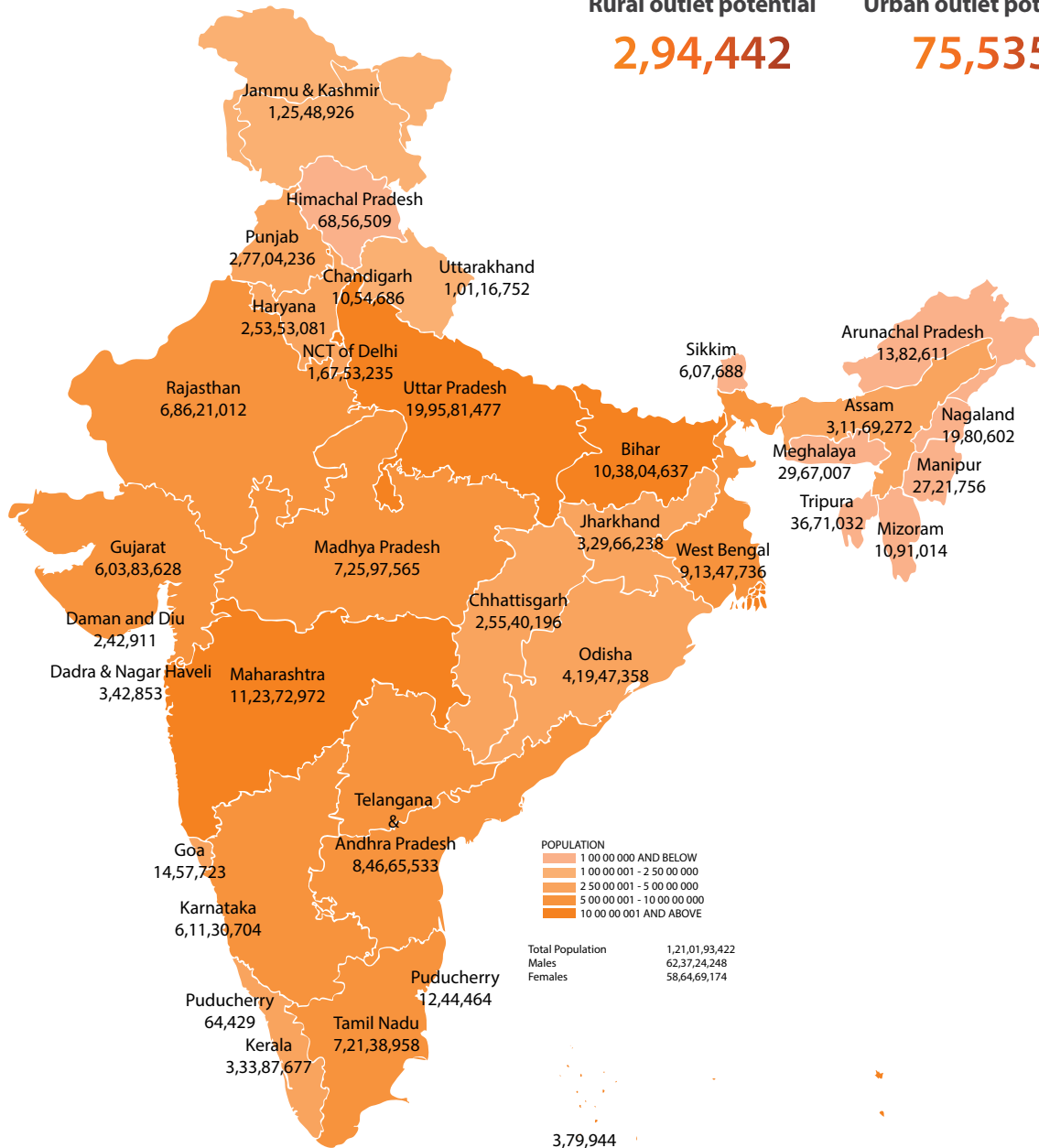
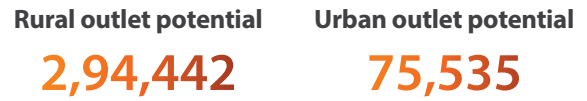


MANAGEMENT DISCUSSION & ANALYSIS

The “Vakrangee Effect”: adopting economic, social and governance aspects

Our vast network financially empowers a large section of society that, until now, were excluded from mainstream activities of an emerging economy, inclusive of consumption, savings, insurance and investment. Increased participation of people will further support industrialisation, agriculture and create a wider market for goods and services. Subsequently, with potential financial and social inclusion of a large section of society responsible for more than half of India’s GDP, the Indian economy can be further enlarged. We call this “The Vakrangee Effect”.

HUGE UNTAPPED MARKET: OVERALL MARKET POTENTIAL



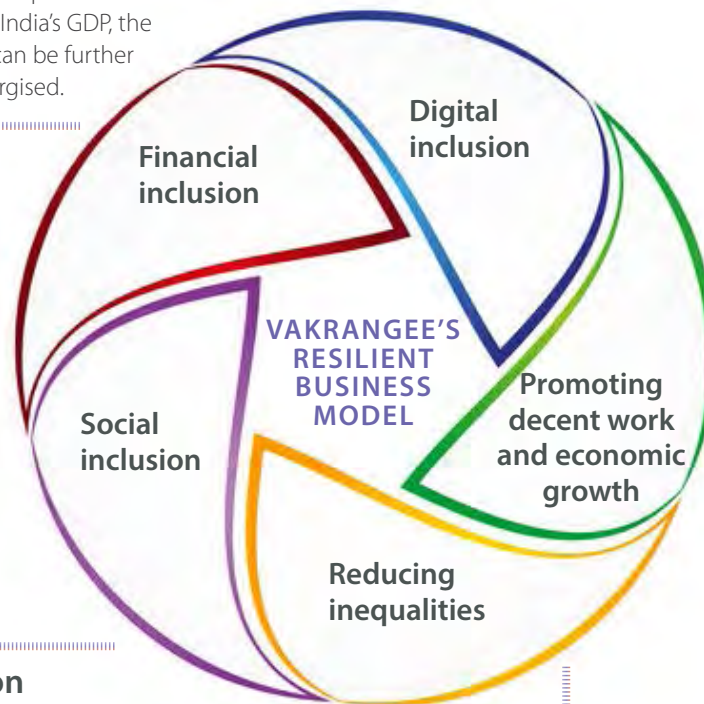
Resilient business model

Financial inclusion

We provide access to basic banking and insurance services. Additionally, we enable transfer of Government subsidies directly into the bank accounts of citizens through the Government's Direct Benefit Transfer (DBT) scheme. With financial inclusion of a larger section of society responsible for more than half of India's GDP, the Indian economy can be further enlarged and energised.

Digital inclusion

We are taking digital literacy to the bottom of the socio-economic pyramid and serving as the last-mile link to connect India's unserved and under-served rural and urban citizens by offering them biometric-enabled banking, assisted e-commerce services and digital e-governance services at our Kendras. Furthermore, we are taking digital literacy to the bottom of the socio-economic pyramid by offering assisted e-commerce services through our Kendras. This enables us to ensure last-mile link and connect India's rural and urban citizens to modern e-commerce sites.



Promoting decent work and economic growth

We provide right opportunities to people – to get work that is productive, stable, and well paid. Our franchisees create local work opportunities by recruiting local people, and undertaking skill development - certification for banking, insurance and UIDAI services.

Social inclusion

- **Enhancing skills:** Our business model facilitates skill enhancement. We on board ordinary individuals and train them with skill sets to yield remarkable results. Additionally, these individuals are encouraged to complete a basic certification to enhance their technical skills for rendering Aadhaar, Banking and Insurance Services.
- **Creating employment:** Our business model is a pure franchisee-based model. Apart from creating employment opportunities within the company, each franchisee is also providing employment to minimum of 1 to 2 resources, thereby creating further employment opportunities and financial stability for local people. Our distinguished approach to business creates a ripple effect for generating employment in society.
- **Social inclusion through e-Governance:** Social inclusion helps a resident in getting an identity; recognizing his/her existence; helping the government in reaching out to the resident for delivery of various welfare initiatives. It further enables to drive financial inclusion and in providing easy access to loans.

Reducing inequalities

As one of our major goals to reduce inequalities, we are bridging the gap between India's urban and rural population. Our Next-Gen Vakrangee Kendras are coordinated with the theme, "Ab Poori Duniya Pados Mein". We have a setup in the form of 'One Stop Shop Digital Convenience Stores', offering the urban and rural citizens goods and services at the same price, same time and of the same quality. Out of our 10,027 outlets, 1,469 outlets are in 164 tribal districts, and 614 outlets are in 90 Left-Wing Extremism (LWE) districts.

MANAGEMENT DISCUSSION & ANALYSIS

“Sab Kaam Ek Dukaan” – Bringing a world of convenience at your doorstep

India has approximately 65% of 1.3 billion citizens living in rural parts of the country.³¹ We, through our Next-Gen Vakrangee Kendra, aim to connect the rural population of India and map them under the umbrella of financial, social and digital inclusion. As of today, the Next-Gen Vakrangee Kendras are considered as one of the centre points of consumption in rural economy.

We have adapted and enhanced the services provided by our Next-Gen Vakrangee Kendras to align them to meet the demands of rural India, which requires a different approach when compared to urban India. The Indian government’s encouragement for digital payments, motivate us to develop our outlets into a one-stop shop for various products and services. Support from the government’s initiatives towards financial inclusion has helped almost every Indian household to own at least one bank account and have access to a debit card. Direct Benefit Transfer (DBT) scheme has helped deepen penetration of banking services into rural parts of the country. Increasing access to the digital platforms has multiplied demand for digital banking options and platforms across the country.

Our range of services offered at our Next-Gen Kendras



Our Kendras have introduced digital and financial inclusion to rural markets. We offer disruptive technologies like Aadhaar enabled Payment Systems (AePS), e-KYC, inter-operability and real time banking transactions to our customers. We collaborate with several insurance companies, as their corporate agents, to provide life, general and health insurance. Through our Kendras, we have established a network of easily accessible ATMs, provided communities convenience of withdrawing cash within their own neighbourhood, and eliminated the need to travel long distances for essential services. Approach of our Kendras helps us act as a Cash in Cash Out point for local area.

Alongside banking services, our Kendras serve as technology-intensive retailers providing multiple services such as e-commerce, online healthcare, telemedicine,

and online travel bookings under one roof. Indirect access to modern services by rural citizens and availability of few products in rural areas, are bundled with a premium price primarily because of high transportation costs. Our philosophy of being the biggest equaliser franchisee-based, a multi-service retail network, we have inclined our efforts towards delivering utmost convenience at minimal or no charge. Our Next-Gen Vakrangee Kendras cater to the day-to-day needs of the rural people. We provide services like booking of train and bus tickets, electricity bill payments, and courier and logistics services, amongst others. With the help of these services, our objective stands to reach remote areas of India and connect with the unserved sections of society.

³¹ Last accessed on 13th July 2020. <http://statisticstimes.com/demographics/country/india-population.php>

Unique features and advantages of Next-Gen Vakrangee Kendra

Mandatory ATM in each outlet

- ATM installed in every outlet
- Potential to enhance the footfall significantly
- Additional stream of revenue for both – the franchisee and the company

Digital advertising

- Digital signage to enable centrally monitored advertisement campaigns
- To enhance the interaction between consumer and partners



Store exclusivity and consistent branding

- Exclusive store model with same service level and same customer experience
- Standardised layout and design by L&H (Lewis & Hickey)
- Uniform and consistent branding for higher brand recall

Centralized monitoring system

- Centralised CCTV system
- Better security at the store
- Full compliance with RBI guidelines to maintain more than 90 days video recording backup

PIN pad device

- To enable various kinds of payment modes at any Vakrangee Kendra
- Integration in process to start accepting RuPay, Debit and Credit card payments

Robust technology innovations for our promising business model

Our business strategy is integrated with a strong focus on technology innovations. We have believed in the power of technology innovations, and have implemented various innovations such as biometric-enabled banking, paperless digital transactions, and e-KYC (Know Your Customer). We constantly upgrade our technologies with latest innovations. Few of our solutions are:

Next-Gen payment solution: The Government of India has been focusing on digital payments across the country. We understand the importance of adopting a next generation business model in the digital age. To align with the government's mission of digital payment, we are developing a Unified Payment Platform to process all payments including card payment, UPI, AEPS, Aadhaar Pay, and QR amongst others. This will enable our Next-Gen

Vakrangee Kendras to accept payments from our customers through any mode of payment. We are one of the pioneers of Aadhaar enabled Payment System (AePS) based banking system. An integrated digital payment mechanism empowers us to make banking services available to every citizen of India across the last tier in the country.

Big data and data analytics: We generate and store a great proportion of data on a daily basis. This data requires sorting, arranging and storing methodically, which is not possible through a conventional database system. To manage large volumes of data, we have transitioned towards the use of big data. We understand that number of devices connected and amount of data generated will increase with the use of artificial intelligence. Therefore, we have incorporated data

MANAGEMENT DISCUSSION & ANALYSIS

analytics – processing and analysing data for behavioural insights. For better results, we make use of artificial intelligence and machine learning, which considers the historical data and provides accurate predictions, which comes handy for proactive action.

Artificial Intelligence (AI) and Machine Learning

(ML): AI and ML form an integral component of any corporate strategy due to their ability to manage high volumes of data. We have initiated adopting AI and ML technologies since they build cognitive abilities. We make use of AI and ML to improve our product lines and design advanced business solutions; obtain relevant information to improve accuracy; assist in assignment of resources; maximise automation of existing processes; and minimise countless human hours. Our focus is on deploying AI as an augmentation tool to the current workforce, providing engineers and other professionals with added insights that will increase their efficiency and free them up to focus on enriching the customer experience.

Internet of Things (IoT): Internet of Things, in today's world, is one of the top technologies that enables management of devices and applications. It connects wearable devices, enterprise-wide physical assets, and other electronic devices through sensors, actuators, amongst others. These help in gathering real-time data from across departments, processes, or business lines. We as an organisation are adopting and implementing this technology for improved process efficiency, asset utilization and productivity. With the use of IoT, we are monitoring ATMs, electric surveillance and logistics.

Chat-bot conversational interface and design: As chat-bots become a prominent technology across different industries, we have introduced conversational interfaces using NLP for human-like voice conversation, designed to play different roles and assist employees and customers. A personal assistant performs instant two-way conversation by answering queries, taking notes, running video on demand, or a customer-service executive, who provides all sorts of information on products or services.

**Our strategic alliances**

We continuously explore new opportunities and business tie-ups to expand our world of convenience for customers. Our strategic alliances during last 12 to 18 months are as follows:

Telemedicine service: We have tied up with vHealth by Aetna to offer a combination of telemedicine services and privileged access to its nationwide network of hospitals and clinics. Aetna is a CVS Health Company (Fortune 8 Enterprise), one of leading health services providers in the world.

Banking service: We collaborated with Chhattisgarh Rajya Gramin Bank (CRGB) (a Government-owned scheduled bank sponsored by State Bank of India) for Banking Business Correspondent (BC) point service for Next-Gen Vakrangee Kendra in Chhattisgarh

Insurance service: We have a corporate agency tie-up with Life Insurance Corporation of India (LIC) to distribute micro insurance products through Next-Gen Vakrangee Kendra network.

Assisted online travel service: Our recent alliance with TSI Yatra for assisted online travel services such as domestic / international flight bookings, hotel bookings as well as travel and holiday tour packages are an attraction for customers. Moreover, regional connectivity scheme of Government of India, UDAN (Ude Desh Ka Aam Nagrik) connects unserved and underserved locations with regular flights.

Distribution of business loans: We have collaborated with Lendingkart Finance Ltd., for distribution of business loan through our Next-Gen Vakrangee Kendras.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 30th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended March 31, 2020.

1. PERFORMANCE OF THE COMPANY

The Company's performance is summarized below:

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2019-2020	2018-2019	2019-2020	2018-2019
Revenue from Operations	62335.23	144977.39	68522.16	150822.69
Other Income	7599.58	7813.29	7747.82	7997.11
Profit / Loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	9153.39	4903.32	10140.46	5830.23
Less: Depreciation/ Amortisation/ Impairment	1486.04	870.98	1488.60	873.54
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	7667.35	4032.34	8651.86	4956.69
Less: Finance Costs	0.00	0.00	0.00	0.00
Profit /Loss before Exceptional items and Tax Expense	7667.35	4032.34	8651.85	4956.69
Add/(Less): Exceptional Expense	503.41	177.40	503.41	177.40
Profit /Loss before Tax Expense	8170.76	4209.74	9155.26	5134.09
Less: Tax Expense (Current & Deferred)	1718.38	2191.80	2027.26	2611.46
Profit /Loss for the year (1)	6452.38	2017.94	7128.00	2522.63
Total Comprehensive Income/Loss (2)	18.42	(58.46)	54.34	(13.80)
Total (1+2)	6470.80	1959.48	7182.35	2508.83
Balance of profit /loss for earlier years	186894.00	194693.38	187875.91	195170.60
Less: Transfer to Reserves	0.00	(6626.21)	0.00	(6626.21)
Less: Dividend paid on Equity Shares	(2648.51)	(2647.01)	(2648.51)	(2647.01)
Less: Dividend Distribution Tax	(544.41)	(544.10)	(544.41)	(544.10)
Balance carried forward	190153.46	186894.00	191810.00	187875.91

PERFORMANCE

Standalone:

Your Company's total income during the year under review was ₹ 69934.81 Lakhs as compared to ₹ 152790.68 Lakhs in the previous year. The Profit after tax was ₹ 6452.38 Lakhs as compared to ₹ 2017.94 Lakhs in the previous year.

Consolidated:

Your Company's total income during the year under review was ₹ 76269.98 Lakhs as compared to ₹ 158819.80 Lakhs in the previous year. The Profit after tax was ₹ 7128.01 Lakhs as compared to ₹ 2522.63 Lakhs in the previous year.

2. STATE OF COMPANY'S AFFAIRS

For Vakrangee, FY2020 was a year of scaling up our transformational journey which we initiated last year. During the year, we significantly scaled up our highly recognisable "Next-Gen" format Kendra network to more than 10,000+ Operational outlets as compared to 3,504 operational outlets in FY2019. Further, another 24,000 outlets are under On-Boarding process and would soon become operational. These stores are exclusive unified branded stores for delivering a consistent consumer experience and well-defined service levels. During the year under review, we successfully reached 10,000+ Next-Gen Vakrangee Kendras, spread across covering 30 states and Union Territories, over 500 districts and 6,150 postal codes. Out of these outlets, 70% outlets are in Tier V & VI cities. The Company's planned target is to have a last mile presence across all postal codes, covering each and every Gram Panchayat in the country. As we move forward to expand our network of NextGen Kendras across India, we believe that our growing network will benefit immensely from a regimented degree of standardization and consistency, in terms of the quality of our facilities, and in terms of the service levels we offer our customers. Our Planned target is to reach 25,000 Next-Gen Kendras by CY2020 and 300,000 Next-Gen Kendras by CY2025. Our aim is to become India's largest consumption platform.

Indeed, FY2020 was also a remarkable year in terms of our achievements on the ground and we were nominated in "India's Top 100 Franchisees" list by the Franchisee India magazine.

Further, in recognition of our superior Environmental, Social and Governance models, Our Company Vakrangee Limited (VL) has been globally ranked No.1 in the Sustainalytics ESG Risk rating rankings out of the 668 companies assessed in the Software and Services industry across worldwide. Sustainalytics is a global leader in Environment, Social and governance (ESG) and Corporate Governance research and ratings. Sustainalytics has recognised the company's leadership in sustainability-related matters by giving a score of 7.4 Negligible in ESG risk rating.

At Vakrangee, we have always attempted to be a Responsible and Socially Conscious company. This rating is a validation of our belief and commitment to our Business model of Nextgen Vakrangee Kendras. Through our network of kendras, we are taking the financial and digital literacy to the bottom of the socioeconomic pyramid and serving as the last-mile link to connect India's unserved and underserved rural and urban citizens by offering them the same products and services at the same time, competitive price and same service levels. We

are acting as the biggest equaliser by bridging the gap between the urban and rural population in India.

We have mapped our sustainability initiatives with the United Nation's Sustainable Development Goals. The goals are a blueprint to achieve a better tomorrow. Our aim is to efficiently adopt these goals and address the global challenges, which includes poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.

During FY2020, Vakrangee Limited has been accepted as a Signatory of the United Nations Global Compact. We are now part of a global network of over 9,500 companies and 3,000 non-business participants that are committed to building a sustainable future.

The UN SDG goals are interconnected, and we intend to implement them in order to make the world a better place. We believe that businesses can have a positive impact on the societies they serve. Our principles of sustainability define how Vakrangee delivers responsible and sustainable growth.

- Our Company Membership number for United Nations Global Compact is as follows: Participant ID – 138851
- Vakrangee's Impact Sustainability & ESG (Impact - ESG) - <https://vakrangee.in/overview.html>
- COP (Communication on Progress) Policy - [https://vakrangee.in/pdf/Franchisee/overview/Communication%20of%20Progress%20\(COP\)%20Policy.pdf](https://vakrangee.in/pdf/Franchisee/overview/Communication%20of%20Progress%20(COP)%20Policy.pdf)

Impact of Covid-19 on Business Operations

During COVID pandemic, we have been successful in opening more than 10,000 of our outlets during this period of lockdown since we have been providing essential services. However, the service offering at our outlets was limited as majorly only Banking and ATM services were operational whereas other key services like Online shopping, online pharmacy, Travel services and Logistics were closed due to on ground delivery challenges and travel ban amidst Lockdown. Further in Banking services, we witnessed lower ticket size transactions and absence of deposit transactions whereby only withdrawal transactions were in focus during the said period.

This makes us one of the very few companies globally who are operational during a lockdown and providing key emergency and essential services to the citizens in the most environment friendly manner at the remotest parts of the country thereby serving unserved and underserved parts of the country. At the same time, health of our franchisees and customers is important to us and all our Vakrangee Kendras are maintaining complete safety protocols and also maintaining proper hygiene at the outlets.

We believe our Brand awareness and store awareness has increased significantly during this period of COVID-19 pandemic as our kendras have been open and are providing key essential services in their neighborhoods, due to which we believe we shall emerge as the store of choice for our customers for all their Essential needs. Further, now as the situation improves and unlock 1.0 has begun since 8th June, we expect our services to normalize over the next couple of months and business growth momentum to improve going forward. Due to our enhanced visibility during this lockdown period and an aggressive marketing campaign done over the last 6 months, the Company has received an overwhelming response on the same and has received huge number of new enquires for NextGen Vakrangee franchisee model.

Further, Under Pradhan Mantri Mudra Yojana (PMMY) the Banks have started to extend finance to the micro enterprises which are in the business of manufacturing, trading and service sector in rural, urban & metro areas.

The Board is pleased to share that our company has entered into a partnership arrangement with Union Bank of India (UBI) to provide the loan facility for Pan India Nextgen Vakrangee Kendra franchisees. The bank is now offering a special product for our franchisees under Union Mudra Scheme. Union Bank of India has an overall planned outlay of ₹ 2,000 crore and sanctioned the outlay of ₹ 800 Crores (first tranche) under Union Mudra Scheme for Nextgen Vakrangee Kendra franchisees. The Loans covered under MUDRA scheme are collateral free loans. This is a huge boost to our potential franchisees, thereby easing the On-Boarding process for our potential franchisees. The company believes and is very confident to achieve its store expansion targets well before the stated timelines. The Company has a planned target of opening 3,00,000 outlets by 2025 and will be opening in a batch of 25,000 each. Due to the overwhelming response received on the new enquiries, the Company has already initiated the on-boarding to Go-live process of these outlets and have already begun the preparation on key requirements to achieve this feat.

Impact of COVID-19 on Supply Chain and Pro-active Measure Taken

There has been disruption in the supply chain and few challenges in the procurement of the Hardware equipment's for the kendra outlet. Most of these equipment's are imported and are assembled in India. In the current environment, we expect atleast 25-30% price hike in the case of hardware equipment's. However, with robust Risk management practices in place, Company had already begun the preparation since the start of this COVID-19 pandemic situation when the total nationwide lockdown started on the future requirements of key equipment's.

We have leveraged our Strong balance sheet to support our vendors financially in this moment of crises, to meet our projected requirements as well as have successfully ensured an uninterrupted supply of Software and

Hardware equipment's without any material price impact.

We have the software and hardware procurement well in place for another batch of 25,000 Kendras. This would give us a huge advantage in our industry segment as our franchisee viability would be much better as well as initiation process would be quick and unaffected due to any supply chain constraints in the near future.

Update on Scheme of Merger/Amalgamation

The Company at its Board meeting held on February 13, 2020 has approved the Scheme of Amalgamation pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 subject to the approval from National Company Law Tribunal, Mumbai having jurisdiction over the Company and also the necessary approvals from the concerned regulatory authorities including stock exchanges where the shares of the Company are listed, for Amalgamation of M/s VAKRANGEE LOGISTICS PRIVATE LIMITED ("the First Transferor Company") and M/s VAKRANGEE FINSERVE LIMITED ("the Second Transferor Company") the wholly owned subsidiaries with M/s VAKRANGEE LIMITED ("the Transferee Company").

In pursuance of the circular dated 10th March, 2017 issued by the Securities and Exchange Board of India ("SEBI") an application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Amalgamation between M/s VAKRANGEE LOGISTICS PRIVATE LIMITED ("the First Transferor Company") and M/s VAKRANGEE FINSERVE LIMITED ("the Second Transferor Company") the wholly owned subsidiaries with M/s VAKRANGEE LIMITED ("the Transferee Company") has been filed with the stock exchanges and the same has been disseminated on the website of the stock exchanges and the Scheme has been uploaded on the website of the Company.

The Company has also filed an Application with the National Company Law Tribunal, Mumbai Bench; Mumbai ("NCLT") to seek necessary directions, is pending before the tribunal for hearing and disposal.

3. DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.25/- per equity share (previous year ₹ 0.25/- per equity share), subject to the approval by the shareholders at the forthcoming Annual General Meeting.

The total dividend payout will be of ₹ 2648.51 Lakhs. No amount is proposed to be transferred to the reserves.

The dividend payout is in accordance with company's Dividend Distribution Policy. The Dividend Distribution Policy as adopted by the Company is annexed herewith as "Annexure 1". The policy is also available on the website of the Company, https://www.vakrangee.in/policies_and_guidelines.html.

DIRECTORS' REPORT**4. SHARE CAPITAL**

The Paid-up Equity Share Capital of the Company as on March 31, 2020 was ₹ 105,94,05,640/- comprising of 105,94,05,640 equity shares of Re. 1/- each.

On May 03, 2019 the Company had issued and allotted 47,750 equity shares at the rate of ₹ 10/- per share and 5,54,800 equity shares at the rate of ₹ 32.35/- per share aggregating to 6,02,550 equity shares having face value of Re.1/- each to the employees of the Company upon conversion of stock options resulting in increase in Equity Share Capital of the Company from 105,88,03,090 equity shares to 105,94,05,640 equity shares.

5. PUBLIC DEPOSITS

During the year under review, the Company has not accepted or renewed any deposits falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

6. SUBSIDIARIES

As on March 31, 2020, the Company has three wholly owned subsidiaries viz, Vakrangee Finserve Limited, Vakrangee Logistics Private Limited and Vakrangee e-Solutions INC.

There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company, which forms part of this Annual Report. Further, a statement containing the salient features of the Financial Statements of Subsidiary Companies in prescribed **Form AOC – 1** is annexed herewith as "**Annexure 2**".

In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the company and its subsidiaries are available on the website of the Company at www.vakrangee.in.

As on March 31, 2020, the Company does not have any material subsidiary companies. However, the Company has adopted Policy on determining Material Subsidiaries which is available on the website of the Company at https://www.vakrangee.in/policies_and_guidelines.html.

Vakrangee e-Solutions INC

The Company holds 100% of Equity Share Capital of Vakrangee e-Solutions INC which was incorporated in the financial year 2009-10 in Philippines for exploring various e-Governance opportunities in Philippines. The first contract under the initiative was "Land Titling Computerization Project", under which it completed

scanning, digitization and encoding of more than 15 million title deeds for the Government of Philippines. The prestigious LTCP project was successfully executed, through deployment of world class technology and more than 8500 manpower resources to digitize land titles from 168 Districts of Philippines.

Vakrangee Logistics Private Limited

Vakrangee Logistics Private Limited, incorporated in March 2016, is a wholly owned subsidiary of Vakrangee Limited. Vakrangee Logistics is building for its alliance partners, an unparalleled last-mile delivery capabilities and thus expanding their reach to unserviceable pincodes, where the logistics challenges are the maximum for traditional logistics companies. Vakrangee Logistics leverages the physical presence of Vakrangee Kendras to offer the last-mile delivery services. The key services offered by Vakrangee Logistics include forward delivery, reverse pick-ups and courier booking. Vakrangee Logistics through its network ensures a hassle-free experience to its partners and end-customers.

Vakrangee Finserve Limited

Vakrangee Finserve Limited is a 100% Subsidiary of the Vakrangee Limited, incorporated in September 2011 with a focus on working as Business Correspondent for various Banks under the Business Correspondent (BC) Model of Reserve Bank of India (2006) in the area of Financial Inclusion. The Company has already signed agreements with various PSU Banks and their Rural Regional banks for carrying out BC services for these banks in identified Rural, Semi-Urban and Urban areas. The services include bank activities such as opening of Bank Accounts, Deposits, Withdrawals and Remittances, etc. Besides, the Company would provide Business Facilitator Services to these Banks which involve mobilization of deposits and loans.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and Analysis Report for the year under review, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI LODR 2015), is forming part of this Annual Report.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Your Board of Directors hereby state that:

- a) in the preparation of the annual accounts, for the financial year ended March 31, 2020, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;

- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

9. CORPORATE GOVERNANCE

The Report on Corporate Governance as per the requirement of SEBI LODR 2015 forms part of this Annual Report.

The requisite certificate from M/s. S.K. Jain & Co., Practicing Company Secretary, confirming the compliance with the conditions of Corporate Governance has been included in the said Report.

A Certificate from the Managing Director & Group CEO and CFO of the Company in terms of SEBI LODR 2015, inter alia, confirming the correctness of the Financial Statements and Cash Flow Statements, adequacy of the internal control for financial reporting, and reporting of matters to the Audit Committee, is also forming part of this Annual Report.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, required information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given as hereunder:

- **Conservation of Energy**

The Operations of the Company are not energy intensive. However, measures have been taken to reduce energy consumption by using efficient computers, IT Assets and other Equipments with latest technologies.

- **Technology Absorption**

Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company continues its focus on quality up-gradation of products and services development. It has helped maintain margins.

- **Foreign Exchange Earnings and Outgo**

Particulars	31st March, 2020 (₹ In Lakhs)	31st March, 2019 (₹ In Lakhs)
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	40.47

11. PARTICULARS OF EMPLOYEES AND OTHER DISCLOSURE

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as "Annexure 3".

In terms of Section 136 of the Act, the Annual Report and Accounts are being sent to the Members, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Dinesh Nandwana was re-appointed as Executive Director at the 29th Annual General Meeting (AGM) held on September 25, 2019 for a further period of five years w.e.f. October 1, 2019.

Further, the Board of Directors of the Company, based on the recommendations of Kotak Committee and in compliance with Regulation 17(1B) of SEBI LODR 2015 in their meeting held on January 24, 2020 considered and approved restructuring in composition of Board of Directors.

Pursuant to the above, Mr. Anil Khanna, the existing Managing Director & Group CEO of the Company was replaced by Mr. Dinesh Nandwana as Managing Director & Group CEO of the Company and as a result Mr. Anil Khanna continued to be non-executive director of the Company.

Further, Mr. Ramesh Joshi, was appointed as Non – Executive Chairman of the Company in place of Mr. Dinesh Nandwana who was erstwhile the Executive Chairman of the Company.

The following Independent Directors were re-appointed for consecutive second term of five years by passing special resolution in the 29th AGM of the Company held on September 25, 2019:

1. Mr. Avinash Vyas, for a second term of five consecutive years commencing from November 14, 2019 up to November 13, 2024.
2. Mrs. Sujata Chattopadhyay, for a second term of five consecutive years commencing from March 31, 2020 up to March 30, 2025.

DIRECTORS' REPORT

3. Mr. Sunil Agarwal, for a second term of five consecutive years commencing from September 25, 2019 up to September 24, 2024.
4. Mr. Ramesh Joshi, for a second term of five consecutive years commencing from September 25, 2019 up to September 24, 2024.
5. Mr. B.L. Meena, for a second term of five consecutive years commencing from September 25, 2019 up to September 24, 2024.

The Board at its meeting held on July 31, 2020, pursuant to the recommendation of Nomination and Remuneration and Compensation Committee and subject to approval of members at the ensuing Annual General Meeting:

- (a) Appointed Mr. Hari Chand Mittal (DIN: 08797386) as an Additional Director under section 161(1) of the Companies Act, 2013, designated as Independent Director for a first term of five consecutive years with effect from July 31, 2020.
- (b) Re-appointed Dr. Nishikant Hayatnagarkar (DIN: 00062638) as Whole Time Director of the Company for a further period of five years with effect from October 1, 2020.

With respect to the above appointments, the Board is of the view that their association would be of immense benefit to the Company and it is desirable to avail their respective services as Directors.

In terms of Section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel of the Company:

- Mr. Dinesh Nandwana, Managing Director & Group CEO
- Dr. Nishikant Hayatnagarkar, Whole Time Director
- Mr. Subhash Singhania, Chief Financial Officer
- Mr. Mehul Raval, Company Secretary

In the opinion of the Board, the independent directors appointed during the year possesses the required qualifications, integrity, expertise and experience for the position.

They also bring in the required skill, competence and expertise that allow them to make effective contributions to the Board and its committees.

None of the Independent Directors had any pecuniary relationship or transactions with the Company during Financial Year 2019-20. In the opinion of the Board, they fulfill the conditions of independence as specified in the Companies Act, 2013 and Listing Regulations and are independent of the management.

None of the Directors or Key Managerial Personnel (KMP) of the Company are related inter-se.

Pursuant to the provision of Section 152(6) of the Companies Act, 2013 Dr. Nishikant Hayatnagarkar, Whole Time Director, retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting.

As per the information available with the Company, none of the Directors of the Company are disqualified for being appointed as a Directors as specified in Section 164(2) of the Companies Act, 2013.

13 DECLARATION OF INDEPENDENCE

All Independent Directors have given declarations affirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR 2015 and there has been no change in the circumstances which may affect their status as Independent Directors during the year. Further, all the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013 and the Code of Conduct for Directors and senior management.

14. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES**a. BOARD MEETINGS**

The Board met at least once in each quarter and 5 meetings of the Board were held during the year and the maximum time gap between two Board meetings did not exceed the time limit prescribed in the Act and SEBI LODR 2015. The details have been provided in the Corporate Governance Report.

b. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR 2015, the Nomination and Remuneration and Compensation Committee (NRC) has carried out Board Evaluation i.e. evaluation of the performance of: (i) the Board as a whole and its Committees, and (ii) individual directors (including independent directors).

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated.

The performance evaluation of the Chairman, Non-Independent Directors and the Board as a whole was carried out by the Independent Directors at their separate meeting.

The evaluation has been done as per the process laid in the "Policy for Evaluation of performance of the Board of Directors of Vakrangee Limited" (herein after referred to as "Charter") adopted by the Board, based on structured questionnaires for performance evaluation.

c. AUDIT COMMITTEE

The Board has well-qualified Audit Committee, the composition of which is in line with the requirements of Section 177 of the Companies Act,

2013 read with Regulation 18 of SEBI LODR 2015. All the Members, including the Chairman of the Audit Committee are Independent. They possess sound knowledge on Accounts, Audit, Finance, Taxation, Internal Controls etc. The details viz, Composition, number of meetings, dates of meetings and attendance of Directors at such meeting are included in the Corporate Governance Report.

During the year under review, the Board has accepted all the recommendations of the Audit Committee.

The Company Secretary of the Company acts as Secretary of the Committee.

d. NOMINATION & REMUNERATION AND COMPENSATION COMMITTEE

The Company has duly constituted Nomination and Remuneration and Compensation Committee as per the requirements prescribed under the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR 2015.

The composition of the Committee was re-constituted on January 24, 2020 with the following members:

1. Mr. Avinash Vyas – Chairman
2. Mr. Ramesh Joshi – Member
3. Mr. Ranbir Datt – Member

The Board has framed a Nomination and Remuneration and Compensation Policy and Policy on fixation of criteria for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel. The same has been annexed herewith as “Annexure 4”. The Policy is also uploaded on the web-site of the Company at link: https://vakrangee.in/policies_and_guidelines.html.

The details viz, number of meetings, dates of meetings and attendance of Directors at such meeting are given in the Corporate Governance Report.

e. RISK MANAGEMENT COMMITTEE

Pursuant to Regulation 21 of SEBI LODR 2015, the Company have constituted a Risk Management Committee to review and mitigate risk factors. The Company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board has formulated Risk Management Policy to ensure that the Board, its Audit Committee and its Executive Management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy/ strategy.

The common risks associated with the Company include Rapid Changes in Technology, Heavy Dependence on Franchisee Model, Legal Risk, Financial Reporting Risk, Risk of Corporate

Accounting Fraud, Cyber attack and data leakage. During the year under review, one meeting of the Committee was held on September 30, 2019.

Risk Management Committee was re-constituted on February 13, 2020 and comprises of following members:

Name	Designation
Ms. Sujata Chattopadhyay	Chairperson
Mr. Dinesh Nandwana	Member
Dr. Nishikant Hayatnagarkar	Member
Mr. Prabodh Bhusari	Member

f. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In accordance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 the Company has adopted a CSR Policy outlining various CSR activities to be undertaken by the Company. The Company during FY 2019-20 undertook CSR activities by spending the earmarked amount in the fields of Social Awareness, Health Care and Education. The CSR Committee evaluates various proposals diligently and then selects few of them.

The Company has always adhered to the main thrust and spirit of the law to generate conducive environment for enabling corporates to conduct themselves in a socially responsible manner, while contributing towards human development goals of the country.

Further, the Company's business model itself is in the nature of providing services to the unserved & underserved rural, semi urban and urban markets.

The Company's 70% retail outlets are concentrated in tier V and tier VI cities. Company's technology intensive, retail distribution platform for last mile touchpoints deliver services across Banking, Financial Services, ATMs, Insurance, E-governance, E-Commerce and Logistics services on a real time basis across the under-served rural and urban India.

We take seriously our responsibility to Our Submission the call of those who aspire a better tomorrow – even as we constantly innovate to solve the challenges of tomorrow.

Company's Business model is franchisee based, who preferably is a localite. In addition, each franchisee employs minimum of 1-3 resources, creating employment opportunities and financial stability. The Company's business model thus creates a ripple effect in the larger society. It facilitates skill enhancement. We take ordinary individuals and train them with skill-sets that helps them yield remarkable results. There is basic certification needed for rendering banking and insurance services, thereby enhancing his skill-sets.

DIRECTORS' REPORT

Therefore, the Company's business model is totally focused on financial and social inclusion of the society.

With respect to the unspent CSR amount for the financial year 2019-20, the Board of Directors would like to state that, the CSR Committee has put in its best efforts and considered/evaluated various proposals diligently and also had selected few of them viz, Bharat Vikas Parishad Sewa Sanstha and My Home India.

The Board is fully confident that the overall CSR spends in these projects would fully meet the guidelines.

However, the schedules of these projects is spread over 2 to 3 years which would also cover the unspent amount of previous years and will meet the future guidelines too.

The CSR Policy of the Company is available on the Company's website https://www.vakrangee.in/policies_and_guidelines.html.

The Board has constituted a CSR committee inter-alia to define and monitor budgets to carry out CSR activities, to decide CSR projects or activities to be undertaken and to oversee such projects.

CSR Committee comprises of following:

Name	Designation
Mr. Dinesh Nandwana	Managing Director & Group CEO
Mr. Ramesh Joshi	Independent Director
Mr. Sunil Agarwal	Independent Director

Further, the disclosures as required under Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 has been enclosed to this Report in "Annexure 5".

g. STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI LODR 2015, the company has constituted Stakeholders Relationship Committee. The details of Composition of the Committee is given in the Corporate Governance Report.

h. BOARD ESG COMMITTEE

In order to meet UN Sustainable Development Goals (UN-SDG) and Best Global Practices, the Company has constituted the Board ESG Committee.

The Board ESG Committee will work with all the other Board Committees to assist the Board in fulfilling its responsibilities. The objective of the Committee is to consider the material environmental, social and governance issues relevant to the Company's business activities and support the Company in maintaining its position as a global leader in ESG performance.

The role of the Committee is to support the Board in:-

- Understanding how Company's ability to create value is impacted by environmental, social and governance issues - monitoring external ESG trends and understanding associated risks and opportunities.
- Understanding the expectations of key stakeholders.
- Reviewing the performance and results of key ESG investor Initiatives / surveys and global benchmarks - Overseeing the implementation of key initiatives identified, or areas for improvement identified from ESG investor surveys and global benchmarks.
- Considering emerging ESG issues to understand their materiality with regard to Company's long term value creation.
- Review and Evaluate the Overall Business strategy from an ESG impact perspective.
- To monitor and review if the Sustainable development goals are integrated into any new Business strategy or new business initiatives.
- Assist the NRC Committee to review the performance of senior management from an ESG deliverable perspective.
- To review the progress of key initiatives being implemented by the GHG Reduction strategy Committee.

The committee currently comprises of following members of the Board:

Name	Designation
Mr. Avinash Vyas	Chairman
Mr. Ramesh Joshi	Member
Ms. Sujata Chattopadhyay	Member

15. AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

Statutory Auditor

M/s A.P. Sanzgiri & Co., Chartered Accountants, Mumbai (Firm Regn. No.116293W) were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on September 28, 2018 for a period of 4 years i.e. from the conclusion of the said Annual General Meeting until the conclusion of Thirty Second Annual General Meeting.

The Auditor's Report do not contain any qualifications, reservations, adverse remarks or disclaimer.

Secretarial Auditor

M/s. S. K. Jain & Co., Practicing Company Secretary, was

appointed to conduct Secretarial Audit of the Company for the financial year 2019 - 2020 as required under Section 204 of the Companies Act, 2013 and the rules thereunder. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith as "Annexure 6" to this Report.

The Secretarial Auditor's Report do not contain any qualifications, reservations, adverse remark or disclaimer.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per the provision of Section 177 (9) of the Companies Act, 2013, the Company is required to establish an effective Vigil Mechanism for Directors and Employees to report genuine concerns. In line with this, the Company has framed a Vigil Mechanism /Whistle Blower Policy through which the Directors and Employees, Franchisees, Business Partners, Vendors or any other third parties making a Protected Disclosure under this Policy may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is placed on the website of the Company at https://vakrangee.in/policies_and_guidelines.html

17. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All women employees (permanent, contractual, temporary and trainee) are covered under this Policy. During the year 2019 - 20, no complaints on sexual harassment were received.

We hereby state and confirm that, the Company has constituted an internal complaints committee to redress complaints received regarding sexual harassment under provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

18. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial year of the Company to which the Financial Statement relate and the date of this report.

There was no change in company's nature of business during the FY 2019 - 20.

19. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year, all contracts / arrangements / transactions entered by the Company were in Ordinary Course of the Business and on Arm's Length basis. There were no material transactions with any related party as defined under Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Policy of the Company on materiality of related party transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. The members may refer Note. 40 to the Financial Statements which sets out Related Party disclosures pursuant to Ind AS. There are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on the Company's website https://vakrangee.in/policies_and_guidelines.html. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

20. BUSINESS RESPONSIBILITY REPORT

A separate section on Business Responsibility Report forms part of this Annual Report as required under Regulation 34(2)(f) of SEBI LODR 2015.

21. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITIES PROVIDED BY THE COMPANY

Particulars of Loans, Guarantees and Investments covered under provisions of section 186 of the Act, if any, are given in the notes to the Financial Statements.

22. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal control systems, comprising of policies and procedures are designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. Based on the report of Internal Audit function, corrective actions are undertaken in the respective areas and thereby strengthen the controls.

The statutory auditors of the Company has audited the financial statements included in this annual report and has issued a report on our internal financial controls over financial reporting as defined in Section 143 of the Act.

DIRECTORS' REPORT**23. EMPLOYEES STOCK OPTION SCHEME**

The Company has in place Employees Stock Option Scheme ("ESOP Scheme") namely, ESOP scheme 2014.

The ESOP Scheme of the Company is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("the Regulations") and no material changes in the scheme was carried out during the year under review.

The details required to be disclosed under SEBI Guidelines are available on Company's web-site www.vakrangee.in.

24. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2020 made under the provisions of Section 92(3) of the Companies Act, 2013 in **Form MGT-9** is annexed herewith as "**Annexure 7**".

The Extract of the Annual Return has been also placed at Company's website on www.vakrangee.in.

25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, no significant and material orders were passed by the Regulators, Securities Exchange Board of India, Stock Exchanges, Tribunal or Courts which impact the going concern status and the Company's operations in future.

26. HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of Business.

The Company is committed to nurturing, enhancing and retaining top talent through superior Learning and Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the Organisation's growth and its sustainability in the long run.

27. AFFIRMATION ON COMPLIANCE OF SECRETARIAL STANDARDS

The Company hereby affirms that during the year under review, the Company has complied with all the applicable Secretarial standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively (including any modifications or amendments thereto) issued by the Institute of Company Secretaries of India.

28. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

29. DISCLOSURE WITH RESPECT TO MAINTENANCE OF COST RECORDS

Your Company doesn't fall within the scope of Section 148(1) of the Companies Act, 2013 and hence does not require to maintain cost records as specified by the Central Government.

30. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

As required under section 124 of the Act, Unclaimed dividend amount aggregating to ₹ 3,85,490/- pertaining to financial year ended on March 31, 2012 lying with the Company for a period of seven years was transferred during the financial year 2019-20, to Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, as required under section 124 of the Act, 1,92,930 equity shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund Authority during the financial year 2019-20. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

The Company have appointed Mr. Mehul Raval, as the Nodal Officer to ensure compliance with the IEPF Rules.

31. INTEGRATED REPORT

The Company being one of the top 500 companies in the country in terms of market capitalization as on financial year end, has voluntarily provided Integrated Report, which encompasses both financial and non-financial information to enable the members to take well informed decisions and have a better understanding of the Company's long term perspective.

The Report also touches upon aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

CAUTIONARY STATEMENT

Statements in the Board's Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply, input costs, availability, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

ACKNOWLEDGEMENT AND APPRECIATION

The Directors thank the Company's employees, customers, franchisees, vendors, investors for their continuous support. The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. The Directors appreciate and value the contribution made by every employee of the Vakrangee family.

On behalf of the Board of Directors

Dinesh Nandwana
Managing Director & Group CEO
(DIN: 00062532)

Dr. Nishikant Hayatnagarkar
Whole Time Director
(DIN: 00062638)

Place: Mumbai
Date: July 31, 2020

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 1

DIVIDEND DISTRIBUTION POLICY**1. Introduction**

Vakrangee Limited is committed to create sustainable shareholder wealth for all its shareholders. We shall strive to distribute an optimal and appropriate level of the profits earned by it in its business to the shareholders, in the form of **"Dividend"**.

The Corporate dividend is governed by the applicable provisions of Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules, 2014 and any modifications made therein from time to time.

2. Interpretation

"The Company" refers to Vakrangee Limited.

"Dividend (s)" refers to either an interim or final Dividend(s).

3. Objectives

The broad objectives of this policy are:

- To define the policy and procedures in relation to the calculation, declaration and settlement of Dividends and the determination of the form and time periods within which Dividends are paid.
- To ensure that the Company has sufficient distributable profits and/or general reserves, as determined by a review of the Company's audited financial statements, prior to any declaration and/or payment of Dividends.
- To create a transparent and methodological Dividend policy, adherence to which will be required on annual basis, with any deviations clearly identified and promptly communicated to appropriate stakeholders.

4. Provisions of Companies Act, 2013**Section 123 - Declaration of Dividend:**

1. No dividend shall be declared or paid for any financial year except
 - (a) Out of the profits of the company for that year arrived at after providing for depreciation, or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or
 - (b) Out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:
 - The company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company.
 - No dividend shall be declared or paid by a company from its reserves other than free reserves.
2. For the purposes of clause (a) of sub-section (1), depreciation shall be provided in accordance with the provisions of Schedule II.
3. The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared.

5. Factors to be considered**The below broad factors need to be considered for the dividend distribution:**

1. Liquidity – The liquidity position of the Company.
2. Debt repayment – often there are negative covenants that restrict the dividends that can be paid if the debt is outstanding.
3. The rate of asset expansion – The greater the rate of expansion of the firm, the greater the need to retain earnings to finance the expansion.
4. Control of the firm – if dividends are paid out today, equity may have to be sold in the future causing a dilution of ownership.

5.1 Financial Parameters / Internal Factors

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

1. Consolidated net operating profit after tax.
2. Working capital requirements.
3. Capital expenditure requirements.
4. Resources required to fund acquisitions and / or new businesses.
5. Cash flow required to meet contingencies.
6. Outstanding borrowings.
7. Past Dividend Trends.

5.2 External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

1. Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws; and
2. Dividend pay-out ratios of companies in the same industry.

6. Circumstances under which the Shareholders may or may not expect Dividend

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company apart from other parameters set out in this Policy. The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

7. Utilization of retained earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

This Policy will be reviewed periodically by the Board.

DIRECTORS' REPORT

Annexure - 2

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the Financial statement of subsidiaries companies

Sr. No.	Name of the Subsidiary	The date when the subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
1	Yakrangee Finserve Limited	11/09/2011	March 31, 2020	INR	1500.00	2300.77	4533.69	732.91	0.00	6546.40	1157.81	309.10	848.71	Nil	100%
2	Yakrangee e-Solutions Inc.	08/05/2009	March 31, 2020	1 PHP = 1.47	96.00	375.06	2716.08	3091.14	0.00	0.00	(177.37)	0.00	(177.37)	0.00	100%
3	Yakrangee Logistics Private Limited	18/03/2016	March 31, 2020	INR	1200.00	(294.36)	907.62	1.99	0.00	2.06	4.08	0.22	4.30	Nil	100%

Note: 1. Names of subsidiaries which are yet to commence operations - NIL

2. Names of subsidiaries which have been liquidated or sold during the year - NIL

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 3

DISCLOSURE UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 ARE GIVEN BELOW:

1	The ratio of the remuneration of each Director to the median Remuneration of the employees of the company for the financial year;	<p>Executive Directors</p> <p>Mr. Dinesh Nandwana (Managing Director & Group CEO) – 94.02:1</p> <p>Dr. Nishikant Hayatnagarkar (Whole-time Director) -22.92:1</p> <p>Non-Executive Directors**</p> <p>Mr. Ramesh Joshi (Chairman) – 1.55:1</p> <p>#Mr. Anil Khanna – N.A.</p> <p>Mr. Babu Lal Meena - 0.84:1</p> <p>Mr. Avinash Vyas – 1.55:1</p> <p>Mr. Sunil Agarwal - 0.98:1</p> <p>Ms. Sujata Chattopadhyay – 0.78:1</p> <p>Mr. Ranbir Datt – 1.27:1</p>
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<p>Mr. Dinesh Nandwana –Managing Director & Group CEO - NIL</p> <p>Dr. Nishikant Hayatnagarkar - Whole-time Director - NIL</p> <p>Mr. Mehul Raval – Company Secretary - NIL</p> <p>Mr. Subhash Singhania – Chief Financial Officer - NIL</p>
3	The percentage increase in the median remuneration of Employees in the financial year;	NIL
4	The number of Permanent Employees on the rolls of the Company;	1362
5	Average percentile increase already made in the Salaries of Employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There have been no increase in the salaries of the employees as well as managerial remuneration as compared to last year.
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms remuneration is as per the remuneration policy of the Company.

**Non-Executive Directors of the Board were paid only sitting fees.

Since the remuneration of the Director is only part of the year, the ratio of his remuneration to median remuneration is not comparable. Mr. Anil Khanna was re-designated as Non-executive Director w.e.f. January 24, 2020.

For and on behalf of the Board of Directors

Dinesh Nandwana
Managing Director & Group CEO
(DIN: 00062532)

Dr. Nishikant Hayatnagarkar
Whole Time Director
(DIN: 00062638)

Mumbai, July 31, 2020

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 4

A. Nomination and Remuneration and Compensation Policy**1. Introduction**

This Nomination and Remuneration & Compensation Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations & Disclosure Requirements) 2015 as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration and Compensation Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. Definitions**"Remuneration" Means:**

Any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Key Managerial Personnel" means:

- a. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- b. Chief Financial Officer;
- c. Company Secretary; and
- d. such other officer as may be prescribed.

"Senior Management" Means:

Vakrangee employees who are members of its core management team excluding board of directors and shall comprise all members of management one level below the Chief Executive Officer / Managing Director / Whole time Director / Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

3. Objective

The objective of the policy is to ensure that:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

4. Role of the Committee

The role of the Nomination Remuneration and Compensation Committee is:

- a. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- b. To formulate criteria for evaluation of Independent Directors and the Board.
- c. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d. To carry out evaluation of Director's performance.
- e. To recommend to the Board the appointment and removal of Directors and Senior Management.
- f. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g. To devise a policy on Board diversity, composition, size.
- h. Succession planning for replacing Key Executives and overseeing.
- i. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j. To perform such other functions as may be necessary or appropriate for the performance of its duties.

5. Appointment and removal of Director, Key Managerial Personnel And Senior Management

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's HR Policy.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

6. Term / tenure

1. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

7. Evaluation

The Committee evaluates the performance of Director, Key Managerial Personal and Senior Management Personnel yearly or at such intervals as may be considered necessary. The portion of incentive pay, and variable pay is quantitatively determined using pre-established parameters such as Outlet Onboarding Targets, Revenue targets and ESG performance targets released by the Company. The targets are also mentioned in the HR Manual of the Company.

We believe linking Environmental, Social and Governance (ESG) performance to pay can help hold executive management accountable for the delivery of sustainable business goals. Executive pay should be aligned with performance and long-term strategy in order to protect and create value which is in the interest of both companies and their investors. This alignment presents opportunities for engagement to promote the consideration of ESG issues when setting pay. We have released a detailed quantitative ESG performance Target of Vakrangee on the website giving emphasis on reduction of Green House Gases emissions from our own operations.

Weightage of ESG performance target will be of 33.33 % of the variable pay of the employee. The variable pay of 33.33% will be paid to the employee in the proportion of target achieved by the Company, capped to the 33.33% of the total variable pay. Eg: If the company achieves 60% of the target of ESG Performance, variable pay of employee linked to the ESG target will be $33.33\% \times 60\% = 20\%$.

Variable Pay calculation for an Employee

Scenario	% of ESG Target Achieved	Variable Pay assigned to ESG	Variable Pay linked to ESG
1	60%	33.33%	20%
2	110%	33.33%	33.33%

(Maximum Variable Pay for ESG performance is capped at 33.33%)

8. Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

9. Retirement

The Director, Key Managerial Personnel and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

The Board will have the discretion to retain the Director, Key Managerial Personnel, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

10. Remuneration to Directors/Key Management Personnel/Senior Management Personnel**1. Remuneration to Managing Director / Whole-time Directors:**

- a. The Remuneration/ Commission to be paid to Managing Director / Whole-time Directors, etc. is governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b. The Nomination Remuneration and Compensation Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. Remuneration to Non- Executive / Independent Directors:

- a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders.
- c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.
- d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- e. The Nomination Remuneration and Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).

3. Remuneration to Key Managerial Personnel and Senior Management:

- a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b. The Nomination Remuneration and Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.
- c. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- d. The Incentive pay shall be decided based on the balance between performance of the Company which includes parameters such as ESG performance targets, revenue targets. Performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate. The incentive pay shall be based on the Integrated ESG Performance Targets as defined by the Company from time to time.

11. Implementation

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate. The Committee may delegate any of its powers to one or more of its members.

Appointment Policy

The Appointment Policy for Independent Directors, Key Managerial Personnel & Senior Executives will be as under-

a. Independent Directors:

Independent Directors will be appointed based on the criteria mentioned under section 149(6) of the Companies Act, 2013 and in accordance with other applicable provisions of the Companies Act, 2013, rules made thereunder & Listing Agreements entered with Stock Exchanges.

b. Key Managerial Personnel (KMP):

Key Managerial Personnel will be appointed by the resolution of the Board of Directors of the Company, based on qualifications, experience and exposure in the prescribed field. Removal of the Key Managerial Personnel will also be done by the resolution of Board of Directors of the Company. Appointment/ Removal will be in accordance with the provisions of the Companies Act, 2013, rules made thereunder and Listing Agreements entered with Stock Exchanges.

c. Senior Executives:

Senior Executive will be appointed by the Chairman and the Managing Director and/or Executive Director of the Company based on their qualifications, experience and exposure. Removal of the Senior Executives will also be by Chairman, Managing Director and/or Executive Director. Further, appointment and removal will be noted by the Board as required under clause 8(3) of Companies (Meeting of Board and its Powers) Rules, 2014.

ANNEXURE TO DIRECTOR'S REPORT**ANNEXURE – 5****STATEMENT CONTAINING INFORMATION AS PER SECTION 135 READ WITH THE RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014**

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The objectives of Company's CSR Policy are to: (1) Demonstrate commitment to the common good through responsible business practices and good governance. (2) Actively support the Nation's development agenda to ensure sustainable change. (3) Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models. The projects the Company has undertaken / proposes to undertake is mainly in eradicating hunger, poverty and malnutrition, promoting preventive health care, promoting education including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecology balance, agro forestry, conservation of natural resources. Ecology balances, protection of natural heritage, art and culture, measures of the benefit of the armed forces, training to promote rural sports etc.
2.	The Composition of the CSR Committee	<ol style="list-style-type: none"> 1. Mr. Dinesh Nandwana (Chairman) 2. Mr. Ramesh Joshi (Member) 3. Mr. Sunil Agarwal (Member)
3	Average net profit of the Company for last three financial years	₹ 61,798 Lakhs
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 1,235.96 Lakhs
5.	Details of CSR spent during the financial year.	
	(1) Total amount to be spent for the F.Y.2019-2020	₹ 1,235.96 Lakhs
	(2) Amount unspent	₹ 1,151.11 Lakhs

(6) Manner in which the amount spent during the financial year is detailed below:

(₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered (Clause number of Schedule VII to the Companies Act, 2013, as amended)	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	My Home India	Cl.(iii) Social Awareness	Mumbai (Maharashtra)	50.00	50.00	760.00	Direct
2	VIPRA Foundation	Cl.(ii) Infrastructure for Education	Mumbai (Maharashtra)	20.00	20.00	32.59	Direct
3	Mental Health Foundation (India)	Cl.(i) Health Care	New Delhi	5.00	5.00	10.00	Direct
4	RVG Educational Foundation	Cl.(ii) Promoting Education	Mumbai (Maharashtra)	5.00	5.00	5.00	Direct
5	Lions Club of Juhu Service Fund	Cl.(ii) Infrastructure for Education	Mumbai (Maharashtra)	4.00	4.00	9.50	Direct
6	Rajasthani Seva Sanstha, Bhayander	Cl.(i) Health Care	Thane (Maharashtra)	0.60	0.60	10.35	Direct
7	Lions Club of Mumbai Rising Stars	Cl.(i) & (ii) Eradicating Hunger, Promoting education.	Thane (Maharashtra)	0.25	0.25	0.25	Direct

7. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The reasons for not spending the CSR amount have been explained in the main Directors' Report.

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.

Mr. Dinesh Nandwana

Chairman of CSR Committee
(DIN: 00062532)

Dr. Nishikant Hayatnagarkar

Whole Time Director
(DIN: 00062638)

Place: Mumbai

Date: July 31, 2020

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - 6

Form No. MR-3
Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

To,
The Members,
Vakrangee Limited
Vakrangee Corporate House,
Plot No 93, Road No. 16,
M.I.D.C. Marol,
Andheri (East),
Mumbai - 400093

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by **VAKRANGEE LIMITED** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period 1st April, 2019 to 31st March, 2020 ("the reporting period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, for the period 1st April, 2019 to 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and Regulations & the Bye-laws, 1996 thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment; **(Not Applicable to the Company during the period under Audit)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments made from time to time; **(Not applicable as the Company has not made any further issue of Shares)**
 - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Now known as The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(The Company has not issued any Debt Securities during the financial year under review)**
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted/propose to delist its Equity**

Shares from any Stock Exchange during the Financial Year under review)

- i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; **(Not applicable as the Company has not brought back/proposed to Buy-back any of its securities during the Financial Year under review)**
- (vi) The Company has complied with following specific laws applicable to the Company
 - i. Information Technology Act, 2000;
 - ii. Payment and Settlement Systems Act, 2007;
 - iii. Insurance Regulatory and Development Authority Act, 1999.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure II**.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, guidelines, Standards etc.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

Place: Mumbai

Date: July 31, 2020

and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

In case of Direct and Indirect Tax Laws like Income Tax Act, Goods and Service Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards, etc.

I further report that during the audit period the Company has the following specific events:

- The Board of Directors of the Company at its Meeting held on 24th January 2020, subject to the approval of the Shareholders re-designated Mr. Dinesh Nandwana, Executive Chairman as Managing Director & Group CEO in place of Mr. Anil Khanna.

For S. K. Jain & Co.

Dr. S. K. Jain

Practicing Company Secretary

Membership No. FCS 1473

COP No. 3076

This report is to be read with our letter of even date which is annexed as **"Annexure - III"** and forms an integral part of this report.

ANNEXURE - I

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made thereunder the Memorandum & Articles of Association of the Company with regard to:-

1. Minutes of the Meetings of the Board of Directors, Committee meetings held during the Financial Year under Report;
2. Minutes of General Meetings held during the Financial Year under report;
3. Maintenance of various Statutory Registers and Documents and making necessary entries therein;
4. Notice and Agenda papers submitted to all the Directors for the Board Meetings;
5. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
6. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Obligations and Disclosure Requirements during the financial year under Report;
7. Disclosure of Interest and Concerns in contracts and arrangement, shareholdings and Directorships in other Companies and interest in other entities by Directors;
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report;
9. Appointment and remuneration of Statutory Auditor;
10. Closure of Register of Members/record date for dividends;
11. Declaration and payment of dividend.

Place: Mumbai

Date: July 31, 2020

For S. K. Jain & Co.

Dr. S. K. Jain

Practicing Company Secretary

Membership No. FCS 1473

COP No. 3076

ANNEXURE – II**List of applicable laws to the Company**

1. The payment of Bonus Act, 1965
2. The payment of Gratuity Act, 1972
3. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
4. The Maternity Benefits Act,1961
5. The Employees Provident Fund and Miscellaneous Provision Act,1952
6. The Professional tax Act, 1975

Annexure - III

To,
The Members,
VAKRANGEE LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. K. Jain & Co.

Date: July 31, 2020
Place: Mumbai

Dr. S. K. Jain
Practicing Company Secretary
Membership No. FCS 1473
COP No. 3076

ANNEXURE TO DIRECTORS' REPORT**ANNEXURE - 7****FORM NO. MGT – 9****EXTRACT OF ANNUAL RETURN****as on the Financial year ended March 31, 2020**

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L65990MH1990PLC056669
Registration Date	28/05/1990
Name of the Company	Vakrangee Limited
Category / Sub-Category of the Company	Public Company/ Indian Non-Government Company
Address of the Registered Office and Contact Details	Vakrangee Corporate House, Plot No. 93, Road No. 16, M.I.D.C. Marol, Andheri (E), Mumbai - 400 093. Tel No.: 022-67765100 Email Id: info@vakrangee.in Website: www.vakrangee.in
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059 Tel No.: 022-62638200 Email Id: info@bigshareonline.com Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Vakrangee Kendra	631, 639, 662, 461, 479, 791, 641, 661, 649	83.27

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable section
1	Vakrangee Finserve Limited	Vakrangee Corporate House, Plot No. 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai-400093	U74930MH2011PLC221655	Subsidiary	100	2(87)
2	Vakrangee e-Solutions INC	19th Floor, Octagon Center, San Miguel Avenue, Ortigas Center, Pasig City, Metro Manila, Philippines	-	Subsidiary	100	2(87)

Sr. No	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable section
3	Vakrangee Logistics Private Limited	Vakrangee Corporate House, Plot No. 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai-400093	U60231MH2016PTC274618	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise shareholding

Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2019				No. of Shares held at the end of the year: 31/03/2020				% Change	
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %		
(A) Shareholding of Promoter and Promoter Group										
(1) Indian										
(a) INDIVIDUAL / HUF	59930200	0	59930200	5.66	69303095	0	69303095	6.54	0.88	
(b) CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00	
(c) BODIES CORPORATE	382050070	0	382050070	36.08	382050070	0	382050070	36.06	(0.02)	
(d) FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00	
(e) ANY OTHERS (Specify)										
(i) GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00	
(ii) TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00	
(iii) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00	
SUB TOTAL (A) (1) :	441980270	0	441980270	41.74	451353165	0	451353165	42.60	0.86	
(2) Foreign										
(a) BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00	
(b) INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00	
(c) INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00	
(d) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00	
(e) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00	
SUB TOTAL (A) (2) :	0	0	0	0.00	0	0	0	0.00	0.00	
Total holding for promoters										
(A)=(A)(1) + (A)(2)	441980270	0	441980270	41.74	451353165	0	451353165	42.60	0.86	
(B) Public shareholding										
(1) Institutions										
(a) CENTRAL/STATE GOVERNMENT	0	0	0	0.00	0	0	0	0.00	0.00	
(b) FINANCIAL INSTITUTIONS / BANKS	54383	16000	70383	0.01	3509952	16000	3525952	0.33	0.33	

DIRECTORS' REPORT

Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2019				No. of Shares held at the end of the year: 31/03/2020				% Change	
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %		
(c) MUTUAL FUNDS / UTI	0	0	0	0.00	52745	0	52745	0.00	0.00	
(d) VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00	
(e) INSURANCE COMPANIES	68191981	0	68191981	6.44	66991981	0	66991981	6.32	(0.12)	
(f) FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00	
(g) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00	
(h) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00	
(i) FOREIGN PORTFOLIO INVESTOR / FIIs	153771933	0	153771933	14.52	123724492	0	123724492	11.68	(2.84)	
(j) ALTERNATE INVESTMENT FUNDS	0	0	0	0.00	0	0	0	0.00	0.00	
SUB TOTAL (B) (1):	222018297	16000	222034297	20.97	194279170	16000	194295170	18.34	(2.63)	
(2) Non-institutions										
(a) BODIES CORPORATE	130234326	56000	130290326	12.31	102168981	32000	102200981	9.65	(2.66)	
(b) INDIVIDUAL										
(i) (CAPITAL UPTO ₹ 1 Lakh)	144806168	1731024	146537192	13.84	125308326	1451024	126759350	11.97	(1.87)	
(ii) (CAPITAL GREATER THAN ₹ 1 Lakh)	83160759	0	83160759	7.85	93318599	0	93318599	8.81	0.95	
(c) ANY OTHERS (Specify)										
(i) HUF	32331	0	32331	0.00	14614820	0	14614820	1.38	1.38	
(ii) TRUSTS	302842	0	302842	0.03	1211742	0	1211742	0.11	0.09	
(iii) CLEARING MEMBER	16298666	0	16298666	1.54	53048420	0	53048420	5.01	3.47	
(iv) NON RESIDENT INDIANS (NRI)	15568298	0	15568298	1.47	20446704	0	20446704	1.93	0.46	
(v) IEPF	1992959	0	1992959	0.19	2156689	0	2156689	0.20	0.02	
(vi) NBFCs registered with RBI	605150	0	605150	0.06	0	0	0	0.00	(0.06)	
SUB TOTAL (B) (2) :	393001499	1787024	394788523	37.29	412274281	1483024	413757305	39.06	1.77	
Total Public Shareholdings										
(B)=(B)(1) + (B)(2)	615019796	1803024	616822820	58.26	606553451	1499024	608052475	57.40	(0.86)	
(C) Shares held by Custodians and against which Depository Receipts have been issued										
(a) SHARES HELD BY CUSTODIANS										
(i) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00	
(ii) Public	0	0	0	0.00	0	0	0	0.00	0.00	

Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2019				No. of Shares held at the end of the year: 31/03/2020				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
SUBTOTAL (C) (1) :	0	0	0	0.00	0	0	0	0.00	0.00
(C)=(C)(1)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A) + (B) +(C)	1057000066	1803024	1058803090	100.00	1057906616	1499024	1059405640	100.00	0.00

(ii) Shareholding of Promoters

Sr. No	NAME	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	DINESH NANDWANA (HUF)	196000	0.02	0.00	196000	0.02	0.00	0.00
2	DINESH NANDWANA	59734200	5.64	0.00	69107095	6.52	0.00	0.88
3	VAKRANGEE HOLDINGS PRIVATE LIMITED	250950388	23.70	0.00	250950388	23.69	0.00	(0.01)
4	NJD CAPITAL PRIVATE LIMITED	131099682	12.38	0.00	131099682	12.37	0.00	(0.01)
		441980270	41.74	0.00	451353165	42.60	0.00	0.86

