

August 30, 2022

To,

<b>Department of Corporate Relationship BSE Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001	<b>Corporate Relationship Department National Stock Exchange of India Ltd.</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
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Dear Sir/Madam,

**Sub: - Third Integrated Annual Report along with Independent Reasonable Assurance Statement from Grant Thornton Bharat LLP (GT).**

**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 3<sup>rd</sup> Integrated Annual Report and 32<sup>nd</sup> Annual Accounts of the Company for the financial year 2021-22. 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 3<sup>rd</sup> Integrated Annual Report for FY 2021-22 along with Independent Reasonable Assurance Statement from Grant Thornton Bharat LLP (GT). The report elaborates on the organisation's inclusive approach of creating value for stakeholders. The Report presents Company's governance, strategy, performance and outlook of business.

The Company have adopted the Integrated Reporting framework of the International Integrated Reporting Council (IIRC). The Report is guided by the principles of the Framework of the International Integrated Reporting Council (IIRC). The content of the report is in accordance with the Global Reporting Initiative (GRI) standards.

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). In addition, the National Guidelines for Responsible Business Conduct (NGRBCs), for Business Responsibility & Sustainability Report (BRSR) and UN-Sustainable Development Goals (UNSDGs) are also considered while developing this Report.

Integrated Annual Report of the Company for the financial year ended March 31, 2022 is also available on the Company's website at the below mentioned link:  
[https://vakrangee.in/annual\\_general\\_meetings.html](https://vakrangee.in/annual_general_meetings.html).

Thanking you,

Yours faithfully,

For Vakrangee Limited

  
Sachin Khandekar  
Company Secretary  
ACS:50577



SPREADING DIGITAL  
AWARENESS LOCALLY

ACCESS TO CAPTIVE  
CUSTOMER BASE

ONLINE CONVENIENCE &  
HASSLE FREE TRANSACTIONS

**BharatEasy**  
India Ka Super App

BANKING &  
FINANCIAL SERVICES

INSURANCE  
SERVICES

TOTAL HEALTH CARE  
SERVICES

ONLINE  
SHOPPING

ONLINE TRAVEL  
BOOKING SERVICES

RECHARGE &  
BILL PAYMENTS

TRUST &  
COMFORT

STRONG  
BRAND RECALL

Vakrangee  
Kendra  
सब पढ़ो सबको पढ़ाओ प्रगति के लिए

ATM

BANK LOGO

PHYSICAL  
ASSISTANCE  
AVAILABLE

# Phygital Transformation

To create an inclusive India

# Phygital Transformation

To create an inclusive India



*India's digital penetration is admirably deep, with more than 750 million people using smart-phones. However, less than 1/3rd of these people are using their devices for financial or commercial transactions. This is a far cry from where India needs to be if we are to be truly inclusive. Today, most Indians are just consuming mobile data only for calls, web browsing or data streaming. Rural India, in particular, is excessively shy to migrate to digital transactions because of their trust deficit, deep knowledge gap, and non-existent hand-holding assistance.*



At Vakrangee, we recognise the vast opportunity that Rural India represents. Our value proposition is to be the consummate bridge to alleviate the pain points that are preventing Bharat from becoming more financially and digitally inclusive. To realise our potential fully, we're undergoing a rapid 'phygital transformation' to bring the best parts of the physical customer experience into the digital realm, and vice versa. Becoming 'phygital' gives us the power to offer a superior value proposition to our customers, where trust, knowledge and 'face to face' guidance are readily available to each Indian, no matter how remotely located they might be.

making them ideal counsellors to potential consumers ready to dive into the digital world. And our physical presence around each neighbourhood makes us the perfect 'go-to' place for physical assistance for our consumers to resolve their queries that they might have.

We want to be India's most sustainable ecosystem to facilitate universal financial and digital inclusion. With our business model going much further than just being an App, we are building an ecosystem far more sustainable than our peers. Our digital and physical presence is coalescing seamlessly together to be a more potent enabler to a more inclusive India. In fact, we expect the scale of our phygital operations to translate into the most substantial rural penetration that has ever been seen in India's history. We take immense pride in being an instrumental catalyst for creating a more inclusive India.

Vakrangee is perfectly positioned to lead the charge on this noble goal. It exudes trust as an established and renowned brand in Rural India, making us the perfect arbiter of peace of mind when doing digital transactions. Our local franchisees are deeply entrenched with local knowledge and awareness,

Through our phygital transformation, we are on an exciting journey of becoming a **powerful engine for securing new relationships** with millions of Indians each year.

**Everyone's invited.**



SPREADING  
DIGITAL  
AWARENESS  
LOCALLY

# About the report

*This Integrated Annual Report ('Report') for FY 2021-22 highlights Vakrangee Limited's ('Vakrangee') creative approach towards value creation for its stakeholders by redefining the last mile service and thereby contributing towards building a resilient India. The Report presents a comprehensive overview of how we generate value for our stakeholders in terms of six capitals, both financial and non-financial.*

## Scope

The report includes performance highlights for the period of 1st April 2021 to 31st March 2022, unless otherwise stated. Our Integrated Report is guided by the principles of the <IR> Framework of the International Integrated Reporting Council (IIRC). The content of the report is in accordance with the Global Reporting Initiative (GRI) standards. The Report presents a detailed summary of how we create financial and non-financial value for our stakeholders in terms of six capitals of <IR>. 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. Our goal is to demonstrate our governance structure for robust business operations and long-term growth. The Report also includes method of engagement with identified key stakeholders and material topics discussed with them. It also provides information on our corporate governance, risk management system, and risk mitigation tactics.

## Reporting Framework

This Report is the third Integrated Annual Report of Vakrangee and follows the Integrated Reporting Framework provided by the International Integrated Reporting Council (IIRC). The report follows GRI Standards as per Core option. Financial and statutory information reported are aligned to leading frameworks. The report also 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 UN Sustainable Development Goals (UNSDGs) and the Business Responsibility and Sustainability Report (BRSR) are also considered when compiling this report.

## Reporting Boundary

The scope of this report includes all data on company's operations and their role in delivering value to our stakeholders. As a result, this report includes Vakrangee's corporate and state offices as well as limited data on Next-Gen Vakrangee Kendras, which act as franchisee outlets for the company's services. The report only includes Next-Gen Kendras that have been in operation for at least a year as of the reporting date.

## Reporting Period

The Report covers information in the period of 1st April 2021 to 31st March 2022.

## Responsibility Statement

Under the direction of the Board, Vakrangee's top management reviewed the contents of the Report. As a result, the Report's integrity, accuracy, and completeness of information have been assured.

## Independent Assurance

Performance of six capitals have been reported in terms of Key Performance Indicators (KPIs). Grant Thornton Bharat LLP has provided a reasonable assurance on selected KPIs for FY 2021-22. They are mentioned in the assurance statement, which also forms part of the Report.

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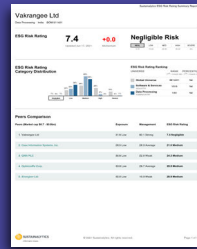
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# Integrated Overview of our Reports

A rich history of transparent reporting

*Integrated Reporting and Integrated thinking have determined a shift in how businesses communicate and produce value. In 2020, we produced our first integrated report following the IIRC's IR framework guidelines. Our Annual Integrated Report includes information on the company's important financial and non-financial performance in various capitals. We have also released a number of different reports that contain factual information and may be targeted at a specific audience.*



## Sustainalytics ESG Ratings Report

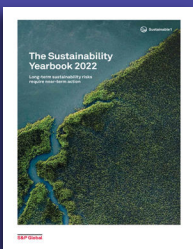
It provides Sustainalytics' ESG Risk metrics and assessment for Vakrangee Ltd. for the year 2021.



In 2022, Vakrangee has been recognized by Sustainalytics as an ESG Global 50 Top Rated company.



Vakrangee Limited has been identified as a top ESG performer out of more than 4,000 comprehensive companies that Sustainalytics cover in the global universe.



Vakrangee included in the S&P Global Sustainability Yearbook 2022.

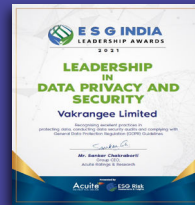
It provides details on Vakrange's dedication to operate ethically and on in-depth analysis of corporation.



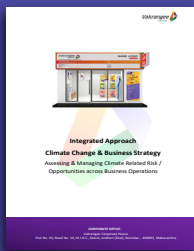
Vakrangee has earned a "S&P Global Bronze Class" spot in the yearbook and has score 77 ESG Score (S&P Global Scores) in the Corporate Sustainability Assessment (CSA) survey.



**Vakrangee Achieves 100% Green Consumer Certification Through Tata Power.**



**Emerges Winner at Esg India Leadership Awards 2021  
"Leadership In Data Privacy & Security".**



**Integrated Approach Climate Change & Business Strategy Assessing & Managing Climate Related Risk / Opportunities across Business Operations**

**It assesses the risks and opportunities associated with climate change, as well as Vakrangee's climate-related strategy.**



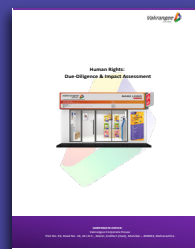
**Update on Integrating UN SDG into Business Strategy & Setting Performance Targets**

**It outlines Vakrangee's approach for incorporating SDG objectives into their company, as well as their targets and performance against these SDG targets.**



**Assurance Statement for Integrated Report 2021-22**

**It provides assurance on non-financial data stated in the Annual Integrated Report for the fiscal year 2021-22.**



**Human Rights: Due-Diligence & Impact Assessment**

**It highlights Vakrangee's commitment to human rights, as well as their due diligence procedures and the impact of their business.**



# Achievements on Global ESG Ratings

*At Vakrangee, we have always made an effort to act responsibly and be socially conscious. Through our phygital model of operations, we are taking the financial and digital literacy to the bottom of the socio economic pyramid. By bridging the divide between India's urban and rural populations, we are serving as the greatest equaliser.*

Vakrangee has been effective in assessing its performance against a variety of ESG standards that are specific to the sector and relevant for an increased emphasis on business sustainability and financial relevance to the success of the corporation.

Vakrangee's dedication to strengthen its practices for corporate governance and transparency is shown in its widespread recognition. We have received global recognition on a number of forums for our outstanding ESG performance and long-term business sustainability.

**We have received global recognition on a number of forums for our outstanding ESG performance and long-term business sustainability.**



## Sustainalytics ESG Risk Rating

Sustainalytics is the world's leading independent source of ESG and corporate governance research and ratings for investors. Sustainalytics is also the Rating partner to National Stock Exchange (NSE). Vakrangee is honored to be recognised first among 816 firms globally in the Software and Services category. We have also ranked 22nd globally out of the 14051 companies (Global Universe). This has been accomplished by building a strong governance framework and a keen interest in identifying the primary risks related with ESG criteria. The score not only encourages us to continue our efforts in ESG risk management, but it also assists us in identifying areas where we can improve further in the future.

## Sustainability Award Bronze Class 2022

**S&P Global**

## Sustainability Yearbook Award - S&P Global

Vakrangee has been included in Sustainability Yearbook 2022, published by S&P Global. Vakrangee has earned a "S&P Global Bronze Class" spot in the yearbook and has score 77 ESG Score in the Corporate Sustainability Assessment (CSA) survey. This demonstrates our high degree of corporate responsibility and ongoing commitment to ethical business practices, which is promoting sustainability at all levels of our company model.



### Leadership Award from ESG Risk AI

Vakrangee is delighted to receive the India Leadership award for the Category "Leadership in Data Privacy and Security" from ESG Risk AI. We are glad that our efforts on Data Privacy & Security are recognized. Vakrangee has a robust Data security program which has been designed and implemented throughout the organization and our proprietary VKMS platform for our franchisees in an effort to address the security and compliance requirements of data related to all our stakeholders. We have a robust privacy governance model and a Data privacy program implemented with strong senior management, business / process owners and other key stakeholders support.



**United Nations  
Global Compact**

### Participant and Member of UNGC

The United Nations Global Compact (UNGC) is the largest business sustainability effort in the world. A call for businesses to align their plans and operations with universal human rights, labour, environmental, and anti-corruption principles, and to take measures that enhance society goals. Vakrangee is currently a UNGC Participant and Signatory member, and our company is fully compliant with the ESG Framework. The involvement and membership strengthen our commitment to the adoption and implementation of ecological and socially responsible policies.

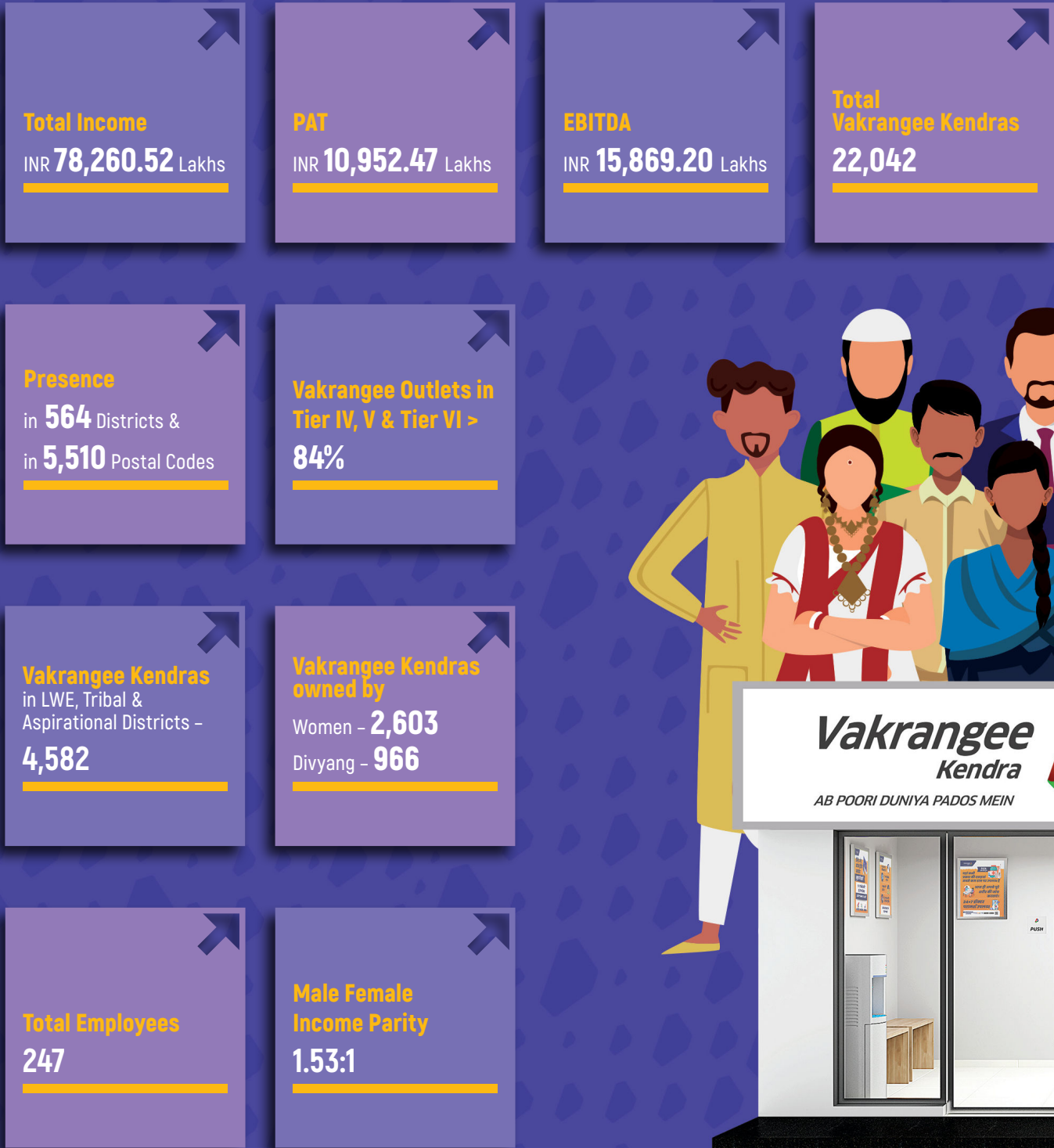
**WOMEN'S  
EMPOWERMENT  
PRINCIPLES**

### United Nations Women Empowerment principles (UNWEP)

The United Nations Women's Empowerment Principles (UNWEPs) are a collection of guidelines for businesses on how to promote gender equality and women's empowerment in the workplace, marketplace, and community. The UN Global Compact and UN Women created the WEPs which are guided by international labour and human rights standards and are based on the premise that companies have a role in and duty for gender equality and women's empowerment. Vakrangee is a Signatory member of UNWEPs which further demonstrates the commitment towards gender equality as we believe that equal treatment of men and women is not only the right thing to do but also good for business. The seven steps of WEPs will help us realize these opportunities.

# Highlights of Value Creation in FY 2021-22

Progressing forward towards universal access to essential services



Gold - 36  
Silver - 4,332  
Bronze - 17,674

Skill Development  
Training  
1476 Hours

Investment in  
R&D and advanced  
technology -  
INR 88 Lakhs

Franchisees  
trained in advanced  
technology  
22,042

Percentage of  
Energy from Solar  
8%

GHG Emission avoided  
through use of  
Renewable Energy  
215.2 Tonnes CO<sub>2</sub>e

Paper saved through  
ATM and Banking  
209.19 MT

Suppliers Assessed  
on ESG impact  
4

Instances of Data  
Breach  
0

CSR Expenditure  
INR 135.74 Lakhs



# Message from the Chairman



31st March 2022, continued to be beacons of hope and continuity in the streets of thousands of cities, towns, and villages, by being a reliable and trusted source for all kinds of services and bringing stability to turbulent times. As we progress towards normalcy with a surge in our Kendra footfall traffic recovery, our employees should all take pride in belonging to a strong last-mile service retail company that affords us future job security and growth potential.

## Forging deep relationships with millions of Indian

Our last mile services working to improve the quality of life and customer satisfaction are growing exponentially geographically and offering service diversity. With a well-entrenched e-commerce and payments ecosystem, India stands for a vast and dynamic opportunity for Vakrangee. The new India heralds to be an e-commerce and digital payments powerhouse. To meet this opportunity head-on, we have also taken an important initiative to develop a digital platform in response to the new trend to create 'Phygital' integration benefits and create a self-reliance service platform that exceeds customer expectations. In this way, we plan to accelerate the rate at which we are forging deep relationships with millions of Indians each year. Leveraging our physical presence behind our digital presence will result

## Dear Stakeholders,

Financial Year 2022 was a year mixed with hurdles and prospects. The global economy was still recovering from the harsh impacts of the COVID 19 pandemic, with many businesses still clawing their way back to pre-Covid business levels. Even as the Pandemic began to wane across India, with restrictions easing away, our franchisees and employees still needed to persevere to offer our customers real-time and convenient products and services. As a result, for FY2022, our revenue stood at Rs. 782.61 crore as against the Rs. 314.29 crore for the corresponding last year, registering a growth of 147.76%. Our 22,042 Next-Gen Vakrangee Kendras, counted on

***For us, sustainability is a business imperative: Our Company can only be as healthy as the people and communities we strive to refresh.***

in better customer interaction, stronger brand recall and a better service experience for our base of 25+ million active customers. By 2025, we aim to have three out of four customers as advocates by delivering second-to-none experiences. Through awareness and digital adoption, we aim to have three out of four people actively digitally engaged. Our new service app – “BharatEasy, India ka Super App” will also make it easier for our franchisees to do business with us.

### Committed to Sustainability

We see our sustainability efforts first and foremost as the right thing to do—the continuation of responsible corporate citizenship that began in our earliest days as a company. At the same time, we know that sustainability is also a business imperative: our Company can only be as healthy as the people and communities we strive to refresh. In consonance with Vakrangee's sustainability vision, we are adopting the global best practices to fuel dreams and, in turn, augment long-term value creation for all its stakeholders. As India's largest network of last-mile retail outlets to cater to the unserved and underserved markets, we have a unique opportunity to make a positive difference in the communities we proudly serve.

I am pleased to report that we have made solid progress toward that end during FY2022. In pursuit of attaining the highest ESG corporate culture,

our Company has been successful in benchmarking its performance on a wide range of industry-specific ESG criteria. Our global recognition reflects Vakrangee's commitment to further enhancing its corporate governance and transparency standards. Through our network of Kendra's, we are taking financial and digital literacy to the bottom of the socio-economic pyramid. By making our products equally accessible and affordable to all segments of society, we are facilitating universal economic suffrage and narrowing the urban-rural divide.

I am pleased to inform you that our Company has achieved major Global recognition across various platforms for its superior ESG performance and long-term business sustainability. I am pleased to inform you that Vakrangee Limited has also been honoured to be included in this year's Sustainability Yearbook 2022, published by S&P Global. Our Company has earned the “S&P Global Bronze Class” spot in the yearbook in the Corporate Sustainability Assessment (CSA) survey. This annual ranking showcases the sustainability performance of the world's largest companies in each industry as determined by their score in the annual Corporate Sustainability Assessment (CSA). I am also pleased to update you that Vakrangee has been accepted as a signatory member of the United Nations Global Compact and we have successfully mapped our sustainability initiatives with

the United Nation Sustainability Development Goals.

### Closing Remarks

The scale of operations undertaken by Vakrangee will translate into the most substantial rural penetration that has never been seen in India's history. The Vakrangee name is already becoming synonymous with Rural India, which will only become more solidified as we grow. We take immense pride in being an instrumental catalyst for making India more inclusive. Moreover, we are also incredibly excited to bring healthcare services through our e-health model to each Indian within the country. This, too, will be a tremendous force for equalising access to more affordable medicines and quality consultations enabled by technology.

We delivered commendable results through a year mixed with challenges and opportunities, and I want to thank our people across our vast ecosystem for persevering and showing our resilience.

We are on an exciting journey of becoming a powerful engine for securing new relationships with millions of Indians each year. I invite everyone to be part of this momentous journey.

With best wishes,

**Ramesh Joshi**

*Non-Executive Chairman*

## Message from the Managing Director & Group CEO



*Becoming 'Phygital' gives us the power to offer a superior value proposition to our customers, where trust, knowledge and 'face-to-face' guidance and assistance are readily available to each Indian, no matter how remotely located they might be.*

### Dear Stakeholders,

Vakrangee's business model is maturing into a well-established conduit for addressing the basic needs of the masses, no matter which part of the social pyramid they belong to, through our impactfully relevant products and services. At the same time, we have been agile in finding new ways of serving our customers and delivering our services. The true essence of Vakrangee's value proposition is shining through our improving performance numbers.

Today, we have emerged as the go-to-market platform for rural India for our various business verticals including the new age FinTech and digital platform. We are building India's largest last-mile distribution platform and emerging as the largest 'Phygital' ecosystem with a Pan India presence. By the end of FY2021-22, we have established and operated through more than 22,042 outlets spread across 32 states, 564 districts and 5,510 postal codes. What

is more interesting is that around 84% of our outlets are present in deep rural Tier 4 - 6 locations, making us the ideal partner of choice for any new business partners wishing to access rural India. I am truly proud of what our workforce and franchisees across India have been able to achieve till now, and I am expecting them to achieve even greater heights in the years to come.

### Financial Performance

The Company's return to normalcy on the business front has been progressing well, with growing month-on-month improvement in revenues. We have witnessed strong financial and operational growth on a year-on-year basis due to an increase in the number of outlets, as well as a fully operational network with no shut-downs. Our full FY2022 revenue stood at Rs. 782.61 crore, as against Rs. 314.29 crore for the corresponding period last year, registering a growth of 103.83% YoY. The full year's EBITDA for FY2022 stood at Rs. 158.69 crore, registering a growth of 62.89% YoY. Our PAT stood at Rs. 109.52 crore, registering a growth of 74.42% YoY. For our full year FY2022, GTV growth transaction value crossed Rs. 47,475.83 crores and the total number of transactions crossed 12.80 crores.

### Phygital Transformation to create a more inclusive India

Today, even though more than 750 million people use smartphones, most Indians are just consuming mobile data only for calls, web browsing or data streaming. Rural India, in particular, is excessively shy to migrate to digital transactions because of their trust deficit, deep knowledge gap, and non-

existent hand-holding assistance. At Vakrangee, we recognise the vast opportunity that Rural India represents. Our value proposition is to be the consummate bridge to alleviate the pain points that are preventing Bharat from becoming more financially and digitally inclusive. To realise our potential fully, we're undergoing a rapid 'phygital transformation' to bring the best parts of the physical customer experience into the digital realm, and vice versa. Becoming 'phygital' gives us the power to offer a superior value proposition to our customers, where trust, knowledge, and 'face-to-face' guidance and assistance are readily available to each Indian, no matter how remotely located they might be.

Vakrangee is perfectly positioned to lead the charge on this noble goal. We exude trust as an established and renowned brand in Rural India, making us the perfect arbiter of peace of mind when doing digital transactions. Our local franchisees are deeply entrenched with local knowledge and awareness, making them ideal counsellors to potential consumers ready to dive into the digital world. And our physical presence around each neighbourhood makes us the perfect 'go-to' place for physical assistance for our consumers to resolve the queries that they might have.

We want to be India's most sustainable ecosystem to facilitate universal financial and digital inclusion. With our business model going much further than just being an App, we are building an ecosystem far more sustainable than our peers. Our digital and physical presence is coalescing seamlessly together to be a more potent enabler to a more inclusive India. In fact,

we expect the scale of our phygital operations to translate into the most substantial rural penetration that has ever been seen in India's history. We take immense pride in being an instrumental catalyst for creating a more inclusive India. Through our phygital transformation, we are on an exciting journey of becoming a powerful engine for securing new relationships with millions of Indians each year.

### **BharatEasy Mobile Super App**

As part of our 'Phygital' strategy, we are in the process of launching our mobile Super App called "BharatEasy App, India ka Super App" on a pilot basis. By downloading this application, our customers can easily access a wide array of products and services, all within one place. This App is held and operated under our 100% subsidiary, Vakrangee Digital Ventures Limited (VDVL). During FY2022, we began testing the Super App under a beta trial version with limited features including online shopping, total health care services, online Demat account opening, CIBIL credit rating score and online Pan Card services. As part of our 'Phygital' strategy, this is serving as a unique differentiator and a sustainable competitive advantage that leverages the Vakrangee OnGround Eco-system – a vast well-diversified pan-India level 22,042 physical store network as points of physical assistance, especially to consumers in semi-urban and rural remote locations.

*With our business model going much further than just being an App, we are building an ecosystem far more sustainable than our peers.*



## MESSAGE FROM THE MANAGING DIRECTOR & GROUP CEO

### New Products & Services

During FY2022, we successfully added new business partnerships with some of the marquee partners who are global leaders in their respective businesses. For instance, we have partnered with Alliance partners, a world leader in insurance and healthcare services, offering a combination of assisted healthcare services to the unserved and underserved population of India through our platform. We also partnered with Decathlon Sports India, a world leader in sports equipment, to offer a complete range of sports products to our customers. This new line provides world-class products both for beginners as well as passionate professionals at extremely affordable prices, and with this collaboration, we are a one-stop shop provider for all the sporting goods requirements of our customers across India. We also launched free online Demat and trading account opening services with 5Paisa, Goodwill & Jiffy by Choice Broking.

### Demerger Scheme Update

Concerning the proposed demerger of the Non-Core business of E-Governance and IT/ITES as a separate entity, we would like to update you that we have received the approval for demerger from Stock Exchanges and have now filed the application for NCLT approval. We believe the proposed Demerger would unlock the potential of the Core Vakrangee Kendra Business in the current Listed entity with the existing business of Vakrangee Kendra physical outlets as well as the Digital platform of BharatEasy Mobile Super App. The Vakrangee Kendra Business is primarily retail-centric and a consumer-facing business.

***We plan to achieve our long-term outlet expansion target of 75,000 Vakrangee outlets within the next 18 months. This will make us India's largest last-mile rural distribution platform with a physical presence.***

It is an Asset Light, High return on capital business and thereby will get the proper representation post the demerger. We believe this would lead to significant rerating of the core business and would maximize shareholder wealth.

### Update on our Future Growth Strategy

Our Company aims to become India's No. 1 retailer for facilitating universal financial, digital and social inclusion. We are leading the charge towards inclusion through innovative ideas and proven modern technologies, for all to experience at our outlets or "Next-Gen Vakrangee Kendras". Keeping true to our vision for creating the world's

largest franchisee-based distribution channel in India, we are making steady progress towards establishing our last mile presence across all postal codes, covering each Gram Panchayat in the country.

We have a clear focus on market expansion and strengthening our first mover advantage. We plan to achieve our long-term outlet expansion target of 75,000 next-gen outlets within the next 18 months. This will mark our presence across 100% districts and postal codes of the country and will make us India's largest last-mile rural distribution platform with a physical presence.

We have launched an Additional Franchisee Commission Incentive Scheme. Because of this, our near-term profitability would be impacted as we are re-investing our operational cash flows for enhancing franchisee incentives. These additional incentives are transitory and would lead to quick payback for both the franchisees and the Company, thereby creating a positive word of mouth and driving strong new franchisee interest. Our strong word-of-mouth and referral incentives, along with pan-India marketing, would result in higher lead throughput into our franchisee acquisition funnel.

We have also recently launched attractive new pricing for all our Kendra models, including the 100% refundable deposit model for ATM services, as well as we introduced our Master Franchisee initiative whereby we plan to appoint District Level Master Franchisees (DLMFs) across the country. These new initiatives would help us scale our network expansion at a much faster pace, and thereby achieve our long-term targets well ahead of projected timelines. We are

confident that these strategic initiatives will lead to significant growth in profitability in the long run.