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name	Shareholding		Date of Credit/Debit	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) / end of the year (31-03- 2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Dinesh Nandwana (HUF)	1,96,000	0.02	01-04-2019		Nil transaction during the year		
		1,96,000	0.02	31-03-2020			1,96,000	0.02
2.	Mr. Dinesh Nandwana	5,97,34,200	5.64	01-04-2019			5,97,34,200	5.64
				27-09-2019	28,00,000	Buy	6,25,34,200	5.90
				30-09-2019	10,00,000	Buy	6,35,34,200	6.00
				11-10-2019	15,00,000	Buy	6,50,34,200	6.14
				31-10-2019	18,22,895	Buy	6,68,57,095	6.31
				10-12-2019	10,00,000	Buy	6,78,57,095	6.41

DIRECTORS' REPORT

Sr. No.	Name	Shareholding		Date of Credit/Debit	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				13-03-2020	2,50,000	Buy	6,81,07,095	6.43
				16-03-2020	10,00,000	Buy	6,91,07,095	6.52
		6,91,07,095	6.52	31-03-2020			6,91,07,095	6.52
3.	VAKRANGEE HOLDINGS PRIVATE LIMITED	25,09,50,388	23.70	01-04-2019		Nil transaction during the year		
		25,09,50,388	23.69	31-03-2020			25,09,50,388	23.69
4.	NJD CAPITAL PRIVATE LIMITED	13,10,99,682	12.38	01-04-2019		Nil transaction during the year		
		13,10,99,682	12.37	31-03-2020			13,10,99,682	12.37

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (As on 01-04-2019)		Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
1.	Life Insurance Corporation of India				
	At the beginning of the year	6,71,29,647	6.34	6,71,29,647	6.34
	Transactions (sale) from April 01, 2019 upto March 31, 2020	(12,00,000)	(0.12)	6,59,29,647	6.22
	At the end of the year (31-03-2020)	6,59,29,647	6.22	6,59,29,647	6.22
2.	Globe Capital Market Limited				
	At the beginning of the year	94,09,435	0.89	94,09,435	0.89
	Transactions (purchase / sale) from April 01, 2019 upto March 31, 2020	1,23,34,681	1.16	2,17,44,116	2.05
	At the end of the year (31-03-2020)	2,17,44,116	2.05	2,17,44,116	2.05
3.	Wellington Trust Company, National Association Multiple Common Trust Funds Trust, Emerging				
	At the beginning of the year	1,12,59,770	1.06	1,12,59,770	1.06
	Transactions (purchase) from April 01, 2019 upto March 31, 2020	19,50,810	0.19	1,32,10,580	1.25
	At the end of the year (31-03-2020)	1,32,10,580	1.25	1,32,10,580	1.25

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (As on 01-04-2019)		Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
4.	Suresh Kanmal Jajoo				
	At the beginning of the year	3,000	0.00	3,000	0.00
	Transactions (purchase / sale) from April 01, 2019 upto March 31, 2020	1,11,17,402	1.05	1,11,20,402	1.05
	At the end of the year (31-03-2020)	1,11,20,402	1.05	1,11,20,402	1.05
5.	Jeshtha Properties Private Limited				
	At the beginning of the year	1,01,34,987	0.96	1,01,34,987	0.96
	Transactions (purchase / sale) from April 01, 2019 upto March 31, 2020	3,86,436	0.03	1,05,21,423	0.99
	At the end of the year (31-03-2020)	1,05,21,423	0.99	1,05,21,423	0.99
6.	Balram Chainrai				
	At the beginning of the year	58,19,888	0.55	58,19,888	0.55
	Transactions (purchase) from April 01, 2019 upto March 31, 2020	41,26,820	0.39	99,46,708	0.94
	At the end of the year (31-03-2020)	99,46,708	0.94	99,46,708	0.94
7.	Progressive Share Brokers Private Limited				
	At the beginning of the year	60,78,231	0.57	60,78,231	0.57
	Transactions (purchase / sale) from April 01, 2019 upto March 31, 2020	37,35,323	0.36	98,13,554	0.93
	At the end of the year (31-03-2020)	98,13,554	0.93	98,13,554	0.93
8.	Bay Pond Partners, L.P.				
	At the beginning of the year	1,10,12,570	1.04	1,10,12,570	1.04
	Transactions (purchase / sale) from April 01, 2019 upto March 31, 2020	(24,08,841)	(0.23)	86,03,729	0.81
	At the end of the year (31-03-2020)	86,03,729	0.81	86,03,729	0.81
9.	Nexpact Limited				
	At the beginning of the year	0	0.00	0	0.00
	Transactions (purchase) from April 01, 2019 upto March 31, 2020	82,96,816	0.78	82,96,816	0.78
	At the end of the year (31-03-2020)	82,96,816	0.78	82,96,816	0.78

DIRECTORS' REPORT

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (As on 01-04-2019)		Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
10.	Vanguard Total International Stock Index Fund				
	At the beginning of the year	82,55,561	0.78	82,55,561	0.78
	Transactions (purchase / sale) from April 01, 2019 upto March 31, 2020	(1,14,853)	(0.01)	81,40,708	0.77
	At the end of the year (31-03-2020)	81,40,708	0.77	81,40,708	0.77

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date of Credit/Debit	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Ramesh Joshi	500	0.00	01-04-2019	0	Nil movement during the year		
		500	0.00	31-03-2020			500	0.00
2.	Mr. Dinesh Nandwana	5,97,34,200	5.64	01-04-2019			5,97,34,200	5.64
				27-09-2019	28,00,000	Buy	6,25,34,200	5.90
				30-09-2019	10,00,000	Buy	6,35,34,200	6.00
				11-10-2019	15,00,000	Buy	6,50,34,200	6.14
				31-10-2019	18,22,895	Buy	6,68,57,095	6.31
				10-12-2019	10,00,000	Buy	6,78,57,095	6.41
				13-03-2020	2,50,000	Buy	6,81,07,095	6.43
				16-03-2020	10,00,000	Buy	6,91,07,095	6.52
		31-03-2020	6,91,07,095		6,91,07,095	6.52		
3.	Dr. Nishikant Hayatnagarkar	99,288	0.01	01-04-2019				
				17-05-2019	50,000	Conversion of Stock Options	1,49,288	0.01
		1,49,288	0.01	31-03-2020			1,49,288	0.01

Sr. No.	Name	Shareholding		Date of Credit/ Debit	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4.	Mr. Sunil Agarwal	-	-	01-04-2019	-	Nil transaction during the year	-	-
		-	-	31-03-2020	-		-	
5.	Mr. Babu Lal Meena	33,812	0.00	01-04-2019			34,255	
				06-09-2019	443	Buy	34,255	0.00
		34,255	0.00	31-03-2019			34,255	0.00
6.	Mr. Avinash Chandra Vyas	-	-	01-04-2019	-	Nil transaction during the year	-	-
		-	-	31-03-2020	-		-	
7.	Mr. Anil Khanna	47,25,600	0.45	01-04-2019			47,25,600	0.45
				30-12-2019	(6,70,228)	Sell	40,55,372	0.38
				31-12-2019	(18,29,772)	Sell	22,25,600	0.21
				19-02-2020	(55,000)	Sell	21,70,600	0.20
				20-02-2020	(16,500)	Sell	21,54,100	0.20
				24-02-2020	(12,128)	Sell	21,41,972	0.20
				25-02-2020	(1,39,677)	Sell	20,02,295	0.19
				26-02-2020	(1,82,316)	Sell	18,19,979	0.17
				27-02-2020	(25,000)	Sell	17,94,979	0.17
		31-03-2020	17,94,979		17,94,979	0.17		
8.	Mr. Ranbir Datt	-	-	01-04-2019	-	Nil transaction during the year	-	-
		-	-	31-03-2020	-		-	
9.	Mrs. Sujata Chattopadhyay	-	-	01-04-2019	-	Nil transaction during the year	-	-
		-	-	31-03-2020	-		-	

DIRECTORS' REPORT

Sr. No.	Name	Shareholding		Date of Credit/Debit	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
10.	Mr. Subhash Singhania	100	0.00	01-04-2019	-	Nil transaction during the year	-	-
		100	0.00	31-03-2020			100	0.00
11.	Mr. Mehl Raval	750	0.00	01-04-2019	0	Nil transaction during the year	0	0.00
		750	0.00	31-03-2020			750	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest accrued and due	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness as at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest accrued and due	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		*Mr. Dinesh Nandwana (Managing Director & Group CEO)	*Mr. Anil Khanna (Managing Director & Group CEO)	Dr. Nishikant Hayatnagarkar (Whole-time Director)	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	240.00	1112.93	58.50	1411.43
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	15.40	15.40
	(c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Options	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission (as % of profit)	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	240.00	1112.93	73.90	1426.83
	Ceiling as per the Act (being 10% of the Net Profit computed in the manner laid down in Section 198 of Companies Act, 2013)		#NA		

* Mr. Dinesh Nandwana was re-designated as Managing Director & Group CEO w.e.f. January 24, 2020 in place of Mr. Anil Khanna who continues as Non-Executive Director.

The remuneration paid to Mr. Dinesh Nandwana and Mr. Anil Khanna was approved by the members in the Annual General Meeting held on September 25, 2019 and is in conformity with the conditions laid down in Schedule V of the Companies Act, 2013.

B. Remuneration to other Directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount	
		Mr. Ramesh Joshi (Non-Executive Chairman)	Mr. Sunil Agarwal	Mrs. Sujata Chattopadhyay	Mr. Babu Lal Meena	Mr. Avinash Chandra Vyas		Mr. Ranbir Datt
1.	Independent Directors							
	Sitting fee for attending Board / Committee Meetings	3.95	2.50	2.00	2.15	3.95	--	14.55
	- Commission	--	--	--	--	--	--	--
	- Others	--	--	--	--	--	--	--
	Total (1)	3.95	2.50	2.00	2.15	3.95	--	14.55
2.	Other Non-Executive Directors							

DIRECTORS' REPORT

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount	
		Mr. Ramesh Joshi (Non-Executive Chairman)	Mr. Sunil Agarwal	Mrs. Sujata Chattopadhyay	Mr. Babu Lal Meena	Mr. Avinash Chandra Vyas		Mr. Ranbir Datt
	Sitting fee for attending Board / Committee meetings	--	--	--	--	--	3.25	3.25
	- Commission	--	--	--	--	--	--	-
	- Others	--	--	--	--	--	--	-
	Total (2)	--	--	--	--	--	3.25	3.25
	Total (B)=(1+2)	3.95	2.50	2.00	2.15	3.95	3.25	17.80
	Total Managerial Remuneration							NIL
	Overall Ceiling as per the Act (being 1% of the Net Profit computed in the manner laid down in Section 198 of Companies Act, 2013)		N.A.					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Subhash Singhania (Chief Financial Officer)	Mr. Mehul Raval (Company Secretary)	
1.	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	54.00	26.05	80.05
(b)	Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
(c)	Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission (as % of profit)	-	-	-
5.	Others, please specify	-	-	-
	Total (C)	54.00	26.05	80.05

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

On behalf of the Board of Directors

Dinesh Nandwana

Managing Director & Group CEO
(DIN:00062532)

Dr. Nishikant Hayatnagarkar

Whole Time Director
(DIN:00062638)

Place: Mumbai

Date: July 31, 2020

Corporate Governance

Report

PHILOSOPHY OF THE COMPANY ON THE CODE OF CORPORATE GOVERNANCE

Vakrangee's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices. Corporate Governance is that crucial muscle which encourages and moves a viable and accessible financial reporting structure and which enables a transparent system. Through the Governance mechanism in the Company, the Board along with its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders. Strong corporate governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection.

At Vakrangee, our aspirations have always been of protecting, strengthening and aligning together the interest of all the stakeholders and to satisfy that we strive hard to implement and continue to follow our core values which are "Belief in people, Entrepreneurship, Customer orientation and pursuit of excellence". Your Company endeavors to put in the right pedestal blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner with strict adherence to best corporate governance practices.

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations.

At Vakrangee, we are committed to meeting the aspirations of all our stakeholders. This is demonstrated in shareholder returns, our credit ratings, governance processes and an entrepreneurial and performance focused work environment.

The Board of Directors manages the affairs of the company in the best interest of the shareholders, providing necessary guidance and strategic vision. The Board is also responsible to ensure that the Company's management and employees operate with the highest degree of ethical standards.

Over the years, governance processes and systems have been strengthened and institutionalized at Vakrangee. Your Company is committed to maintain the highest standards of Corporate

Governance. Your directors adhere to the stipulations set out in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015).

Your Board of Directors present the Corporate Governance Report for the year 2019-20:

BOARD OF DIRECTORS

Composition:

The Board comprises of majority of Independent Directors. It has a good mix of Executive and Non-Executive Directors including Independent Directors with more than fifty percent of the board comprising of non-executive Independent Directors. As on date of this Report, the Board consists of Nine Directors comprising five non-executive Independent Directors (including one women director), one non-executive Non Independent Director, one Nominee Director representing Life Insurance Corporation of India Limited (LIC), holding equity investment in the Company and two Executive Directors.

None of the Directors of your Company are inter-se related to each other. The profiles of the Directors can be found on https://www.vakrangee.in/board_of_director.html. The composition of Board is in conformity with the SEBI LODR 2015.

The Chairperson of the Board is a Non-Executive Independent Director and not related to any of the Directors of the Company.

None of the Director on the Board is a Member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the Indian public companies in which he/she is a Director. Necessary disclosures regarding their committee positions have been made by all the Directors.

None of the Directors hold office in more than ten public companies and seven Listed entities. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of Listed Companies as prescribed under regulation 17A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

None of the Whole-time Director/Managing Director is an Independent Director in any other listed companies.

CORPORATE GOVERNANCE REPORT

Board is of the opinion that the Independent Directors fulfil the conditions specified in the SEBI LODR 2015 and are independent of the Management.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board Members:

- Knowledge on Company’s business, policies and culture, major risks, threats and potential opportunities and knowledge of the Industry.
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, sales and marketing, corporate governance, forex management administration, decision making.
- Technical/Professional skills and specialized knowledge in relation to Company’s business.

The Board consists of 9 directors. The details of the Board of Directors as on March 31, 2020 are given below:

Name	Category	Designation	Date of appointment	No. of other Directorship held #	Directorship in other Listed Company and category of Directorship	Chairmanship in Committees of Boards of other companies\$	Membership in Committees of Boards of other companies
Mr. Ramesh Joshi*	Non Executive, Independent	Chairman	20/10/2006	NIL	NIL	NIL	NIL
Mr. Dinesh Nandwana*	Promoter & Executive	Managing Director & Group CEO	28/05/1990	3	NIL	NIL	NIL
Dr. Nishikant Hayatnagarkar	Executive	Whole-Time Director	27/08/1999	1	NIL	NIL	NIL
Mr. Anil Khanna*	Non Executive	Director	25/01/2019	NIL	NIL	NIL	NIL
Mr. Sunil Agarwal	Non Executive, Independent	Director	28/06/2002	NIL	NIL	NIL	NIL
Mr. B. L. Meena	Non Executive, Independent	Director	25/10/2010	NIL	NIL	NIL	NIL
Mr. Ranbir Datt	Non Executive	Nominee Director, representing LIC of India	12/02/2018	NIL	NIL	NIL	NIL
Mr. Avinash Vyas	Non Executive, Independent	Director	14/11/2014	NIL	NIL	NIL	NIL
Mrs. Sujata Chattopadhyay	Non Executive, Independent	Director	31/03/2015	4	1) IITL Projects Limited - Non Executive, Independent Director 2) Polygenta Technologies Ltd - Non - Executive, Independent Director 3) Industrial Investment Trust Limited - Non - Executive, Independent Director 4) Steel Exchange India Limited - Non - Executive, Independent Director - Non Executive Director	1	2

***With effect from January 24, 2020, the Board has re-designated Mr. Dinesh Nandwana as Managing Director & Group CEO in place of Mr. Anil Khanna who continues as Non-Executive Director of the Company and Mr. Ramesh Joshi was appointed as Non-Executive Chairman of the Company.**

Excludes alternate directorship and directorship in Foreign Companies, Private Companies and Companies governed by Section 8 of the Companies Act, 2013.

\$ for the purpose of calculating total membership and chairmanship, only Audit Committee and Stakeholders Relationship Committee in public limited companies, whether listed or not are considered as per Regulation 26(1) of the SEBI LODR 2015.

BOARD MEETINGS:

During the financial year 2019-20, your Board met five times on 10/05/2019, 13/08/2019, 13/11/2019, 24/01/2020 and 13/02/2020, with a maximum time gap not exceeding one hundred and twenty (120) days intervening between two consecutive board meetings as per Section 173 of Companies Act, 2013 read with Regulation 17 of SEBI LODR 2015. The necessary quorum was present for all the meetings. All the Board meetings were held at the Company's registered office at Mumbai, India.

The attendance of the directors at the Board Meeting and Annual General Meeting (AGM) held during the year is given below:

Name of the Director	Number of meetings attended	Attended Last AGM	Shareholding in the Company as of March 31, 2020 (no. of shares)
Mr. Ramesh Joshi	5	Yes	500
Mr. Dinesh Nandwana	5	Yes	69107095
Dr. Nishikant Hayatnagarkar	5	Yes	149288
Mr. Sunil Agarwal	5	No	NIL
Mr. B. L. Meena	4	No	34255
Mr. Avinash Vyas	5	Yes	NIL
Ms. Sujata Chattopadhyay	4	Yes	NIL
Mr. Ranbir Datt	4	No	NIL
Mr. Anil Khanna	4	Yes	1794979

MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI LODR 2015, a separate meeting of the Independent Directors of the Company was held on November 13, 2019 to review the performance of Non-Independent Directors, Chairman and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

BOARD COMMITTEES

The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The constitution of the committees and their terms of reference are set out as below:

AUDIT COMMITTEE

The constitution of Audit Committee is in compliance with the requirements of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI LODR 2015.

Terms of reference

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the quarterly financial results before submission to the Board;
- reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon before submission to the board for approval with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;

CORPORATE GOVERNANCE REPORT

- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- evaluating 'undertaking or assets' of the Company, wherever it is necessary;
- reviewing the functioning of the Whistle Blowing mechanism;
- reviewing the utilization of loans and/or advances from/ investment in subsidiaries.

Composition

The composition of Audit Committee as on March 31, 2020 is as follows:

Sr. No	Name of the Director	Designation
1.	Mr. B. L. Meena	Independent Director (Chairman)
2.	Mr. Ramesh Joshi	Independent Director
3.	Mr. Avinash Vyas	Independent Director

Meetings & Attendance during the year

There were four meetings of the Audit Committee viz. on May 10, 2019, August 13, 2019, November 13, 2019, and February 13, 2020 and following is the table showing attendance for the same. The Company Secretary acts as the Secretary to the Committee. The gap between two consecutive meetings were not more than 120 days. The details of meeting attended by its members is as follows:

Name of the Director	Category	No. of meetings held	No. of meetings attended
Mr. B. L. Meena	Independent Director (Chairman)	4	3
Mr. Ramesh Joshi	Independent Director	4	4
Mr. Avinash Vyas	Independent Director	4	4

Due to illness, the Chairman of the Audit Committee was not present at the last Annual General Meeting.

NOMINATION AND REMUNERATION AND COMPENSATION COMMITTEE

The Nomination and Remuneration and Compensation Committee (NRC Committee) of the Company consists of two non-executive Independent Directors and one non-executive Nominee Director and its composition is as per the requirements of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI LODR 2015. Its composition as on March 31, 2020 is as follows:

Sr. No	Name of the Director	Designation
1.	Mr. Avinash Vyas	Independent Director (Chairman)
2.	Mr. Ramesh Joshi	Independent Director
3.	Mr. Ranbir Datt	Nominee Director

Terms of Reference of the committee inter-alia includes:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other functions as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Meetings & Attendance during the year

During the year under review, total five meetings of the NRC Committee were held on August 12, 2019, November 13, 2019, January 06, 2020, January 14, 2020, and January 24, 2020 and following is the table showing attendance for the same. The details of meeting attended by its members is as follows:

Name of the Director	Category	No. of meetings held	No. of meetings attended
Mr. Avinash Vyas	Independent Director (Chairman)	5	5
Mr. Ramesh Joshi	Independent Director	5	5
Mr. Ranbir Datt	Nominee Director	5	5

The composition of the committee was re-constituted on July 19, 2019 and Mr. Ramesh Joshi was designated as Chairman of the Committee and Mr. Avinash Vyas and Mr. Ranbir Datt were appointed as members.

Further w.e.f January 24, 2020, Mr. Avinash Vyas, member of the committee was designated as Chairman of the committee in place of Mr. Ramesh Joshi who continues to be Member of the Committee.

The Board of Directors has framed the Nomination and Remuneration and Compensation Policy on Nomination and remuneration of Directors, Key Managerial Personnel and Senior Management and the same is available on https://www.yakrangee.in/policies_and_guidelines.html. The remuneration paid to the Executive Directors is in accordance with the provisions of Section 197 and Part II of Schedule V of Companies Act, 2013.

Non-Executive Directors have been paid sitting fee as per the limit prescribed under the Companies Act, 2013 for attending Board Meetings and the meetings of the committees thereof.

The Directors, whether whole-time or not, but excluding Independent Directors and Promoters of the Company and its subsidiaries, working in India or abroad shall be eligible to participate in the ESOP Schemes of the Company, provided that a director holding, either by himself or through his relative or through any body corporate, directly or indirectly, more than 10% of the outstanding equity shares of the company shall not be entitled to participate in the ESOP Schemes of the company.

Performance Evaluation of Board of Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR 2015, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on November 13, 2019.

Remuneration of Directors

The details of remuneration paid to Directors during the financial year 2019-2020 are as under:

(a) Non - Executive Directors

Name of Directors	Sitting Fees
Mr. Ramesh Joshi	3.95
Mr. Sunil Agarwal	2.50
Mr. B. L. Meena	2.15
Mr. Avinash Vyas	3.95
Ms. Sujata Chattopadhyay	2.00
Mr. Ranbir Datt	3.25

Independent Directors and Non – Independent, Non - Executive Directors are paid sitting fees of ₹ 50,000/- for attending each Meeting of the Board and Members of the Audit Committee are paid sitting fees of ₹ 5,000/- per meeting and Members of the Nomination and Remuneration and Compensation Committee are paid sitting fees of ₹ 25,000/- per meeting.

Sitting fees paid to Independent Directors and Non - Independent Non - Executive Directors are within the regulatory limits.

CORPORATE GOVERNANCE REPORT

(b) Executive Directors

(₹ in Lakhs)

Particulars	Mr. Dinesh Nandwana	Dr. Nishikant Hayatnagarkar	Mr. Anil Khanna**
Basic	96.00	32.99	375.00
Allowances	96.00	12.14	NIL
HRA	48.00	13.37	187.50
Others (Bonus & Leave Encashment)	NIL	NIL	NIL
Perquisites on account of Stock Options exercised	NIL	15.40*	NIL
Total	240.00	73.90	562.50

* In accordance with the definition of perquisites under the Income-tax Act, 1961, the remuneration includes the value of stock options only on those shares that have been exercised during the period.

** The service contract for Mr. Anil Khanna was for a period of five years w.e.f. January 25, 2019. The notice period was six months and there was no severance fees. On January 24, 2020 Mr. Anil Khanna was re-designated as Non-Executive Director and all the stock options granted to him were forfeited by the NRC Committee of the Company. The total remuneration amounted to Rs.1112.93 lakhs including other emoluments as per the terms of agreement.

The service contracts for Mr. Dinesh Nandwana and Dr. Nishikant Hayatnagarkar is for a period of five years effective from October 1, 2019 and October 1, 2015 respectively. The notice period is six months for Mr. Dinesh Nandwana and three months for Dr. Nishikant Hayatnagarkar. There are no severance fees.

STAKEHOLDERS RELATIONSHIP COMMITTEE

During the Financial Year under review, one meeting of stakeholder relationship committee was held on November 13, 2019 and all the members were present at the meeting.

As per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI LODR 2015, the company has constituted Stakeholders Relationship Committee.

The composition of the Committee as on March 31, 2020 is as follows:

Sr. No	Name of the Director	Designation
1.	Mr. Ramesh Joshi	Independent Director (Chairman)
2.	Mr. B. L. Meena	Independent Director
3.	Dr. Nishikant Hayatnagarkar	Executive Director

The Terms of Reference of the committee include:

- De-materialization of Shares
- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meeting etc.

- To review measures taken for effective exercise of voting rights by shareholders.
- To review adherence to the service standards adopted by the listed entity in respect of various service being rendered by the Registrar and Share Transfer Agent.
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Any other related issue.

Mr. Mehul Raval, Company Secretary functions as Compliance Officer as required under SEBI LODR 2015 and also acts as Nodal Officer to ensure compliance with IEPF Rules.

During the financial year under review, 6 complaints were received from the shareholders. All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on March 31, 2020.

The Company had no transfers pending at the close of 31.03.2020.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the requirements of Section 135 of the Companies Act, 2013, the Company has, constituted a Corporate Social Responsibility Committee (the "CSR Committee"). The company has adopted a CSR Policy which is available on the website of the Company.

The composition of the committee as on March 31, 2020 is as follows:

Sr. No	Name of the Director	Designation
1.	Mr. Dinesh Nandwana	Managing Director & Group CEO (Chairman)
2.	Mr. Ramesh Joshi	Independent Director
3.	Mr. Sunil Agarwal	Independent Director

The role of Corporate Social Responsibility Committee is as follows:

- formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;
- recommending the amount of expenditure to be incurred on CSR activities of the Company;
- reviewing the performance of Company in the area of CSR;
- monitoring CSR Policy of the Company from time to time;
- monitoring the implementation of the CSR projects or programs or activities undertaken by the Company.

RISK MANAGEMENT COMMITTEE

As per the requirements of Regulation 21 of SEBI LODR 2015, the company has constituted Risk Management Committee.

During the Financial Year under review, one meeting of risk management committee was held on September 30, 2019 and all the members were present at the meeting.

The composition of the Committee as on March 31, 2020 is as follows:

Sr. No	Name of the Director	Designation
1.	Ms. Sujata Chattopadhyay	Chairperson
2.	Mr. Dinesh Nandwana	Member
3.	Dr. Nishikant Hayatnagarkar	Member
4.	Mr. Prabodh Bhusari	Member

The brief Terms of Reference of the committee include:

- To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management.
- To establish a framework for the company's risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

General Body Meetings

Date, Venue and Time for the last three Annual General Meetings.

Date	Venue	Time	Special Resolutions passed
September 25, 2019	Courtyard by Marriott Mumbai International Airport, CTS 215, Opposite Carnival Cinemas, Andheri Kurla Road, Andheri East, Mumbai, 400059.	10.00 AM	7
September 28, 2018	The Lalit Plaza, Sahar Airport Road, Andheri (East), Mumbai – 400059.	10.00 AM	2
September 23, 2017	Hotel Sofitel Mumbai BKC, C 57 Bandra Kurla Complex Bandra East, Mumbai, 400051.	11.00 AM	NIL

CORPORATE GOVERNANCE REPORT**RESOLUTION(S) PASSED THROUGH POSTAL BALLOT**

No postal ballot was conducted during the financial year 2019-20. None of the businesses are proposed to be conducted through Postal Ballot.

MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual financial results of the Company are communicated to the stock exchanges immediately after the same are approved by the Board and those are published in prominent English (Free Press Journal) and Marathi (Nav Shakti) newspapers. The results and other news releases are also posted on the Company's website, www.vakrangee.in.

Detailed Investor's presentations on the Company's quarterly, half - yearly as well as annual financial results are available on the Company's website, www.vakrangee.in, and are also sent to the Stock Exchanges.

EQUITY SHARES IN THE SUSPENSE ACCOUNT

As on March 31, 2020, no shares are lying in suspense account.

GENERAL SHAREHOLDERS INFORMATION**Annual General Meeting**

The 30th Annual General Meeting (AGM) of the Company will be held on September 28, 2020 at 11.00 AM. The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

Financial Year

The financial year of the company is April 1 to March 31.

Financial Calendar for 2020-21

Tentative Schedule	Likely Board Meeting Schedule
Financial reporting for the quarter ending June 30, 2020	On or before August 14, 2020
Financial reporting for half year ended September 30, 2020	On or before November 14, 2020
Financial reporting for the quarter ending December 31, 2020	On or before February 14, 2021
Financial reporting for the year ended March 31, 2021	On or before May 30, 2021
Annual General Meeting for the year ending March 31, 2021	On or before September 30, 2021

Book Closure:

As mentioned in the Notice of this AGM.

Dividend payment:**i. Payment date:**

Dividend, when declared at the AGM, will be paid within 30 days from the date of AGM.

Listing on Stock Exchanges:

Your company's securities are listed on the following stock exchanges.

BSE Ltd.

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra East, Mumbai - 400 051.

Listing fees as applicable have been paid to the above Stock Exchanges.

Stock Code

Stock Exchange	Code
BSE Ltd.	511431
National Stock Exchange of India Ltd.	VAKRANGEE
ISIN no. for Equity Shares (NSDL & CDSL)	INE051B01021

Stock Market Data relating to Equity Shares listed in India:

Month (2019-20)	Price on BSE during each month		Volume traded	Price on NSE during each month		Volume traded
	High	Low		High	Low	
April	70.95	50.50	3,66,94,958	71.00	50.55	19,43,38,267
May	66.00	45.10	3,15,46,570	66.25	45.00	12,56,32,921
June	48.30	28.90	2,38,16,232	48.40	28.90	10,40,78,805
July	38.20	28.10	1,72,02,818	38.20	31.30	7,98,97,139
August	37.60	22.75	1,62,75,426	37.65	22.75	8,28,67,862
September	35.05	27.80	1,10,13,349	35.10	27.90	7,09,56,715
October	35.80	23.55	1,53,23,496	35.85	23.50	14,59,90,444
November	41.90	35.60	1,09,35,841	41.75	35.55	9,96,69,893
December	47.95	39.20	86,33,320	48.00	40.20	9,07,89,798
January	55.50	45.60	83,29,258	55.70	45.55	9,02,48,936
February	50.50	39.45	73,10,622	50.30	39.50	4,30,38,015
March	41.30	19.80	98,39,117	40.85	19.90	4,05,02,438

Stock Performance of Vakrangee Limited v/s. BSE Sensex & Nifty:

Month (2019-20)	Price on BSE during each month		Volume traded	Sensex	Price on NSE during each month		Volume traded	Nifty
	High	Low			High	Low		
April	70.95	50.50	3,66,94,958	39,031.55	71.00	50.55	19,43,38,267	11748.15
May	66.00	45.10	3,15,46,570	39,714.20	66.25	45.00	12,56,32,921	11922.80
June	48.30	28.90	2,38,16,232	39,394.64	48.40	28.90	10,40,78,805	11788.85
July	38.20	28.10	1,72,02,818	37,481.12	38.20	31.30	7,98,97,139	11118.00
August	37.60	22.75	1,62,75,426	37,332.79	37.65	22.75	8,28,67,862	11023.25
September	35.05	27.80	1,10,13,349	38,667.33	35.10	27.90	7,09,56,715	11474.45
October	35.80	23.55	1,53,23,496	40,129.05	35.85	23.50	14,59,90,444	11877.45
November	41.90	35.60	1,09,35,841	40,793.81	41.75	35.55	9,96,69,893	12056.05
December	47.95	39.20	86,33,320	41,253.74	48.00	40.20	9,07,89,798	12168.45
January	55.50	45.60	83,29,258	40,723.49	55.70	45.55	9,02,48,936	11962.10
February	50.50	39.45	73,10,622	38,297.29	50.30	39.50	4,30,38,015	11201.75
March	41.30	19.80	98,39,117	29,468.49	40.85	19.90	4,05,02,438	8281.10

Registrar and Share Transfer Agent:**Bigshare Services Pvt. Ltd.**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai, Maharashtra, 400059.

Telephone No. : 022-62638200

Fax No. : 022-28475207

Email : info@bigshareonline.com

CORPORATE GOVERNANCE REPORT**Share Transfer System**

In terms of Regulation 40(1) of SEBI LODR 2015, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days.

The Company obtains half-yearly certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub division, consolidation and renewal as required under Regulation 40(9) of SEBI LODR 2015 and files a copy of the said certificate with the concerned Stock Exchanges.

Distribution of shareholding as on March 31, 2020: - (Face Value Re. 1/- per Share)

Category (No. of Shares)	No. of shareholders	% of shareholders	No. of shares	% total equity
0-5000	133668	96.0714	59483369	5.6148
5001-10000	2463	1.7702	18284297	1.7259
10001-20000	1355	0.9739	19658281	1.8556
20001-30000	476	0.3421	11738522	1.1080
30001-40000	254	0.1826	8961904	0.8459
40001-50000	170	0.1222	7897810	0.7455
50001-100000	315	0.2264	22593527	2.1327
100001- above	433	0.3112	910787930	85.9716
Total	139134	100.0000	1059405640	100.0000

Category wise Shareholding as on March 31, 2020

Category	No. of Shares	%
Promoters	451353165	42.60
Financial Institutions/Banks	3525952	0.33
Insurance Companies	66991981	6.32
Foreign Portfolio Investors	123724492	11.68
Public	413810050	39.07
Total	1059405640	100.00

Dematerialization of Shares and Liquidity:

The Company's shares are traded in dematerialized form and are available for trading with both the depositories, namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Mode of Holding	No. of shares (as on March 31, 2020)	%
Held with NSDL	845884711	79.85
Held with CDSL	212021905	20.01
Held in Physical Form	1499024	0.14
Total	1059405640	100.00

Outstanding GDRs, ADRs, warrants or any convertible instruments.

The Company has not issued any GDRs/ADRs/Warrants.

Commodity Price Risks or Foreign Exchange Risks and Hedging Activities:

The details of foreign currency exposure have been disclosed in standalone notes to accounts of the Annual Report.

Plant Locations:

In view of the nature of the Company's business viz. Specialty Retail, the Company operates from various offices in India and does not have any manufacturing plant.

Address of Correspondence:

The address of correspondence:

Vakrangee Limited

"Vakrangee Corporate House", Plot No.- 93,
Road No. 16, M.I.D.C. Marol, Andheri (E),
Mumbai – 400 093.

Shareholders can contact the following officials for Secretarial matters related to the company:

Name	Telephone No.	Email ID	Fax No.
Mehul Raval	022 - 67765100	info@vakrangee.in	022-28502017

Credit Ratings:

During the year under review, the Company has not obtained any credit ratings.

DISCLOSURES**Disclosure on materially significant Related Party Transactions with its Promoter, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.**

During the year there were no material significant transactions with the related parties viz. Promoters, Directors and their relatives, their Subsidiaries, conflicting with the Company's interest. The policy as to Related Party Transactions as approved by the Board, is available on the Company's website, https://vakrangee.in/policies_and_guidelines.html.

Necessary disclosures as to Related Party Transactions, as required have been made in the standalone notes to accounts of the Annual Report.

Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

During FY 2018-19, BSE Limited and National Stock Exchange of India Ltd levied a penalty of ₹ 88,500 /- each for delayed submission of Audited Financial Results for the year ended March 31, 2018.

Apart from above, during the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authorities for non-compliance of any matter related to the capital markets.

VIGIL MECHANISM / WHISTLE BLOWER

In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees, Franchisee, Business Partner, Vendor or any other third parties making a Protected Disclosure under this Policy may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and no personnel has been denied direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company, https://vakrangee.in/policies_and_guidelines.html.

Compliance with Discretionary requirements of SEBI LODR 2015:

The Company has complied with all the mandatory requirements of SEBI (LODR) 2015. The status of compliance with discretionary requirements under Regulation 27(1) and Part E Schedule II of SEBI (LODR), 2015 is provided below:

- Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not sent to the shareholders.

CORPORATE GOVERNANCE REPORT

- Audit Qualifications: The Company's financial statement for the financial year 2019-20 does not contain any audit qualification.
- Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee.

MATERIAL SUBSIDIARIES

As on date the company do not have any material subsidiaries as stipulated under the SEBI LODR 2015. The company has adopted a policy for determining Material subsidiaries and is available on the website of the company, https://vakrangee.in/policies_and_guidelines.html.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company at its various meetings held during the Financial year 2019-20 had familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the Business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarize them with the Company's policies, procedures and practices.

Periodic presentations are made to the Board and Board Committee meeting on Business and performance updates of the Company, Business strategy and risks involved.

Quarterly updates on relevant statutory changes and judicial pronouncements and encompassing important amendments are briefed to the Directors.

The Familiarization Policy along with the details of familiarization program imparted to the Independent Directors is available on the website of the Company at https://vakrangee.in/policies_and_guidelines.html.

Vakrangee's Code of Conduct

The Board of Directors of the Company has laid down a code of conduct for the Board and all senior management employees of the Company. The same has been posted on the website of the Company https://vakrangee.in/policies_and_guidelines.html. The Company confirms that all Board members and senior management personnel have and shall continue to affirm compliance with the code on an annual basis.

Vakrangee's Code for Preventing Insider Trading

Vakrangee Ltd has Code of Conduct for Prevention of Insider Trading ('VL Code') in the shares of the Company which is in line with SEBI (Prohibition of Insider Trading) Regulations, 2015 and followed in spirit.

Disclosure on Compliance:

The Company is in Compliance with,

- The Corporate Governance Requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46.
- all the requirements mentioned in sub- paras (2) to (10) of section C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- During the year under review the Board has accepted all the recommendations of its Committees.
- The Company has obtained certificate from S.K. Jain & Co., Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority.
- Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part is given below:

Payment to Statutory Auditor	FY 2019 - 20 (₹ In Lakhs)
Audit Fees	60.00
Tax Audit Fees	10.00
Other Services	0.75
Reimbursement of Expenses	4.01
Total	74.76

- Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of complaints filed during the year 2019 - 20.	Nil
Number of complaints disposed off during the year 2019 - 20.	NA
Number of complaints pending as on 31 March 2020	NA

Compliance Certificate:

The Certificate dated June 25, 2020 issued by Dr. S.K. Jain proprietor of S.K. Jain & Co., Practicing Company Secretary on Compliance with the Corporate Governance requirements by the Company is annexed herewith.

I, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and Senior Management Personnel of the company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the financial year 2019-20.

Sd/-

Dinesh Nandwana

Managing Director & Group CEO
(DIN:00062532)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

The Members of

VAKRANGEE LIMITED.

Vakrangee Corporate House, Plot No 93, Road No. 16,

M.I.D.C. Marol, Andheri (East), Mumbai - 400093

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vakrangee Limited having CIN L65990MH1990PLC056669 and having registered office at Vakrangee Corporate House, Plot No 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai - 400093 (hereinafter referred to as 'the **Company**'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Ramesh Joshi	00002683	20/10/2006
2.	Dinesh Nandwana	00062532	28/05/1990
3.	Nishikant Hayatnagarkar	00062638	01/10/2015
4.	Sunil Agarwal	00062767	28/06/2002
5.	Anil Khanna	01334483	25/01/2019
6.	Sujata Chattopadhyay	02336683	31/03/2015
7.	Babu Lal Meena	03281592	25/10/2010
8.	Avinash Chandra Vyas	06869633	14/11/2014
9.	Ranbir Datt	08064889	12/02/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

Date: June 25, 2020

FOR S. K. JAIN & CO.

Dr. S. K. JAIN

Membership No. FCS 1473

C. P. NO. 3076

To,
The Members of
VAKRANGEE LIMITED
Vakrangee Corporate House,
Plot No.93, Road No.16,
M.I.D.C. Marol, Andheri East,
Mumbai – 400093

We have examined the compliance of conditions of Corporate Governance by **VAKRANGEE LIMITED** for the year ended on **31st March, 2020**

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements Responsibility

The Compliance of conditions of Corporate Governance is responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

The certification is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

FOR S. K. JAIN & CO.
Practicing Company Secretary

Dr. S. K. JAIN
Proprietor
C. P. NO. 3076

Place: Mumbai
Date: June 25, 2020

CORPORATE GOVERNANCE REPORT**To the Board of Directors of
Vakrangee Limited**

Dear Sirs,

Sub: CEO / CFO Certificate

(Issued in accordance with provisions of Regulation 17(8) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015

We have reviewed the financial statements, read with cash flow statement of Vakrangee Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief, we state that;

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the auditors and the Audit committee-
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Yours sincerely,

For **Vakrangee Limited**

Dinesh Nandwana

Managing Director & Group CEO
(DIN : 00062532)

Subhash Singhania

Chief Financial Officer

Place: Mumbai

Date: July 31, 2020

Business Responsibility Report

Section A: General information about the Company

S. No.	Question	Response
1	Corporate Identity Number (CIN) of Company	L65990MH1990PLC056669
2	Name of the Company	Vakrangee Limited
3	Registered address	Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C., Marol, Andheri (E), Mumbai - 400093.
4	Website	www.vakrangee.in
5	E-mail id	info@vakrangee.in
6	Financial year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	631 - Data processing, hosting and related activities; web portals 639 - Other information service activities 662 - Activities auxiliary to insurance and pension funding 461 - Wholesale on a fee or contract basis 479 - Retail trade not in stores, stalls or markets 791 - Travel agency and tour operator activities 641 - Monetary intermediation 661 - Activities auxiliary to financial service activities, except insurance and pension funding 649 - Other financial service activities, except insurance and pension funding activities
8	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	We have only one business segment, Vakrangee Kendra, which is also reported in the Company's balance sheet. Our Vakrangee Kendra, a one-stop shop, offers following 3 key services: 1. BFSI - Banking, insurance and financial services 2. ATM 3. E-commerce – assisted online shopping, assisted online healthcare, assisted online travel, telecom and bill payment services; and Logistics.
9	Total number of locations where business activity is undertaken by the Company	
	i. Number of international locations (provide details of major 5)	i. Company operates only in India
	ii. Number of national locations	ii. Company franchises 10,027 operational Next-Gen Vakrangee Kendras across 30 states and Union Territories of India. It is in the process of on-boarding 24,000 additional Next-Gen Vakrangee Kendras in India.
10	Markets served by the Company – local/ state/ national/ international	Local, state and national markets.

BUSINESS RESPONSIBILITY REPORT**Section B: Financial details of the Company**

S. No.	Question	Response
1	Paid-up capital (INR)	10594.06 Lakhs
2	Total turnover (INR)	62335.23 Lakhs
3	Total profit after taxes (INR)	6452.38 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR is 0.14% of the average net profits of the previous three financial years.
5	List of activities in which expenditure in 4 above has been incurred	i. Social and community development ii. Education iii. Healthcare

Section C: Other details

S. No.	Question	Response
1	Does the Company have any subsidiary Company/ companies?	Yes. Company has 3 wholly owned subsidiaries, of which 2 are Indian subsidiaries and 1 is a foreign subsidiary. Indian subsidiaries: 1. Vakrangee Finserve Limited 2. Vakrangee Logistics Private Limited Foreign subsidiary: Vakrangee e-Solutions Inc., Philippines
2	Do the subsidiary Company/ companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	Yes. Both Indian subsidiaries participate in BR initiatives of the parent Company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities. [Less than 30%, 30-60%, More than 60%]	No.

Section D: BR information

S. No.	Question	Response																																				
1	Details of Director/Directors responsible for BR	Corporate Governance Committee, Corporate Social Responsibility (CSR) Committee and ESG Committee of Company are responsible for implementing BR policies. Details on the committees are as follows:																																				
(a)	Details of the Director/Director responsible for implementation of the BR policy/policies	<p>Corporate Governance Committee</p> <table border="1"> <thead> <tr> <th>DIN</th> <th>Name</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>00002683</td> <td>Mr. Ramesh Joshi</td> <td>Chairman (Non-Executive Chairman)</td> </tr> <tr> <td>00062532</td> <td>Mr. Dinesh Nandwana</td> <td>Member (Managing Director & Group CEO)</td> </tr> <tr> <td>00062638</td> <td>Dr. Nishikant Hayatnagarkar</td> <td>Member (Director- Research and Development)</td> </tr> </tbody> </table> <p>Corporate Social Responsibility Committee</p> <table border="1"> <thead> <tr> <th>DIN</th> <th>Name</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>00062532</td> <td>Mr. Dinesh Nandwana</td> <td>Chairman (Managing Director & Group CEO)</td> </tr> <tr> <td>00002683</td> <td>Mr. Ramesh Joshi</td> <td>Member (Non-Executive Chairman)</td> </tr> <tr> <td>00062767</td> <td>Mr. Sunil Agarwal</td> <td>Member (Non-Executive Independent Director)</td> </tr> </tbody> </table> <p>ESG Committee</p> <table border="1"> <thead> <tr> <th>DIN</th> <th>Name</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>06869633</td> <td>Mr. Avinash Vyas</td> <td>Chairman (Non-Executive Independent Director)</td> </tr> <tr> <td>00002683</td> <td>Mr. Ramesh Joshi</td> <td>Member (Non-Executive Chairman)</td> </tr> <tr> <td>02336683</td> <td>Ms. Sujata Chattopadhyay</td> <td>Member (Non-Executive Independent Director)</td> </tr> </tbody> </table>	DIN	Name	Designation	00002683	Mr. Ramesh Joshi	Chairman (Non-Executive Chairman)	00062532	Mr. Dinesh Nandwana	Member (Managing Director & Group CEO)	00062638	Dr. Nishikant Hayatnagarkar	Member (Director- Research and Development)	DIN	Name	Designation	00062532	Mr. Dinesh Nandwana	Chairman (Managing Director & Group CEO)	00002683	Mr. Ramesh Joshi	Member (Non-Executive Chairman)	00062767	Mr. Sunil Agarwal	Member (Non-Executive Independent Director)	DIN	Name	Designation	06869633	Mr. Avinash Vyas	Chairman (Non-Executive Independent Director)	00002683	Mr. Ramesh Joshi	Member (Non-Executive Chairman)	02336683	Ms. Sujata Chattopadhyay	Member (Non-Executive Independent Director)
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2	Principle-wise (as per NVGs) BR policy/policies																																					
(a)	Details of compliance (reply in Y/N)																																					

BUSINESS RESPONSIBILITY REPORT

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words) (Refer to Note 1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Indicate the link for the policy to be viewed online?	Y ¹	Y ²	Y ³	Y ⁴	Y ⁵	Y ⁶	Y ⁷	Y ⁸	Y ²
8	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
11	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y ⁵	Y ⁵	Y ⁵	Y ⁵	Y ⁵	Y ⁵	Y ⁵	Y ⁵	Y ⁵

- Note 1: Policies are based on NVG, and conform to international standards such as ISO 9000, ISO 20000, ISO 27000, UNGC principles and ILO standards.
- Y¹ <https://vakrangee.in/pdf/Policies-PDF/Business%20Conduct%20Policy.pdf>
- Y² <https://www.vakrangee.in/pdf/Policies-PDF/Sustainability%20related%20Services.pdf>
- Y³ <https://vakrangee.in/pdf/Policies-PDF/Final%20Code%20Of%20Conduct%20For%20Employees-V2.pdf>
- Y⁴ <https://vakrangee.in/pdf/Policies-PDF/Sustainability%20related%20Services.pdf>
- Y⁵ <https://vakrangee.in/pdf/Policies-PDF/Human%20Rights%20Policy.pdf>
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- Y⁶ <https://vakrangee.in/pdf/Policies-PDF/Sustainable%20Sourcing%20Policy.pdf>
- Y⁷ <https://vakrangee.in/pdf/Policies-PDF/Political%20Involvement%20Policy.pdf>
- Y⁸ https://vakrangee.in/pdf/Policies-PDF/Corporate%20Social%20Responsibility_Policy.pdf
- Y⁵ Policies are evaluated internally

S. No.	Question	Response
3	Governance related to BR	
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The Corporate Governance Committee, CSR Committee and ESG Committee assess Company's BR performance annually.
(b)	Does the Company publish a BR or a sustainability report? What is the hyperlink for viewing this report? How frequently is it published?	Company publishes BR report annually for financial year ending 31st March. This year it forms part of the Annual Integrated Report for FY 2019-20. Hyperlink for viewing the report is www.vakrangee.in

Section E: Principle-wise performance

Principle 1

S. No.	Question	Response
1	Principle 1	
	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	No. Our policy on business conduct applies to all individuals working at all levels and grades including senior managers, officers, directors, employees (permanent, fixed or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors or any other person associated with the Company, its subsidiaries or group companies. Hyperlink of the policy is https://vakrangee.in/pdf/Policies-PDF/Business%20Conduct%20Policy.pdf
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	For details on Investor Complaints and resolution, refer to the Corporate Governance section which is part of this Annual Report.

Principle 2

S. No.	Question	Response
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	We have considered both social and environmental aspects of our business segment. i. Company's offerings like banking, financial and insurance services, ATM, e-commerce and logistics promote financial and social inclusion of the unserved and underserved population of India. We provide the facility of directly withdrawing subsidies under Direct Benefits Transfer from our outlets. ii. Considering environmental concerns, we provide paperless banking and ATM use, biometric-enabled banking, and digital payment for bill payments, to name a few. iii. We promote skill development of franchisees, as they have to obtain a certificate in order to provide banking and insurance services. We offer trainings on e-commerce, e-governance, financial services and logistics at Next-Gen Vakrangee Kendras.

BUSINESS RESPONSIBILITY REPORT

S. No.	Question	Response
2	For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional)	i. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? – Not Applicable ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year? – Not Applicable
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Company has a policy on sustainable sourcing in place. Policy defines prerequisites for all suppliers carrying out business with us. Link for the Sustainable Sourcing Policy is https://vakrangee.in/pdf/Policies-PDF/Sustainable%20Sourcing%20Policy.pdf
4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Not applicable
5	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Not applicable

Principle 3

S. No.	Question	Response
1	Please indicate total number of employees	1,362
2	Please indicate total number of employees hired on temporary/ contractual/ casual basis	2
3	Please indicate number of permanent women employees	79
4	Please indicate number of permanent employees with disabilities	2
5	Do you have an employee association that is recognized by management?	No
6	What percentage of your permanent employees is members of this recognized employee association?	Not applicable

S. No.	Question	Response																
7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year (2019-20)	<table border="1"> <thead> <tr> <th>S. No.</th> <th>Category</th> <th>Number of complaints filed in financial year</th> <th>Number of complaints pending as on end of financial year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Child labour/ forced labour/ involuntary labour</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>2</td> <td>Sexual harassment</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>3</td> <td>Discriminatory employment</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	S. No.	Category	Number of complaints filed in financial year	Number of complaints pending as on end of financial year	1	Child labour/ forced labour/ involuntary labour	Nil	Nil	2	Sexual harassment	Nil	Nil	3	Discriminatory employment	Nil	Nil
S. No.	Category	Number of complaints filed in financial year	Number of complaints pending as on end of financial year															
1	Child labour/ forced labour/ involuntary labour	Nil	Nil															
2	Sexual harassment	Nil	Nil															
3	Discriminatory employment	Nil	Nil															
8	What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year?	<p>We have trained 100% employees on behavioural aspects and ISO 14001:2015 (Environmental Management System); ISO 37001:2016 (Anti-Bribery Management System); ISO 45001:2018 (Occupational Health and Safety Management System); and ISO 19600:2014 (Compliance Management System)</p> <p>i. Permanent employees- 1,362</p> <p>ii. Permanent women employees- 79</p> <p>iii. Casual/ Temporary/ Contractual employees- 2</p> <p>iv. Employees with disabilities- 2</p>																

Principle 4

S. No.	Question	Response
1	Has the Company mapped its internal and external stakeholders?	Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	Yes
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	<p>Vakrangee offers its services to the underserved and unserved population of the country. Over 70% of Next-Gen Vakrangee Kendras are present in tier 5 and 6 locations. Our customers and franchisees from remote locations are disadvantaged as they have poor or no access to basic facilities.</p> <p>Moreover, we conduct CSR activities for disadvantaged, vulnerable and marginalized stakeholders. Details can be obtained in CSR Report attached to Director's Report.</p>

BUSINESS RESPONSIBILITY REPORT

Principle 5

S. No.	Question	Response
1	Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The policy covers the Company, its Group, and extends to all stakeholders associated with Vakrangee Ltd., e.g., franchisees, suppliers.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint regarding human rights violations was received in the last financial year.

Principle 6

S. No.	Question	Response
1	Does the Policy related to Principle 6 cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?	It covers the Company and its Group.
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink of webpage.	Vakrangee creates positive environmental impact through its Kendras. All services are available at one point of location. Banking and ATM services are purely digital and paperless. Banking service is also biometric-enabled. Strong market penetration helps in reducing carbon footprint further. As Vakrangee Kendras are present in remote locations, customers are not required to travel far for a service.
3	Does the Company identify and assess potential environmental risks?	Yes
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Not applicable
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. Company's corporate office uses solar panels for 15% of its electricity consumption. Few of our Next-Gen Vakrangee Kendras also run on solar power completely.
6	Are the emissions/ waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year (2019-20) being reported?	As a technology-based Company, we leverage digitization to offer our services. Therefore, emissions or waste generated by Company is minimal.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year (2019-20).	Not applicable

Principle 7

S. No.	Question	Response
1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	<p>a. Associated Chambers of Commerce and Industry of India (AASOCHAM)</p> <p>b. Confederation of ATM Industry (CATMi)</p> <p>c. National Association of Software and Services Companies (NASSCOM)</p> <p>d. CSC e-Governance Services India Limited</p> <p>e. Signatory member of United Nations Global Compact (UNGC)</p> <p>f. Member of Business Correspondent Federation of India (BFCI)</p>
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Company participates in discussions on economic reforms, tax and other legislations.

Principle 8

S. No.	Question	Response
1	Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Vakrangee aims to maximize social and economic development through its services. Not only do we offer same quality services at no additional charge from customers, but we also employ franchisees from local communities. Our services promote government schemes like Direct Benefits Transfer, Atal Pension Yojana, Jeevan Jyoti Beema Yojana, among others. For customers' safety, we have installed CCTV camera, enabled biometric-based banking, and provided grievance redressal helpline numbers.
2	Are the programmes/ projects undertaken through in-house team/own foundation/external NGO/Government structures/any other organization?	Programmes are undertaken by Company's in-house team.
3	Have you done any impact assessment of your initiative?	Grant Thornton's Centre of Excellence for Sustainable Development conducted an impact assessment of our business operations across economic, social, environmental, governance and cultural parameters in the states of Uttar Pradesh and Maharashtra.
4	What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.	Apart from company's daily initiatives as mentioned in Principle 4 above, the company is also involved in CSR initiatives, detail of which is given in Annexure to the Directors' Report annexed with this Annual Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Our CSR activities are delivered and monitored by highly trained employees. We track initiatives to measure and better the outcomes and benefits to people.

BUSINESS RESPONSIBILITY REPORT**Principle 9**

S. No.	Question	Response
1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year (2019-20)?	1.24%
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	Most of our services are free of cost to customers. For chargeable services, we display the actual cost. Rates are as per the mandate and are included as part of branding at each Kendra. We have also provided a helpline number for customers, should they have any complaint related to services.
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did the Company carry out any consumer survey/ customer satisfaction trends?	Yes. Company has engaged Grant Thornton India LLP as external consultant for Outlet Quality Analysis survey of Next-Gen Vakrangee Kendras. Report can be accessed on https://vakrangee.in/reports_hub.html

Independent Auditor's Report

To the Members of Vakrangee Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **VAKRANGEE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our reports.

- 1. Estimates Involving in Capitalisation of Capital Expenditure, and determining their useful lives**
(Refer Note 1 "Significant Accounting Policies", Critical Accounting Estimates and Note 4 "Property, Plant and

Equipment" for details)

Company has capitalised additions to Property, Plant and Equipment (PPE), mainly related to the Automated Teller Machine (ATM) purchased newly from the OEM. Expenditure such as freight cost and cost to bring the asset to the location and new acquisition cost are capitalised. Identification and allocation of the related expenditures involves judgement and estimation of future economic benefit.

The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experiences, market practice and group decision on technical evaluation of useful lives of the ATM.

Capital expenditure and new acquisition is not considered to be an area of significant risk for our audit but as it requires considerable time and resource to audit due to its magnitude, it is considered to be a key audit matter.

Principal Audit Procedure

We assessed whether the Company's accounting policy in relation to the capitalisation of expenditures are in sync and in compliance with IND AS and found them to be consistent.

We obtained a listing of capital expenditures and major acquisition during the year and, on a sample basis, checked whether the assets were undertaken based on internal purchase order that had been properly approved by the key person with such authority with no material exceptions noted. We inspected a sample of contracts and underlying invoices to determine whether the classification between capital and operating expenditure was appropriate. We noted no material exceptions.

We evaluated whether the useful lives of the component determined and applied by the management were in line with historical experience, group assessment and the market practice.

We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from work in progress to asset in use, with the date of the act of completion of the work. We noted no material exceptions.

Reference to related disclosures

The Company has provided information on the disclosure of the addition, deletion of PPE and depreciation for the year on such addition and existing asset in Note 4 of the standalone financial statement.

2. Cash, Cash Equivalent, Bank Balance and Fixed Deposit

Cash, cash equivalent, Bank Balance and fixed deposit consist of cash in hand, Balance with bank in current accounts and term deposit (current and non-current).

The nature and contractual terms of the financial assets determined the presentation on the balance sheet. We focused on this area as it is material to the standalone financial statements and area of significant risk for our audit as it requires considerable time and resource to audit due to its magnitude, it is considered to be a key audit matter.

The Company's disclosure about cash, cash equivalent and other financial assets are included in Note 8 and Note 13 of the standalone financial statements.

Principal Audit Procedure

Balance with Bank in Current Account

We have obtained list of various bank accounts maintained by Company along with their usages, type and closing balance as appearing in the books as of the reporting date. We reconciled the Bank balances to bank confirmations and items of reconciliation as appearing in the books of accounts. We have independently sought Bank Balance confirmation from the respective bank.

Cash in Hand and cash lying in the ATM owned and Operated by Company

We have conducted physical verification on the reporting date and have obtained the details of denomination of cash in hand verified. For cash lying in ATM machines owned and operated by Company, we have sought physical cash verification report conducted by management. We have also independently verified on sample basis during our audit period and the reconciliation has been carried out.

Term Deposit (Non-current and current)

We have obtained list of Fixed deposit opened by Company and lying in the Bank as on the reporting date. We have verified Balance appearing in the Books to the Bank Balance confirmation provided by management to us. We have also independently sought Fixed Deposit Bank Balance confirmation on the reporting date from the respective Banks. We have also verified interest income against these Fixed deposit booked by the Company with the statement of fixed deposit provided to us during the audit period.

We have independently sought from the Bank for the Fixed deposit which are lien against Bank guarantee and letter of credit provided to various government departments and vendors.

Our audit procedures included review of the classification of the cash, cash equivalent and other financial assets and any restriction on the use of the cash and cash equivalent.

3. Information Technology environment

We identified the information technology environment as an area of focus in our audit, since Vakrangee Limited are dependent on their technology structure, both for the processing of their operations, as well as for the reasonable preparation and presentation of their standalone financial statements.

The Company has technological infrastructure for its business activities, as well as ongoing plans for the improvement and maintenance of the access of the

management and change in the pertinent systems and applications, the development of new programs and automated controls and automated components in the relevant business processes. The Control to authorise, control restrict and cancel accesses to technology environment and programme changes are fundamental for mitigating the potential risk of fraud or error based on the misuse or improper change in the systems of the Company, thus ensuring the integrity of the financial information and accounting records.

The Company has an information technology structure which comprises more than one technology environment with different processes and segregated controls. The lack of suitability of the general technology control environment and its dependent controls could trigger incorrect processing of critical information for the preparation of the standalone financial statements.

Principal Audit Procedure

We evaluated and tested the design and operational effectiveness of the general controls of information system i.e. VKMS of the Company. Although our audit is not for the purpose of giving an opinion on effectiveness of the information technology controls, we reviewed the group's framework of governance of IT and the controls on the management of access to the data, the development of and changes in programs, generation of financial information and other useful data for review of analytical data.

The IT environment and the controls established by management combined with the testing of controls, including compensating controls, which we have applied, provide us reasonable basis for our reliance in the integrity and reliability of the information generated for the preparation of the Company's financial Statements.

4. Assessment of Credit Impairment loss of Financial Assets

The assessment of credit impairment loss is a Key Audit Matter as the Company applies Expected Credit Loss (ECL) model on the financial assets as defined in the significant accounting policies given under *Note 2 (B) (xi) (d)*. The value of financial assets on the balance sheet is significant and there is a high degree of complexity and judgement involved for the Company in estimating individual and collective credit impairment provisions against these assets.

The Company's models to calculate ECLs are the weighted average of credit losses with the respective risks of default occurring as the weights being inherently complex and judgement is applied in determining the correct construct of the models.

There are also a number of key assumptions made by the Company in applying the accounting standard requirements to the models, including the selection and input of forward-looking information.

The ECL model adopted by the management is based on their specific recoverability assessment on individual item with reference to the aging profile, historical payment pattern and the past record of default.

For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realisation of these assets, are required for the identification of impairment events and the determination of the impairment charge.

Principal Audit Procedure

We have performed the following procedures in relation to assessment of Credit Impairment loss of Financial Assets:

- Tested the accuracy of ageing of financial assets at year end based on the agreed terms of contract with respective party;
- Assessed the recoverability of the unsettled financial assets on a sample basis through our evaluation of management's assessment and latest correspondence with customers; and
- Evaluated the assumption used in ECL calculations under various stress scenarios and the process used by management for classification of trade receivables as given in *Note 6 & 12* of the Standalone financial statements.

We found the key judgements and assumptions used by management in the Credit Impairment loss assessment of financial assets to be supportable based on the available evidence.

5. Recognition and Measurement of Deferred Tax

The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of assets and liabilities in accordance with the respective local tax provisions and financial reporting in accordance with IND AS as well as the calculation of tax loss carry forwards. This requires the significant calculation on account of carry forwards of losses, Mat Credit entitlement and identification of temporary differences. Furthermore, the assessment of the ability to use deferred tax assets is based on the expectations of the management regarding the Company economic development, which is influenced by the current market environment, Co-venture support and the assessment of future market development (Domestic and Overseas) and thus requires the use of judgment.

Deferred Tax disclosed in Note 9 of the Standalone Financial Statement of Company for year ended include Deferred tax asset created on temporary differences of Rs 92.52 lacs. In light of this, the recognition and measurement of deferred taxes was a key audit matter.

Principal Audit Procedure

In assessing the recognition and measurement of deferred taxes for the Company, among other procedures, we analysed the underlying processes for the complete capture and measurement of deferred taxes and examined the controls implemented to prevent or detect and correct errors.

Current tax laws allow to carry forward unused tax loss for 8 assessment years and from the assessment year in which such tax loss was incurred.

During The Year, Taxation Laws (Amendment) Ordinance, 2019 promulgated by President of India which was published in Gazette of India in September 2019. The Ordinance has brought significance changes to Corporate Income Tax Rates. The Ordinance provides an option to domestic Companies to pay Income Tax at lower Rate (22%) instead of Normal Rate 30%.

We have been informed by the Company's Management, Company has exercised Option of Lower Tax rate for Financial Year 2019-20 i.e. Assessment Year 2020-21

We have referred Ind AS Technical Facilitation Group (ITFG –Formed by ICAI) Clarification given in Bulletin 23 regarding effect to lower tax rate as per ordinance while determining current tax and deferred tax asset or liabilities for the purpose of presenting financial statements as on March 31, 2020.

Para 46 and 47 of Ind AS 12, Income Taxes, State as follows:

Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

We examined on a sample basis the identification and quantification of differences between the recognition and measurement of assets and liabilities according to tax regulations and financial reporting pursuant to IND AS. We also reperformed the calculation of deferred taxes.

Since, Company has intended to opt for Lower Tax rate as per Ordinance, Company has given effect while determining the current tax and deferred tax asset or liabilities for the purpose of presenting financial statement for the year ending March 2020.

We have also focused on adequacy of the Company's disclosures on deferred income tax positions and assumption used.

Our audit procedures did not lead to any reservations regarding the recognition and measurement of deferred taxes.

Reference to related disclosures

The Company has provided information on the recognition and measurement of deferred taxes in the Note 9 of the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report, for example Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility

Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatement in the standalone financial statement that, individually or in aggregate, makes it probable that the economic decision of the reasonably knowledgeable user of the of the financial statement may be influenced. We considered quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the result of our work, and (ii) evaluate the effects of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matter communicated with those charge with governance, we determine those matters that were of most significance in audit of standalone financial statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that the matters should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over the financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

According to the information and explanations given to us, the Company paid remuneration amounting of 1411.43 lacs to its Executive Directors. As the Company did not have adequate profits in the financial year ended March 31, 2020, the remuneration paid in excess of limits specified under section 197 of Act read with Schedule V thereto, the Company has complied with statutory requirement prescribed to regularize such excess payments, including seeking approval of shareholders, as necessary.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 37 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amount, required to be transferred to the Investor Education and Protection Fund by the Company.

For **A. P. Sanzgiri & Co.**
Chartered Accountants
FRN: 116293W

Anil Agrawal
Partner
Membership No: 041396
UDIN: 20041396AAAAAC2527

Date: July 31, 2020
Place: Mumbai

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **VAKRANGEE LIMITED**)

i. FIXED ASSET

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a program of verification to cover all the item of fixed assets in a phased manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. Pursuant to program, certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firm, limited liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (“the Act”).

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of the Section 185 and 186 of the Act, in respect to the loans, making investment and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and therefore the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. STATUTORY DUES

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, employees’ state insurance, value added tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, employees’ state insurance, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no dues of duty of customs, goods and service tax and Income tax which have not been deposited with the appropriate authorities on account of any dispute.

viii. The Company has not taken any loans and borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations give to us, the Company paid remuneration amounting of Rs 1411.43 lacs to its Executive Directors. As the Company did not have adequate profits in the financial year ended March 31, 2020, the remuneration paid in excess of limits specified under section 197 of Act read with Schedule V thereto, the Company has complied with statutory requirement prescribed to regularize such excess payments, including seeking approval of shareholders, as necessary.

- xii.** In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.
- xiii.** According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Section 177 and 188 of the Companies Act, 2013 where applicable and the details of transactions with the related parties have been disclosed in the standalone financial statements as required by applicable Indian Accounting Standard.
- xiv.** According to the information and explanations given to us and based on our examination of the records of the

Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

- xv.** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi.** The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Date: July 31, 2020
Place: Mumbai

For **A. P. Sanzgiri & Co.**
Chartered Accountants
FRN: 116293W

Anil Agrawal
Partner
Membership No: 041396
UDIN: 20041396AAAAAC2527

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **VAKRANGEE LIMITED** of even date)

Report on the Internal Financial Controls over Financial Reporting with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of VAKRANGEE LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

Date: July 31, 2020
Place: Mumbai

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **A. P. Sanzgiri & Co.**
Chartered Accountants
FRN: 116293W

Anil Agrawal
Partner
Membership No: 041396
UDIN: 20041396AAAAAC2527

Balance Sheet

as at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020		As at March 31, 2019	
I ASSETS					
1 Non - Current Assets					
Property Plant and Equipment	4		14,934.48		14,280.16
Capital Work-in-Progress	4		461.82		1,336.31
Financial Assets					
(i) Investments	5	3,129.84		3,163.07	
(ii) Trade Receivables	6	-		-	
(iii) Loans	7	2,817.25		2,584.16	
(iv) Other Financial Assets	8	53.94	6,001.03	23.62	5,770.85
Deferred Tax Assets (net)	9		92.52		520.74
Other Non - Current Assets	10		62,472.21		1,205.14
Total Non-current Assets			83,962.06		23,113.20
2 Current Assets					
Inventories	11		781.38		410.67
Financial Assets					
(ii) Trade Receivables	12	1,32,849.52		1,28,220.73	
(iii) Cash and Cash equivalents	13	1,243.61		2,081.48	
(iv) Bank Balances other than (iii) above	13	16,169.30		1,11,413.63	
(v) Loans	14	20.16		16.61	
(vi) Other Financial Assets	15	466.28	1,50,748.87	3,109.34	2,44,841.79
Current Tax Assets (Net)	16		1,119.72		132.51
Other Current Assets	17		42,276.58		895.69
Total Current Assets			1,94,926.55		2,46,280.66
TOTAL			2,78,888.61		2,69,393.86
II EQUITY AND LIABILITIES					
1 Equity					
Equity Share Capital	18		10,594.06		10,588.03
Other Equity	19		2,50,859.44		2,48,066.91
Total Equity			2,61,453.50		2,58,654.94
2 Liabilities					
i Non - Current Liabilities					
Financial Liabilities					
(i) Trade Payables	20				
- Dues of micro enterprises and small enterprises			-		-
- Dues of Creditors other than micro enterprises and small enterprises			291.35		342.16
(ii) Other Financial Liabilities	21	39.26	330.61	38.42	380.58
Employee Benefit Obligations	22		337.74		189.29
Total Non-Current Liabilities			668.35		569.87
ii Current Liabilities					
Financial Liabilities					
(i) Borrowings			-		-
(ii) Trade Payables	23				
- Dues of micro enterprises and small enterprises			101.56		26.05
- Dues of Creditors other than micro enterprises and small enterprises			6,169.56		2,712.74
(iii) Other Financial Liabilities	24	3,439.61	9,710.73	4,461.30	7,200.09
Other Current Liabilities	25		5,630.47		2,584.85
Provisions	26		696.61		362.43
Employee Benefit Obligations	27		24.72		21.68
Current Tax Liabilities	28		704.23		-
Total Current Liabilities			16,766.76		10,169.05
Total Liabilities (i + ii)			17,435.11		10,738.92
TOTAL			2,78,888.61		2,69,393.86
Significant Accounting Policies and Notes forming part of the Standalone Financial Statements.	1-46				

As per our report of even date
For A. P. Sanzgiri & Co.
 Chartered Accountants
 Firm's Registration No. : 116293W

For and on behalf of the Board of Directors

Ramesh Joshi
 Chairman
 DIN : 00002683

Dinesh Nandwana
 MD & Group CEO
 DIN : 00062532

Dr. Nishikant Hayatnagarkar
 Whole-time Director
 DIN : 00062638

Anil Agarwal
 Partner
 Membership No.: 041396

Subhash Singhania
 Chief Financial Officer

Mehul Raval
 Company Secretary

Place : Mumbai
 Date : July 31, 2020

Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Income			
Revenue from Operations	29	62,335.23	144,977.39
Other Income	30	7,599.58	7,813.29
Total Income		69,934.81	152,790.68
II Expenses			
Operating Expenses	31	48,498.23	132,761.43
Purchase of Stock-in-Trade		2,563.91	2,338.77
Changes in Inventories	32	(425.63)	1,002.97
Employee Benefits Expense	33	7,382.81	9,212.34
Finance Costs		-	-
Depreciation and Amortization Expense	4	1,470.04	870.98
Impairment Loss	4	16.00	-
Other Expenses	34	2,762.10	2,571.85
Total Expenses		62,267.46	148,758.34
III Profit Before Tax and exceptional Items		7,667.35	4,032.34
IV Exceptional Items	35	503.41	177.40
V Profit Before Tax		8,170.76	4,209.74
VI Tax Expense:			
(a) Current Tax		1,296.35	1,655.34
(b) Deferred Tax		422.03	536.46
		1,718.38	2,191.80
VII Profit for the year		6,452.38	2,017.94
VIII Other Comprehensive Income			
Items that will be reclassified subsequently to profit and loss			
i) Exchange difference on translation of foreign exchange		-	-
Items that will not be reclassified subsequently to profit and loss			
i) Fair value gain on financial instruments at fair value through OCI		-	-
ii) Remeasurement of net defined benefit obligations (net of taxes)		18.42	(58.46)
Other Comprehensive Income (net of tax)		18.42	(58.46)
Total Comprehensive Income for the period		6,470.80	1,959.48
IX Weighted Average No. of equity shares for computing EPS (in lakhs)	36		
(1) Basic		10,593.51	10,588.03
(2) Diluted		10,606.65	10,621.18
X Earnings Per Equity Share (Face Value ₹ 1/- Per Share):	36		
(1) Basic (₹)		0.61	0.19
(2) Diluted (₹)		0.61	0.19
Significant Accounting Policies and Notes forming part of the Standalone Financial Statements.	1-46		

As per our report of even date

For A. P. Sanzgiri & Co.