## Our Commitment to Sustainability

Aligned with Vakrangee's sustainability vision, our Company has embarked on its sustainability journey, adopting the global best practices to fuel dreams and, in turn, augment long-term value creation for all its stakeholders. As India's largest network of last-mile retail outlets to cater to the unserved and underserved markets, Vakrangee has a unique opportunity to make a positive difference in the communities we proudly serve. We take this opportunity seriously and feel an abiding responsibility to make the most of it. We see our sustainability efforts first and foremost as the right thing to do—the continuation of responsible corporate citizenship that began in our earliest days as a company. At the same time, we know that sustainability is also a business imperative: our Company can only be as healthy as the people and communities we strive to refresh.

Global recognition reflects our Company's commitment to further enhancing its corporate governance and transparency standards. Our Company has achieved Global recognition across various platforms for its superior ESG performance and long-term Business sustainability. I am pleased to inform you that our Company has also been Globally ranked No.1 in the Sustainalytics ESG Risk rating rankings assessed in the Software and Services industry segment. Overall, Vakrangee has also been recognized by Sustainalytics as an ESG Global 50 Top Rated company. The Company has been identified as

*Vakrangee Limited has been honoured to be included in this year's Sustainability Yearbook 2022, published by S&P Global.*

a top ESG performer out of more than 4,000 comprehensive companies that Sustainalytics cover in the global universe.

Vakrangee Limited has been honoured to be included in this year's Sustainability Yearbook 2022, published by S&P Global. Vakrangee has earned the "S&P Global Bronze Class" spot in the yearbook in the Corporate Sustainability Assessment (CSA) survey. The Sustainability Yearbook 2022, published by S&P Global is one of the world's most comprehensive publications providing an in-depth analysis of corporate responsibility. This annual ranking showcases the sustainability performance of the world's largest

companies in each industry as determined by their score in the annual Corporate Sustainability Assessment (CSA). In 2022 S&P Global has assessed over 7,500 companies across 61 industries this year.

## Closing remarks

Over the last few years, we have undergone a huge transformational journey whereby we have made a transaction from a non-exclusive store-in-store format outlet to a highly recognizable standardized exclusive branded NextGen format outlet. We believe we are now well poised and have clear visibility for a robust growth journey in the next few years to come. We have aligned and re-calibrated our strategy to expand our presence across the country at every Gram Panchayat level. As we move along into FY2023, there are strong expectations that the Indian economy will sustain a steady pace of growth despite global eco-political headwinds and rising domestic inflation. Notwithstanding any surprises, this should keep our momentum on track.

I am thankful to our franchisees, employees, business partners, customers and shareholders for their continued support and confidence in our journey towards becoming the world's largest last-mile superstore. On behalf of the board, I would like to thank you for all your unwavering support, trust and perennial belief in our capabilities and competencies.

With best wishes,

**Dinesh Nandwana**

*Managing Director & Group CEO*

# About Vakrangee

An innovative approach to sustained value creation for our stakeholders



*Incorporated in 1990, Vakrangee has emerged as one of India's largest Last Mile Distribution Platform with a Physical as well as Digital Eco-system in place with a PAN INDIA Presence. We are delivering real-time banking & Financial Services, ATM, insurance, e-governance, e-commerce (including Healthcare services) and logistics services to the unserved and underserved rural, semi-urban and urban markets and enabling Indians to benefit from financial, social and digital inclusion.*

Vakrangee has emerged as the “Go To Market Platform” for various Business verticals including Fintech and Digital platforms. The Assisted Digital Convenience stores (Physical Outlets) are called as “Vakrangee Kendra” which acts as the “One-stop shop” for availing various products & services and Digital platform is called as BharatEasy Mobile Super app.

At Vakrangee, we recognise the vast opportunity that Rural India represents. Our value proposition is to have the unique Online to Offline presence which would alleviate the pain points that are preventing Bharat from becoming more financially and digitally inclusive. To realise our potential fully, we're undergoing a rapid 'phygital transformation' to bring the best parts of the physical customer experience into the digital realm, and vice versa. Becoming 'phygital' gives us the power to offer a superior value proposition to our customers, where trust, knowledge and 'face to face' guidance are readily available to each Indian, no matter how remotely located they might be.

India's unique physical and digital convenience store has brought a new world to the doorsteps of everyone “Now the whole world is in my neighbourhood”.



## VISION

Vakrangee aims to be the most trustworthy physical as well as digital 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 traveling 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

At Vakrangee, we endeavour to inculcate our brand principles into every aspect of our business operations. We believe these principles are the bedrock that allows us to function efficiently and ethically, delivering a best-in-class customer experience.



### Trust

The value that binds all our stakeholders – Government, Banks, Partners, Businesses and Franchisees.



### Perseverance

The attitude we have to accomplish the unprecedented feat of creating the world's largest retail network, even in the most remote and inhospitable areas without electricity and connectivity.



### Unyielding Rigor

The way we train our people and set high standards of quality in our systems and processes is the backbone of our success. We take ordinary individuals and train them with skill sets that help them yield remarkable results.



### Entrepreneurial

An entrepreneurial spirit in our approach to business - both in our employees and our franchisees - our key business partners.



### Prudent

Our basic approach to scalability, security, confidentiality, planning, risk management, and value creation.

## About Vakrangee

### OUR JOURNEY

Vakrangee has been dedicated to the purpose of providing necessary facilities to every Indian for more than 30 years. We started our first Next-Gen Kendra digital assistance outlets in 2018 and have since expanded all over the country. The company has evolved, from an e-Governance systems integrator to a retail-led franchisee model that is unique and best-in-class and are further adding a digital eco-system through the launch of BharatEasy Mobile Super App.



### 1990-2005

- Incorporated as a system Integrator for e-governance projects
- Computerization of Central Election Commission
- Project MCA 21 for the Ministry of Corporate Affairs

### 2007-2009

- Rashtriya Swasthya Bima Yojana for Uttar Pradesh, Haryana and Rajasthan
- Digitization of Land and Revenue Records in Uttar Pradesh
- Land Record Digitization for Government of Philippines.

### 2010-2011

- Passport Seva Kendra, establishing modern passport offices at 77 locations with Business Process Engineering
- Common Service Centre in Punjab
- UID Enrolment Project for enrolling Aadhaar



## 2012-2013

- Common Service Centre Project for e-Governance services in Rajasthan
- National Business Correspondent tie-up appointed by major banks
- Inspector General Registration of Stamp
- National Population Register for data digitization

## 2014-2019

- RBI license to set up and manage White Label ATMs across India
- Various Business-to-Customer services are being offered such as-
  - Sale of products through Assisted E-Commerce
  - Bill Payments & Recharges
  - Providing travel ticket booking services
  - The Next Gen Vakrangee Kendras, an exclusive and standardised "Assisted digital convenience store model" with a multi-line of services and ATM services, has been launched

## 2020-2022

- Tie-up for Banking Business Correspondent with Private Banks
- Launch of Digital Platform: BharatEasy Mobile Super App (Currently Beta Version)
- Tie-up with Global healthcare partners for Total Healthcare Services
- Tie-up for Opening of Online Demat & Trading Account services

## About Vakrangee

### OUR OFFERINGS

We offer our customers a wide range of services aimed at Digital, Financial and Social Inclusion. Our Kendras have undergone a major transformation over the years. These have evolved from non-exclusive stores offering a single line of services to multi-specialty, exclusive stores offering a multi-line of services with an enviable presence in the marketplace. We operate on an asset-light, franchise-based business model to cater to the needs of our stakeholders.

Our Nextgen Vakrangee Kendras have high revenue-generating potential, supported by an advanced technological platform and multi-line of services. Our assisted digital convenience stores, called "Next-Gen Vakrangee Kendras", act as one-stop solutions for multiple products and services. Vakrangee Kendras provide real-time banking, ATM, insurance, e-commerce, online shopping, Total healthcare, travel, telecom, bill payment, and e-governance services. Our focus is primarily on the unserved and underserved areas of society. Our Kendra acts as the biggest social equalizer by offering both the urban as well as rural citizens with the same products and services at the same time,

competitive price and same service levels. We aim to create an inclusive India where everyone has an easy and equal access to both our physical stores as well as our digital stores. We are revolutionising the way we conduct our business, and hence, strengthening our stakeholders' trust and loyalty by offering the same product and services at a competitive price, at the same time and same quality.

We have recently launched a Mobile Super App based business platform primarily targeting Rural India : BharatEasy App, India ka Super App.

It is currently a Beta trial Version and we intend to go fully operational live in the next 8-12 months. We have made

live and activated some of the key services like Online Shopping, Total Healthcare services, Online Demat Account opening services, CIBIL credit score rating services as well as Online PAN Card application services.

A unique differentiator and a Sustainable Competitive advantage is whereby our Digital Super App platform would be able to leverage the Vakrangee On-Ground Eco-system – a vast well diversified pan India level physical store network of Vakrangee as point of Physical Assistance especially to consumers to Semi Urban and rural remote locations.

This Unique Proposition of Digital along with Physical: "Phygital" would help the Digital channel to scale up fast and would significantly reduce the costs related to acquiring customers, physical assistance, order fulfilling and Return management of online orders. Further, leveraging physical presence would result into better customer interaction, strong Brand recall and better service experience and Trust for the customers.

### Our Service Offerings



#### BFSI

- Banking
- Insurance
- Home Loan and Money Transfer
- Online Opening of Demat & Trading Account Services

#### ATM

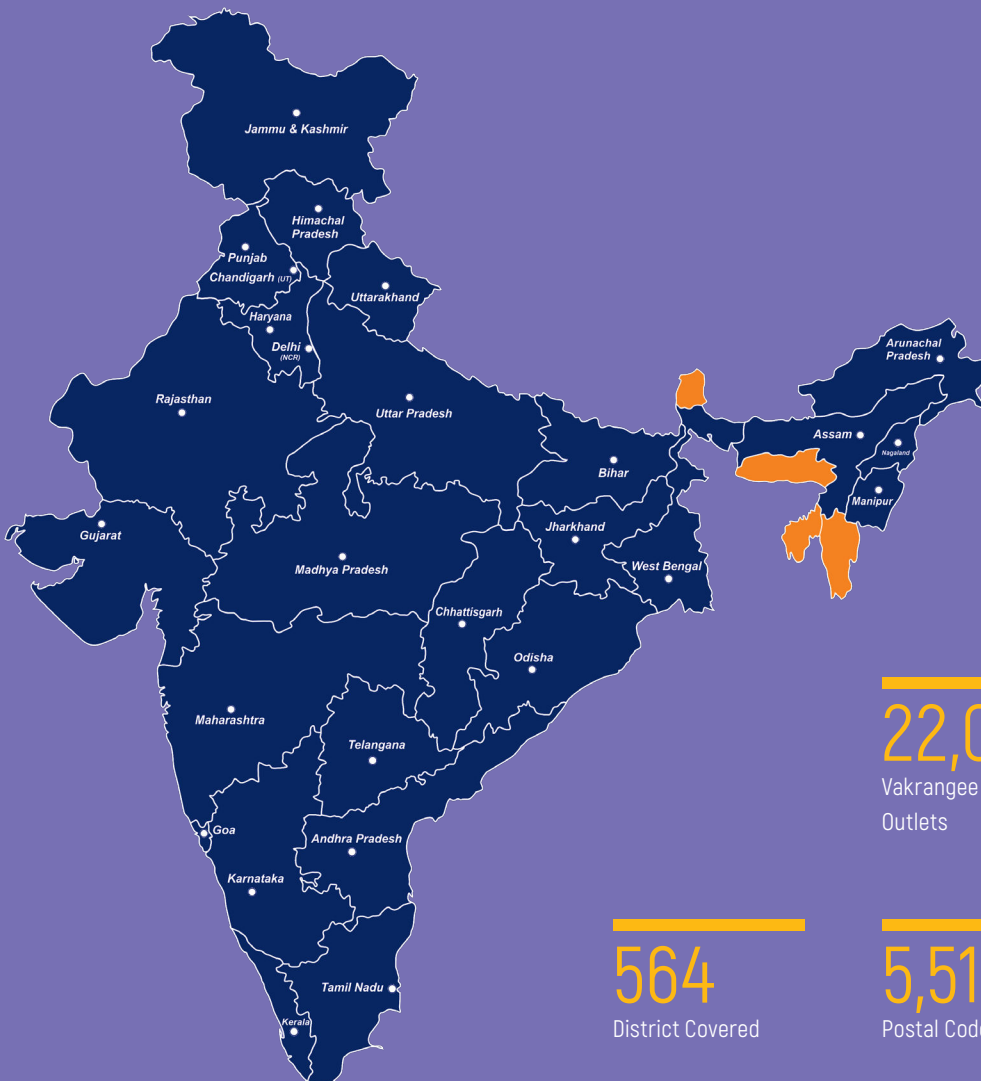
- Financial Transactions
- Non-Financial Transactions

#### E-commerce

- Assisted Online Shopping
- Assisted Total Health Care Services
- Assisted Online Travel Services
- Bill Payments and Recharge
- Logistics Services

## OUR PRESENCE

We aim to transform India's physical and digital ecosystem through our new "PHYGITAL" approach, of Physical Kendras outlets and BharatEasy Mobile Super App. Our Next-Gen Kendras, across 32 states and union territories and encompassing over 564 districts with over 5510 postal codes, deliver various assisted digital services to the nation. Most of our Kendras (almost 84%) are in Tier IV and VI districts, helping the unserved and underserved in India's most distant areas. We are continuously evolving and growing with time. To fulfil our aim, we have expanded our reach across the nation over 22,042 Vakrangee Kendras Outlet until 31st March 2022.





## OUR ESTEEMED ALLIANCES

Along with working with the best in the business, we also help our partners access India's unserved and underserved markets. We have partnered with various industries to offer our customers a wide range of products and services across banking, ATM, insurance, e-commerce, logistics, online shopping, Total healthcare, travel, telecom, bill payment, and e-governance services. In addition, we assist our partners in reaching India's underserved and unserved markets.

<h3>Banking Service Partners</h3>	<h3>Insurance Service</h3>	<h3>Assisted Total Healthcare Service</h3>
<h3>Financial Services</h3>	<h3>ATM</h3>	<h3>Assisted Online Travel Services</h3>
	<h3>Assisted Online Shopping</h3>	<h3>Logistics Services</h3>
	<h3>Telecom &amp; Bill Payment Services</h3>	



## MOBILE SUPER APP

We launched an online digital platform to provide consumers with seamless services from the convenience of their own homes. We have evolved into a unique O2O (Online to Offline) platform, with assistance available through the Physical Kendra network and Digital Online Services.

Our consumers would gain access to a wide range of Products and Services by downloading a single Vakrangee's BharatEasy Super App mobile application, leading to a significant reduction in the need for more apps. This would result in a better customer experience and greater convenience for the customer.

A unique differentiator and a Sustainable Competitive advantage is whereby our Digital Super App platform would be able to leverage the Vakrangee On-Ground Eco-system – a vast well diversified pan India level physical store network of Vakrangee as point of Physical Assistance especially to consumers to Semi Urban and rural remote locations.

### Our Digital Mobile SuperApp Platform shall leverage the Vakrangee Physical On-Ground Eco-system:

- Strong Brand Recall: Vakrangee Kendra enjoys good positive NPS among users (Our NPS score is 68% as per Redseer Research)
- Access to Existing Vakrangee Customer base of 25 mn Active customers
- Access to Existing network of 22,042 outlets for Physical Assistance and Consumer Awareness

Currently Beta Trial Version has been launched. Following are the success numbers –

### Beta Version Trial Performance Data As on March 31, 2022

# 9,495

No. of App Downloads

# 5,542

No. of Avg. Monthly Active Users

# 1,751

No of Avg. Monthly Transacting Users

## OUR BUSINESS MODEL

Understanding Our Unique Offering



Users & Customer

### BharatEasy Mobile Super App



#### STRONG VALUE PROPOSITION

- All in One Super App Platform
- Access to Physical Store network - Trust & Comfort for Customers especially in Rural India

#### UNIQUE CONVENIENCE FEATURES

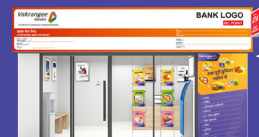
Leveraging the Vakrangee Eco-System

- Store Pick Up Facility
- Pay at Store (Cash)
- Order Return facility
- Courier Pick up/Drop Facility
- Physical Assistance Available
- Grievance/Helpdesk Facility

#### SUPER APP

##### Multi-Category Services Offering

- Online shopping
- Total Healthcare
- Banking/Insurance/Money Transfer
- Bill Payments/Recharges
- Loan Products/Mutual Funds
- Travel/Entertainment/Events
- Agri Products
- Courier Services
- Online Education



#### VAKRANGEE KENDRA NETWORK

- Store Network Target – 75,000 Outlets
- Targeted No. of Customers – ~80-100 mn

# Board of Directors



**Ramesh Joshi**, *Non-Executive Chairman*

Ramesh Joshi has vast experience in Central Banking & Capital Market 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 and he was Chairman of the RBI officers Co-Operative Society Ltd. He retired as an Executive Director of SEBI in the year 2002. He was on the Panel of Arbitrators for NSE, BSE, and MCX. He has travelled abroad widely and currently is serving as a senior corporate consultant to multiple companies.



**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*

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).



**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 L.L.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, 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. He has also been appointed as Independent Director on the Board of Directors of Chandigarh Smart City Ltd, (for one year), by The Advisor to the Administrator, Union Territory, Chandigarh cum-Chairman CSCL, vide notification No 15157-FII(9)-2020/15529 dated 10.12.2020 issued by Principal Secretary/Home-cum-Local Govt, Chandigarh Administration, Local Govt Department, Union Territory, Chandigarh.



### **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*

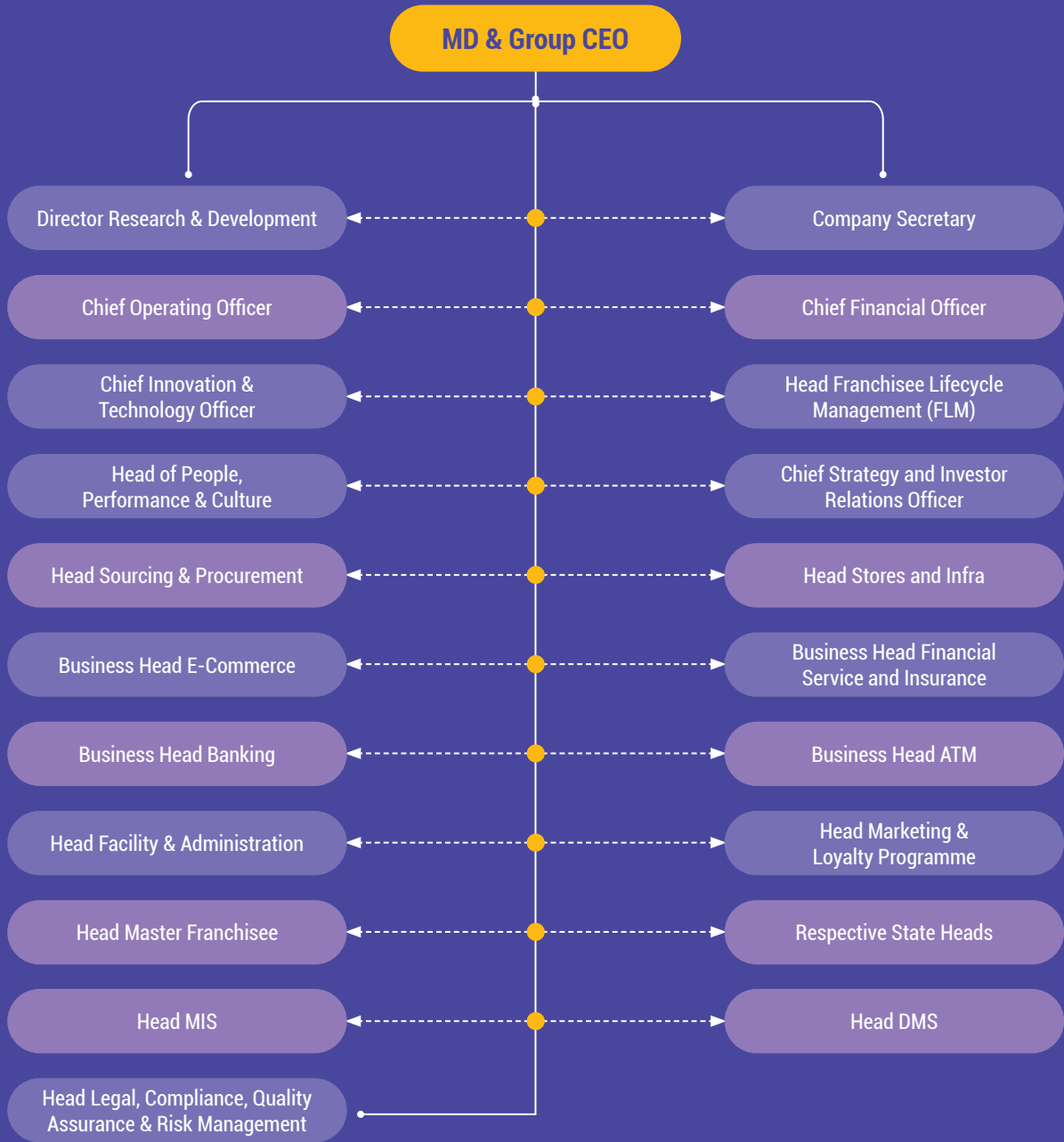
B. L. Meena has rich experience of having worked in different Government departments in the field of audit and accounting, including being FNCO (Financial Controller) of Indian Railway Traffic Service where he served for 28 years. He has vast experience in the field of audit and accounting and is the 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.



### **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.

# Corporate Structure



# Our Key Management

*Our senior management team consists of the people who demonstrate exceptional leadership and are the key behind consistently providing a definite management focus to the Company. The senior management is the backbone for our goals, focused deliverables, continuous success and steady growth.*



## **Dinesh Nandwana,**

*Managing Director & Group CEO*

With more than 30 years of business experience, Mr Dinesh Nandwana has driven and overseen the overall business at Vakrangee since its inception in 1990. He is immensely committed and will continue to play an active role in business strategy and operations. Mr. Nandwana has been instrumental in moulding Vakrangee from a modest consultancy company to a prominent industry leader and a force to be reckoned with. His astute and dynamistic leadership qualities and vast experience have scaled the company to a new growth orbit.

As a front-runner of the organization, he ensures integrity and ethics across operations. He establishes the highest standards of corporate governance while fostering consistent and sustainable growth. He received a CA Entrepreneur Path Breaker Award 2017 from the Institute of Chartered Accountants of India and a memento from the former Honourable 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 in 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 has been associated with the company since 1994. Renowned in microchip designing, Dr. Hayatnagarkar has developed a voice recognition system widely used in various applications like Tele Banking Tele-Gas Booking, among others. He has also designed and developed a Multilingual Keyboard. He is a consultant to Media Labs Asia – Kamal Rekhi School for Information Technology (IIT Mumbai) for the development of a Multilingual data input device – Marathi language Key Board (Key – Lekh) and E-Lekh (Tablet based Marathi language Input).

# Corporate Governance

*A rich legacy of fair, ethical and transparent governance practices lays the foundation for our robust corporate governance philosophy. We strongly believe that firm corporate governance transforms an organization by promoting ethics, accountability and transparency, creating value for all its stakeholders.*

It propels us towards lasting success by strengthening the trust of our shareholders, employees, business partners, customers, franchisees and the local community in our organization. With a strong corporate governance structure, guided by our inclusive policy, we continue to go from strength to strength.

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

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

Our Board of Directors oversees the Company's affairs to align with the best interest of shareholders,

providing necessary guidance and strategic vision. In tandem with Section 173 of Companies Act, 2013 read with Regulation 17 of SEBI LODR 2015, the Board meets at least four times a year with a maximum time gap not exceeding 120 days between two consecutive board meetings. We have identified the following skills and competencies for the effective functioning of the Company:

- Knowledge of the Company's business, policies and culture, major risks, threats and potential opportunities of the Company
- Behavioural 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 about Company's business

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

22,042

Operational  
Vakrangee Kendras

32

Presence in States  
& UTs

**WE STRIVE TO BE A RELIABLE ORGANISATION  
WHERE OUR CUSTOMERS TRUST US WITH THE  
SAFETY OF THEIR PERSONAL INFORMATION.**

## CORPORATE GOVERNANCE FRAMEWORK

### Composition of Board

- Superior skills, diverse expertise and extensive years of experience
- 9-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 Nominee Director (representing Life Insurance Corporations of India Limited) and 2 Executive Directors.

### Functions of Board

- The Board of Directors are the backbone of a Company. They not only provide overall direction and formulate a strategy for Company but also establish management policies and govern overall business performance for optimal effectiveness. They ensure business operations serve the long-term interests of stakeholders. They report to shareholders on their stewardship of the 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.



## OUR BOARD AND EXECUTIVE COMMITTEES

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

<b>Audit Committee</b>	B.L. Meena
	Ramesh Joshi
	Avinash Vyas
<b>Nomination and Remuneration and Compensation Committee</b>	Avinash Vyas
	Sunil Agarwal
	Hari Chand Mittal
<b>Stakeholder Relationship Committee</b>	Ramesh Joshi
	B. L. Meena
	Dr. Nishikant Hayatnagarkar
<b>Corporate Social Responsibility Committee</b>	Dinesh Nandwana
	Ramesh Joshi
	Sunil Agarwal
<b>Risk Management Committee</b>	Sujata Chattopadhyay
	Dinesh Nandwana
	Dr. Nishikant Hayatnagarkar
	Sapna Thakur
<b>Board ESG Committee</b>	Avinash Vyas
	Ramesh Joshi
	Sujata Chattopadhyay
<b>Anti-Fraud Committee</b>	Dinesh Nandwana
	Avinash Vyas
	Ammeet Sabarwal
	Ajay Jangid
<b>GHG Reduction Strategy Committee</b>	Ammeet Sabarwal
	Ajay Jangid
	Prashant Thakur
<b>Vishakha Committee</b>	Anagha Chitare
	Veena Shetty
	Viral Majumdar
<b>Information Security Committee</b>	Dr. Nishikant Hayatnagarkar
	Divya Nandwana
	Prashant Thakur

## FACTSHEET

S. No.	Particulars	Response
01	Size of Board	9
02	Number of Independent Directors	6
03	Board orientation and education program	Yes
04	Annual review of independence of the Board	Yes
05	Separate Board Chair and CEO/ MD	Yes
06	Independent Board Chair	Yes
07	Charters for Board Committees	Yes
08	Independent Audit Committee	Yes
09	Number of financial experts on Audit Committee	3
10	Independent Compensation Committee/ Nomination and Remuneration and Compensation Committee	Yes
11	Number of Board meetings held in FY 2021-22	9
12	Independent Directors can hold meetings without the presence of Management	Yes
13	Tenure policy for Independent Directors	Yes
14	Holders of 15% / 10% of outstanding shares can call a special meeting	Yes
15	Annual Board and Committee evaluations	Yes
16	Annual Individual Director evaluations	Yes
17	Annual equity grant to non-employee Directors	No
18	Director stock ownership and holding requirement / ESOP policy	Yes
19	Executive stock ownership policy / ESOP policy	Yes
20	Corporate governance guidelines approved by the Board	Yes
21	Corporate compliance program	Yes
22	Standards of business conduct	Yes
23	Finance code of professional conduct	Yes

# Rewards and Recognition

The prestigious recognitions earned symbolize our commitment to a valuable and growing organization. We have elaborated few recent achievements below:



Vakrangee has been recognised as an ESG Global 50 Top Rated firm



Vakrangee Limited has been identified as a top ESG performer out of more than 4,000 comprehensive companies that Sustainalytics cover in the global universe.

IMPORTANT: Sustainalytics retains control of the badge image, and reserves the right to terminate access and use of the badge designation and image at any time pursuant to the terms and conditions outlined in the licence contract.



Vakrangee is included in Sustainability Yearbook 2022, published by S&P Global. Vakrangee has earned a "S&P Global Bronze Class" spot in the yearbook and has score 77 ESG Score in the Corporate Sustainability Assessment (CSA) survey.



Vakrangee received the ESG India Leadership Award 2021 in the "Leadership in Data Privacy and Security category," organised by ESGRisk.ai, India's first ESG rating firm.



Vakrangee has received Green Consumer certification as well as Memento from Tata power for availing 100% Green power.



Vakrangee has been Ranked among Top 100 Franchisee Opportunities for the year 2021 in the Franchising World's Annual Survey.