Chartered Accountants

Firm's Registration No. : 116293W

Anil Agarwal

Partner

Membership No.: 041396

Place : Mumbai

Date : July 31, 2020

For and on behalf of the Board of Directors

Ramesh Joshi

Chairman

DIN : 00002683

Dinesh Nandwana

MD & Group CEO

DIN : 00062532

Dr. Nishikant Hayatnagar

Whole-time Director

DIN : 00062638

Subhash Singhania

Chief Financial Officer

Mehul Raval

Company Secretary

Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

S. No	Particulars	For the year ended March 31 2020	For the year ended March 31, 2019
I	Cash flow from operating activities		
	Profit before tax from continuing operations	8,170.76	4,209.74
	Profit before tax	8,170.76	4,209.74
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	1,470.04	870.98
	Impairment of Property, Plant and Equipment	16.00	-
	Employee share based payment expenses	(663.57)	1,661.42
	Net foreign exchange differences	0.16	(217.16)
	Allowance for credit losses	3.44	(170.31)
	Fair value gain on financial instrument at fair value through Profit and loss	-	(62.42)
	Remeasurement of defined benefit obligations	24.61	(54.11)
	Gain on disposal of property, plant and equipment	(503.41)	(177.40)
	Finance costs	-	-
	Interest income	(7,369.30)	(7,527.05)
	Dividend income	(1.50)	(1.83)
	Operating profit before working capital changes	1,147.23	(1,468.14)
	Movements in assets and liabilities :		
	Decrease / (increase) in inventories	(370.71)	1,303.96
	Decrease / (increase) in trade receivables	(4,632.23)	(389.59)
	Decrease / (increase) in loans and other financial assets	96,599.59	(36,977.45)
	Decrease / (increase) in other current assets	(41,380.89)	2,328.38
	Decrease / (increase) in other non-current assets	(61,885.21)	23.30
	Increase / (decrease) in trade payables	3,481.52	(30,764.22)
	Increase / (decrease) in employee benefit obligations	151.49	(159.14)
	Increase / (decrease) in provisions	334.18	110.62
	Increase / (decrease) in other current liabilities	3,045.62	(1,055.33)
	Cash generated from operations	(3,509.41)	(67,047.61)
	Income taxes paid (net of refunds)	(961.18)	(1,967.27)
	Net cash flow generated from operating activities (A)	(4,470.59)	(69,014.88)
II	Cash flow from investing activities		
	Purchase of property, plant and equipment	(2,150.02)	(7,236.82)
	Proceeds from sale of property, plant and equipment	1,387.55	217.67
	Purchase of investments	-	-
	Proceeds from sale of investments	33.23	2,594.84
	Investment in subsidiaries	-	-
	Loans of subsidiaries	-	938.21
	Interest received	7,369.30	7,527.05
	Dividends received	1.50	1.83
	Net cash flow generated from / (used in) investing activities (B)	6,641.56	4,042.78

(₹ in Lakhs)

S. No	Particulars	For the year ended March 31 2020	For the year ended March 31, 2019
III	Cash flow from financing activities		
	Proceeds from issue of shares	6.03	-
	Proceeds towards securities premium on issue of shares	178.22	-
	Repayment of borrowings	-	-
	Interest paid	-	-
	Dividends paid to company's shareholders	(2,648.51)	(2,647.01)
	Dividend Distribution Tax paid	(544.41)	(544.10)
	Net cash flow (used in) in financing activities (C)	(3,008.67)	(3,191.11)
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	(837.70)	(68,163.21)
	Effects of exchange rate changes on cash and cash equivalents	(0.17)	(0.00)
	Cash and cash equivalents at the beginning of the year	2,081.48	70,244.69
	Cash and cash equivalents at the end of the year	1,243.61	2,081.48

As per our report of even date

For A. P. Sanzgiri & Co.

Chartered Accountants

Firm's Registration No. : 116293W**Anil Agarwal**

Partner

Membership No.: 041396

Place : Mumbai

Date : July 31, 2020

For and on behalf of the Board of Directors**Ramesh Joshi**

Chairman

DIN : 00002683

Dinesh Nandwana

MD & Group CEO

DIN : 00062532

Dr. Nishikant Hayatnagarkar

Whole-time Director

DIN : 00062638

Subhash Singhania

Chief Financial Officer

Mehul Raval

Company Secretary

Statement of changes in equity

for the year ended March 31, 2020

(Amount in ₹ lakhs)

Particulars	Equity Share Capital	Other Equity						Total equity attributable to equity holders of the Company
		Reserves and surplus			Other Comprehensive Income			
		Securities premium	Retained earnings	General Reserve	Share Options Outstanding Account	Equity instruments through other comprehensive income	Other items of other comprehensive income	
Balance as at March 31, 2018	10,588.03	42,318.52	194,693.38	11,641.84	2,132.17	(3,086.34)	(62.45)	258,225.15
Increase in share capital on account of conversion of ESOPs	-	-	-	-	-	-	-	-
Amount received on shares issued during the year	-	-	-	-	-	-	-	-
Transferred from Share Options Outstanding Account	-	-	-	-	-	-	-	-
Profit for the year	-	-	2,017.94	-	-	-	-	2,017.94
Dividends (including dividend distribution tax)	-	-	(3,191.11)	-	-	-	-	(3,191.11)
Transfer to General Reserve	-	-	(6,626.21)	6,626.21	-	-	-	-
Share-based payments (net)	-	-	-	-	1,661.42	-	-	1,661.42
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	(58.46)	(58.46)
Balance as at March 31, 2019	10,588.03	42,318.52	186,894.00	18,268.05	3,793.59	(3,086.34)	(120.91)	258,654.94
Increase in share capital on account of conversion of ESOPs	6.03	-	-	-	-	-	-	6.03
Amount received on shares issued during the year	-	178.22	-	-	-	-	-	178.22
Transferred from Share Options Outstanding Account	-	250.10	-	-	(250.10)	-	-	-
Profit for the year	-	-	6,452.38	-	-	-	-	6,452.38
Dividends (including dividend distribution tax)	-	-	(3,192.92)	-	-	-	-	(3,192.92)
Transfer to General Reserve	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	(663.57)	-	-	(663.57)
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	18.42	18.42
Balance as at March 31, 2020	10,594.06	42,746.84	190,153.46	18,268.05	2,879.92	(3,086.34)	(102.49)	261,453.50
Significant Accounting Policies and Notes forming part of the Standalone Financial Statements 1-46								

As per our report of even date

For A. P. Sanzgiri & Co.

Chartered Accountants

Firm's Registration No. : 116293W

Anil Agarwal

Partner

Membership No.: 041396

Place : Mumbai

Date : July 31, 2020

For and on behalf of the Board of Directors

Ramesh Joshi

Chairman

DIN : 00002683

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Dr. Nishikant Hayatnagarkar

Whole-time Director

DIN : 00062638

Subhash Singhania

Chief Financial Officer

Mehul Raval

Company Secretary

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 1 - Corporate Information

Vakrangee Limited (hereinafter referred to as "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 'Vakrangee Corporate House', Plot No. 93, Road No. 16, M.I.D.C., Andheri (East), Mumbai – 400 093, Maharashtra, India. The Company's shares are listed on two stock exchanges in India- the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

The Company is engaged in providing diverse solutions, activities in E-governance, E-commerce, White Label ATM, Financial Services (Including Banking) and Logistics sector, including bullion and jewellery, through its Vakrangee Kendra (on B2B and B2C basis) with special competencies in handling massive, multi-state, and e-governance enrollment projects, data digitization, software and license.

The financial statements were authorized for issue by the Company's Board of Directors on July 31, 2020.

Note 2 - Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies have been consistently applied by the Company unless otherwise stated or where a newly issued accounting standard is initially adopted.

A. Basis of preparation

i. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as "Ind AS") under the provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

ii. Basis of preparation

The financial statements have been prepared on historical cost basis except the following assets and liabilities which have been measured at fair value amount:

- certain financial assets and liabilities (including derivative instruments)
- defined benefit plans- plan assets; and
- Equity-settled Share Based Payments

The Financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded off to Lakhs, except when otherwise indicated.

B. Summary of significant accounting policies

i. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current /non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and services offered by the Company, operating cycle determined is 12 months for the purpose of current and non-current classification of assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents,

ii. Segment Reporting

The company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses have been identified to segments on the

basis of their relationship to the operating activities of the segment.

iii. Foreign Currencies

Transaction and balances

Transactions in foreign currencies are initially recorded by the company in their functional currency at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency using rate of exchange prevailing on the balance sheet date.

Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit or loss except where:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Effective 1st April, 2018, the Company has adopted Appendix B to the Ind-AS 21-foreign currency transaction and advance consideration, which clarify the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related assets, expenses or income when an entity has received or paid advance consideration in foreign currency. The effect on account of adoption of this amendment was insignificant.

iv. Revenue recognition

The Company derives revenue primarily from activities in BFSI and ATM Services (ATM, Insurance Services and Banking & financial services), Assisted E-Commerce Service (Online shopping, Pharmacy, Bill payment and recharge, logistics) including bullion and jewellery, through its Vakrangee Kendra (on B2B and B2C basis) with special competencies in handling massive, multi-state, and e-governance enrolment projects, data digitization, software and license.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" notified on March 28, 2018. This standard will supersede all current revenue recognition requirements. The Company has decided to use the modified retrospective approach for transition method, applied to contracts that were not completed as of April 1, 2018. Please refer Note 2(B)(iv) "Significant Accounting Policies," in the Company's 2018 standalone financial statement for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangement for software-related services are either on a fixed price, fixed-timeframe or on a time-and material basis.

Revenue from software usages and license where the customer obtains a "right to use" the revenue from software and license is recognised at the time the software and license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognised over the access period.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet

Revenue from sale of goods and services is shown as net of sales tax, value added tax, service tax, goods and services tax and applicable discounts and allowances.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Insurance claims

Insurance claims are accounted for based on claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

v. Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replaced part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in

accordance with the company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the company recognizes such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight- line method ("SLM"). Management, based on a technical evaluation, believes that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Useful lives
Buildings	60 years
Computers and Printers, including Computer Peripherals	3 years
Office Equipments	5 years
Furniture & Fixtures	10 years
Motor Vehicles	8 years
Plant & Machinery	15 years
ATM Machine	10 years
Leasehold Land and Building, including leasehold improvements (Also refer Note 4)	51 years
Project Assets (comprising of Computers and Printers, including Computer Peripherals, Furniture and Fixtures and Office Equipments)	3-4 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

vi. Intangible Asset

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over license period which equates the useful life ranging between 2-5 years on a straight-line basis.

vii. Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively.

Current taxes

Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences

to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised either in other comprehensive income or in equity.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

viii. Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accounting policy for fair

value. Other fair value related disclosures are given in the relevant notes.

ix. Investment property

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management expert.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

x. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-

tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it is carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

xi. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

Debt Instruments at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

Debt instrument at Fair Value through Other Comprehensive Income (OCI)

A financial asset is subsequently measured at fair value through other comprehensive

income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment gains or losses and foreign exchange gains and losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

Debt instrument at Fair Value through Profit or Loss (FVTPL)

A financial asset which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income is classified as fair value through profit or loss. Debt instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Dividends from such investments are recognized in profit or loss as other income. There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiaries is carried at cost less impairment in the financial statements.

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group

of similar financial assets) is primarily derecognised (i.e. removed from the company balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

d) Impairment of financial assets

The Company recognises impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or another financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to

12 months expected credit losses.

For trade receivables or any contractual right to receive cash or other financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company

has not designated any financial liability as at fair value through profit and loss.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is

reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xii. Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

xiii. Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts.

The Company assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the

cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

xiv. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

xv. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xvi. Dividends

Provision is made for any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

xvii. Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

xviii. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

xix. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equities shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

xx. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xxi. Employee Benefits**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other Long-term employee benefit obligations

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related service are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in Other comprehensive income.

The obligations are presented as current in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- I. Defined benefit plans such as gratuity
- II. Defined contribution plans such as provident fund.

Defined benefit plan - Gratuity Obligations

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows outflows by reference to market yields at the end of the reporting period on government bonds that have a term approximating to the terms of the obligation.

The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

xxii. Share-based Payments

Shared based compensation benefits are provided to employees via Vakrangee Limited Employee Stock Option Plan.

Employee options

The cost of equity-settled transactions is determined by the fair value of the options granted at the date when the grant is made. The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the Company's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employee to save or holding shares for a specific period of time.

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to be vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Note 3 (a) - Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made by the management of the Company that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associate's assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

- **Share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 45.

- **Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 43.

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is

measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 47 for further disclosures.

- **Depreciation and useful lives of Property, Plant and Equipment**

Property, Plant and Equipment are depreciated over the estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and taken into account anticipated technological changes. The depreciation for future periods is revised if there are significant changes from previous estimates.

- **Provision and Contingent Liabilities**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Note 4 - Property, Plant and Equipment

(a) Description	Buildings	Plant and Machinery	Furnitures and Fixtures	Motor Vehicle	Office Equipments	Computers including Computer Peripherals	Leasehold Land & Building	Leasehold Improvement	Total	Capital Work-In-Progress	Grand Total
Cost or Valuation											
At March 31, 2018	1,972.97	2,884.69	602.49	146.77	494.90	2,086.23	3,150.30	1,052.63	12,390.98	315.45	12,706.43
Additions	69.72	5,399.31	13.49	-	53.41	373.81	34.94	271.28	6,215.96	6,628.06	12,844.02
Disposals/Transfers	39.70	-	-	-	0.45	-	-	-	40.15	5,607.20	5,647.35
At March 31, 2019	2,002.99	8,284.00	615.98	146.77	547.86	2,460.04	3,185.24	1,323.91	18,566.79	1,336.31	19,903.10
Additions	478.57	2,343.96	37.16	-	40.29	90.06	-	34.46	3,024.51	2,057.80	5,082.31
Disposals/Transfers	722.98	-	87.04	-	92.46	858.43	-	295.00	2,055.90	2,932.29	4,988.19
At March 31, 2020	1,758.58	10,627.96	566.11	146.77	495.69	1,691.67	3,185.24	1,063.38	19,535.39	461.82	19,997.21
Depreciation and Impairment											
At March 31, 2018	192.51	1,016.52	339.77	38.08	137.89	1,685.80	4.98	8.49	3,424.04	-	3,424.04
Depreciation charged for the year	33.10	369.18	38.96	16.62	70.76	165.54	59.06	117.65	870.87	-	870.87
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-
Disposals/Transfers	8.16	-	-	-	0.12	-	-	-	8.28	-	8.28
At March 31, 2019	217.45	1,385.70	378.73	54.70	208.53	1,851.34	64.04	126.14	4,286.63	-	4,286.63
Depreciation charged for the year	37.09	886.77	39.97	16.65	79.04	238.04	59.50	112.98	1,470.04	-	1,470.04
Impairment during the year	-	16.00	-	-	-	-	-	-	16.00	-	16.00
Disposals/Transfers	165.39	-	82.89	-	78.93	844.55	-	-	1,171.76	-	1,171.76
At March 31, 2020	89.15	2,288.47	335.81	71.35	208.64	1,244.83	123.55	239.12	4,600.91	-	4,600.91
Net Book Value											
At March 31, 2020	1,669.43	8,339.48	230.30	75.42	287.06	446.84	3,061.69	824.26	14,934.48	461.82	15,396.30
At March 31, 2019	1,785.54	6,898.30	237.25	92.07	339.33	608.70	3,121.20	1,197.77	14,280.16	1,336.31	15,616.47

(b) **Impairment of Assets :** Impairment loss mainly pertains to one high speed printer categorised under Plant & Machinery. Based on technical valuation, the recoverable amount is less than the carrying value of the asset.

(c) **Change in Estimate :** During the previous year, the management has analysed the remaining useful life of assets and based on technical valuation of one class of Property, Plant and Equipment viz. ATM, life expectation has been changed from previous estimates. The change in life expectation has been accounted as per Para 38 of Ind-AS 8, Accounting Policies, Change in Estimates and Errors.

(d) **Finance Lease arrangement (Leasehold Land and Building)**

The net carrying amount of Property, Plant and Equipment under finance lease arrangements are as follows:

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Leasehold Land & Building	3,061.69	3,121.20

During the year ended on March 31, 2018, the company has entered into a long term finance lease arrangement for a land and building situated at Plot No.93, Road No.16, MIDC, Marol, Andheri (East) Mumbai 400093 for the remaining period of 51 years out of the total lease term of 95 years in consideration of a lump sum premium amounting to ₹ 3,000.00 lakhs. In consideration of the provisions of Ind AS 17 - Leases, the leasehold land and building have been assessed for classification as finance lease based on the evaluation of the facts and circumstances of the lease arrangement. The lease arrangement does not contain any clause for renewal or escalation.

Consideration paid shall be equally amortized over the period of leases and the company is not subject to any other future minimum lease rental commitments.

Note 5 - Investments
(Non - Current)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Unquoted		
Investment carried at Cost		
- Investments in Equity Instruments of Subsidiaries		
96,000 Equity Shares of Vakrangee e-Solutions Inc., Philippines of Peso 100/- each fully paid up (March 31, 2019 : 96,000 Equity shares)	96.00	96.00
1,20,00,000 Equity Shares of Vakrangee Logistics Private Limited of ₹ 10/- each fully paid up (March 31, 2019 : 1,20,00,000 Equity shares)	1,200.00	1,200.00
1,50,00,000 Equity Shares of Vakrangee Finserve Limited of ₹ 10/- each fully paid up (March 31, 2019 : 1,50,00,000 Equity shares)	1,500.00	1,500.00
(A)	2,796.00	2,796.00
Investment carried at Fair value through Profit and Loss (FVTPL)		
- In Equity Shares		
2,500 Equity Shares of CSC e-Governance Services India Limited of ₹ 1000/- each fully paid up (March 31, 2019 : 2,500 Equity shares)	126.94	126.94
(B)	126.94	126.94
(b) Quoted		
Investment carried at Fair value through Profit and Loss (FVTPL)		
Investments in Mutual Funds		
24,9375 units of Aditya Birla Real Estate Fund - I of ₹ 1,00,000/- each partly paid up ₹ 60,000/- per unit (March 31, 2019 : ₹ 60,000/- per unit, 24,9375 units)	-	10.26
1,20,000 units of Union Capital Protection Oriented Fund Series 7 (March 31, 2019 : 1,20,000 units)	-	13.77
20,00,000 units of Union Capital Protection Oriented Fund Series 8 (March 31, 2019 : 20,00,000 units)	206.90	216.10
(C)	206.90	240.13
TOTAL (A + B + C)	3,129.84	3,163.07
Aggregate amount of quoted investments	206.90	240.13
Aggregate market value of quoted investments	206.90	240.13
Aggregate amount of unquoted investments	2,922.94	2,922.94

Investment at fair value through profit and loss reflect investment in quoted and unquoted equity securities and quoted mutual fund units.

The strategic investments in subsidiaries have been taken at cost.

The fair value of the unquoted equity shares have been estimated using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable.

The fair value of quoted mutual fund units are based on quoted net asset value at the reporting date.

Note 6 - Trade Receivables
(Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	-	-
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivable - credit impaired	337.33	324.28
	337.33	324.28
Less: Allowance for credit losses	337.33	324.28
TOTAL	-	-

Note 7 - Loans
(Non - Current)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Loans Receivable considered good (Secured)	-	-
(ii) Loans Receivable considered good (Unsecured)		
(a) Loan to Others		
Security Deposit	51.62	43.28
Earnest Money Deposit	41.10	41.00
(b) Loan to Related Parties		
Dues from subsidiaries	2,724.53	2,499.88
	2,817.25	2,584.16
(iii) Loans Receivable which have significant increase in Credit Risk	-	-
(iv) Loans Receivable - credit impaired	-	-
	2,817.25	2,584.16

Note 8 - Other Financial Assets
(Non - Current)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits with bank		
- with maturity period of more than 12 months *	53.94	23.62
TOTAL	53.94	23.62
* Amount held as margin money or security against borrowings, guarantee, other commitments	53.40	23.08

Note 9 - Deferred Tax Assets (net)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Assets		
(i) On account of difference in depreciation on Property, Plant and Equipment	-	262.08
(ii) Provision for Employees' obligations	85.03	73.72
(iii) On account of Expected Credit Losses	134.07	184.94
(A)	219.10	520.74
Liabilities		
(i) On account of difference in depreciation on Property, Plant and Equipment	126.58	-
(B)	126.58	-
Balance carried to Balance Sheet (A - B)	92.52	520.74

(a) Movement in deferred tax account during the year is as follows:

(₹ in Lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance
For the year ended March 31, 2020:				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	262.08	(388.66)	-	(126.58)
Expenses provided but allowable in Income Tax on payment	73.72	17.50	(6.19)	85.03
Allowance for expected credit losses	184.94	(50.87)	-	134.07
	520.74	(422.03)	(6.19)	92.52
Others	-	-	-	-
	-	-	-	-
TOTAL	520.74	(422.03)	(6.19)	92.52
For the year ended March 31, 2019 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	680.58	(418.50)	-	262.08
Expenses provided but allowable in Income Tax on payment	136.53	(58.45)	(4.36)	73.72
Allowance for expected credit losses	244.46	(59.52)	-	184.94
	1,061.57	(536.47)	(4.36)	520.74
Others	-	-	-	-
	-	-	-	-
TOTAL	1,061.57	(536.47)	(4.36)	520.74

The analysis of Deferred Tax Assets is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets to be recovered after more than 12 months	-	276.47
Deferred Tax Assets to be recovered within 12 months	92.52	244.27
	92.52	520.74

(b) Explanation of changes in the applicable tax rate(s) compared to the previous accounting period

Particulars	As at March 31, 2020	As at March 31, 2019
Applicable Tax rate considered for deferred tax asset or liability	25.17%	34.94%

The applicable tax rates have been changed on the basis of using the tax rates that have been enacted as at the end of the each reporting period. In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives including loss of the accumulated MAT Credit. Since the Company does not have any unutilised MAT credit / unabsorbed depreciation losses, it has exercised this option for current period and accordingly recognized the taxes on income for the quarter and year ended March 31, 2020 as per the new provisions.

**Note 10 - Other Non-Current Assets
(Non - Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	61,950.00	-
Prepaid Expenses	0.87	1.85
Balances with statutory / revenue authorities		
- Income Tax (net of provision for taxation)	511.53	1,129.67
- Sales Tax	9.81	11.91
- Service Tax	-	61.71
	521.34	1,203.29
TOTAL	62,472.21	1,205.14

Note 11 - Inventories

(₹ in Lakhs)

(a) Particulars	As at March 31, 2020	As at March 31, 2019
Stock-in-Trade	766.44	393.09
Consumables	4.85	9.27
Stores & Spares	10.09	8.31
TOTAL	781.38	410.67

(b) Basis of valuation of Inventories

Inventories are valued at lower of cost or net realizable value on FIFO basis which is in accordance with Ind AS-2.

Note 12 - Trade Receivables**(Current)**

(₹ in Lakhs)

(a) Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	1,32,745.79	1,27,953.81
Trade Receivable which have significant increase in Credit Risk	299.09	471.89
Trade Receivable - credit impaired	-	-
	1,33,044.88	1,28,425.70
Less: Allowance for credit Losses	195.36	204.97
TOTAL	1,32,849.52	1,28,220.73

(b) Debts due from related parties

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Subsidiaries	6.93	388.80
TOTAL	6.93	388.80

Note 13 - Cash and Cash equivalents and Other Bank Balances

(₹ in Lakhs)

(a) Particulars	As at March 31, 2020	As at March 31, 2019
(A) Cash and Cash Equivalents		
(i) Balances with Banks :		
- Current Accounts	1,044.60	1,874.43
- Deposit Accounts	-	-
(ii) Cash-in-hand	199.01	207.05
TOTAL	1,243.61	2,081.48
(B) Bank Balances other than above		
(i) Earmarked balances in unclaimed dividend account	89.61	86.66
(ii) Fixed Deposits with maturity period of more than 3 months but less than 12 months **	16,079.69	1,11,326.97
TOTAL	16,169.30	1,11,413.63
** Amount held as margin money or security against borrowings, guarantee, other commitments	670.49	1,333.15

(b) For the purpose of cash flow statement

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Cash & Cash Equivalents		
(i) Balances with Banks :		
- Current Accounts	1,044.60	1,874.43
- Deposit Accounts	-	-
(ii) Cash-in-hand	199.01	207.05
	1,243.61	2,081.48
Less : - Cash Credit	-	-
TOTAL	1,243.61	2,081.48

Note 14 - Loans

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Loans Receivable considered good (Secured)	-	-
(ii) Loans Receivable considered good (Unsecured)		
(a) Loan to Others		
Security Deposit	16.13	15.72
Staff Advances	4.03	0.89
	20.16	16.61
(iii) Loans Receivable which have significant increase in Credit Risk	-	-
(iv) Loans Receivable - credit impaired	-	-
TOTAL	20.16	16.61

Note 15 - Other Financial Assets**(Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Insurance claim Receivable	11.71	10.04
Accrued Interest on FD	0.29	582.78
ATM Settlement Receivable	454.28	2,516.52
	466.28	3,109.34
TOTAL	466.28	3,109.34

Note 16 - Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax (net of provision for taxation)	1,119.72	132.51
TOTAL	1,119.72	132.51

Note 17 - Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances to Vendors	33,950.66	289.32
Prepaid Expenses	103.72	178.09
Other Receivable		
- Accrued Revenue	7,334.04	28.18
- Fund with LIC (Group Gratuity)	-	10.65
	7,334.04	38.83
Balances with statutory / revenue authorities		
- Goods & Service Tax	888.16	389.45
TOTAL	42,276.58	895.69

Note 18 - Equity Share Capital**Equity share capital****(i) Authorised share capital**

(₹ in Lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2019	12,500.00	12,500.00
Increase during the year	-	-
As at March 31, 2020	12,500.00	12,500.00

(ii) Paid up Equity share capital

(₹ in Lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2018	10,588.03	10,588.03
Exercise of options	-	-
As at March 31, 2019	10,588.03	10,588.03
Exercise of options	6.03	6.03
As at March 31, 2020	10,594.06	10,594.06

(iii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
Vakrangee Holdings Private Limited	2,509.50	23.69%	2,509.50	23.70%
NJD Capital Private Limited	1,311.00	12.37%	1,311.00	12.38%
Life Insurance Corporation of India	659.30	6.22%	671.30	6.34%
Dinesh Nandwana	691.07	6.52%	597.34	5.64%

(iv) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2020, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 0.25/- per share of ₹ 1/- each for the year ended March 31, 2019.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(v) Aggregate details for five immediately previous reporting periods for each class of shares

(No. of shares in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
- No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- No. of shares allotted as fully paid by way of Bonus Shares	5,294.02	5,294.02
- No. of shares bought back	-	-
- No. of shares issued on exercise of options granted under the ESOP scheme.	15.22	9.19

(vi) Capital Management

The Company's objectives when managing capital are to :

- (i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet, including non-controlling interests).

The Company's strategy is to maintain a gearing ratio within 1:1. The gearing ratios were as follows :

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Net debt	-	-
Total equity	2,61,453.50	2,58,654.94
Net debt to equity ratio	-	-

Note 19 - Other Equity

(i) Reserves and surplus

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium	42,746.84	42,318.52
Share Options Outstanding Account	5,950.10	11,025.85
Deferred Employee Compensation Expense	(3,070.18)	(7,232.25)
General Reserve	18,268.05	18,268.05
Surplus in Statement of Profit and Loss	1,90,153.46	1,86,894.00
Total (A)	2,54,048.27	2,51,274.17

(a) Securities Premium

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	42,318.52	42,318.52
Add:- On share issued during the year	178.22	-
Add:- Transfer from shares options outstanding account	250.10	-
Closing balance	42,746.84	42,318.52

(b) Share Options Outstanding Account

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	11,025.85	9,442.83
Add:- On further grant of options	495.65	3,551.57
Less:- Reversal due to Lapsation of option	(5,321.30)	(1,968.55)
Less: Transfer to Securities premium account	(250.10)	-
Closing balance	5,950.10	11,025.85

(c) Deferred Employee Compensation Expense

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	(7,232.25)	(7,310.65)
Add:- On further grant of options	(495.65)	(3,551.57)
Less:- Reversal due to Lapsation of option	2,398.78	1,551.53
Less:- Amortised during the year	2,258.94	2,078.44
Closing balance	(3,070.18)	(7,232.25)

(d) General Reserve

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	18,268.05	11,641.84
Add:- Transfer from Profit and Loss account	-	6,626.21
Closing balance	18,268.05	18,268.05

(e) Surplus in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	1,86,894.00	1,94,693.38
Add:- Profit for the year	6,452.38	2,017.94
Less:- Transfer to General Reserve	-	(6,626.21)
Less:- Dividend declared and paid	(2,648.51)	(2,647.01)
Less:- Dividend distribution tax	(544.41)	(544.10)
Closing balance	1,90,153.46	1,86,894.00

(ii) Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	(3,207.25)	(3,148.79)
Remeasurement of net defined benefit obligations (net of taxes)	18.42	(58.46)
Closing balance	(3,188.83)	(3,207.25)
Total (A+B)	2,50,859.44	2,48,066.91

Nature of reserves

(a) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

(b) General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, Items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Note 20 - Trade Payables**(Non - Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Principal	Interest	Principal	Interest
- Dues of micro enterprises and small enterprises				
Amount due to vendor	-	-	-	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	-	-	-	-
Total Dues of micro enterprises and small enterprises		-		-
- Dues of Creditors other than micro enterprises and small enterprises		291.35		342.16
TOTAL		291.35		342.16

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by Management.

Note 21 - Other Financial Liabilities**(Non - Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposit	39.26	38.42
TOTAL	39.26	38.42

**Note 22 - Employee Benefit Obligations
(Non - Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employees' benefits	337.74	189.29
TOTAL	337.74	189.29

**Note 23 - Trade Payables
(Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Principal	Interest	Principal	Interest
- Dues of micro enterprises and small enterprises				
Amount due to vendor	101.56	-	26.05	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	101.56	-	26.05	-
Total Dues of micro enterprises and small enterprises		101.56		26.05
- Dues of Creditors other than micro enterprises and small enterprises		6,169.56		2,712.74
TOTAL		6,271.12		2,738.79

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by Management.

Note 24 - Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Payable to Franchisee under WLA	2,794.30	3,239.25
Payable for acquisition of Property, Plant & Equipments	555.70	1,135.39
Unpaid Dividend	89.61	86.66
TOTAL	3,439.61	4,461.30

Note 25 - Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	1,043.52	289.29
Advance from customers	2,088.32	329.30
Kendra money received pending allotment	1,453.50	1,137.36

STANDALONE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Franchisee Wallet Balance	386.64	541.55
Staff Emoluments Payable	658.49	287.35
TOTAL	5,630.47	2,584.85

Note 26 - Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Expenses for Goods & services	696.61	362.43
TOTAL	696.61	362.43

**Note 27 - Employee Benefit Obligations
(Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employees' benefits	24.72	21.68
TOTAL	24.72	21.68

Note 28 - Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax (net of provision for taxation)	704.23	-
TOTAL	704.23	-

Note 29 - Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Revenue from vakrangee kendra, including e-governance activities	51,911.87	1,35,221.04
(b) Revenue from Sale of Products		
- Computer consumables & peripherals	2,261.09	3,755.27
	2,261.09	3,755.27
(c) Revenue from Sale of Services		
- Information Technology-enabled Services (ITeS)	7,864.45	5,512.95
	7,864.45	5,512.95

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(d) Other Operating Revenues		
- Kit Transportation charge	263.49	487.53
- Scrap Sales	34.33	0.60
	297.82	488.13
TOTAL	62,335.23	1,44,977.39

Note:- The amount of revenues are exclusive of indirect taxes i.e. Goods and Service Tax

Note 30 - Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Interest Income		
(a) Interest Income on the financial assets at amortized cost		
- Bank Deposits	5,624.96	7,489.15
(b) Other Interest Income	1,744.34	37.90
	7,369.30	7,527.05
(ii) Dividend income	1.50	1.83
(iii) Other non-operating income		
- Rent Received	3.12	4.92
- Gain on Sale of Asset	0.46	-
- Gain on Foreign Exchange Fluctuation	224.81	217.00
- Fair value gain on financial instrument at fair value through Profit and loss*	-	62.42
- Miscellaneous Income	0.39	0.07
	228.78	284.41
TOTAL	7,599.58	7,813.29

*Total Fair value gain on financial instrument at fair value through profit and loss includes ₹ NIL lakhs (previous year ₹ 50.16 lakhs) as 'Net Gain on sale of Investments'

Note 31 - Operating Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Project Delivery Cost		
- Opening Stock	17.58	31.65
- Add : Purchase of goods and services	40,904.52	1,28,060.29
- Less : Closing Stock	14.94	17.58
	40,907.16	1,28,074.36
Project Expenses	708.79	381.33

STANDALONE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Commission Expenses	6,492.98	3,928.95
Communication Costs	1.65	14.37
Conveyance & Travelling Expenses	32.10	35.02
Transportation, Octroi and Loading / Unloading Charges	119.13	133.49
Rent, Rates and Taxes	236.42	193.91
TOTAL	48,498.23	1,32,761.43

Note 32 - Changes in Inventories

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) At the beginning of the period		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	393.09	1,682.98
Less : Stock converted into Fixed Assets	(52.28)	(286.92)
	340.81	1,396.06
Less : at the end of the period		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	766.44	393.09
	766.44	393.09
TOTAL	(425.63)	1,002.97

Note 33 - Employee Benefits Expenses

(₹ in Lakhs)

(a) Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Salaries & Wages	6,174.86	6,641.21
(ii) Directors' Remuneration	1,411.43	470.53
(iii) Contribution to Provident & Other Funds	347.85	288.59
(iv) Share-based Payment Expenses *	(663.57)	1,661.42
(v) Directors' Sitting Fees	17.80	15.30
(vi) Staff Welfare Expenses	94.44	135.29
	7,382.81	9,212.34
TOTAL	7,382.81	9,212.34

(b) Detailed note on disclosure as required by Ind AS-19

For details, refer Note No. 41.