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)



Signatory member of United Nations Women Empowerment principles (UN WEP)



CSC e-Governance Services India Limited



Signatory member of United Nations Global Compact



Member of BCFI



Member of NPCI

# Corporate Information

## Board of Directors

<b>Ramesh Joshi</b>	Non-Executive Chairman
<b>Dinesh Nandwana</b>	Managing Director & Group CEO
<b>Dr. Nishikant Hayatnagarkar</b>	Whole Time Director
<b>Sunil Agarwal</b>	Non-Executive Independent Director
<b>Avinash Vyas</b>	Non-Executive Independent Director
<b>Hari Chand Mittal</b>	Non-Executive Independent Director
<b>B. L. Meena</b>	Non-Executive Independent Director
<b>Sujata Chattopadhyay</b>	Non-Executive Independent Director
<b>Ranbir Datt</b>	Nominee Director

## Bankers

Union Bank of India
Rajasthan Marudhara Gramin Bank
Chhattisgarh Rajya Gramin Bank
Baroda Uttar Pradesh Gramin Bank
Purvanchal Bank
Bank of Baroda
Axis Bank Limited
Punjab National Bank
Indian Bank
IDBI Bank Limited
SBM Bank (India) Limited
Yes Bank Ltd
IndusInd Bank Limited

## Chief Financial Officer

Ajay Jangid

## Company Secretary & Compliance Officer

Sachin Khandekar

## Statutory Auditor

M/s. A.P. Sanzgiri & Co.  
Chartered Accountants, Mumbai

## 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.: 022-67765100

Email Id: [info@vakrangee.in](mailto:info@vakrangee.in)

Website: [www.vakrangee.in](http://www.vakrangee.in)

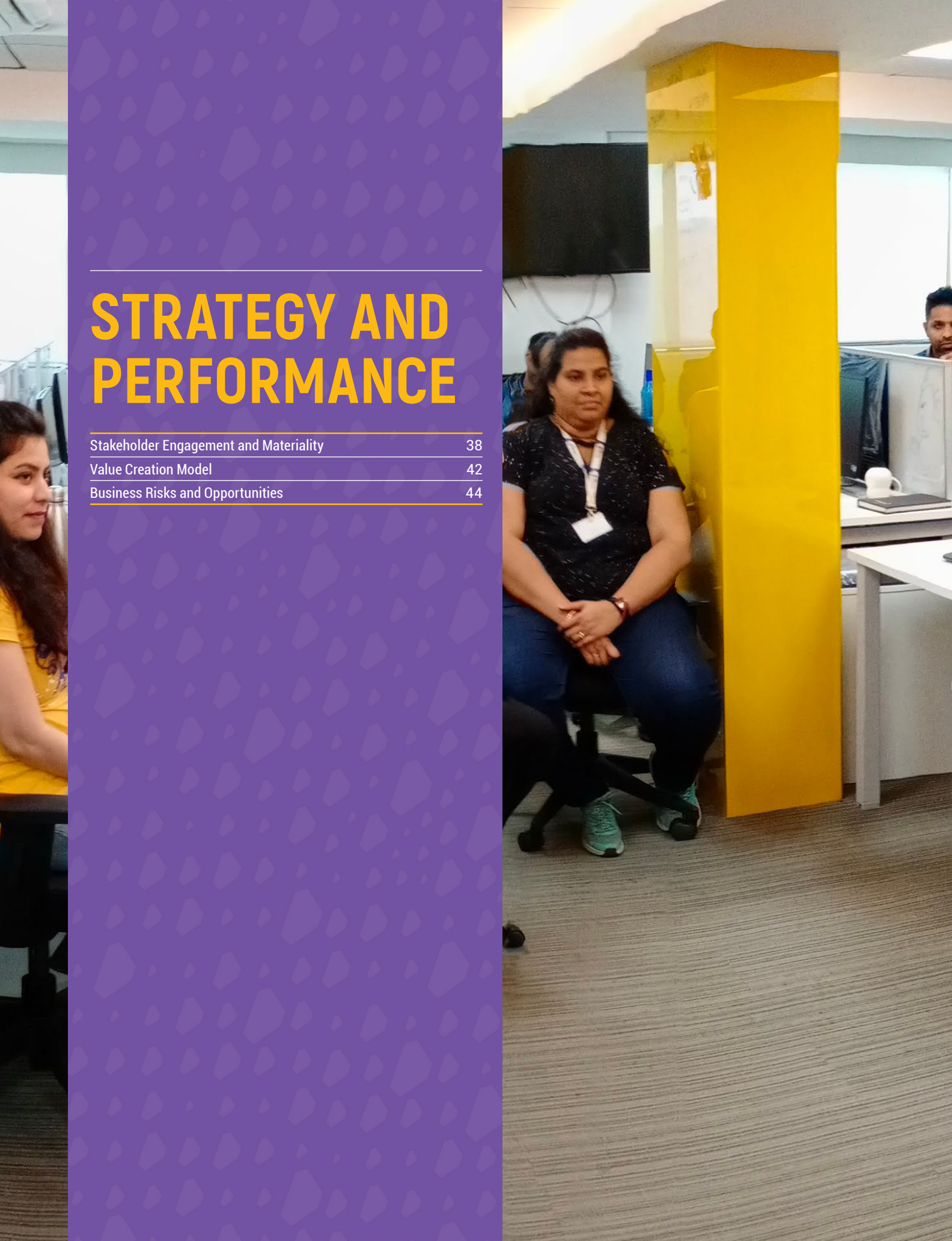


## Registrar

M/s. Bigshare Services Pvt. Ltd.  
Office No S6-2, 6th Floor,  
Pinnacle Business Park,  
Next to Ahura Centre,  
Mahakali Caves Road,  
Andheri (East) Mumbai - 400093  
Telephone No.: 022- 62638200  
Fax No.: 022- 62638299  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

# STRATEGY AND PERFORMANCE

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# Stakeholder Engagement and Materiality Analysis

Focusing on what matters most to our stakeholders



*As part of our commitment to operate transparently, we strive to build trustworthy relationships with all relevant stakeholders, including employees, franchisees, customers, partners, suppliers, governments, and communities. We constantly assess the challenges that are most important to our business in order to effectively address internal and external impacts.*

## Stakeholder Engagement

We have established a formal management procedure in place to communicate with and learn from our stakeholders in order to understand their expectations and concerns and incorporate their feedback into our strategy. Employees, investors, suppliers, consumers, peer firms, public policymakers, industry associations, NGOs, sector experts, and others provide us with vital knowledge. These interactions contribute to the development of our collective intelligence, assist in the prioritisation of essential topics, and give insights into new opportunities and threats. All of our main stakeholder groups actively engage in our materiality analysis exercise. Our materiality assessment process is heavily derived from the stakeholder inputs. Following the identification of stakeholders, a formal interaction with the stakeholders is conducted on a regular basis or as needed. It also assists us in disseminating information about the organization's strategy and actions in areas of stakeholder interest. We have several communication/ engagement channels, as detailed in the stakeholder engagement structure below, that provide us with useful feedback that is included into our business decisions. We examine a range of sources to get a clear picture of our stakeholders' problems. This includes multiple avenues of communication such as consumer and employee surveys, meetings, seminars, and discussions with particular stakeholder groups.

**We constantly assess the challenges that are most important to our business and address internal and external impacts.**

Stakeholder	Engagement Method	Key topics highlighted
<b>Franchisee</b>	A designated Relationship Manager present for each franchisee cluster, Regular store surveys to ensure franchisee and customer satisfaction, Webinars with Franchisees, Business Service Heads and State level or District level Franchisee meets with Senior Management including MD/CEO and State Heads, Rewards & Recognition schemes	<ol style="list-style-type: none"> <li>1. Marketing Support &amp; Strategy</li> <li>2. Training, guidance and support</li> <li>3. Franchisee Satisfaction</li> <li>4. Grievance addressal</li> </ol>
<b>Employees</b>	Training & communications, Annual employee surveys, Mentorship programs and Employee affinity groups, Rewards & Recognition schemes	<ol style="list-style-type: none"> <li>1. Human Rights issues</li> <li>2. Employee Engagement &amp; Feedback</li> <li>3. Operational aspects</li> <li>4. Performance review</li> <li>5. Talent development Training, skill development</li> <li>6. Code of conduct and Business conduct processes and policies</li> <li>7. Company business initiatives and strategies</li> <li>8. Franchisee and Customer behaviour and response towards Company's Business model</li> </ol>
<b>Business Partners</b>	Regular Quarterly and ad hoc need based interactions with Business Service Partners and senior management, team webinars, training	<ol style="list-style-type: none"> <li>1. Service availability in remote locations</li> <li>2. Service Manual and Training Guidelines</li> <li>3. Customer reach and business sales targets strategy</li> <li>4. Business risks and their mitigation strategies</li> <li>5. IT related Integration; Data privacy and security</li> </ol>
<b>Shareholders and Investors</b>	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, ESG Audits & Ratings	<ol style="list-style-type: none"> <li>1. Environment, Social and Governance strategy</li> <li>2. Key company level Strategy and developments</li> <li>3. Company Business Performance</li> <li>4. Technological innovations</li> <li>5. Shareholder voting rights</li> </ol>
<b>Customers</b>	Regular store surveys to ensure franchisee owner and customer satisfaction, Chatbots and Virtual Assistant, SMS/ WHATSAPP / E-Mail Campaign for any offers or service introduction	<ol style="list-style-type: none"> <li>1. New services and offerings</li> <li>2. Customer Grievance addressal and Satisfaction</li> <li>3. Customer Queries</li> <li>4. Data Privacy and Security</li> </ol>
<b>Community</b>	Monitoring of community interventions, CSR programs, recruitment of franchisee owners	<ol style="list-style-type: none"> <li>1. Livelihood generation</li> <li>2. Social Infrastructure development for local rural communities</li> <li>3. Financial, social and Digital inclusion</li> <li>4. Easy access to basic services like Universal Banking, Insurance and social security benefits through DBT (Direct benefit transfer)</li> </ol>
<b>Suppliers and Vendors</b>	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"> <li>1. Product and service requirement</li> <li>2. Quality Check and Pilot testing</li> <li>3. ESG Compliance on the product (EPEAT certification) and of supplier and vendor Code of Conduct for Suppliers</li> <li>4. Performance review and audit survey review on supply chain monitoring</li> <li>5. Performance review on product and service as per the requirement</li> <li>6. Feedback on support and maintenance of the respective product or service</li> <li>7. Grievance Addressal</li> <li>8. Product Customization (Example ATM made Divyang friendly as well as paperless ATM customization done as per our discussion with Supplier OEMs.)</li> </ol>



## Stakeholder Engagement and Materiality Analysis

**Our plans and development are evaluated based on how well they address the important problems that have been identified.**

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

### Materiality

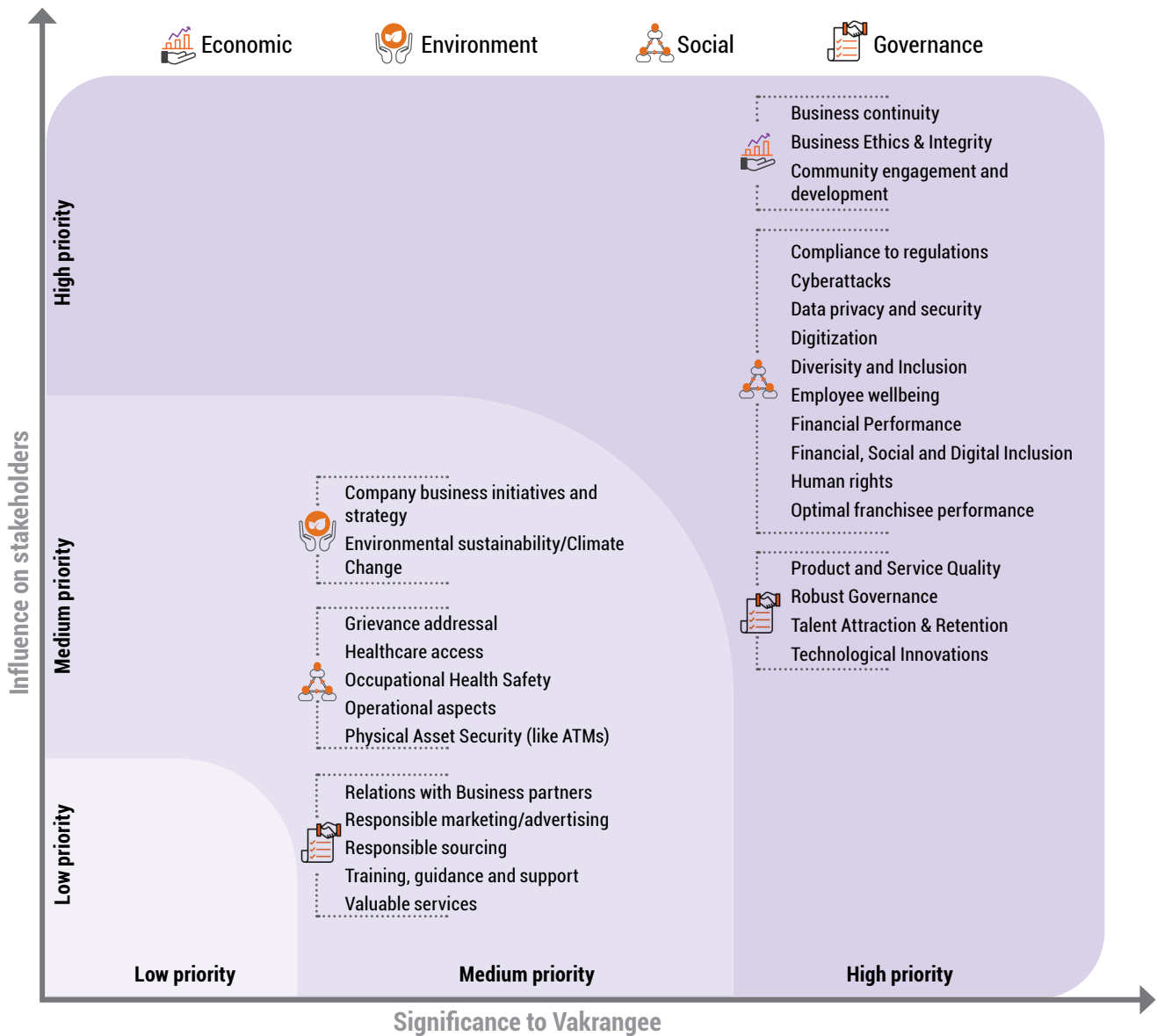
By interacting with all stakeholder groups, the materiality assessment was carried out and the relevant subjects were highlighted. A rating exercise was conducted to identify the material topics of high, medium and low priorities. Priority was given to both stakeholders and Vakrangee.

The following filters were used to evaluate the materiality of the information: stakeholder concerns, legal considerations, internal policy considerations, and financial implications and risks. The materiality matrix that is displayed in this section was created as a result of this. Our focus material subjects have been determined to be those in the high

and medium priority zones. Our plans and development are evaluated based on how well they address the important problems that have been identified. The GRI topics are matched to the specified material topics. Only the themes in the high and medium priority zones were taken into consideration for our emphasis material topics, which are listed below.

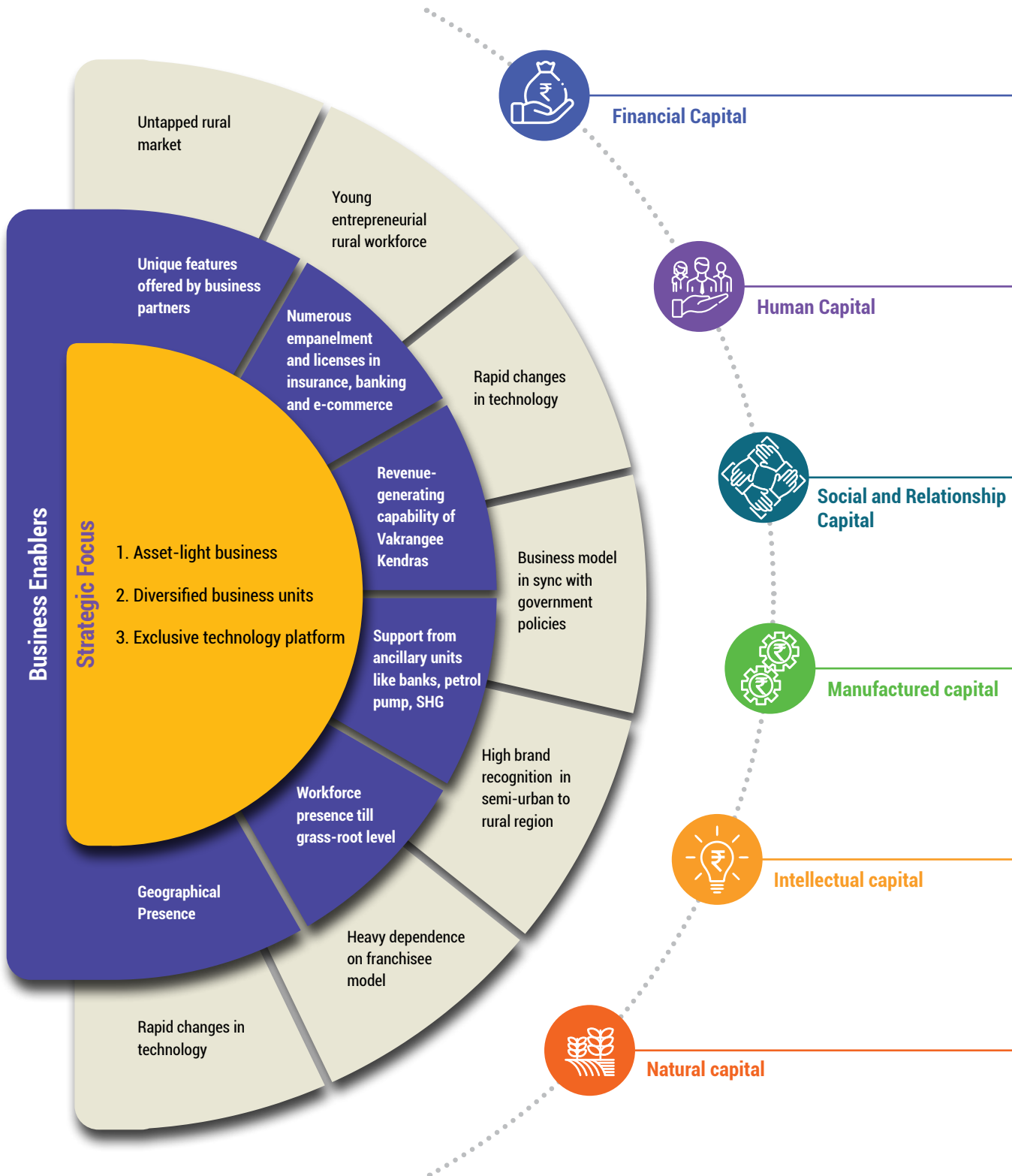
The economic, environmental, social, and governmental aspects of these focal material themes have been grouped because they are consistent with our corporate values. Our report breaks down our approaches and developments concerning key focus material areas in various sections. Below is the materiality matrix.

**Our focus material subjects have been determined to be those in the high and medium priority zones.**



# Value Creation Model

Using resources wisely to optimise stakeholder returns



## INPUTS

- Paid-up capital – INR 1,05,95.00 lakhs
- Capital work-in-progress – INR 632.24 lakhs

- 247 employee strength
- 16.05% women at corporate HQ
- 18,089 training hours

- CSR expenditure – INR 135.74 lakhs
- Efficient grievance redressal mechanism

- 22,042 Vakrangee Kendras as of FY 2021-22
- Introduction to services accessible through the digital platform

- Implementation of advanced technology - IoT, VA, AR, Virtual Assistance, AI, ML, blockchain and BharatEasy Super Mobile APP

- Initiatives – Save paper, green building, green data centres, ISO certifications
- 100% renewable energy since July for corporate office and since November for 1 regional office

## OUTPUTS

- Total Revenue – INR 78,260.52 lakhs
- PAT – INR10,952.47 Lakhs
- Return on Net Worth 4.06%

- Diversity at workplace
- Voluntary attrition rate – 14.2%
- Average years of association – 6 years

- '0' complaints concerning breach of customer privacy from customers, third party, regulatory bodies and local community members
- Support in healthcare
- Support in education

- Accessibility to essentialities such as telemedicine and doorstep banking among others
- Introduction to a Unique Hybrid Model combining physical stores with digital platform to offer multiple products and services

- Monitoring 22,042 outlets with IoT

- 53,158,611 paperless ATM financial transactions
- 70,075,036 paperless Banking financial transactions

## OUTCOMES

Revenue for FY22 has been strong & have witnessed robust Operational growth due to increase in Number of outlets on a YoY basis as well as services becoming operational

- Equal opportunity at work
- Increase in motivation and employee satisfaction
- 74% employees feel happy and proud working at Vakrangee

- Strong relations with all stakeholders
- Enhanced trust of stakeholders

- Employment among local community

- Robust systems and processes

- Natural resource conservation

# Business Risks and Opportunities

Mitigating risks and threats prudently



## Risk Management Framework

*The pandemic created short-term disruptions and provoked long-term changes in how the world lives and does business. Businesses experienced a significant shock as a result of the abrupt change from the status quo.*

Being proactive in risk identification and appropriate risk management is essential given the increasingly turbulent and complicated market environment. We have developed a Risk Management Policy to enable sustainable and resilient business growth and to encourage a proactive attitude in assessing, addressing, and reporting business-related risks. Our policy complies with both RBI's instructions on risk management in banking correspondence and white label ATM (WLA) operations and Regulation 21 of SEBI LODR.

The active identification, investigation, evaluation, management, and documenting of risks that might threaten our business constitutes of our risk management process. Our Board of Directors reviews

and assesses the company's risk management system on a regular basis. Our Head of Department is in charge of putting the risk management system in place, when necessary, and will report to the Board and Audit Committee.

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

- Be in charge of setting up, implementing, and overseeing the company's risk management plan.
- Ensure that all departments' and verticals' SOPs are created in accordance with the best global practises, are in compliance with ESG standards and UN-SDGs, and are risk-free in terms of both business and legal matters.
- Define the tasks and responsibilities of the Risk Management Committee, and delegate monitoring and evaluating of the risk management plan to the Committee, as well as any additional functions it deems appropriate.
- Ensure that suitable risk management mechanisms are in place.
- Independent Directors shall assist in bringing an independent judgement to bear on the Board's discussions on risk management issues and shall assure themselves that the risk management system is robust and defensible. They must also take part in significant decisions that influence the risk profile of the firm.
- Have awareness of and continually monitor management of strategic risks.
- Be certain that procedures and controls are in place to mitigate less

## We encourage a proactive attitude in assessing, addressing, and reporting business-related risks.

significant threats; be satisfied that a suitable accountability structure is in place so that any risk delegation is recorded, and performance can be tracked appropriately; make sure that the methods for board reporting and yearly reporting incorporate risk management.

- 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:

S. No.	Name of Director	Designation
1.	Mrs. Sujata Chattopadhyay	Chairperson
2.	Mr. Dinesh Nandwana	Member
3.	Dr. Nishikant Hayatnagarkar	Member
4.	Ms. Sapna Thakur	Member

### Terms of references for the Risk Management Committee are:

- To guarantee suitable procedures for risk management and to make sure that all of the company's present and future substantial risk exposures are recognised, analysed, quantified, and properly mitigated, minimised, and managed.
- To create a structure for the company's risk management procedure and to guarantee its execution.
- To make it possible to follow the proper requirements, when applicable, by implementing best practises.
- To ensure financial stability and corporate growth.

- To evaluate actual and potential Human Rights risk related to data privacy.
- To confirm the framework for the Human Rights Risk Assessment in relation to data privacy.
- To monitor the implementation of the Human Rights Risk Assessment Framework for Data Privacy.
- To report Human Rights Risk Assessment in Data Privacy to the Board of Directors.
- To assess existing and prospective risks associated with Human Capital.
- To approve the action plan developed in response to the identified risks.
- To monitor the comprehensive action plan's execution.
- To present the Human Capital Risk Assessment findings to the Board of Directors.

Management and management information must be freely available to the Committee. It must convene at least once a year. Furthermore, as its authority, it may seek the counsel of external experts or consultants as needed. Furthermore, the Committee should evaluate the policy at least once a year to verify that it fulfils legislative requirements as well as the needs of the organisation. Risks are communicated to all stakeholders once the risk management committee has reviewed them.

While we have been proactive in risk mitigation, we have also been effective in converting risks into economic opportunities. We are committed to serving the nation by providing basic services such as banking and other essential services at over 22,000 locations. Our business correspondents provide banking services by providing government subsidies to Jan Dhan Account customers in rural areas around the country.

We have also formed a separate Board ESG Committee. The Committee's goal is to analyse substantial environmental, social, and governance issues important to our business activities and to help us preserve our position as a global leader in ESG performance. The committee should undertake review process at least once a quarter. However, the assessment is conducted on an as-needed basis to examine major company strategy decisions and the implementation requirements of any ESG-related projects.

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

- Identifying how environmental, social, and governance concerns affect Vkrangee's potential to create value - monitoring external ESG trends and understanding related risks and opportunities.
- Understanding key stakeholders' expectations.

Risk

Board of Directors risk review

Risk Management Committee risk review

Disclosure of risks to all stakeholders

## Business Risks and Opportunities

### Vakrangee has taken formal and systematic techniques to risk mitigation.

- The Committee recognises that the Board People & Remuneration Committee and the Board Corporate Social Responsibility Committee also help the Board achieve its ESG duties.

The board ESG committee is composed of the following individuals:

No.	Name of Director	Designation
1.	Mr. Avinash Vyas	Chairman
2.	Mr. Ramesh Joshi	Member
3.	Mrs. Sujata Chattopadhyay	Member

The Role and responsibilities of the Board ESG committee include-

- Evaluating the performance and outcomes of significant ESG investor initiatives/surveys, as well as global benchmarks- Overseeing the execution of major projects indicated in ESG investor surveys and global benchmarks, as well as opportunities for improvement.
- Considering developing ESG concerns to determine their relevance to the Company's long-term value generation.
- Review and evaluate the overall business strategy from an ESG impact perspective.
- To monitor and assess whether or not the sustainable development goals have been included into any new company strategy or new business activities.
- Assist the NRC Committee in reviewing senior management's performance in terms of ESG deliverables.

### Business Risks

In order to create long-term value, we foresee risks to our development and those of our stakeholders while capitalising on new possibilities presented by a changing environment. Vakrangee has taken formal and systematic techniques to risk mitigation. To identify and

analyse risks, we undertake risk assessments. The risk assessment is a thorough examination of threats and vulnerabilities that result in hazards and have the potential to harm our organisation. The following steps are taken while analysing and evaluating risks:

#### Risk identification

- Once identified, the possible risk should be addressed and articulated in terms of its potential consequences.

#### Risk analysis

- After identifying risks, the likelihood and consequences of each risk are determined. The precise nature of the risk and how it may impact organisational goals and objectives are assessed.

#### Risk evaluation

- The degree of risk is determined by risk appraisal, which is a mix of the likelihood of the risk and the severity of its repercussions. Once the risk size is determined, a judgement is taken as to whether the risk is acceptable. If it is deemed unacceptable, the next stage will be to identify what steps must be taken to lessen the risk.

#### Risk treatment

- Risk treatment is assessing all identified risks and then developing and implementing action plans to reduce the risks to acceptable levels. However, the emphasis is not just on limiting the negative risks, but also on how to maximise the possibilities that have been recognised.

#### Risk monitoring and review

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

**We have created an online digital platform to provide consumers with seamless services from the comfort of their own homes.**

Risks identified and evaluated through these assessments are enumerated below:

S. No.	Risk	Significance	Mitigation measure	Linkage with capital
1.	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.	<ul style="list-style-type: none"> <li>■ Financial</li> <li>■ Social and relationship</li> </ul>
2.	Rapid technological transformation	As a financial technology firm, we supply our services using electronics such as computers and printers, as well as technologies such as IoT and biometric identification. Disruptive innovations may have an impact on a company's margins.	<ul style="list-style-type: none"> <li>■ We recognise the significance of a next-generation company model in the digital age. To coincide with the government's digital payment agenda and capitalise on the opportunity, we have established a Unified Payment Platform to handle all payments, including card payments, UPI, AEPS, Aadhaar Pay, and QR, among others. It will allow our Next-Gen Vakrangee Kendras to collect money from our clients in any way. We were among the first to use the Aadhaar enabled Payment System (AePS) for banking. The implementation of an integrated digital payment method enables us to provide banking services to every Indian citizen. We are already nearing the finish of the process of implementing various payment solutions at our Kendras.</li> <li>■ We recognise that technological obsolescence is a fact. We analyse technological obsolescence on a regular basis and make the required expenditures to utilise the finest available technology. Our buying approach takes into account all legislative requirements as well as the capabilities of future upgrades.</li> <li>■ Our company has also recently created an online digital platform to provide consumers with seamless services from the comfort of their own homes. Through this, we have evolved into the unique O2O (Online to Offline) platform, whereby there is Assistance available through the Physical Kendra network along with Digital Online Services. The company has Initiated this Unique Hybrid proposition with launch of first Digital service of Telemedicine services. We intend to make many more services available via this platform. We are also building a business platform based on Mobile Super Apps: BharatEasy App, India ka Super App.</li> </ul>	<ul style="list-style-type: none"> <li>■ Intellectual</li> <li>■ Natural</li> <li>■ Financial</li> </ul>
3.	Heavy dependence on franchisee model	Although a franchisee model allows for fast development, there are still dangers involved. Our brand name and reputation might suffer if any of our franchisees experience a loss of repute. Franchisees also have lower profit margins, and legal problems might complicate otherwise efficient operations.	In the future, if necessary, we can choose an alternative franchisee model layout. In the future, we can simply implement revenue-based banking correspondence and White Label ATMs.	<ul style="list-style-type: none"> <li>■ Human</li> <li>■ Manufactured</li> <li>■ Social and relationship</li> <li>■ Financial</li> </ul>



## Business Risks and Opportunities

**We maintain high standards of corporate governance to abide by evolving laws, regulations and standards.**

S. No.	Risk	Significance	Mitigation measure	Linkage with capital
4.	Legal risk	As we are governed by various laws and regulations, we are exposed to legal risks in case of any violation.	To make sure that we uphold all contractual obligations, our experienced team of specialists and consultants assesses contract risks, determines our obligations, and limits our liabilities.	All
5.	Financial Reporting risk	Uncertainty in business is brought on by changing laws, rules, and standards in accounting, corporate governance, and public disclosure, such as SEBI guidelines and Indian stock market listing restrictions. Different interpretations may result from new rules, norms, and regulations that may not be sufficiently precise. As new guidelines are issued by regulating and governing authorities, their application may change over time. Due to constant adjustments to these corporate governance rules, this might lead to persistent ambiguity over compliance issues and greater compliance expenses.	We maintain high standards of corporate governance and public disclosure to abide by evolving laws, regulations and standards.	<ul style="list-style-type: none"> <li>■ Financial</li> <li>■ Social and relationship</li> <li>■ Human</li> </ul>
6.	Corporate Accounting fraud	Accounting fraud, often known as corporate accounting fraud, can put a corporation at risk by misusing or diverting cash, overstating revenues, understating costs, etc.	We mitigate these risks by: <ul style="list-style-type: none"> <li>■ Understanding applicable laws and regulations.</li> <li>■ Conducting risk assessment.</li> <li>■ Enforcing and monitoring code of conduct for key executives.</li> <li>■ Instituting whistle-blower mechanisms.</li> <li>■ Deploying strategy and process for implementing new controls.</li> <li>■ Adhering to internal control practices that prevent collusion and concentration of authority.</li> <li>■ Employing mechanisms for multiple authorization of key transactions with cross-checks.</li> <li>■ Scrutinizing management information to identify dissimilarity of comparative figures and ratios.</li> <li>■ Creating a favourable atmosphere for internal auditors in reporting.</li> <li>■ Highlighting any instance of minor non-adherence to procedures and manuals, and a host of other steps throughout the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>■ Financial</li> <li>■ Social and relationship</li> <li>■ Human</li> </ul>