Note 34 - Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
Repairs & Maintenance :				
- Building	18.65		7.31	
- Vehicle	2.42		3.77	
- Others	42.35	63.42	27.50	38.58
Advertisement and Publicity		494.50		461.69
Business Promotion		85.03		200.30
Rates & Taxes		140.40		119.93
Insurance		111.65		38.64
Electricity Charges		90.51		92.03
Printing and Stationery		139.25		101.93
Communication Costs		186.41		148.11
Fees & Subscriptions		6.00		12.74
Listing, Registrar & Share Issue/Transfer Charges		56.30		21.60
Fair value gain on financial instrument at fair value through Profit and loss		9.46		-
Legal & Professional Fees - Other than payments to Auditor:				
- Legal & Professional	683.14		960.79	
- Filing, Stamp Duty and Franking Charges	9.21	692.35	2.39	963.18
Payments to Auditors :				
- Audit fees (including limited review)	60.00		50.00	
- Tax Audit fees	10.00		7.50	
- For Other Services	0.75		0.23	
- For Reimbursement of Expenses	4.01	74.76	3.38	61.11
Conveyance & Travelling		209.01		230.70
Vehicle Expenses		9.73		11.43
Corporate Social Responsibility Expenditure (Refer Note 38)		84.85		92.50
Office & General Expenses		157.23		123.27
Allowance for credit losses				
- Opening Allowances	(529.26)		(699.57)	
- Less : Closing Allowances	(532.69)	3.43	(529.26)	(170.31)
Miscellaneous Expenses		147.81		24.42
TOTAL		2,762.10		2,571.85

Note 35 - Exceptional Item

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Net gain on disposal of Property plant and equipment	503.41	177.40
TOTAL	503.41	177.40

Exceptional item consists of profit on sale of investment property and old office premises (an item of PPE).

Note 36 - Earnings Per Equity Share

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Net profit after tax attributable to equity shareholders for Basic EPS	6,452.38	2,017.94
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	6,452.38	2,017.94
(b) Weighted average no. of equity shares (in lakhs) outstanding during the year		
For Basic EPS	10,593.51	10,588.03
For Diluted EPS	10,606.65	10,621.18
(c) Face Value per Equity Share (₹)	1.00	1.00
Basic EPS (₹)	0.61	0.19
Diluted EPS (₹)	0.61	0.19
(d) Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS		
No. of shares used for calculating Basic EPS	10,593.51	10,588.03
Add: Potential equity shares	13.14	33.15
No. of shares used for calculating Diluted EPS	10,606.65	10,621.18

Note 37 - Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Contingent Liabilities		
(i) Claims against the company not acknowledged as debts	45.78	45.78
(ii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts	175.57	565.07
(iii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties on behalf of subsidiary company which is not acknowledged in books of accounts	125.00	325.00
(iv) Disputed liabilities pertaining to Service Tax with CESTAT	-	156.19
(v) Disputed liabilities pertaining to Sales Tax with appellate authorities	-	449.47
(A)	346.35	1,541.51
(B) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	62,797.48	1,444.79
(B)	62,797.48	1,444.79
TOTAL (A + B)	63,143.83	2,986.30

Note: The amount of liabilities, which may occur on levying of penalty and/or charges by clients for delays in execution of contracts within the time prescribed in the agreement, is unascertained.

Note 38 - Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

- a) Gross amount required to be spent by the company during the year is ₹ 1,235.96 lakhs.

(₹ in Lakhs)			
Particulars	In Cash	Yet to be paid in Cash	Total
i) Construction / acquisition of any asset	-	-	-
ii) On purposes other than (i) above	84.85	-	84.85

Note 39 - Segment Reporting

The Company's activities predominantly revolve around providing the e-governance related activities of Mission Mode Projects covered under "National e-Governance Plan" (NeGP). Considering the nature of Company's business and operations, there is only one reportable segment (business and / or geographical) in accordance with the requirements of the Indian Accounting Standard 108 – "Operating Segments".

Note 40 - Related Party Details**(a) Key Management Personnel and Directors**

Mr. Ramesh Mulchand Joshi	Non-Executive Chairman (w.e.f. January 24, 2020)
Mr. Dinesh Nandwana	Managing Director & Group CEO (Executive Chairman upto January 24, 2020)
Mr. Anil Khanna	Director. (Managing Director & Group CEO upto January 24, 2020)
Dr. Nishikant Hayatnagarkar	Whole-Time Director
Mr. Sunil Agarwal	Director
Mr. Babulal Meena	Director
Mrs. Sujata Chattopadhyay	Director
Mr. Avinash Chandra Vyas	Director
Mr. Ranbir Datt	Nominee Director
Mr. Subhash Singhania	Chief Financial Officer
Mr. Mehul Rawal	Company Secretary and Compliance Officer

- (b) Relative of key management personnel and Name of the enterprises having same key management personnel and/ or their relatives as the reporting enterprises with whom the Company has entered into transactions during the year

- Mr. Manoj Nandwana	Nephew of Director
- Mr. Shelendra Nandwana	Nephew of Director
- Ms. Divya Nandwana	Daughter of Director
- Mr. Vedant Nandwana	Son of Director

(c) Subsidiary Companies with whom the Company has entered into transactions during the year

Name of subsidiaries	Country of Incorporation	Holding as at	
		March 31, 2020	March 31, 2019
Vakrangee e-Solutions Inc.	Phillipines	100%	100%
Vakrangee Finserve Limited	India	100%	100%
Vakrangee Logistics Private Limited	India	100%	100%

Related Party Transactions**- In relation to (a)**

(₹ in Lakhs)

Nature of Transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration to Key Managerial Personnel		
- Dinesh Nandwana	240.00	268.77
- Anil Khanna	1,112.93	139.11
- Dr. Nishikant Hayatnagarkar	58.50	62.65
- Subhash Singhania	54.00	57.61
- Mehul Rawal	26.05	28.12
Post-employment benefits to Key Managerial Personnel		
- Dinesh Nandwana	16.76	14.98
- Anil Khanna	-	4.33
- Dr. Nishikant Hayatnagarkar	18.75	17.52
- Subhash Singhania	4.48	3.17
- Mehul Rawal	1.60	0.67
ESOP Perquisites		
- Dr. Nishikant Hayatnagarkar	15.40	-
Directors Sitting Fees		
- Ramesh Mulchand Joshi	3.95	3.30
- Sunil Agarwal	2.50	1.50
- Babulal Meena	2.15	2.20
- Sujata Chattopadhyay	2.00	3.00
- Avinash Chandra Vyas	3.95	2.80
- Ranbir Datt	3.25	2.50
Balance outstanding as on March 31: (Expenses and Salaries Payable)		
- Anil Khanna	307.64	0.29
- Subhash Singhania	0.03	-
- Mehul Rawal	0.05	0.05

- In relation to (b)

(₹ in Lakhs)

Nature of Transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
Reimbursement of Expenses Paid		
- Manoj Nandwana	3.44	2.14
- Shelendra Nandwana	0.09	0.06

(₹ in Lakhs)

Nature of Transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
- Divya Nandwana	1.02	5.28
- Vedant Nandwana	0.29	4.38
Employee Benefit Expenses		
- Manoj Nandwana	8.97	9.58
- Shelendra Nandwana	6.28	6.93
- Divya Nandwana	18.73	17.91
- Vedant Nandwana	6.81	6.43
Balance outstanding as on March 31 : (Expenses and Salaries Payable)		
- Manoj Nandwana	0.32	0.35

- In relation to (c)

(₹ in Lakhs)

Nature of Transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of goods and services		
- Vakrangee Logistics Private Limited	-	9.46
Sales of Support Services		
- Vakrangee Finserve Limited	361.53	360.63
Realisation from debtors		
- Vakrangee e-Solutions Inc.	-	585.92
Loan received back		
- Vakrangee e-Solutions Inc.	-	938.22
Margin Money against Guarantee issued by Bank		
- Vakrangee Finserve Limited	125.00	325.00
Balance Outstanding as on March 31 :		
- Vakrangee Finserve Limited (Trade Receivable)	6.93	388.80
- Vakrangee e-Solutions Inc. (Loans Receivable, including foreign exchange fluctuation as at year end)	2,724.53	2,499.88

Note 41 - Employee Benefit Obligations**(i) Leave obligations**

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 276.07 lakhs (March 31, 2019 - ₹ 210.97 lakhs) is presented as current and non-current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employee to take the full amount of accrued leave or require payment within the next 12 months. The Company has accounted for provision of leave encashment as per Ind-AS 19 based on actuarial valuation undertaken by a registered valuer.

(ii) Gratuity (post-employment benefits)

The Company provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised/approved funds in India. The Company has fully funded group gratuity plan against this liability with LIC of India. The Company has accounted for provision of gratuity as per Ind-AS 19 based on actuarial valuation undertaken by a registered valuer.

(iii) Defined contribution plans

The Company also has certain defined benefit obligations. Contributions are made to provident fund in India for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 260.04 lakhs (March 31, 2019 - ₹ 166.36 lakhs).

Gratuity

The following table sets out the amount recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-18	283.82	(45.20)	238.62
Current Service cost	114.99	-	114.99
Past Service Cost	-	-	-
Interest expense/(income)	22.00	(3.50)	18.50
Total amount recognised in profit and loss	136.99	(3.50)	133.49
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
(Gain)/loss from change in financial assumptions	19.16	-	19.16
Experience (gains)/losses	44.29	(9.35)	34.94
Total amount recognised in other comprehensive income	63.45	(9.35)	54.10
Employer contributions	-	(436.85)	(436.85)
Benefit payments	(29.05)	29.05	-
31-Mar-19	455.21	(465.85)	(10.64)

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-19	455.21	(465.85)	(10.64)
Current Service cost	134.18	-	134.18
Past Service Cost	-	-	-
Interest expense/(income)	35.28	(40.56)	(5.28)
Total amount recognised in profit and loss	169.46	(40.56)	128.90
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
(Gain)/loss from change in financial assumptions	46.28	-	46.28
Experience (gains)/losses	(88.41)	17.52	(70.89)
Total amount recognised in other comprehensive income	(42.13)	17.52	(24.61)
Employer contributions	-	(7.25)	(7.25)
Benefit payments	(95.90)	95.90	-
31-Mar-20	486.64	(400.24)	86.40

The net liability disclosed above relates to funded plans are as follows

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Present value of funded obligations	486.64	455.21
Fair value of plan assets	(400.24)	(465.85)
Deficit/(Surplus) of gratuity plan	86.40	(10.64)

Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

	31-Mar-20	31-Mar-19
Discount rate	6.70%	7.75%
Salary growth rate (per annum)	5.00%	5.00%
Mortality Table	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Impact on defined benefit obligation	
			Increase in assumption	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Discount rate	1%	1%	Decrease by 9%	11%
Salary growth rate	1%	1%	Increase by 10%	13%

Particulars	Change in assumption		Impact on defined benefit obligation		
			Decrease in assumption		
	31-Mar-20	31-Mar-19		31-Mar-20	31-Mar-19
Discount rate	1%	1%	Increase by	11%	13%
Salary growth rate	1%	1%	Decrease by	9%	11%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

*The major categories of plans assets are as follows :

	In Percentage %	
	31-Mar-20	31-Mar-19
Equity instruments	5.55	5.55
Debt instruments	91.83	91.83
Government bonds	74.55	74.55
Corporate bonds/debentures	17.28	17.28
Asset backed securities	0.85	0.85
Cash and cash equivalents	1.77	1.77
Total	100.00	100.00

*The Company contributes all the ascertained liabilities towards gratuity to Life Insurance Corporation of India (LIC) which is the insurer- managed fund. Since the investments in the plan assets is managed by LIC the detailed breakup of the investments is not made available to the Company.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

Investment risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Most of the plan asset investment is in fixed income securities with high grades and in government securities which are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company intends to maintain the above investment mix in the continuing years.
Interest risk	A decrease in the market yields in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Note 42 - Share based payments

The company has formulated Employee Stock Option Scheme, 2008 (ESOP Scheme) which was approved by the members/ shareholders of the Company at their annual general meeting held on September 23, 2008, as modified on January 10, 2011 and June 1, 2012 annual general meeting. Further the company has formulated the new "ESOP Scheme 2014" approved by the members of the company through postal ballot on May 23, 2014. The Employee Option Plan is designed to provide incentives to all the existing employees serving with the Company. Under the plan, employees are granted options which vest proportionately from 2 – 6 years from the grant date which includes lock in period.

Once vested, the options remain exercisable for a period of 4/5 years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is a price which is determined at 50% of market price of the scrip of the company (on the highest traded Stock Exchange) or at any other price as decided by the Nomination and Remuneration and Compensation Committee.

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-20		31-Mar-19	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	49.95	1,77,89,650	95.81	75,27,450
Granted during the year	18.53	19,61,400	27.01	1,17,81,800
Exercised during the year	30.58	6,02,550	-	-
Lapsed during the year	35.60	1,26,89,700	99.26	15,19,600
Closing Balance	70.41	64,58,800	49.95	1,77,89,650
Vested and exercisable	86.88	18,13,475	56.73	17,62,650

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2020 was ₹ 63.10 (March 31, 2019 : ₹ NIL).

No options expired during the periods in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (₹)	Share options	Share options
			31-Mar-20	31-Mar-19
20/07/12	19/07/21	10.00	-	47,750
26/11/14	26/11/23	32.35	1,13,200	9,37,100
11/03/16	10/03/25	56.54	9,70,300	14,21,500
26/07/17	25/07/26	109.40	22,80,800	30,97,800
26/10/17	25/10/26	137.33	2,96,800	4,49,400
09/01/18	08/01/27	202.28	2,05,300	3,52,500
13/04/18	12/04/27	69.85	3,66,100	5,27,100
10/07/18	09/07/27	25.93	2,00,600	3,54,900
05/10/18	04/10/27	14.38	2,36,300	3,74,400
03/01/19	02/01/28	18.03	1,42,300	2,27,200
25/01/19	25/01/24	25.00	-	1,00,00,000
15/04/19	14/04/28	32.95	2,09,400	-
10/07/19	09/07/28	17.95	1,12,100	-
09/10/19	08/10/28	14.18	3,25,600	-
09/10/19	08/10/30	14.18	10,00,000	-
Total			64,58,800	1,77,89,650

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2020 was ₹ 49.42, ₹ 27.26, ₹ 17.28 and ₹ 17.83 per option respectively for the four grants issued during the year (March 31, 2019 was ₹ 86, ₹ 39.84, ₹ 21.47, ₹ 23.92 and ₹ 26.57). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2020 included:

- a) Options are granted for consideration and vest upon completion of service for a period of one / two years. Vested options are exercisable for a period of four / five years after vesting.

Particulars	Year ended March 31, 2020			
b) Exercise price	32.95	17.95	14.18	14.18
c) Grant date	15/04/19	10/07/19	09/10/19	09/10/19
d) Expiry date	14/04/28	09/07/28	08/10/28	08/10/30
e) Share price at grant date (₹)	67.00	36.80	26.05	26.05
f) Expected price volatility of the company's shares	44.79%	50.68%	32.38%	27.48%
g) Expected dividend yield	0.37%	0.44%	0.43%	0.39%
h) Risk free interest rate	7.50%	6.67%	6.67%	6.80%
i) Fair value (₹)	49.42	27.26	17.28	17.83

Particulars	Year ended March 31, 2019				
b) Exercise price	69.85	25.93	14.38	18.03	25.00
c) Grant date	13/04/18	10/07/18	05/10/18	03/01/19	25/01/19
d) Expiry date	12/04/27	09/07/27	04/10/27	02/01/28	25/01/24
e) Share price at grant date (₹)	139.70	54.40	29.90	34.35	43.20
f) Expected price volatility of the company's shares	59.58%	37.00%	36.77%	40.59%	39.77%
g) Expected dividend yield	0.40%	0.38%	0.55%	0.55%	0.55%
h) Risk free interest rate	6.58%	8.12%	8.11%	7.25%	7.30%
i) Fair value (₹)	86.00	39.84	21.47	23.92	26.57

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

- j) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

Particulars	(₹ in Lakhs)	
	March 31, 2020	March 31, 2019
Employee Stock Option Plan	(663.57)	1,661.42

Note 43 - Financial Instruments**(i) Method and assumptions used to estimate the fair value**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial as well as non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 : Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 : Inputs other than prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability.

The carrying value and fair value by each classification as at March 31, 2020 were as follows:-

(₹ in Lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	2,817.25	-	-	2,817.25	-	-
Trade Receivables	1,32,849.52	-	-	1,32,849.52	-	-
Cash & Cash equivalents	1,243.61	-	-	1,243.61	-	-
Other Bank Balances	16,169.30	-	-	16,169.30	-	-
Short Term Loans	20.16	-	-	20.16	-	-
Other Financial Assets	520.22	-	-	520.22	-	-
Investments*	-	333.84	-	333.84	206.90	126.94
TOTAL	1,53,620.06	333.84	-	1,53,953.90	206.90	126.94

(₹ in Lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-
Other Financial Liabilities	3,478.87	-	-	3,478.87	-	-
TOTAL	3,478.87	-	-	3,478.87	-	-

The carrying value and fair value by each classification as at March 31, 2019 were as follows:-

(₹ in Lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	2,584.16	-	-	2,584.16	-	-
Trade Receivables	1,28,220.73	-	-	1,28,220.73	-	-
Cash & Cash equivalents	2,081.48	-	-	2,081.48	-	-
Other Bank Balances	1,11,413.63	-	-	1,11,413.63	-	-
Short term Loans	16.61	-	-	16.61	-	-
Other financial assets	3,132.97	-	-	3,132.97	-	-
Investments*	-	367.07	-	367.07	240.13	126.94
TOTAL	2,47,449.58	367.07	-	2,47,816.65	240.13	126.94

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-
Other Financial Liabilities	4,499.72	-	-	4,499.72	-	-
TOTAL	4,499.72	-	-	4,499.72	-	-

*excluding Investments in Subsidiary Companies (₹ 2,796.00 lakhs (March 31, 2019 : ₹ 2,796.00 lakhs) measured at cost.

(ii) Financial Risk Management

The Board of Directors has overall responsibility for the establishment and overview of the company's risk management framework. The Board of Directors has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the company's activities. The Audit Committee oversees how management monitors compliances with the company's risk management policies and procedures, and reviews the risk management framework. The Audit Committee is assisted in its role by Internal Audit. Internal Audit covers review of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's activities are exposed to various risk viz. Credit Risk, Liquidity Risk and Market Risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set up by the Board of Directors / Management of the Company.

a) Credit Risk :

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit ratings assigned by credit rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks and other counter parties for the facilities availed by subsidiary. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called upon.

Trade receivables consists of large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

Table showing age of gross trade receivables and movement in expected credit loss allowance:

(₹ in Lakhs)

Age of receivables	March 31, 2020	March 31, 2019
Within the credit period	1,32,745.79	1,27,953.82
1-90 days past due	12.70	13.23
91-180 days past due	0.19	70.60
181-270 days past due	0.17	84.80
More than 270 days past due	623.36	627.53
Total	1,33,382.21	1,28,749.98

Movement in the expected credit loss allowance	March 31, 2020	March 31, 2019
Balance at beginning of the year	529.26	699.57
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	3.43	(170.31)
Total	532.69	529.26

b) Liquidity Risk :

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation, typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities :

(₹ in Lakhs)

As on March 31, 2020	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-

As on March 31, 2019	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-

c) Market Risk :

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments.

(i) Market Risk - Foreign Exchange

Foreign currency Risk is that risk in which fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Company hedges the receivables as well as payables by forming view after discussion with Forex consultant and as per policies by Management. The Company is also exposed to the Foreign currency loans availed from various banks to reduce the overall interest cost.

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows:

(₹ in Lakhs)

Currency	Liabilities		Assets	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
US Dollar (USD)	-	-	2,724.53	2,499.88

Foreign Currency Exposure

Particulars	USD in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Trade Receivables	-	-
Loans Receivable	36.14	36.14
TOTAL	36.14	36.14

Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and impact on Equity

(₹ in Lakhs)

Currency	Impact of Profit and Loss / Equity			
	For year ended March 31, 2020		For year ended March 31, 2019	
	1% increase	1 % decrease	1% increase	1 % decrease
US Dollar (USD)	27.25	(27.25)	25.00	(25.00)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

ii) Market Risk - Interest Rate

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company does not have any borrowings outstanding as at March 31, 2020 and in absence of exposure to interest rates on borrowings, the impact of interest rate sensitivity analysis is not required.

Note 44 - Disclosure under Section 186 (4) of the Companies Act, 2013 pertaining to subsidiaries and associates**(i) Details of loans to subsidiaries**

(₹ in Lakhs)

Name of Subsidiaries	As at March 31, 2020	As at March 31, 2019
- Vakrangee e-Solutions Inc. (Purpose of loan is to provide financial assistance to the subsidiary company)	2,724.53	2,499.88
	2,724.53	2,499.88

(ii) Details of Investment in Subsidiaries

Name of Subsidiaries	No. of Shares as at year-end	% of shareholding
Vakrangee e-Solutions Inc. (incorporated in Philippines)	96,000	100%
Vakrangee Finserve Limited	1,50,00,000	100%
Vakrangee Logistics Private Limited	1,20,00,000	100%

Note 45 - Income Taxes

- (a) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before income taxes	8,170.76	4,209.74
Enacted tax rates in India	25.17%	34.94%
Computed expected tax expense	2,056.42	1,471.06
Effect of non-deductible expenses	(368.94)	69.01
Others	57.19	0.14
Income Tax expense of current year	1,744.67	1,540.21
Earlier year tax expenses	(448.32)	115.13
Current Income Tax expense	1,296.35	1,655.34

- (b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2020 and March 31, 2019:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Income Tax Liabilities	704.23	-
Income Tax Assets	1,631.24	1,262.18
Net current income tax liabilities / (assets) at the end	(927.01)	(1,262.18)

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2020 and March 31, 2019 is as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net current income tax liability / (asset) at the beginning	(1,262.18)	(950.25)
Income Tax paid	(961.18)	(1,967.27)
Current Income Tax expense	1,296.35	1,655.34
Net current income tax liability / (asset) at the end	(927.01)	(1,262.18)

- (c) The gross movement in the deferred income tax account for the year ended March 31, 2020 and March 31, 2019, are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net deferred income tax liability at the beginning	(520.74)	(1,061.56)
Movements relating to temporary differences	422.03	536.46
Temporary differences on other comprehensive income	6.19	4.36
Net deferred income tax liability at the end	(92.51)	(520.74)

Note 46 - Previous year figures

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The previous year's figures have been regrouped / reclassified wherever necessary, to make them comparable.

As per our report of even date

For A. P. Sanzgiri & Co.

Chartered Accountants

Firm's Registration No. : 116293W

Anil Agarwal

Partner

Membership No.: 041396

Place : Mumbai

Date : July 31, 2020

For and on behalf of the Board of Directors

Ramesh Joshi

Chairman

DIN : 00002683

Dinesh Nandwana

MD & Group CEO

DIN : 00062532

Dr. Nishikant Hayatnagarkar

Whole-time Director

DIN : 00062638

Subhash Singhania

Chief Financial Officer

Mehul Raval

Company Secretary

Independent Auditor's Report

To the Members of Vakrangee Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **VAKRANGEE LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year then ended on that date, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS) and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by The Institute of Chartered Accountant of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion

on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. **Estimates Involving in Capitalisation of Capital Expenditure, and determining their useful lives** (Refer Note 1 "Significant Accounting Policies", Critical Accounting Estimates and Note 4 "Property, Plant and Equipment" for details)

Group has capitalised items of Property, Plant and Equipment (PPE), mainly related to the Automated Teller Machine (ATM) purchased newly from the OEM. Expenditure such as freight cost and cost to bring the asset to the location and new acquisition cost are capitalised. Identification and allocation of the related expenditures involves judgement and estimation of future economic benefit.

The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experiences, market practice and group decision on technical evaluation of useful lives of the ATM.

Capital expenditure and new acquisition is not considered to be an area of significant risk for our audit but as it requires considerable time and resource to audit due to its magnitude, it is considered to be a key audit matter.

Principal Audit Procedure

We assessed whether the Group's accounting policy in relation to the capitalisation of expenditures are in sync and in compliance with IND AS and found them to be consistent.

We obtained a listing of capital expenditures and major acquisition during the year and, on a sample basis, checked whether the assets were undertaken based on internal purchase order that had been properly approved by the key person with such authority with no material exceptions noted. We inspected a sample of contracts and underlying invoices to determine whether the classification between capital and operating expenditure was appropriate. We noted no material exceptions.

We evaluated whether the useful lives of the component determined and applied by the management were in line with historical experience, group assessment and the market practice.

We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from work in progress to asset in use, with the date of the act of completion of the work. We noted no material exceptions.

Reference to related disclosures

The Group has provided information on the disclosure of the addition, deletion of PPE and depreciation for the year on such addition and existing asset in Note 4 of the Consolidated financial statement.

2. Cash, Cash Equivalent, Bank Balance and Fixed Deposit

Cash, cash equivalent, Bank Balance and fixed deposit consist of cash in hand, Balance with bank in current accounts and term deposit (current and non-current). The nature and contractual terms of the financial assets determined the presentation on the balance sheet. We focused on this area as it is material to the consolidated financial statements and area of significant risk for our audit as it requires considerable time and resource to audit due to its magnitude, it is considered to be a key audit matter.

The Group's disclosure about cash, cash equivalent and other financial assets are included in Note 9 and Note 14 of the consolidate financial statements.

Principal Audit Procedure**Balance with Bank in Current Account**

We have obtained list of various bank accounts maintained by Group and Subsidiaries along with their usages, type and closing balance as appearing in the books as of the reporting date. We reconciled the Bank balances to bank confirmations and items of reconciliation as appearing in the books of accounts. We and other auditor of the subsidiaries have independently sought Bank Balance confirmation from the respective bank.

Cash in Hand and cash lying in the ATM owned and Operated by Holding Company

We have conducted physical verification on the reporting date and have obtained the details of denomination of cash in hand verified. For cash lying in ATM machines owned and operated by Holding Company, we have sought physical cash verification report conducted by management. We have also independently verified on sample basis during our audit period and the reconciliation has been carried out.

Term Deposit (Non-current and current)

We have obtained list of Fixed deposit opened by Holding Company and lying in the Bank as on the reporting date. We have verified Balance appearing in the Books to the Bank Balance confirmation provided by management to us. We have also independently sought Fixed Deposit Bank Balance confirmation on the reporting date from the respective Banks. We have also verified interest income against these Fixed deposit booked by the Holding Company with the statement of fixed deposit provided to us during the audit period.

We have independently sought from the Bank for the Fixed deposit which are lien against Bank guarantee and letter of credit provided to various government

departments and vendors.

Our audit procedures included review of the classification of the cash, cash equivalent and other financial assets and any restriction on the use of the cash and cash equivalent.

3. Information Technology environment

We identified the information technology environment as an area of focus in our audit, since Vakrangee Limited are dependent on their technology structure, both for the processing of their operations, as well as for the reasonable preparation and presentation of their consolidated financial statements.

The Group has technological infrastructure for its business activities, as well as ongoing plans for the improvement and maintenance of the access of the management and change in the pertinent systems and applications, the development of new programs and automated controls and automated components in the relevant business processes. The Control to authorise, control restrict and cancel accesses to technology environment and programme changes are fundamental for mitigating the potential risk of fraud or error based on the misuse or improper change in the systems of the Company, thus ensuring the integrity of the financial information and accounting records.

The Group has an information technology structure which comprises more than one technology environment with different processes and segregated controls. The lack of suitability of the general technology control environment and its dependent controls could trigger incorrect processing of critical information for the preparation of the consolidated financial statements.

Principal Audit Procedure

We evaluated and tested the design and operational effectiveness of the general controls of information system i.e. VKMS of the Group. Although our audit is not for the purpose of giving an opinion on effectiveness of the information technology controls, we reviewed the group's framework of governance of IT and the controls on the management of access to the data, the development of and changes in programs, generation of financial information and other useful data for review of analytical data.

The IT environment and the controls established by management combined with the testing of controls, including compensating controls, which we have applied, provide us reasonable basis for our reliance in the integrity and reliability of the information generated for the preparation of the Group's consolidated financial Statements.

4. Assessment of Credit Impairment loss of Financial Assets

The assessment of credit impairment loss is a Key Audit Matter as the Group applies Expected Credit Loss (ECL) model on the financial assets as defined in the significant

accounting policies given under *Note 2 (B) (xi) (d)*. The value of financial assets on the balance sheet is significant and there is a high degree of complexity and judgement involved for the Group in estimating individual and collective credit impairment provisions against these assets.

The Group's models to calculate ECLs are the weighted average of credit losses with the respective risks of default occurring as the weights being inherently complex and judgement is applied in determining the correct construct of the models.

There are also a number of key assumptions made by the Group in applying the accounting standard requirements to the models, including the selection and input of forward-looking information.

The ECL model adopted by the management is based on their specific recoverability assessment on individual item with reference to the aging profile, historical payment pattern and the past record of default.

For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realisation of these assets, are required for the identification of impairment events and the determination of the impairment charge.

Principal Audit Procedure

We have performed the following procedures in relation to assessment of Credit Impairment loss of Financial Assets:

- Tested the accuracy of ageing of financial assets at year end based on the agreed terms of contract with respective party;
- Assessed the recoverability of the unsettled financial assets on a sample basis through our evaluation of management's assessment and latest correspondence with customers; and
- Evaluated the assumption used in ECL calculations under various stress scenarios and the process used by management for classification of trade receivables as given in *Note 7 & 14* of the consolidated financial statements.

We found the key judgements and assumptions used by management in the Credit Impairment loss assessment of financial assets to be supportable based on the available evidence.

5. Recognition and Measurement of Deferred Tax

The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of assets and liabilities in accordance with the respective local tax provisions and financial reporting in accordance with IND AS as well as the calculation of tax loss carry forwards. This requires the significant calculation on account of carry forwards of losses, Mat Credit entitlement and identification of

temporary differences. Furthermore, the assessment of the ability to use deferred tax assets is based on the expectations of the management regarding the Company economic development, which is influenced by the current market environment, Co-venture support and the assessment of future market development (Domestic and Overseas) and thus requires the use of judgment.

Deferred Tax disclosed in Note 10 of the Consolidated Financial Statement of Group for year ended include Deferred tax asset created on temporary differences of Rs 92.64 lacs. In light of this, the recognition and measurement of deferred taxes was a key audit matter.

Principal Audit Procedure

In assessing the recognition and measurement of deferred taxes for the Group, among other procedures, we analysed the underlying processes for the complete capture and measurement of deferred taxes and examined the controls implemented to prevent or detect and correct errors.

Current tax laws allow to carry forward unused tax loss for 8 assessment years and from the assessment year in which such tax loss was incurred.

During The Year, Taxation Laws (Amendment) Ordinance, 2019 promulgated by President of India which was published in Gazette of India in September 2019. The Ordinance has brought significance changes to Corporate Income Tax Rates. The Ordinance provides an option to domestic Companies to pay Income Tax at lower Rate (22%) instead of Normal Rate 30%.

We have been informed by the Group's Management, Group has exercised Option of Lower Tax rate and adjustment of unabsorbed additional depreciation to the written down value of block of asset as on April 01, 2019, for Financial Year 2019-20 i.e. Assessment Year 2020-21

We have referred Ind AS Technical Facilitation Group (ITFG –Formed by ICAI) Clarification given in Bulletin 23 regarding effect to lower tax rate as per ordinance while determining current tax and deferred tax asset or liabilities for the purpose of presenting financial statements as on March 31, 2020.

Para 46 and 47 of Ind AS 12, Income Taxes, State as follows:

Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or

substantively enacted by the end of the reporting period.

We examined on a sample basis the identification and quantification of differences between the recognition and measurement of assets and liabilities according to tax regulations and financial reporting pursuant to IND AS. We also reperformed the calculation of deferred taxes.

Since, Group has intended to opt for Lower Tax rate as per Ordinance, Group has given effect while determining the current tax and deferred tax asset or liabilities for the purpose of presenting consolidated financial statement for the year ending March 2020.

We have also focused on adequacy of the Group's disclosures on deferred income tax positions and assumption used.

Our audit procedures did not lead to any reservations regarding the recognition and measurement of deferred taxes.