**We prioritize  
privacy and  
security of data.**

S. No.	Risk	Significance	Mitigation measure	Linkage with capital
7.	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"> <li>■ 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.</li> <li>■ Mandatory Access Control (MAC) limits the access of each user to a set of tasks and timeframe.</li> <li>■ Digital signatures using asymmetric encryption: regular audits, hash chaining are standard practices to keep our data secure.</li> <li>■ Monitor logs on a real-time basis to identify anomalies, misuses and abnormality.</li> <li>■ Data tagging and time stamps to trace unauthorized activity.</li> <li>■ Maintaining the confidentiality and integrity of data requires encryption. Data in-transit and at rest within databases are encrypted. By using SSL encryption to connect the client and server, we offer extra security for data in transit and make sure that only reliable computers can decrypt the data. Encryption of data within the database, access control, masking sensitive data and stringent authorization policies, keeping security patches up to date. Even if there is a system breach, the data itself is safe thanks to the granular encryption that is used on all data.</li> <li>■ Key exchange policy: Loading and managing ATM encryption keys. The management of the key life cycle, including the creation, distribution, and injection of ATM encryption keys, is made easier by the Hardware Security Module (HSM). The inbuilt secure cryptographic device for key storage is part of these tamper-evident, tamper-responsive servers, which also abide by all other important industry standards like ISO, PCI, DSS, etc.</li> <li>■ We have installed "anti-skimming card reader" at its ATMs to prevent skimming attacks.</li> </ul>	<ul style="list-style-type: none"> <li>■ Financial</li> <li>■ Social and relationship</li> <li>■ Human</li> <li>■ Intellectual</li> </ul>
8.	Theft of physical assets	The security and safety of franchisees and stores is critical. As a result, any danger of theft, physical burglary, or damage or loss to the outlet must be avoided. The ATM is a significant corporate asset that is transferred to the franchisee on a custodial basis. As a result, adequate maintenance and security of the ATM asset have been of paramount significance to the organisation.	<ul style="list-style-type: none"> <li>■ We have put in place a master insurance plan that now covers all of the Kendra's hardware, including ATMs, cash in transit, and cash at outlets up to INR 10 lakhs.</li> <li>■ A one-of-a-kind product handles ATM maintenance. Simple maintenance plus insurance covers all-year service of ATMs as well as coverage for any damage to spare components.</li> </ul>	<ul style="list-style-type: none"> <li>■ Financial</li> <li>■ Social and relationship</li> <li>■ Human</li> <li>■ Manufactured</li> </ul>

## Business Risks and Opportunities

**Vakrangee provides its customers with the option to access multiple partner products & services at the company's physical outlets as well as through its digital platform.**

Risk identified and mitigated for the current financial year:

Risk Identified	Mitigation Strategy
<p>The COVID-19 pandemic has affected various business services. The lockdown implemented across the country impacted customer visits to outlets as well as field visits to monitor and train the franchisees.</p>	<p><b>Mitigation 1:</b> Because Vakrangee is a vital service provider, our banking and ATM services remained operating during the shutdown, which benefited our franchisees because their core services remained functioning.</p> <p><b>Mitigation 2:</b> Doorstep banking service: During the lockdown, Vakrangee banking Business Correspondents (BCs) offered doorstep banking services to Jan Dhan Account Holders in remote rural regions, particularly senior citizens and retirees.</p> <p><b>Mitigation 3:</b> Launch of Digital Vakrangee Kendra: Unique Hybrid Model (Online to Offline)</p> <ul style="list-style-type: none"> <li>■ Vakrangee has entered the digital market space by delivering digital healthcare services. Vakrangee has grown into a one-of-a-kind Hybrid O2O (Online to Offline) platform, with support available through a physical retail network as well as digital online services.</li> <li>■ With this, Vakrangee hopes to provide its customers with the option to access multiple partner products &amp; services at the company's physical outlets as well as through its digital platform. This would make it easier for customers to transact. Furthermore, the existing Kendra network serves as a one-of-a-kind providing of physical help to customers, fostering greater trust and comfort. This has grown into a unique hybrid concept in which clients can select to use Vakrangee services at their leisure.</li> </ul> <p><b>Mitigation 4:</b> The COVID-19 epidemic has produced unprecedented disruptions in the industry, thus Vakrangee is using technology, adopting process automation, and launching creative Digital projects as new methods of conducting daily business and managing field operations.</p>
<p>The security and safety of the franchisee and its outlet are of the highest significance, thus any danger emerging from theft, physical burglary assault, or any harm or loss to the outlet must be addressed. Furthermore, the ATM is a significant corporate asset that is provided to the franchisee on a custodial basis. As a result, appropriate maintenance and security of the ATM asset have been of paramount importance.</p>	<p><b>Mitigation 1:</b> We have created a master insurance policy that now covers the whole Kendra hardware, ATM machine, cash-in-transit, and cash at outlet up to Rs. 10 lakhs.</p> <p><b>Mitigation 2:</b> ATM maintenance is totally taken care of by a one-of-a-kind solution that includes all-year servicing of the ATM as well as covering for any damage to spare parts through a simple maintenance + insurance programme.</p>
<p>The Indian government has prioritised digital payments across the country. Currently, not all payment mechanisms, such as QR code and UPI payments, are supported by the Kendra network.</p>	<p>We recognise how crucial it is in the digital world to have a next-generation company model. We have created a Unified Payment Platform to handle all payments, including card payments, UPI, AEPS, Aadhaar Pay, and QR codes among others, in order to support the government's aim of digital payment and capitalise on the advantage.</p> <p>As a result, our Vakrangee Kendras will be able to take payments from consumers using any type of payment method. We are one of the forerunners of the banking system that is Aadhaar enabled Payment System (AePS) based. We now have the ability to make banking services available to every Indian citizen, even down to the last tier, thanks to the adoption of an integrated digital payment method. The rollout of all types of payment options at our Kendra is already nearing completion.</p>

## Risk monitoring and communication

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

### Risk monitoring tool

**Granular auditing:** In order to identify any form of cyberattack or malicious activity, we analyse network logs, which is always profitable and helpful.

**Data provenance:** To precisely identify the source of the data and enable additional validation as well as access control, we categorise the data.

### Periodic Audit

Audits provide a structured documentation procedure that continuously evaluates operational reality to stated principles and standards. It also aids in meeting regulatory requirements.

### Training management

To ensure the effectiveness, learning, and development of our staff, our training programmes are delivered via a variety of mediums. Staff, ATM custodians, and banking operators all receive extensive training.

### Surveillance

All Next-Gen Vakrangee Kendras have centralised closed-circuit surveillance (CCTV) that monitors ATM and banking activities around the clock. Furthermore, our locations are constantly manned throughout business hours.

### Risk Communication

The Risk Management Committee promptly informs the Managing Director and/or Compliance Officer about risk discovered and mitigation procedures to be performed after successful monitoring and identification of risk. Furthermore,

it is communicated to the Board of Directors during a Board meeting.

In the case of a significant and large risk, the Board will be quickly contacted for review and advise on mitigation steps to be adopted.

## Internal control system and adequacy

We have always prioritised establishing a robust internal control system that is proportionate to the Company's size and nature of operations. Vakrangee's internal controls are designed to provide reasonable assurance in recording and providing reliable financial and operational information, complying with applicable statutes, protecting assets from unauthorised use or loss, executing transactions with proper authorization, and ensuring compliance with corporate policies, laws, and accounting standards.

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.

## Business opportunities

### Revolutionizing rural healthcare

Vakrangee's latest partnership with vHealth by Aetna, Medi Buddy and Allianz Partners broadens our supply of essential items to India's underprivileged and unserved population.

When people in remote areas contact a doctor digitally, they will have an unique experience owing to the telemedicine service. We will also be able to organise home blood testing and medicine delivery through partner network.

## We have recently launched an attractive Master Franchisee scheme across the country.

With this collaboration, we have increased the spectrum of services accessible at our unique Vakrangee Kendras, transforming them into one-stop shops for all of our customers' healthcare needs.

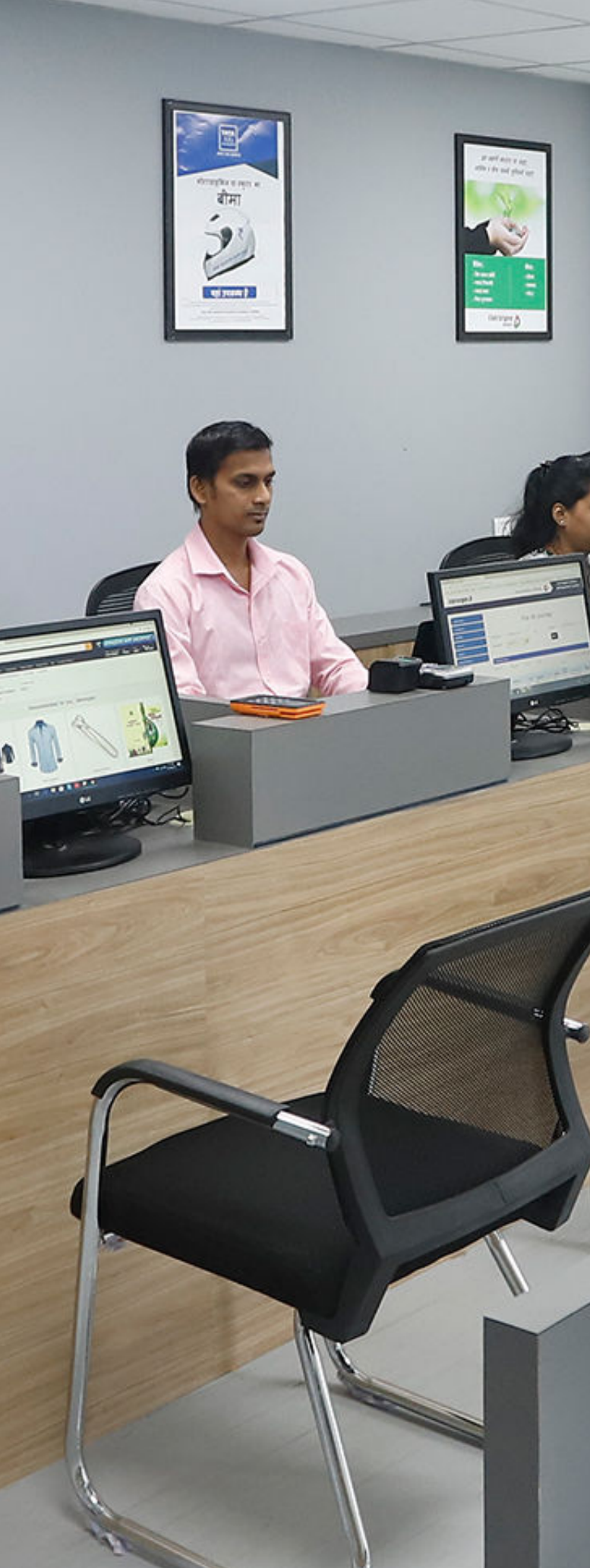
### Business expansion

We have recently launched an attractive Master Franchisee scheme whereby we are in process of appointing District level Master franchisees across the country. This new initiative would help us scale at a much faster pace and thereby achieve our Long Term targets well ahead of targeted timelines. Master franchisee shall be responsible for end to end monitoring and ensuring operational compliances for there respective franchisees.

### Launch of Digital Platform: BharatEasy Mobile Super App

Our company has recently launched an online digital platform to provide consumers with seamless services from the comfort of their own homes. We have grown into a unique O2O (Online to Offline) platform, with assistance available through the Physical Kendra network as well as Digital Online Services. We launched a unique hybrid concept with the launch of our first digital telemedicine service. We intend to make many more services available via this platform. We are also building a business platform based on Mobile Super Apps: BharatEasy App, India ka Super App (Currently under Beta Trial version). Our consumers would have access to a wide range of Products and Services by downloading a single Vakrangee's BharatEasy Super App mobile application, drastically reducing the need to move between various apps. This would result in a better customer experience and more convenience for the customer. Customers can utilise it on a daily basis since it can provide a seamless, multi-service, integrated, and efficient experience.





# PERFORMANCE OF CAPITALS

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# Financial Capital

An Asset Light approach to create outstanding value



## Integrating Robustness of Financial Growth with Contribution to Financial Inclusion

*At Vakrangee, Financial strength is a vital component that facilitates long-term operational growth and development of the organization. In the current market scenario, financial strength and robustness of the system helps in developing a strong foothold in the market.*

The endeavour to reach all the people across rural as well as urban areas across India has contributed to increase in the number of our outlets from 11,730 to 22,042 as at end of FY 2021-22. This has helped us in understanding and fulfilling the needs of the customers by building last mile retail outlets available at every postal code. These outlets are driven by our Phygital model of working with technology and provide services like real-time BFSI, ATM, e-Commerce and Healthcare Services to the unserved and underserved rural, semi-urban and urban markets in the local/ state/national ecosystem providing financial & social inclusion in line with the government policies. With the advancement of digital technologies in our operations, we now try to understand and fulfill the demands of our consumers at a higher level.

Our government has been working on financial inclusion of Indian rural population with initiatives like Pradhan Mantri Jan Dhan Yojana (PMJDY), issuing RuPay cards, Direct Benefit Transfer and more which have been a great addition and created more ease for our business for achieving our goals

of financial inclusion convergence with government policies. Our focus on developing Next-Gen Vakrangee Kendras which are standardized and highly recognizable has led us to being consistent in improving customer experience and providing well defined service levels.

We have transformed to a higher level of business engagement and servicing in the financial year 2021-2022. We have expanded our business by 88% and reached a total of 22,042 Next Gen Vakrangee Kendras in FY 2021-22 from 11,730 in FY 2020-2021. With our phygital approach, we have been able to engage new customers and retain existing customers with a higher quality of experience and ease of access. We are working towards having a Vakrangee outlet in each Gram panchayat in India and ensure everyone is able to access and benefit from financial, social and digital inclusion.

Our Plan is to achieve Long Term Outlet expansion Target of 75,000 outlets within the next 18 Months. Our Near Term Profitability would be impacted as we are re-investing our Operational cash flows for enhancing Franchisee incentives and increase our marketing spends. We have recently launched additional franchisee incentive schemes. These Additional incentives will be transitory in nature but would lead to quick payback for the franchisees thereby driving strong New franchisee interest.