Reference to related disclosures

The Group has provided information on the recognition and measurement of deferred taxes in the Note 10 of the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report, for example Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting

principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether

the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosure, and whether the consolidated financial statement represent the underlying transaction and the events in a manner that achieve fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatement in the consolidated financial statement that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any other significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- We did not audit the financial statements of three subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets of Rs. 8,532.45 Lakhs as at March 31, 2020, total revenues of Rs. 6696.71 Lakhs and net cash flows amounting to Rs. (392.96) Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditor.
- One of the subsidiary is located outside India whose financial statements has been prepared in accordance with accounting principles generally accepted in such country and which has been reviewed by the other auditor under generally accepted auditing standard applicable in that country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. Our conclusion in so far relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and conversion adjustments prepared by the management of the company and reviewed by another Chartered Accountant whose report has been furnished to us on which we placed reliance.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by the section 143 (3) of the Act, based on our report and on consideration of report of the other auditor on separate financial statements and the other financial information of subsidiaries as referred in the 'Other Matter' paragraph, we report, to the extent applicable that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law have been relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
- c. The Consolidated Balance sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards Prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.
- e. On the basis of the written representations received from the directors of Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory auditors of its subsidiary Company incorporated in India, none of the directors of the Group Companies are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting; refer to our separate report in "Annexure A" which is based on the auditor's report of the Company and the reports of the statutory auditors of its subsidiary Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reason stated therein.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
According to the information and explanations given to us, the Holding Company paid remuneration amounting of Rs 1411.43 lacs to its Executive Directors. As the Holding Company did not have adequate profits in the financial year ended March 31, 2020, the remuneration paid in excess of limits specified under section 197 of Act read with Schedule V thereto, the Holding Company has complied with statutory requirement prescribed to regularize such excess payments, including seeking approval of shareholders, as necessary.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other Matter' paragraph:
- i. The Consolidated Financial Statements disclose the impact of pending litigation on the Consolidated Financial Position of the Group. Refer to Note 38 to the Consolidated Financial Statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2020.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended March 31, 2020.

For **A. P. Sanzgiri & Co.**
Chartered Accountants
FRN: 116293W

Anil Agrawal
Partner
Membership No: 041396
UDIN: 20041396AAAAAD2047

Date: July 31, 2020
Place: Mumbai

Annexure “A” to the Independent Auditor’s Report

(Referred to in the paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Vakrangee Limited of even date).

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of VAKRANGEE LIMITED (hereinafter referred to as “Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by The Institute of Chartered Accountant of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

The Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to best of our information and according to the explanation given to us, and based on the consideration of report of other auditor, as referred to in 'Other Matter' paragraph below, the Holding Company and its Subsidiary Companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: July 31, 2020

Place: Mumbai

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to separate financial statements of subsidiaries, which is Company incorporated in India, is based on the corresponding reports of the auditor of such Company incorporated in India.

For **A. P. Sanzgiri & Co.**

Chartered Accountants

FRN: 116293W

Anil Agrawal

Partner

Membership No: 041396

UDIN: 20041396AAAAAD2047

Consolidated Balance Sheet

as at March 31, 2020

(₹ in lakhs)

Particulars	Note No.	As at	
		March 31, 2020	March 31, 2019
I ASSETS			
1 Non - Current Assets			
Property Plant and Equipment	4	14,935.07	14,281.47
Capital Work-in-Progress	4	461.82	1,336.31
Other Intangible Assets	5	1.83	3.67
Financial Assets			
(i) Investments	6	333.84	367.07
(ii) Trade Receivables	7	-	-
(iii) Loans	8	118.87	111.32
(iv) Other Financial Assets	9	309.06	307.15
Deferred Tax Assets (net)	10	92.64	785.54
Other Non - Current Assets	11	62,550.34	1,248.47
Total Non-current Assets		78,803.47	18,193.93
2 Current Assets			
Inventories	12	781.38	410.67
Financial Assets			
(i) Trade Receivables	13	1,36,884.21	1,31,962.41
(ii) Cash and Cash equivalents	14	1,505.50	2,770.15
(iii) Bank Balances other than (ii) above	14	16,345.05	1,11,646.48
(iv) Loans	15	1,067.00	1,002.13
(v) Other Financial Assets	16	525.88	1,56,327.64
Current Tax Assets (Net)	17	1,401.59	247.40
Other Current Assets	18	44,579.52	2,357.53
Total Current Assets		2,03,090.13	2,53,578.60
TOTAL		2,81,893.60	2,71,772.53
II EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	19	10,594.06	10,588.03
Other Equity	20	2,53,136.44	2,49,632.37
Total Equity		2,63,730.50	2,60,220.40
2 Liabilities			
(i) Non - Current Liabilities			
Financial Liabilities			
(i) Trade Payables	21		
- Dues of micro enterprises and small enterprises		-	-
- Dues of Creditors other than micro enterprises and small enterprises		291.35	342.16
(ii) Other Financial Liabilities	22	39.26	38.42
Employee Benefit Obligations	23	337.74	189.29
Total Non-Current Liabilities		668.35	569.87
(ii) Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	24		
- Dues of micro enterprises and small enterprises		101.56	26.05
- Dues of Creditors other than micro enterprises and small enterprises		6,806.42	3,361.51
(iii) Other Financial Liabilities	25	3,439.61	4,461.33
Other Current Liabilities	26	5,719.70	7,848.89
Provisions	27	698.51	2,714.16
Employee Benefit Obligations	28	24.72	397.53
Current Tax Liabilities	29	704.23	21.68
Total Current Liabilities		17,494.75	10,982.26
Total Liabilities (i +ii)		18,163.10	11,552.13
TOTAL		2,81,893.60	2,71,772.53
Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1-47		

As per our report of even date
For A. P. Sanzgiri & Co.
 Chartered Accountants
 Firm's Registration No. : 116293W

For and on behalf of the Board of Directors

Ramesh Joshi
 Chairman
 DIN : 00002683

Dinesh Nandwana
 MD & Group CEO
 DIN : 00062532

Dr. Nishikant Hayatnagarkar
 Whole-time Director
 DIN : 00062638

Anil Agarwal
 Partner
 Membership No.: 041396

Subhash Singhania
 Chief Financial Officer

Mehul Raval
 Company Secretary

Place : Mumbai
 Date : July 31, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Income			
Revenue from Operations	30	68,522.16	150,822.69
Other Income	31	7,747.82	7,997.11
Total Income		76,269.98	158,819.80
II Expenses			
Operating Expenses	32	53,660.18	137,494.33
Purchase of Stock-in-Trade		2,563.91	2,338.77
Changes in Inventories	33	(425.63)	1,002.97
Employee Benefits Expense	34	7,382.81	9,281.63
Finance Costs		-	-
Depreciation and Amortization Expense	4,5	1,472.60	873.54
Impairment Loss	4	16.00	-
Other Expenses	35	2,948.25	2,871.87
Total Expenses		67,618.12	153,863.11
III Profit Before Tax and exceptional Items		8,651.86	4,956.69
IV Exceptional Items	36	503.41	177.40
V Profit Before Tax		9,155.27	5,134.09
VI Tax Expense:			
(a) Current Tax		1,587.62	2,022.30
(b) Deferred Tax		439.64	589.16
		2,027.26	2,611.46
VII Profit for the year		7,128.01	2,522.63
VIII Other Comprehensive Income			
Items that will be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		35.92	44.66
Items that will not be reclassified subsequently to profit or loss			
i) Fair value gain on financial instrument at fair value through OCI		-	-
ii) Remeasurement of net defined benefit obligations (net of taxes)		18.42	(58.46)
Other Comprehensive Income (net of tax)		54.34	(13.80)
Total Comprehensive Income for the period		7,182.35	2,508.83
IX Weighted Average No. of equity shares for computing EPS (in lakhs)	37		
(1) Basic		10,593.51	10,588.03
(2) Diluted		10,606.65	10,621.18
X Earnings Per Equity Share (Face Value ₹ 1/- Per Share):	37		
(1) Basic (₹)		0.67	0.24
(2) Diluted (₹)		0.67	0.24
Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1-47		

As per our report of even date
For A. P. Sanzgiri & Co.
 Chartered Accountants
 Firm's Registration No. : 116293W

Anil Agarwal
 Partner
 Membership No.: 041396

Place : Mumbai
 Date : July 31, 2020

For and on behalf of the Board of Directors

Ramesh Joshi
 Chairman
 DIN : 00002683

Dinesh Nandwana
 MD & Group CEO
 DIN : 00062532

Dr. Nishikant Hayatnagarkar
 Whole-time Director
 DIN : 00062638

Subhash Singhania
 Chief Financial Officer

Mehul Raval
 Company Secretary

Consolidated Cash Flow Statement for

the year ended March 31, 2020

(₹ in Lakhs)

S. No	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Cash flow from operating activities		
	Profit before tax from continuing operations	9,155.27	5,134.09
	Profit before tax	9,155.27	5,134.09
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	1,472.60	873.43
	Depreciation of investment properties	-	0.11
	Impairment of Property, Plant and Equipment	16.00	-
	Employee share based payment expenses	(663.57)	1,661.42
	Net foreign exchange differences	0.16	(217.16)
	Allowance for credit losses	0.03	(100.35)
	Fair value gain on financial instrument at fair value through Profit and loss	-	(62.42)
	Remeasurement of defined benefit obligations	24.61	(54.11)
	Gain on disposal of property, plant and equipment	(503.41)	(177.40)
	Finance costs	-	-
	Interest income	(7,516.51)	(7,667.51)
	Dividend income	(1.50)	(1.83)
	Operating profit before working capital changes	1,983.68	(611.73)
	Movements in assets and liabilities :		
	Decrease / (increase) in inventories	(370.71)	1,303.96
	Decrease / (increase) in trade receivables	(4,925.23)	(1,074.30)
	Decrease / (increase) in loans and other financial assets	97,886.46	(40,736.49)
	Decrease / (increase) in other current assets	(42,222.00)	871.14
	Decrease / (increase) in other non-current assets	(61,914.95)	22.80
	Increase / (decrease) in trade payables	3,469.60	(30,643.22)
	Increase / (decrease) in employee benefit obligations	151.49	(162.08)
	Increase / (decrease) in provisions	300.98	142.66
	Increase / (decrease) in other financial liabilities	(1,020.88)	3,207.09
	Increase / (decrease) in other current liabilities	3,005.54	(1,015.28)
	Cash generated from operations	(3,656.02)	(68,695.44)
	Income taxes paid (net of refunds)	(1,424.49)	(2,137.08)
	Net cash flow from operating activities (A)	(5,080.51)	(70,832.52)
II	Cash flow from investing activities		
	Purchase of property, plant and equipment, including CWIP	(2,150.02)	(7,236.82)
	Proceeds from sale of property, plant and equipment	1,387.55	217.67
	Purchase of investments	-	-
	Proceeds from sale of investments	33.23	2,594.84
	Decrease in foreign currency translation reserve	35.92	259.38
	Interest received	7,516.51	7,667.51
	Dividends received	1.50	1.83
	Net cash flow from/(used in) investing activities (B)	6,824.69	3,504.41

CONSOLIDATED

(₹ in Lakhs)

S. No	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
III	Cash flow from financing activities		
	Proceeds from issue of shares	6.03	-
	Proceeds towards securities premium on issue of shares	178.22	-
	Repayment of borrowings	-	-
	Interest paid	-	-
	Dividends paid to company's shareholders	(2,648.51)	(2,647.01)
	Dividend Distribution Tax paid	(544.41)	(544.10)
	Net cash flow (used in) in financing activities (C)	(3,008.67)	(3,191.11)
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	(1,264.49)	(70,519.22)
	Effects of exchange rate changes on cash and cash equivalents	(0.16)	-
	Cash and cash equivalents at the beginning of the year	2,770.15	73,289.37
	Cash and cash equivalents at the end of the year	1,505.50	2,770.15

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1-48

As per our report of even date

For A. P. Sanzgiri & Co.

Chartered Accountants

Firm's Registration No. : 116293W

Anil Agarwal

Partner

Membership No.: 041396

Place : Mumbai

Date : July 31, 2020

For and on behalf of the Board of Directors

Ramesh Joshi

Chairman

DIN : 00002683

Dinesh Nandwana

MD & Group CEO

DIN : 00062532

Dr. Nishikant Hayatnagarkar

Whole-time Director

DIN : 00062638

Subhash Singhania

Chief Financial Officer

Mehul Raval

Company Secretary

Statement of changes in equity

for the year ended March 31, 2020

(Amount in ₹ lakhs)

Particulars	Equity Share Capital	Other Equity						Total equity attributable to equity holders of the Company	
		Reserves and surplus			Other Comprehensive Income				
		Securities premium reserve	Retained earnings	General Reserve	Share Options Outstanding Account	Equity instruments through other comprehensive income	Other items of other comprehensive income		Foreign Currency Translation Reserve
Balance as at March 31, 2018	10,588.03	42,318.52	1,95,170.60	11,641.83	2,132.17	-	(3,148.79)	538.90	2,59,241.26
Increase in share capital on account of conversion of ESOPs	-	-	-	-	-	-	-	-	-
Amount received on shares issued during the year	-	-	-	-	-	-	-	-	-
Transferred from Share Options Outstanding Account	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	2,522.63	-	-	-	-	-	2,522.63
Dividends (including corporate dividend tax)	-	-	(3,191.11)	-	-	-	-	-	(3,191.11)
Transfer to General Reserve	-	-	(6,626.21)	6,626.21	-	-	-	-	-
Share-based payments (net)	-	-	-	-	1,661.42	-	-	-	1,661.42
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	(58.46)	-	(58.46)
Exchange Translations	-	-	-	-	-	-	-	44.66	44.66
Balance as at March 31, 2019	10,588.03	42,318.52	1,87,875.91	18,268.04	3,793.59	-	(3,207.25)	583.56	2,60,220.40
Increase in share capital on account of conversion of ESOPs	6.03	-	-	-	-	-	-	-	6.03
Amount received on shares issued during the year	-	178.22	-	-	-	-	-	-	178.22
Transferred from Share Options Outstanding Account	-	250.10	-	-	(250.10)	-	-	-	-
Profit for the year	-	-	7,128.01	-	-	-	-	-	7,128.01
Dividends (including dividend distribution tax)	-	-	(3,192.92)	-	-	-	-	-	(3,192.92)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	(663.58)	-	-	-	(663.58)

CONSOLIDATED

(Amount in ₹ lakhs)

Particulars	Equity Share Capital	Other Equity						Total equity attributable to equity holders of the Company	
		Reserves and surplus			Other Comprehensive Income				
		Securities premium reserve	Retained earnings	General Reserve	Share Options Outstanding Account	Equity instruments through other comprehensive income	Other items of other comprehensive income		Foreign Currency Translation Reserve
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	18.42	-	18.42
Exchange Translations	-	-	-	-	-	-	-	35.92	35.92
Balance as at March 31, 2020	10,594.06	42,746.84	1,91,811.00	18,268.04	2,879.91	-	(3,188.83)	619.48	2,63,730.50

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1-48

As per our report of even date

For A. P. Sanzgiri & Co.

Chartered Accountants

Firm's Registration No. : 116293W

Anil Agarwal

Partner

Membership No.: 041396

Place : Mumbai

Date : July 31, 2020

For and on behalf of the Board of Directors

Ramesh Joshi

Chairman

DIN : 00002683

Dinesh Nandwana

MD & Group CEO

DIN : 00062532

Dr. Nishikant Hayatnagarkar

Whole-time Director

DIN : 00062638

Subhash Singhania

Chief Financial Officer

Mehul Raval

Company Secretary

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 1 - Corporate Information

Vakrangee Limited (hereinafter referred to as “the Company”) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at ‘Vakrangee Corporate House’, Plot No. 93, Road No. 16, M.I.D.C, Andheri (East), Mumbai – 400 093, Maharashtra, India. The Company’s shares are listed on two stock exchanges in India- the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

Vakrangee Limited along with its subsidiaries, Vakrangee e-Solutions Inc. (Philippines), Vakrangee Finserve Limited and Vakrangee Logistics Private Limited (hereinafter referred to as “Group”) is engaged in providing diverse solutions, activities in e-governance and e-commerce sector, including bullion and jewellery, through its Vakrangee Kendra (on B2B and B2C basis) with special competencies in handling massive, multi-state, and e-governance enrollment projects, data digitization, software and license.

The Consolidated financial statements were authorized for issue by the Board of Directors on July 31, 2020.

Note 2 - Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These accounting policies have been consistently applied to all the years presented by the Group unless otherwise stated.

A. Basis of preparation

i. Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as “Ind AS”) under the provisions of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group has adopted the Ind AS in accordance with Ind AS 101 *First time adoption of Ind AS was done* during the year ended March 31, 2017.

The accounting policies have been consistently applied by the Group unless otherwise stated or where a newly issued accounting standard is initially adopted.

ii. Basis of Preparation

The consolidated financial statements have been prepared on historical cost basis except the following asset and liabilities which have been measured at fair value amount:

- certain financial assets and liabilities (including derivative instruments);
- defined benefit plans- plan assets; and
- Equity -settled Share Based Payments

The Consolidated Financial statements of the Group are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded off to Lakhs, except when otherwise indicated.

iii. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company, entities (including structured entities) controlled by the Company and its Subsidiaries.

Control is achieved when the Company

- has power over the investee.
- it is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to affect those returns through its power over the investee.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than the majority of the voting or similar rights of the investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee.
- rights arising from other contractual arrangements.
- the Group’s voting rights and potential voting rights. In assessing control, potential voting rights that currently are exercisable are considered; and
- the size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder’s meetings.

Subsidiaries are fully consolidated from the date

on which control is transferred to the Group and ceases control when the Group loses control of the subsidiary. The income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit and loss from the effective date the Company gains control until the date when the Company ceases to control the subsidiaries.

The financial statements of the subsidiary companies and entities (including structured entities) controlled by the Company used in the consolidation are drawn up to the same reporting date as of the Company. Accounting policies of the respective subsidiaries are adjusted wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together of like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group on consolidation.

Changes in the Group's ownership interests in existing subsidiaries:

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed of.

B. Summary of significant accounting policies

i. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current /non-current classification.

For the Purpose of Balance Sheet, an asset is classified as current if:

- It is expected to be realized, or intended to be sold or consumed in normal operating cycle.
- It is held primarily for the purpose of trading; or
- It is expected to be realized within twelve months after the reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- It is expected to be settled in normal operating cycle; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and services offered by the Company, operating cycle determined is 12 months for the purpose of current and non-current classification of assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents,

ii. Segment Reporting

The Group identifies operating segments based on the internal reporting provided to the chief

operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

iii. Foreign Currencies Transaction and balances

Transactions in foreign currencies are initially recorded by the company in their functional currency at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency using rate of exchange prevailing on the balance sheet date.

Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit or loss except where:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- exchange differences on transactions entered in order to hedge certain foreign currency risks.
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Effective 1st April, 2018, the Company has adopted

Appendix B to the Ind-AS 21-foreign currency transaction and advance consideration, which clarify the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related assets, expenses or income when an entity has received or paid advance consideration in foreign currency. The effect on account of adoption of this amendment was insignificant.

Group Companies

For the purposes of presenting these consolidated financial statements, the financial statements of foreign operations/foreign subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated into INR at the exchange rate prevailing at the end of each reporting period.
- Income and expenses are translated at average exchange rates for the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions),
- Equity is recorded at the historical rate on the date of issue and hence, is not required to be re-translated at each subsequent reporting date, and
- All the resulting foreign exchange differences are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of Equity.

When the foreign operation is either partially or fully disposed of, the proportionate share or entire cumulative foreign exchange differences (pertaining to the said operation that are held in FCTR as at the date of disposal) respectively, are reclassified from Equity and considered in calculating the resulting profit / (loss) on sale of the operation. The said profit / (loss) on sale of the operation is recognized in the Statement of Profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

iv Revenue recognition

The Company derives revenue primarily from activities in BFSI and ATM Services (ATM, Insurance Services and Banking & financial services), Assisted E-Commerce Service (Online shopping, Pharmacy, Bill payment and recharge, logistics) including bullion and Jewellery, through its Vakrangee Kendra (on B2B and B2C basis) with special competencies in handling massive, multi-state, and

e-governance enrolment projects, data digitization, software and license.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers notified on March 28, 2018. This standard will supersede all current revenue recognition requirements. The Company has decided to use the modified retrospective approach for transition method, applied to contracts that were not completed as of April 1, 2018. Please refer Note 2(B)(iv) "Significant Accounting Policies," in the Company's 2018 standalone financial statement for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangement for software-related services are either on a fixed price, fixed-timeframe or on a time-and material basis.

Revenue from software usages and license where the customer obtains a "right to use" the revenue from software and license is recognized at the time the software and license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet

Revenue from sale of goods and services is shown as net of sales tax, value added tax, service tax, goods and services tax and applicable discounts and allowances.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Insurance claims

Insurance claims are accounted for on the basis of claims

admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

v. Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replaced part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight- line method ("SLM"). Management, based on a technical evaluation, believes that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Useful lives
Buildings	60 years
Computers and Printers, including Computer Peripherals	3 years
Office Equipments	5 years
Furniture & Fixtures	10 years
Motor Vehicles	8 years
Plant & Machinery	15 years
ATM Machine	10 years
Leasehold Land and Building, including leasehold improvements (Also refer Note 4)	51 years
Project Assets	3-4 years

(comprising of Computers and Printers, including Computer Peripherals, Furniture and Fixtures and Office Equipments)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

vi. Intangible Asset

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licenses which are amortised over license period which equates the useful life ranging between 2-5 years on a straight-line basis.

vii. Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively.

Current taxes

The current income tax expense includes income

taxes payable by the Company and its subsidiaries in India and overseas. The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to the subsidiary in the respective jurisdiction in which it operates.

Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised (either in other comprehensive income or in equity).

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

viii. Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

ix. Investment property

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. After initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the

management expert.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

x. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit)

in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

xi. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

Debt Instruments at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

Debt instrument at Fair Value through Other Comprehensive Income (OCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment gains or losses and foreign exchange gains and losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

Debt instrument at Fair Value through Profit or Loss (FVTPL)

A financial asset which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income is classified as fair value through profit or loss. Debt instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Dividends from such investments are recognized in profit or loss as other income. There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

d) Impairment of financial assets

The Company recognises impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables or any contractual right to receive cash or other financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which considers historical credit loss experience and adjusted for forward-looking information.

Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair

value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xii. Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

xiii. Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts.

The Company assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease

recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

xiv. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

xv. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xvi. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

xvii. Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its

carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

xviii. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

xix. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equities shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

xx. Cash and Cash Equivalent

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xxi. Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other Long-term employee benefit obligations

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly

within 12 months after the end of the period in which the employee render the related service are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in Other comprehensive income.

The obligations are presented as current in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post- employment obligations

The Company operates the following post-employment schemes:

- I. Defined benefit plans such as gratuity
- II. Defined contribution plans such as provident fund.

Defined benefit plan - Gratuity Obligations

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation.

The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other

comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

xxii. Share-based Payments

Shared based compensation benefits are provided to employees via Vakrangee Limited Employee Stock Option Plan.

Employee options

The cost of equity-settled transactions is determined by the fair value of the options granted at the date when the grant is made. The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the Company's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employee to save or holding shares for a specific period of time.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to be vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Note 3 (a) - Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made by the management of the Company that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

The estimates and associate's assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

- **Share-based payments**
Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requiring determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 44.
- **Defined benefit plans**
The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 44.

- **Fair value measurement of financial instruments**
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 46 for further disclosures.
- **Depreciation and useful lives of Property, Plant and Equipment**
Property, Plant and Equipment are depreciated over the estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and taken into account anticipated technological changes. The Depreciation for future periods is revised if there are significant changes from previous estimates.
- **Provision and Contingent Liabilities**
A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Note 4 - Property, Plant and Equipment

(Amount in ₹ lakhs)

(a) Description	Buildings	Plant and Machinery	Furnitures and Fixtures	Motor Vehicle	Office Equipments	Computers including Computer Peripherals	Leasehold Land & Building	Leasehold Improvement	Total	Capital Work-In-Progress	Grand Total
Cost or Valuation											
At March 31, 2018	1,972.97	2,884.69	602.49	146.77	495.91	2,289.33	3,150.30	1,052.63	12,595.08	320.95	12,916.03
Additions	69.72	5,399.31	13.49	-	53.41	375.37	34.94	271.28	6,217.52	6,628.06	12,845.58
Disposals/Transfers	39.70	-	-	-	0.45	-	-	-	40.15	5,612.70	5,652.85
At March 31, 2019	2,002.99	8,284.00	615.98	146.77	548.86	2,664.70	3,185.24	1,323.91	18,772.45	1,336.31	20,108.76
Additions	478.57	2,343.96	37.16	-	40.29	90.06	-	34.46	3,024.51	2,057.80	5,082.31
Disposals/Transfers	722.98	-	87.04	-	92.46	858.43	-	295.00	1,760.90	2,932.29	4,693.19
At March 31, 2020	1,758.58	10,627.96	566.11	146.77	496.70	1,896.34	3,185.24	1,063.38	20,036.06	461.82	20,497.88
Depreciation and Impairment											
At March 31, 2018	192.51	1,016.52	339.77	38.08	138.02	1,889.29	4.98	8.49	3,627.67	-	3,627.67
Depreciation charged for the year	33.10	369.18	38.96	16.62	70.97	166.06	59.06	117.65	871.60	-	871.60
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-
Disposals/Transfers	8.16	-	-	-	0.12	-	-	-	8.28	-	8.28
At March 31, 2019	217.45	1,385.70	378.73	54.70	208.87	2,055.36	64.04	126.14	4,490.98	-	4,490.98
Depreciation charged for the year	37.09	886.77	39.97	16.65	79.23	238.56	59.51	112.98	1,470.76	-	1,470.76
Impairment during the year	-	16.00	-	-	-	-	-	-	16.00	-	16.00
Disposals/Transfers	165.39	-	82.89	-	78.93	844.55	-	-	1,171.75	-	1,171.75
At March 31, 2020	89.15	2,288.47	335.81	71.35	209.17	1,449.37	123.55	239.12	4,805.99	-	4,805.99
Net Book Value											
At March 31, 2020	1,669.43	8,339.48	230.30	75.42	287.52	446.97	3,061.69	824.26	14,935.07	461.82	15,396.89
At March 31, 2019	1,785.54	6,898.30	237.25	92.07	339.99	609.35	3,121.20	1,197.77	14,281.47	1,336.31	15,617.78

- (b) **Impairment of Assets :** Impairment loss mainly pertains to one high speed printer categorised under Plant & Machinery. Based on technical valuation, the recoverable amount is less than the carrying value of the asset.
- (c) **Change in Estimate :** During the year, the management has analysed the remaining useful life of assets and based on technical valuation of one class of Property, Plant and Equipment viz. ATM, life expectation has been changed from previous estimates. The change in life expectation has been accounted as per Para 38 of Ind-AS 8, Accounting Policies, Change in Estimates and Errors.
- (d) **Finance Lease arrangement (Leasehold Land and Building) :**
The net carrying amount of Property, Plant and Equipment under finance lease arrangements are as follows:

(Amount in ₹ lakhs)

	As at March 31, 2020	As at March 31, 2019
Leasehold Land & Building	3,061.69	3,121.20

During the current year, the company has entered into a long term finance lease arrangement for a land and building situated at Plot No.93, Road No.16, MIDC, Marol, Andheri (East) Mumbai 400093 for the remaining period of 51 years out of the total lease term of 95 years in consideration of a lump sum premium amounting to ₹ 3,000.00 lakhs.

In consideration to the provisions of Ind AS 17 - Leases, the leasehold land and building have been assessed for classification as finance lease based on the evaluation of the facts and circumstances of the lease arrangement. The lease arrangement does not contain any clause for renewal or escalation.

Consideration paid shall be equally amortized over the period of leases and the company is not subject to any other future minimum lease rental commitments.

Note 5 - Intangible Assets

(Amount in ₹ lakhs)

(a) Description	Amount
Gross Block	
At March 31, 2018	-
Additions	5.50
Disposal	-
At March 31, 2019	5.50
Additions	-
Disposal	-
At March 31, 2020	5.50
Depreciation and Impairment	
At March 31, 2018	-
Depreciation Charged for the year	1.83
Impairment during the year	-
Disposal	-
At March 31, 2019	1.83
Depreciation Charged for the year	1.84
Impairment during the year	-
Disposal	-
At March 31, 2020	3.67
Net Book Value	
At March 31, 2020	1.83
At March 31, 2019	3.67

Note 6 - Investments
(Non Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Unquoted		
Investment carried at Fair value through Profit and Loss (FVTPL)		
- In Equity Shares		
2,500 Equity Shares of CSC e-Governance Services India Limited of ₹ 1000/- each fully paid up (March 31, 2018 : 2,500 Equity shares)	126.94	126.94
(A)	126.94	126.94
(b) Quoted		
Investment carried at Fair value through Profit and Loss (FVTPL)		
Investments in Mutual Funds		
24.9375 units of Aditya Birla Real Estate Fund - I of ₹ 1,00,000/- each partly paid up ₹ 60,000/- per unit (March 31, 2018 : ₹ 60,000/- per unit, 24.9375 units)	-	10.26
1,20,000 units of Union Capital Protection Oriented Fund Series 7 (March 31, 2018 : 1,20,000 units)	-	13.77
20,00,000 units of Union Capital Protection Oriented Fund Series 8 (March 31, 2018 : 20,00,000 units)	206.90	216.10
(B)	206.90	240.13
TOTAL (A + B)	333.84	367.07
Aggregate amount of quoted investments	206.90	240.13
Aggregate market value of quoted investments	206.90	240.13
Aggregate amount of unquoted investments	126.94	126.94

Investment at fair value through profit and loss reflect investment in quoted and unquoted equity securities and quoted mutual fund units.

The fair value of the unquoted equity shares have been estimated using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable.

The fair value of quoted mutual fund units are based on quoted net asset value at the reporting date.

Note 7 - Trade Receivables
(Non Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	-	-
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivable - credit impaired	337.33	324.28
	337.33	324.28
Less: Allowance for credit losses	337.33	324.28
TOTAL	-	-

CONSOLIDATED**Note 8 - Loans
(Non - Current)**

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Loans Receivable considered good (Secured)	-	-
(ii) Loans Receivable considered good (Unsecured)	-	-
(a) Loan to Others		
Security Deposit	52.77	45.32
Earnest Money Deposit	66.10	66.00
	118.87	111.32
(iii) Loans Receivable which have significant increase in Credit Risk	-	-
(iv) Loans Receivable - credit impaired	-	-
	118.87	111.32

**Note 9 - Other Financial Assets
(Non - Current)**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Deposits with bank		
- with maturity period of more than 12 months	309.06	307.15
	309.06	307.15
* Amount held as margin money or security against borrowings, guarantee, other commitments	308.51	306.60

Note 10 - Deferred Tax Assets (net)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Assets		
(i) On account of difference in depreciation on Property, Plant and Equipment	0.12	261.98
(ii) Provision for Employees' obligations	85.03	73.72
(iii) Temporary differences on Tax Provisions	-	-
(iv) On account of Expected Credit Loss	134.07	184.94
(v) Unused tax credits	-	17.83
(A)	219.22	538.47
Liabilities		
(i) On account of difference in depreciation on Property, Plant and Equipment	126.58	-
(B)	126.58	-
Balance carried to Balance Sheet (A - B)	92.64	538.47

(a) Movement in deferred tax account during the year is as follows:

(Amount in ₹ lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance
For the year ended March 31, 2020 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	261.98	(388.44)	-	(126.46)
Expenses provided but allowable in Income Tax on payment	73.72	17.50	(6.19)	85.03
Allowance for expected credit losses	184.94	(50.87)	-	134.07
Unused tax credits	17.83	(17.83)	-	(0.00)
	538.47	(439.64)	(6.19)	92.64
Others	-	-	-	-
	-	-	-	-
TOTAL	538.47	(439.64)	(6.19)	92.64
For the year ended March 31, 2019 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	680.58	(418.60)	-	261.98
Expenses provided but allowable in Income Tax on payment	136.53	(58.45)	(4.36)	73.72
Allowance for expected credit losses	244.46	(59.52)	-	184.94
Unused tax credits	70.43	(52.60)	-	17.83
	1,132.00	(589.17)	(4.36)	538.47
Others	-	-	-	-
	-	-	-	-
TOTAL	1,132.00	(589.17)	(4.36)	538.47

The analysis of Deferred Tax Assets is as follows:

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets to be recovered after more than 12 months	-	276.48
Deferred Tax Assets to be recovered within 12 months	92.64	261.99
	92.64	538.47

(b) Explanation of changes in the applicable tax rate(s) compared to the previous accounting period

Particulars	As at March 31, 2020	As at March 31, 2019
Applicable Tax rate considered for deferred tax asset or liability	25.17%	34.94%

The applicable tax rates have been changed on the basis of using the tax rates that have been enacted as at the end of the each reporting period. In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives including loss of the accumulated MAT Credit. Since the Company does not have any unutilised MAT credit / unabsorbed depreciation losses, it has exercised this option for current period and accordingly recognized the taxes on income for the quarter and year ended March 31, 2020 as per the new provisions.

CONSOLIDATED**Note 11 - Other Non-Current Assets**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	61,950.00	-
Prepaid Expenses	30.44	1.85
Balances with statutory / revenue authorities		
- Income Tax (net of provision for taxation)	558.47	1,171.56
- Sales Tax	11.43	13.35
- Service Tax	-	61.71
	569.90	1,246.62
TOTAL	62,550.34	1,248.47

Note 12 - Inventories

(Amount in ₹ lakhs)

(a) Particulars	As at March 31, 2020	As at March 31, 2019
(iii) Stock-in-Trade	766.44	393.09
(iv) Consumables	4.85	9.27
(v) Stores & Spares	10.09	8.31
TOTAL	781.38	410.67

(b) Basis of valuation of Inventories

Inventories are valued at lower of cost or net realizable value on FIFO basis which is in accordance with Ind AS-2.

Note 13 - Trade Receivables**(Current)**

(Amount in ₹ lakhs)

(a) Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	1,36,780.47	1,31,695.50
Trade Receivable which have significant increase in Credit Risk	501.92	674.71
Trade Receivable - credit impaired	-	-
	1,37,282.39	1,32,370.21
Less: Allowance for credit Losses	398.18	407.80
TOTAL	1,36,884.21	1,31,962.41

(b) Debts due from related parties

Note 14 - Cash & Cash equivalents

(Amount in ₹ lakhs)

(a) Particulars	As at March 31, 2020	As at March 31, 2019
(A) Cash & Cash Equivalents		
(i) Balances with Banks :		
- Current Accounts	1,303.11	2,559.57
- Deposit Accounts	-	-
(ii) Cash-in-hand	202.39	210.58
TOTAL	1,505.50	2,770.15
(B) Bank Balances other than above		
(i) Earmarked balances in unclaimed dividend account	89.61	86.66
(ii) Fixed Deposits with maturity period of more than 3 months but less than 12 months **	16,255.44	1,11,559.82
TOTAL	16,345.05	1,11,646.48
** Amount held as margin money or security against borrowings, guarantee, other commitments	793.20	1,524.00

(b) For the purpose of cash flow statement

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Cash & Cash Equivalents		
(i) Balances with Banks :		
- Current Accounts	1,303.11	2,559.57
- Deposit Accounts	-	-
(ii) Cash-in-hand	202.39	210.58
	1,505.50	2,770.15
Less :- Cash Credit	-	-
TOTAL	1,505.50	2,770.15

Note 15 - Loans

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Loans Receivable considered good (Secured)	-	-
(ii) Loans Receivable considered good (Unsecured)	-	-
(a) Loan to Others		
Security Deposit	16.13	15.72
Staff Advances	4.03	35.86
Inter Corporate Deposits	1,046.84	950.55
	1,067.00	1,002.13
(iii) Loans Receivable which have significant increase in Credit Risk	-	-
(iv) Loans Receivable - credit impaired	-	-
TOTAL	1,067.00	1,002.13

CONSOLIDATED**Note 16 - Other Financial Assets
(Current)**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Others		
Advance for Outlets	43.53	57.61
Advance to BCAs	15.77	12.29
Insurance claim Receivable	11.71	10.04
Accrued Interest on FD	0.59	584.92
ATM Settlement Receivable	454.28	2,516.52
COD Receivables	20.09	23.94
Less : - Allowance for credit losses	(20.09)	(23.49)
	-	0.45
TOTAL	525.88	3,181.83

Note 17 - Current Tax Assets (Net)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax (net of provision for taxation)	1,401.59	247.40
TOTAL	1,401.59	247.40

Note 18 - Other Current Assets

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances to Vendors	36,106.21	1,541.82
Prepaid Expenses	103.72	293.79
Other Receivable		
- Accrued Revenue	7,334.04	28.18
- Fund with LIC (Group Gratuity)	-	10.65
	7,334.04	38.83
Balances with statutory / revenue authorities		
- Goods & Service Tax	1,035.55	483.09
TOTAL	44,579.52	2,357.53

Note 19 - Equity Share Capital**Equity share capital****(i) Authorised share capital**

(Amount in ₹ lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2019	12,500.00	12,500.00
Increase during the year	-	-
As at March 31, 2020	12,500.00	12,500.00

(ii) Paid up Equity share capital

(Amount in ₹ lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2018	10,588.03	10,588.03
Exercise of options	-	-
As at March 31, 2019	10,588.03	10,588.03
Exercise of options	6.03	6.03
As at March 31, 2020	10,594.06	10,594.06

(iii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
Vakrangee Holdings Private Limited	2,509.50	23.69%	2,509.50	23.70%
NJD Capital Private Limited	1,311.00	12.37%	1,311.00	12.38%
Life Insurance Corporation of India	659.30	6.22%	671.30	6.34%
Dinesh Nandwana	691.07	6.52%	597.34	5.64%

(iv) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2020, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 0.25/- per share of ₹ 1/- each for the year ended March 31, 2019.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(v) Aggregate details for five immediately previous reporting periods for each class of shares

(No. of shares in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
- No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- No. of shares allotted as fully paid by way of Bonus Shares	5,294.02	5,294.02
- No. of shares bought back	-	-
- No. of shares issued on exercise of options granted under the ESOP scheme.	15.22	9.19

(vi) Capital Management

The Company's objectives when managing capital are to :

- (i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet, including non-controlling interests).

The Company's strategy is to maintain a gearing ration within 1:1. The gearing ratios were as follows :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Net debt	-	-
Total equity	2,63,730.50	2,60,220.40
Net debt to equity ratio	-	-

Note 20 - Other Equity

(i) Reserves and surplus

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium Reserve	42,746.84	42,318.52
Share Options Outstanding Account	5,950.10	11,025.85
Deferred Employee Compensation Expense	(3,070.19)	(7,232.26)
General Reserve	18,268.04	18,268.04
Surplus in Statement of Profit & Loss	1,91,811.00	1,87,875.91
Total (A)	2,55,705.79	2,52,256.06

(a) Securities Premium Reserve

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	42,318.52	42,318.52
Add:- On share issued during the year	178.22	-
Add:- Transfer from shares options outstanding account	250.10	-
Closing balance	42,746.84	42,318.52

(b) Share Options Outstanding Account

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	11,025.85	9,442.83
Add:- On further grant of options	495.65	3,551.57
Less:- Reversal due to Lapsation of option	(5,321.30)	(1,968.55)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Less: Transfer to Securities premium account	(250.10)	-
Closing balance	5,950.10	11,025.85

(c) **Deferred Employee Compensation Expense**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	(7,232.26)	(7,310.66)
Add:- On further grant of options	(495.65)	(3,551.57)
Less:- Reversal due to Lapsation of option	2,398.78	1,551.53
Less:- Amortised during the year	2,258.94	2,078.44
Closing balance	(3,070.19)	(7,232.26)

(d) **General Reserve**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	18,268.04	11,641.83
Add:- Transfer from Profit & Loss account	-	6,626.21
Closing balance	18,268.04	18,268.04

(e) **Surplus in Statement of Profit & Loss**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	1,87,875.91	1,95,170.60
Add:- Profit for the year	7,128.01	2,522.63
Less:- Transfer to General Reserve	-	(6,626.21)
Less:- Dividend declared	(2,648.51)	(2,647.01)
Less:- Dividend distribution tax	(544.41)	(544.10)
Closing balance	1,91,811.00	1,87,875.91

(ii) **Other Comprehensive Income**

(a)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	(3,207.25)	(3,148.79)
Remeasurement of net defined benefit obligations (net of taxes)	18.42	(58.46)
Closing balance (i)	(3,188.83)	(3,207.25)

CONSOLIDATED**(b) Foreign Currency Translation Reserve**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	583.56	538.90
Translation reserve for the year	35.92	44.66
Closing balance (ii)	619.48	583.56
Total (B)	(2,569.35)	(2,623.69)
Total (A+B)	2,53,136.44	2,49,632.37

Note 21 - Trade Payables**(Non - Current)**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Principal	Interest	Principal	Interest
- Dues of micro enterprises and small enterprises				
Amount due to vendor	-	-	-	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	-	-	-	-
Total Dues of micro enterprises and small enterprises		-		-
- Dues of Creditors other than micro enterprises and small enterprises		291.35		342.16
TOTAL		291.35		342.16

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by Management.

Note 22 - Other Financial Liabilities**(Non - Current)**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Other Payable		
Security Deposit	39.26	38.42
TOTAL	39.26	38.42

Note 23 - Employee Benefit Obligations**(Non - Current)**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employees' benefits	337.74	189.29
TOTAL	337.74	189.29

**Note 24 - Trade Payables
(Current)**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Principal	Interest	Principal	Interest
- Dues of micro enterprises and small enterprises				
Amount due to vendor	101.56	-	26.05	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	101.56	-	26.05	-
Total Dues of micro enterprises and small enterprises		101.56		26.05
- Dues of Creditors other than micro enterprises and small enterprises		6,806.42		3,361.51
TOTAL		6,907.98		3,387.56

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by Management.

Note 25 - Other Financial Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Payable to Franchisee under WLA	2,794.30	3,239.25
Payables against cash collection	-	0.03
Payable for acquisition of Property, Plant & Equipments	555.70	1,135.39
Unpaid Dividend	89.61	86.66
TOTAL	3,439.61	4,461.33

Note 26 - Other Current Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	1,132.75	418.30
Advance from customers	2,088.32	329.60
Kendra money received pending allotment	1,453.50	1,137.36
Franchisee Wallet Balance	386.64	541.55
Staff Emoluments Payable	658.49	287.35
TOTAL	5,719.70	2,714.16

CONSOLIDATED**Note 27 - Provisions**

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Expenses for Goods & services	698.51	397.53
TOTAL	698.51	397.53

Note 28 - Employee Benefit Obligations (Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employees' benefits	24.72	21.68
TOTAL	24.72	21.68

Note 29 - Current Tax Liabilities (Net)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax (net of provision for taxation)	704.23	-
TOTAL	704.23	-

Note 30 - Revenue from Operations

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Revenue from vakrangee kendra, including e-governance activities	58,096.74	1,41,053.71
(b) Revenue from Sale of Products		
- Computer consumables & peripherals	2,261.09	3,755.27
	2,261.09	3,755.27
(c) Revenue from Sale of Services		
- Information Technology-enabled Services (ITeS)	7,864.45	5,512.95
- Courier and Delivery Services	2.06	12.63
- Others	-	-
	7,866.51	5,525.58
(d) Other Operating Revenues		
- Kit Transportation charge	263.49	487.53
- Scrap Sales	34.33	0.60
	297.82	488.13
TOTAL	68,522.16	1,50,822.69

Note:- The amount of revenues are exclusive of indirect taxes (GST etc.).

Note 31 - Other Income

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
(i) Interest Income				
(a) Interest Income on the financial assets at amortized cost				
- Bank Deposits	5,657.68		7,560.77	
(b) Other Interest Income	1,858.83	7,516.51	106.74	7,667.51
(ii) Dividend Income		1.50		1.83
(ii) Other non-operating income				
- Rent Received	3.12		4.92	
- Gain on Sale of Asset	0.46		-	
- Gain on Foreign Exchange Fluctuation	224.82		260.30	
- Fair value gain on financial instrument at fair value through Profit and loss*	-		62.42	
- Miscellaneous Income	1.41		0.13	
		229.81		327.77
TOTAL		7,747.82		7,997.11

*Total Fair value gain on financial instrument at fair value through profit and loss includes ₹ NIL (previous year ₹ 50.16 lakhs) as 'Net Gain on sale of Investments'

Note 32 - Operating Expenses

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
Project Delivery Cost				
- Opening Stock	17.58		31.65	
- Add : Purchase of goods and services	40,904.72		1,28,069.67	
- Less : Closing Stock	14.94		17.58	
		40,907.36		1,28,083.74
Project Expenses		708.79		381.33
Commission Expenses		11,651.15		8,646.83
Communication Costs		5.23		20.01
Conveyance & Travelling Expenses		32.10		35.02
Transportation, Octroi and Loading / Unloading Charges		119.13		133.49
Rent, Rates and Taxes		236.42		193.91
TOTAL		53,660.18		1,37,494.33

Note 33 - Changes in Inventories

CONSOLIDATED

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) At the beginning of the period		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	393.09	1,682.98
Less : Stock converted into Fixed Assets	(52.28)	(286.92)
	340.81	1,396.06
Less : at the end of the period		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	766.44	393.09
	766.44	393.09
TOTAL	(425.63)	1,002.97

Note 34 - Employee Benefits Expenses

(Amount in ₹ lakhs)

(a) Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Salaries & Wages	6,174.86	6,710.48
(ii) Directors' Remuneration	1,411.43	470.53
(iii) Contribution to Provident & Other Funds	347.85	288.59
(iv) Share-based Payment Expenses	(663.57)	1,661.42
(v) Directors' Sitting Fees	17.80	15.30
(vi) Staff Welfare Expenses	94.44	135.31
	7,382.81	9,281.63
TOTAL	7,382.81	9,281.63

(b) Detailed note on disclosure as required by Ind AS-19

For details, refer Note No. 42

Note 35 - Other Expenses

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Repairs & Maintenance :		
- Building	18.65	7.31
- Vehicle	2.42	3.77
- Others	42.35	27.50
	63.42	38.58
Advertisement and Publicity	494.50	461.69
Business Promotion	85.03	200.30
Rent	-	0.18
Rates & Taxes	276.79	165.85
Insurance	111.65	38.64
Electricity Charges	90.51	92.03
Printing and Stationery	139.25	101.93

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
Communication Costs		186.41		138.67
Fees & Subscriptions		6.00		12.74
Listing, Registrar & Share Issue/Transfer Charges		56.30		21.60
Loss on Foreign Exchange Fluctuation		10.92		-
Fair value gain on financial instrument at fair value through Profit and loss*		9.46		-
Legal & Professional Fees - Other than payments to Auditor:				
- Legal & Professional	687.82		967.25	
- Filing Stamp Duty and Franking Charges	9.47	697.29	3.53	970.78
Payments to Auditors :				
- Audit fees (including limited review)	61.45		51.59	
- Tax Audit fees	10.15		7.65	
- For Other Services	2.46		0.67	
- For Reimbursement of Expenses	4.01	78.07	3.38	63.29
Conveyance & Travelling		222.32		240.11
Vehicle Expenses		9.73		11.43
Software and Other IT Charges		-		19.77
Corporate Social Responsibility Expenditure (Refer Note 39)		84.85		92.50
Office & General Expenses		163.42		139.04
Allowance for credit losses				
Opening Allowances	(755.57)		(855.92)	
Less : Written off during the year	-		131.93	
Less : Closing Allowances	(755.60)	0.03	(755.57)	31.58
Miscellaneous Expenses		162.30		31.16
TOTAL		2,948.25		2,871.87

Note 36 - Exceptional Item

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Net gain on disposal of Property plant and equipment	503.41	177.40
TOTAL	503.41	177.40

Exceptional item consists of profit on sale of old office premises (an item of PPE).

CONSOLIDATED**Note 37 - Earnings Per Equity Share**

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Net profit after tax attributable to equity shareholders for		
Basic EPS	7,128.01	2,522.63
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	7,128.01	2,522.63
(b) Weighted average no. of equity shares (in lakhs) outstanding during the year		
For Basic EPS	10,593.51	10,588.03
For Diluted EPS	10,606.65	10,621.18
(c) Face Value per Equity Share (₹)	1.00	1.00
Basic EPS (₹)	0.67	0.24
Diluted EPS (₹)	0.67	0.24
(d) Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS		
No. of shares used for calculating Basic EPS	10,593.51	10,588.03
Add: Potential equity shares	13.14	33.15
No. of shares used for calculating Diluted EPS	10,606.65	10,621.18

Note 38 - Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Contingent Liabilities		
(i) Claims against the company not acknowledged as debts	45.78	45.78
(ii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts	553.40	1,039.45
(iii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties on behalf of subsidiary company which is not acknowledged in books of accounts	125.00	325.00
(iv) Disputed liabilities pertaining to Service Tax with CESTAT	-	156.19
(v) Disputed liabilities pertaining to Sales Tax with appellate authorities	-	449.47
(A)	724.18	2,015.89
(B) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	62,797.48	1,444.79
(B)	62,797.48	1,444.79
TOTAL (A + B)	63,521.66	3,460.68

Note: The amount of liabilities, which may occur on levying of penalty and/or charges by clients for delays in execution of contracts within the time prescribed in the agreement, is unascertained.

Note 39 - Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

a) Gross amount required to be spent by the company during the year is ₹ 1,235.96 lakhs.

(Amount in ₹ lakhs)

Particulars	In Cash	Yet to be paid in Cash	Total
i) Construction / acquisition of any asset	-	-	-
ii) On purposes other than (i) above	84.85	-	84.85

Note 40 - Segment Reporting

The Company's activities predominantly revolve around providing the e-governance related activities of Mission Mode Projects covered under "National e-Governance Plan" (NeGP). Considering the nature of Company's business and operations, there is only one reportable segment (business and / or geographical) in accordance with the requirements of the Indian Accounting Standard 108 – "Operating Segments".

Note 41 - Related Party Details

(a) Key Management Personnel & Directors

Mr. Ramesh Mulchand Joshi	Non-Executive Chairman (w.e.f. January 24, 2020)
Mr. Dinesh Nandwana	Managing Director & Group CEO (Executive Chairman upto January 24, 2020)
Mr. Anil Khanna	Director. (Managing Director & Group CEO upto January 24, 2020)
Dr. Nishikant Hayatnagarkar	Whole-Time Director
Mr. Sunil Agarwal	Director
Mr. Babulal Meena	Director
Mrs. Sujata Chattopadhyay	Director
Mr. Avinash Chandra Vyas	Director
Mr. Ranbir Datt	Nominee Director
Mr. Subhash Singhania	Chief Financial Officer
Mr. Mehul Rawal	Company Secretary and Compliance Officer

(b) Relative of key management personnel and Name of the enterprises having same key management personnel and/ or their relatives as the reporting enterprises with whom the Company has entered into transactions during the year

- Mr. Manoj Nandwana	Nephew of Director
- Mr. Shelendra Nandwana	Nephew of Director
- Ms. Divya Nandwana	Daughter of Director
- Mr. Vedant Nandwana	Son of Director

CONSOLIDATED**Related Party Transactions****- In relation to (a)**

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration to Key Managerial Personnel		
- Dinesh Nandwana	240.00	268.77
- Anil Khanna	1,112.93	139.11
- Dr. Nishikant Hayatnagarkar	58.50	62.65
- Subhash Singhania	54.00	57.61
- Mehul Rawal	26.05	28.12
Post-employment benefits to Key Managerial Personnel		
- Dinesh Nandwana	16.76	14.98
- Anil Khanna	-	4.33
- Dr. Nishikant Hayatnagarkar	18.75	17.52
- Subhash Singhania	4.48	3.17
- Mehul Rawal	1.60	0.67
ESOP Perquisites		
- Dr. Nishikant Hayatnagarkar	15.40	-
Directors Sitting Fees		
- Ramesh Mulchand Joshi	3.95	3.30
- Sunil Agarwal	2.50	1.50
- Babulal Meena	2.15	2.20
- Sujata Chattopadhyay	2.00	3.00
- Avinash Chandra Vyas	3.95	2.80
- Ranbir Datt	3.25	2.50
Balance outstanding as on March 31 :		
(Salaries Payable)		
- Anil Khanna	307.64	0.29
- Subhash Singhania	0.03	-
- Mehul Rawal	0.05	0.05

- In relation to (b)

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
Reimbursement of Expenses Paid		
- Manoj Nandwana	3.44	2.14
- Shelendra Nandwana	0.09	0.06
- Divya Nandwana	1.02	5.28
- Vedant Nandwana	0.29	4.38
Employee Benefit Expenses		
- Manoj Nandwana	8.97	9.58
- Shelendra Nandwana	6.28	6.93
- Divya Nandwana	18.73	17.91
- Vedant Nandwana	6.81	6.43
Balance outstanding as on March 31 :		
(Expenses and Salaries Payable)		
- Manoj Nandwana	0.32	0.35

Note 42 - Employee Benefit Obligations**(i) Leave obligations**

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 276.07 lakhs (March 31, 2019 - ₹ 210.97 lakhs) is presented as current and non-current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employee to take the full amount of accrued leave or require payment within the next 12 months. The Company has accounted for provision of leave encashment as per Ind-AS 19 based on actuarial valuation undertaken by a registered valuer.

(ii) Gratuity (post-employment benefits)

The Company provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised/approved funds in India. The Company has fully funded group gratuity plan against this liability with LIC of India. The Company has accounted for provision of gratuity as per Ind-AS 19 based on actuarial valuation undertaken by a registered valuer.

(iii) Defined contribution plans

The Company also has certain defined benefit obligations. Contributions are made to provident fund in India for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 260.04 lakhs (March 31, 2019 - ₹ 166.36 lakhs).

Gratuity

The following table sets out the amount recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

(Amount in ₹ lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-18	283.82	(45.20)	238.62
Current Service cost	114.99	-	114.99
Past Service Cost	-	-	-
Interest expense/(income)	22.00	(3.50)	18.50
Total amount recognised in profit and loss	136.99	(3.50)	133.49
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
(Gain)/loss from change in financial assumptions	19.16	-	19.16
Experience (gains)/losses	44.29	(9.35)	34.94
Total amount recognised in other comprehensive income	63.45	(9.35)	54.10
Employer contributions	-	(436.85)	(436.85)
Benefit payments	(29.05)	29.05	-
31-Mar-19	455.21	(465.85)	(10.64)

CONSOLIDATED

(Amount in ₹ lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-19	455.21	(465.85)	(10.64)
Current Service cost	134.18	-	134.18
Past Service Cost	-	-	-
Interest expense/(income)	35.28	(40.56)	(5.28)
Total amount recognised in profit and loss	169.46	(40.56)	128.90
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
(Gain)/loss from change in financial assumptions	46.28	-	46.28
Experience (gains)/losses	(88.41)	17.52	(70.89)
Total amount recognised in other comprehensive income	(42.13)	17.52	(24.61)
Employer contributions	-	(7.25)	(7.25)
Benefit payments	(95.90)	95.90	-
31-Mar-20	486.64	(400.24)	86.40

The net liability disclosed above relates to funded plans are as follows

(Amount in ₹ lakhs)

Particulars	31-Mar-20	31-Mar-19
Present value of funded obligations	486.64	455.21
Fair value of plan assets	(400.24)	(465.85)
Deficit/(Surplus) of gratuity plan	86.40	(10.64)

Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

	31-Mar-20	31-Mar-19
Discount rate	6.70%	7.75%
Salary growth rate (per annum)	5.00%	5.00%
Mortality Table	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Impact on defined benefit obligation	Increase in assumption	
	31-Mar-20	31-Mar-19		31-Mar-20	31-Mar-19
	Discount rate	1%	1%	Decrease by	9%
Salary growth rate	1%	1%	Increase by	10%	13%

Particulars	Change in assumption		Impact on defined benefit obligation		
			Decrease in assumption		
	31-Mar-20	31-Mar-19		31-Mar-20	31-Mar-19
Discount rate	1%	1%	Increase by	11%	13%
Salary growth rate	1%	1%	Decrease by	9%	11%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

***The major categories of plans assets are as follows :**

	In Percentage %	
	31-Mar-20	31-Mar-19
Equity instruments	5.55	5.55
Debt instruments	91.83	91.83
Government bonds	74.55	74.55
Corporate bonds/debentures	17.28	17.28
Asset backed securities	0.85	0.85
Cash and cash equivalents	1.77	1.77
Total	100.00	100.00

*The Company contributes all the ascertained liabilities towards gratuity to Life Insurance Corporation of India (LIC) which is the insurer- managed fund. Since the investments in the plan assets is managed by LIC the detailed breakup of the investments is not made available to the Company.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

Investment risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Most of the plan asset investment is in fixed income securities with high grades and in government securities which are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company intends to maintain the above investment mix in the continuing years.
Interest risk	A decrease in the market yields in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Note 43 - Share based payments

The company has formulated Employee Stock Option Scheme, 2008 (ESOP Scheme) which was approved by the members/ shareholders of the Company at their annual general meeting held on September 23, 2008, as modified on January 10, 2011 and June 1, 2012 annual general meeting. Further the company has formulated the new "ESOP Scheme 2014" approved by the members of the company through postal ballot on May 23, 2014. The Employee Option Plan is designed to provide incentives to all the existing employees serving with the Company. Under the plan, employees are granted options which vest proportionately from 2 – 6 years from the grant date which includes lock in period.

Once vested, the options remain exercisable for a period of 4 /5 years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is a price which is determined at 50% of market price of the scrip of the company (on the highest traded Stock Exchange) or at any other price as decided by the Nomination and Remuneration and Compensation Committee.

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-20		31-Mar-19	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	49.95	1,77,89,650	95.81	75,27,450
Granted during the year	18.53	19,61,400	27.01	1,17,81,800
Exercised during the year	30.58	6,02,550	-	-
Lapsed during the year	35.60	1,26,89,700	99.26	15,19,600
Closing Balance	70.41	64,58,800	49.95	1,77,89,650
Vested and exercisable	86.88	18,13,475	56.73	17,62,650

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2020 was ₹ 63.10 (March 31, 2019 : ₹ NIL).

No options expired during the periods in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (₹)	Share options	Share options
			31-Mar-20	31-Mar-19
20/07/12	19/07/21	10.00	-	47,750
26/11/14	26/11/23	32.35	1,13,200	9,37,100
11/03/16	10/03/25	56.54	9,70,300	14,21,500
26/07/17	25/07/26	109.40	22,80,800	30,97,800
26/10/17	25/10/26	137.33	2,96,800	4,49,400
09/01/18	08/01/27	202.28	2,05,300	3,52,500
13/04/18	12/04/27	69.85	3,66,100	5,27,100
10/07/18	09/07/27	25.93	2,00,600	3,54,900
05/10/18	04/10/27	14.38	2,36,300	3,74,400
03/01/19	02/01/28	18.03	1,42,300	2,27,200
25/01/19	25/01/24	25.00	-	1,00,00,000

Grant date	Expiry date	Exercise price (₹)	Share options	Share options
			31-Mar-20	31-Mar-19
15/04/19	14/04/28	32.95	2,09,400	-
10/07/19	09/07/28	17.95	1,12,100	-
09/10/19	08/10/28	14.18	3,25,600	-
09/10/19	08/10/30	14.18	10,00,000	-
Total			64,58,800	1,77,89,650

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2020 was ₹ 49.42, ₹ 27.26, ₹ 17.28 and ₹ 17.83 per option respectively for the four grants issued during the year (March 31, 2019 was ₹ 86, ₹ 39.84, ₹ 21.47, ₹ 23.92 and ₹ 26.57). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2020 included:

- a) Options are granted for consideration and vest upon completion of service for a period of one / two years. Vested options are exercisable for a period of four / five years after vesting.

Particulars	Year ended March 31, 2020				
	b) Exercise price	32.95	17.95	14.18	14.18
c) Grant date	15/04/19	10/07/19	09/10/19	09/10/19	
d) Expiry date	14/04/28	09/07/28	08/10/28	08/10/30	
e) Share price at grant date (₹)	67.00	36.80	26.05	26.05	
f) Expected price volatility of the company's shares	44.79%	50.68%	32.38%	27.48%	
g) Expected dividend yield	0.37%	0.44%	0.43%	0.39%	
h) Risk free interest rate	7.50%	6.67%	6.67%	6.80%	
i) Fair value (₹)	49.42	27.26	17.28	17.83	

Particulars	Year ended March 31, 2019				
	b) Exercise price	69.85	25.93	14.38	18.03
c) Grant date	13/04/18	10/07/18	05/10/18	03/01/19	25/01/19
d) Expiry date	12/04/27	09/07/27	04/10/27	02/01/28	25/01/24
e) Share price at grant date (₹)	139.70	54.40	29.90	34.35	43.20
f) Expected price volatility of the company's shares	59.58%	37.00%	36.77%	40.59%	39.77%
g) Expected dividend yield	0.40%	0.38%	0.55%	0.55%	0.55%
h) Risk free interest rate	6.58%	8.12%	8.11%	7.25%	7.30%
i) Fair value (₹)	86.00	39.84	21.47	23.92	26.57

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

- j) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2020	March 31, 2019
Employee Stock Option Plan	(663.57)	1,661.42

Note 44 - Financial Risk Management

(i) Method and assumptions used to estimate the fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial as well as non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

- Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2: Inputs other than prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The carrying value and fair value by each classification as at March 31, 2020 were as follows:-

(Amount in ₹ lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	118.87	-	-	118.87	-	-
Trade Receivables	1,36,884.21	-	-	1,36,884.21	-	-
Cash & Cash equivalents	1,505.50	-	-	1,505.50	-	-
Other Bank Balances	16,345.05	-	-	16,345.05	-	-
Short Term Loans	1,067.00	-	-	1,067.00	-	-
Other Financial Assets	834.94	-	-	834.94	-	-
Investments	-	333.84	-	333.84	206.90	126.94
TOTAL	1,56,755.57	333.84	-	1,57,089.41	206.90	126.94

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	7,199.33	-	-	7,199.33	-	-
Other Financial Liabilities	3,478.87	-	-	3,478.87	-	-
TOTAL	10,678.20	-	-	10,678.20	-	-

The carrying value and fair value by each classification as at March 31, 2019 were as follows:-

(Amount in ₹ lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	111.32	-	-	111.32	-	-
Trade Receivables	1,31,962.41	-	-	1,31,962.41	-	-
Cash & Cash equivalents	2,770.15	-	-	2,770.15	-	-
Other Bank Balances	1,11,646.48	-	-	1,11,646.48	-	-
Short term Loans	1,002.13	-	-	1,002.13	-	-
Other financial assets	3,488.98	-	-	3,488.98	-	-
Investments	-	367.07	-	367.07	240.13	126.94
TOTAL	2,50,981.47	367.07	-	2,51,348.54	240.13	126.94

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	3,729.73	-	-	3,729.73	-	-
Other Financial Liabilities	4,499.75	-	-	4,499.75	-	-
TOTAL	8,229.48	-	-	8,229.48	-	-

(ii) Financial Risk Management

The Respective Board of Directors of the Holding and Component Company has overall responsibility for the establishment and overview of the company's risk management framework. The Board of Directors has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the company's activities. The Audit Committee oversees how management monitors compliances with the company's risk management policies and procedures, and reviews the risk management framework. The Audit Committee is assisted in its role by Internal Audit. Internal Audit covers review of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's activities are exposed to various risk viz. Credit Risk, Liquidity Risk and Market Risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set up by the Board of Directors / Management of the Company.

a) Credit Risk :

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit ratings assigned by credit rating agencies.

In addition, the Holding Company is exposed to credit risk in relation to financial guarantees given to banks and other counter parties for the facilities availed by subsidiary. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called upon.

Trade receivables consists of large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

Table showing age of gross trade receivables and movement in expected credit loss allowance:

(Amount in ₹ lakhs)

Age of receivables	March 31, 2020	March 31, 2019
Within the credit period	1,36,349.34	1,31,188.89
1-90 days past due	14.32	107.01
91-180 days past due	139.63	155.22
181-270 days past due	27.45	130.82
More than 270 days past due	1,088.99	1,112.56
Total	1,37,619.73	1,32,694.50

Movement in the expected credit loss allowance	March 31, 2020	March 31, 2019
Balance at beginning of the year	755.57	855.92
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.03	(100.35)
Total	755.60	755.57

b) Liquidity Risk :

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation, typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities :

(Amount in ₹ lakhs)

As on March 31, 2020	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-

As on March 31, 2019	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-

c) Market Risk :

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments.

(i) Market Risk - Foreign Exchange

Foreign currency Risk is that risk in which fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Company hedges the receivables as well as payables by forming view after discussion with

Forex consultant and as per policies by Management. The Company is also exposed to the Foreign currency loans availed from various banks to reduce the overall interest cost.

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows:

(Amount in ₹ lakhs)

Currency	Liabilities		Assets	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
US Dollar (USD)	-	-	-	-

Foreign Currency Exposure

Particulars	USD in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Trade Receivables	-	-
Loans Receivable	-	-
TOTAL	-	-

Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and impact on Equity

(Amount in ₹ lakhs)

Currency	Impact of Profit and Loss / Equity			
	For year ended March 31, 2020		For year ended March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
US Dollar (USD)	-	-	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

ii) Market Risk - Interest Rate

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Note 45 - Income Taxes

- (a) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before income taxes	9,155.27	5,134.09
Enacted tax rates in India *	25.17%	34.94%
Computed expected tax expense	2,304.20	1,710.15
Effect of non-deductible expenses	(369.06)	69.14

CONSOLIDATED

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Absorption of unabsorbed brought forward losses and depreciation	(1.03)	15.72
Others	101.83	112.16
Income Tax expense	2,035.94	1,907.17
Earlier year tax expenses	(448.32)	115.13
Current Income Tax expense	1,587.62	2,022.30

* During the year ended March 31, 2019 Tax rate on subsidiaries have been considered at 26%, being rate for companies having turnover of less than 250 crores.

- (b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2020 and March 31, 2019 :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Income Tax Liabilities	704.23	-
Income Tax Assets	1,960.06	1,418.96
Net current income tax liabilities / (assets) at the end	(1,255.83)	(1,418.96)

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2020 and March 31, 2019 is as follows:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net current income tax liability / (asset) at the beginning	(1,418.96)	(1,304.18)
Income Tax paid	(1,424.49)	(2,137.08)
Current Income Tax expense	1,587.62	2,022.30
Net current income tax liability / (asset) at the end	(1,255.83)	(1,418.96)

- (c) The gross movement in the deferred income tax account for the year ended March 31, 2020 and March 31, 2019, are as follows:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net deferred income tax asset at the beginning	(538.47)	(1,132.00)
Movements relating to temporary differences	421.81	536.57
Temporary differences on other comprehensive income	6.19	4.36
Unused Tax Credit	17.83	52.60
Net deferred income tax asset at the end	(92.63)	(538.47)

Note 46 - Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

(Amount in ₹ lakhs)

Name of the entity	Country of incorporation	% of voting power as at March 31, 2020	% of voting power as at March 31, 2019	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Vakrangee Limited	India	-	-	97.04%	2,55,926.03	85.45%	6,090.84	33.89%	18.42	85.06%	6,109.26
Indian Subsidiaries											
Vakrangee Finserve Limited	India	100.00	100.00	1.44%	3,807.70	16.98%	1,210.25	0.00%	-	16.85%	1,210.25
Vakrangee Logistics Private Limited	India	100.00	100.00	0.34%	905.63	0.06%	4.29	0.00%	-	0.06%	4.29
Foreign Subsidiary											
Vakrangee e-Solutions Inc.	Philippines	100.00	100.00	1.18%	3,091.14	-2.49%	(177.37)	66.10%	35.92	-1.96%	(141.45)
Total					2,63,730.50		7,128.01		54.34		7,182.35

Note 47 - Previous year / period figures

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The previous year's figures have been regrouped or rearranged wherever necessary.

As per our report of even date

For A. P. Sanzgiri & Co.

Chartered Accountants

Firm's Registration No. : 116293W**For and on behalf of the Board of Directors****Ramesh Joshi**

Chairman

DIN : 00002683

Dinesh Nandwana

MD & Group CEO

DIN : 00062532

Dr. Nishikant Hayatnagar

Whole-time Director

DIN : 00062638

Anil Agarwal

Partner

Membership No.: 041396**Subhash Singhania**

Chief Financial Officer

Place : Mumbai

Date : July 31, 2020

Mehul Raval

Company Secretary

OFFICE ADDRESSES:

Mumbai:

Registered Office:

Vakrangee Limited, Vakrangee Corporate House,
Plot No. 93, Road No. 16, MIDC, Marol, Andheri East,
Mumbai - 400093 (Maharashtra)

New Delhi Office

Vakrangee Limited, Unit No 230-232, Somdutt Chamber-2,
Bhikaji Cama Place, New Delhi - 110066

Jaipur Office:

Vakrangee Limited, 3/55, Paras Ram Nagar,
Dher Ke Balaji, Sikar Road, Jaipur - 302023 (Rajasthan)

Chandigarh Office:

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Lucknow Office:

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Thana, Kanpur Road, Lucknow - 226012 (Uttar Pradesh)

Pune Office:

Vakrangee Limited, Unit No. 243/244, 2nd Floor,
Akshay Complex Condominium, Dhole Patil Road,
Near to Ganpati Mandir, Pune - 411001 (Maharashtra)

Indore Office:

Vakrangee Limited, Unit No. 220, 2nd Floor, Dhan Trident,
Satya Sai Square, Near Metro Tower, Vijay Nagar,
Indore - 452010 (Madhya Pradesh)

Bhubaneshwar Office:

Vakrangee Limited, House No. - GA 382, 1st Floor,
Shailashree Vihar, (Near Niladri Vihar Auto Stand),
Bhubaneswar - 751016 (Odisha)

Patna Office:

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Ahmedabad:

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Ahmedabad - 380009 (Gujarat)

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North Goa - 403001 (Goa)

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Hyderabad - 500016



VAKRANGEE LIMITED

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