Strong word of mouth and referral incentives along with Pan India marketing have resulted in to Higher lead funnel for Franchisee acquisition.

₹78,260.52 lakhs

Total Income for FY2022

₹10,952.47 lakhs

Profit After Tax for FY2022

## Our plan is to achieve long term outlet expansion target of 75,000 Vakkrangee outlets within the next 18 Months.

We have received an overwhelming response with more than 60,000 fresh applications.

Further, we have introduced New attractive pricing for all our kendra models as well as Introduced Master Franchisee Scheme which would help us scale at a much faster pace and thereby achieve our Long Term targets well ahead of targeted timelines. We are confident that these strategic initiatives shall lead to significant growth in profitability in the long run.

### Total Income

The total income stood at INR 78,260.52 lakhs for the financial year 2021-22.

Strong growth witnessed in Revenues due to increase in Number of outlets as well as services becoming normalized and operational post pandemic.

### PAT

There has been an increase in the profit after tax as compared to the previous FY which stood at INR 10,952.47 lakhs. The company has leveraged technology and process automation initiatives which has resulted into enhanced profitability and therefore the profit margins has improved

### EBITDA

INR 15,869.20 lakhs

Return on net worth 4.06%

### EPS

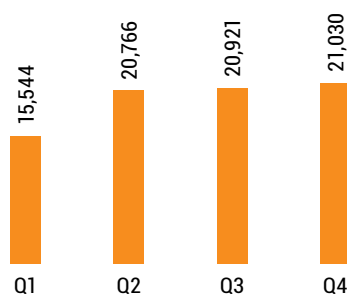
Earnings per share EPS (basic) for the face value of INR 1 stood at INR 1.03 in FY 2021-22.

## Quantifying Financial Performance

Along with ensuring access to financial, social and digital inclusion of large population from rural India, we have grown financially in this reporting period. In comparison to our performance in the previous year, this year has been more financially profitable for our company.

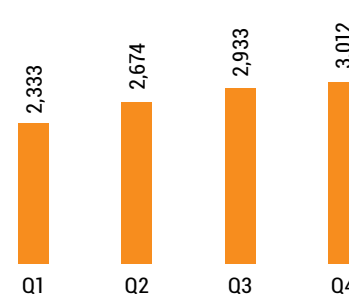
Particulars	Standalone (in lakhs)		Consolidated (in lakhs)	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	69,229.15	22,743.67	77,869.23	31,429.14
Other Income	231.74	6,815.25	391.29	6,965.99
Profit / Loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	14,503.38	8216.94	15,869.20	9,762.32
Less: Depreciation/ Amortization/ Impairment	1,545.57	1,478.36	1,545.78	1,480.51
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	12,957.81	6,738.59	14,323.42	8,281.81
Less: Finance Costs	0.00	0.00	0.00	0.00
Profit /Loss before Exceptional items and Tax Expense	12,957.81	6,738.59	14,323.42	8,281.81
Add/(Less): Exceptional Expense	(168.66)	0.00	(168.66)	0.00
Profit /Loss before Tax Expense	12,789.15	6,738.59	14,154.76	8,281.81
Less: Tax Expense (Current & Deferred)	2,853.19	1,602.46	3,202.29	2,002.68
Profit /Loss for the year (1)	9,935.96	5,136.12	10,952.47	6,279.13
Total Comprehensive Income/Loss (2)	2.22	89.24	40.92	88.50
Total (1+2)	9,938.18	5,225.36	10,993.39	6,367.63
Balance of profit /loss for earlier years	1,92,641.07	1,90,153.46	1,95,441.62	1,91,811.00
Less: Transfer to Reserves	0	0	0	0
Less: Dividend paid on Equity Shares	(1,059.41)	(2,648.51)	(1,059.41)	(2,648.51)
Less: Dividend Distribution Tax	0	0	0	0
Balance carried forward	2,01,517.62	1,92,641.07	2,05,334.70	1,95,441.62

### Total Revenue (in Lakhs)



FY 2021-22

### PAT (in Lakhs)



FY 2021-22



**Our CSR initiatives focus on creating a positive impact on communities.**



We are operating with an asset light model which specify the relatively lower ownership of capital assets. To ensure that we can continue to operate as a going concern, we deliver profits to shareholders thereby benefitting other stakeholders maintain an optimal capital structure to reduce the cost of capital. Our company's total net borrowings of cash and cash equivalents stood at zero, which prevents us from paying interest making our company debt free. As concluded, we have zero interest coverage ratio and debt to equity ratio.

**Standalone:**

Our company's total income during the FY 2021-22 was INR 69,460.89 Lakhs as compared to INR 29,558.92 Lakhs in the previous year. The Profit after Tax during the reporting period was INR 9,935.96 Lakhs in comparison to previous year which was INR 5,136.12 Lakhs.

**Consolidated:**

Our company's total income during the reporting period was INR 78,260.52 Lakhs as compared to previous financial year which was INR 38,395.13 Lakhs. The Profit after Tax (PAT) in reporting period was INR 109,52.47 Lakhs as compared to previous year which was INR 6279.13. Our Paid-up Equity Share Capital as on March 31, 2022, stands at INR 10,595 Lakhs comprising of 10,595 lakhs equity shares of INR. 1/- each.

**CSR: Boosting change and development**

We have invested INR 135.74 Lakhs in FY 2021-22, INR 94.99 Lakhs in FY 2020-21, INR 84.85 Lakhs in FY 2019-20 and INR 92.50 Lakhs in FY 2018-19. In this reporting period, we have spent the maximum amount as compared to previous years. Our CSR initiatives focus on creating a positive impact on communities through deeper engagements for various social interventions such as healthcare, education and other initiatives.

**We are operating with an asset light model which specify the relatively lower ownership of capital assets.**

**Below are the details of CSR expenditures:**

CSR project or activity identified	Sector	State and district where projects or programs were undertaken	Amount spent on the projects or programs
VIPRA Foundation	Cl.(ii) Infrastructure for Education	Mumbai (Maharashtra)	18.96
Mental Health Foundation (India)	Cl.(i) Health Care	New Delhi	10.00
RVG Educational Foundation	Cl.(ii) Promoting Education	Mumbai (Maharashtra)	100.00
Bharat Vikas Parishad	Cl.(i) Health Care	Mumbai (Maharashtra)	4.00
Kota Dall Mill	Cl.(i) Eradicating Hunger	Kota (Rajasthan)	2.78
<b>Total</b>			<b>135.74</b>

*We interact with multiple stakeholders through our CSR activities which help in strengthening our ability to bring change in society*

# Manufactured Capital

Adding national resilience by catering to the needs of the people



*Digitalization has changed the underlying architecture of almost all the industry, especially banking services and it provides innumerable benefits to customers. Since the global pandemic 2020 has put forward the digital transformation across the world, customers are relying more on new-age digital banking now.*

With a vision of bringing transformation through our new Phygital model, we have expanded our Vakrangee Kendras from 11,730 in financial year 2020-2021 to 22,042 in the financial year 2021-22. Through the increase in our physical outlets, we have expanded our services to a large number of populations by fulfilling their health and financial needs. In order to build digital ecosystem, we have launched a BharatEasy Mobile Super App which provides access to various services such as banking, insurance, online shopping, total healthcare services, online opening of demat & trading account services, online travel, money transfers and so on.

We have also added to the resilience of the Nation by building a more robust system and catering to the needs of the people. We have a proper quality management and monitoring mechanism achieved by ensuring unified consumer and service experience at each of our Vakrangee Kendra and franchisee.

## Standardized & Exclusive Format of Store for Unified Consumer & Service Experience

Our outlets enable access to digital convenience stores that offer a variety of services and are supported by a unique business model. A modern and a standardized format and a uniform look helps in providing consistent levels of service and consistent customer experience across all locations including the remotest area of operation.

Over the years, we have transformed from being non-exclusive stores offering a single line of services to a multi-specialty, exclusive stores with a multi-line of services with an enviable presence in the marketplace which helps us in reaching out to large number of populations. Digital mode has accelerated the growth of our company by providing goods and services on customer's doorstep which made it convenient for the customers to take benefits of the services by transforming to digitalization.

We must make sure that our processes are standardised in order to validate the customer and franchisee satisfaction index, the physical appearance of the outlet, and the availability of services. Therefore, we have engaged with Grant Thornton to conduct an independent physical survey of the current and upcoming Vakrangee Next Gen outlets in the country. In the survey, Grant Thornton verifies the physical availability of the outlet, services availability, franchisee experience and also collects feedback from the customers who are using services provided by our outlet.

## A modern and uniform look helps in providing consistent levels of service and customer experience.

### Unique Features and Advantage of NextGen Kendra



#### 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 and visibility



#### ATM in outlet

- ATM at store and located within the store
- Potential to enhance the footfalls significantly
- Additional stream of revenues for both – the franchisee and the company



#### 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



#### Digital advertising

- Digital signage to enable centrally monitored advertisement campaigns
- To enhance the interaction between customers and partners
- Focus to initiate advertising revenue



#### Pin pad device

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

In addition, we have also introduced the centralized franchisee training & induction programme which takes place on an on-going basis which is five days a week and two sessions each of three hours given in English and Hindi Language.

### Robust infrastructure of technology systems in place

Moving towards phygital platform gives us the opportunity to develop and implement various digital technologies so that our customer would not face any difficulties of any kind. We have an VKMS (Vakrangee Kendra Management System), a cutting-edge proprietary platform, and BharatEasy Mobile Super App that enable us to provide services through systematical, real-time, secure integration with our partner systems. A skilled team of experts is available all the time to provide technical and quality assistance to our customers in case they face any problem. For safe and secured transactions, we have developed a user policy which require

### Organization hierarchy to Monitor and Train the Franchisees and provide operational/marketing support

We have an established organizational design in place which includes State Head and centralized team of franchisee relationship managers (FRM) to monitor the day-to-day operational activities. These dedicated team of relationship managers assist the franchisee on day-to-day activities and help them to resolve any issues on real time basis. Every relationship manager manages ~100 franchisees.

### Our Proprietary Technology Platform

#### SERVICES PROVIDED THROUGH REAL - TIME INTEGRATION WITH PARTNER SYSTEMS

Bank-Core Banking Server

All Partner Systems (E-Commerce, E-Governance, Insurance, Financial Services & Logistics)



CUSTOMER



Accounts To Be Maintained For Real-Time Settlement

BANK SETTLEMENT ACCOUNT

VAKRANGEE WALLET ACCOUNT

ATM SETTLEMENT ACCOUNT

## Manufactured Capital

### Implementing ISO certification enables us to differentiate our business from that of our competitors.

user authentication to gain access of the network. For more information, please visit [Technology page](#).

#### Live CCTV with access to Dedicated Relationship Manager

Our outlets ensure safety and security with IP based CCTV Cameras with 90 days back up. With the help of real time CCTV feed availability at our central office for all our outlets, day to day monitoring of the franchisees has become easier.

#### Real Time daily transactions monitoring & reports availability

As we are a technology driven company, we have in-house developed system i.e., Vakrangee Kendra Management System (VKMS) and mobile app for franchisee which gives real time status of the transactions, availability of cash at dominating level, balance in the wallet account, etc. Real Time Dashboards and daily reports are provided by the system to ensure effective monitoring across all services and outlets.

#### Video conference and webinar facility with the franchisees

We use Video conferences and webinar facility with the franchisee on a regular basis to have effective monitoring and real time resolution of the franchisee queries.

#### Centralized Franchisee Relationship Manager (FRM) assigned to each Franchisee

Every Kendra franchisee is connected to a Centralized Franchisee Relationship Manager (FRM) working out of at centralized location, who

handles day-to-day query resolution and franchisee monitoring.

#### Centralized Training & Induction assigned for Franchisee

We have also introduced the centralized franchisee online training & induction programme which is on an on-going basis, 5 days a week (Monday to Friday) 2 sessions each of 3 hours in English and Hindi Language.

#### ISO Certifications

#### Our ISO 9001:2015 Quality Management Systems (QMS) policy

Since 1998, our company has been an ISO 9001-certified QMS (Quality Management System) company. We continually make efforts to demonstrate to our customers that we aim to excel in everything we do and that we are dedicated to meeting our demands.

The international Standard for Quality Management Systems (QMS) is ISO 9001:2015. With the goal of customer satisfaction and organizational efficiency, QMS outlines a framework for enhancing quality and a vocabulary of understanding for any organization.

We use the ISO 9001:2015 standard to demonstrate that we can consistently provide quality products and services that meet customer and regulatory requirements and to demonstrate continuous improvement. Implementing ISO certification enables us to differentiate our business from that of our competitors by enhancing our bottom line.



As this standard place a greater emphasis on risk-based thinking, it helps firms in managing organizational risks and opportunities using a methodical approach. It puts a greater emphasis on leadership engagement within the organization and aims to address issues of supply chain management more effectively.

It is of great importance because:

- With this accomplishment, we are able to show our clients how important customer service quality is to us and how they can depend on us to run our business efficiently.
- It lets our customers know we care about the quality of service we provide them.
- It means you are choosing a company that puts the customer first.
- It represents our determination to better our customer service.

## Our BPO/ KPO for Franchisee Acquisition has significantly reduced on-boarding costs and improved scalability.

- It means you will get the highest-possible quality for your communication needs. Information Security Management System Acquisition, Development, and Maintenance.

We have also established Software Development Lifecycle for planning, requirement analysis, design, development, and testing. There are controls in place to achieve the information security and data protection requirements as follows:

### A. Product Security

We use industry standards and methods to assess the security of our goods. We follow Agile methodologies for feature delivery and Scrum methodologies for new feature delivery. The SDLC for our Product services includes many activities to enhance security and privacy posture. We use Definition of Done (DoD) to maintain the quality of deliverables, a clear and consistent Definition of Done is an effort to create an objective framework for quality. DoD helps in providing clear and specific guidelines to the respective team and to the stakeholders about the exact requirements needed for each story, sprint, release and task for ensuring consistent and sustainable quality of deliverables. This ensures transparency and level of appropriate quality for the organizations' products and objectives.

### B. Code Security

Our Product code is stored in a secure system hosted by one of the most secure data center facilities. We adopt a strict, low access privileges principle for providing access codes. Commits

to production code are strictly reviewed, and approval is restricted to a team of specialized group of people.

### C. Record Retention and Data Destruction Policy

We take responsibility to protect the integrity and confidentiality of personal data of our clients, employees and partners that we have access to. Each employee also has an obligation to protect the integrity and confidentiality of personal data and to prevent unauthorized disclosure of data whether it is verbal, printed, hand-written or computer based. As per the policy, our data shall not be kept for longer than it is necessary. Data shall be destroyed after the retention period in a way which does not breach the data protection rights of our employees, vendors and customers. All office paperwork that is not required or needs to be removed, shall be shredded or placed in the designated confidential waste bins provided in the offices.

For more information, please visit [Information Security and Management Policy](#).

### Our Future Strategy for Next-Gen Vakrangee Kendra

Our Long-term target is to have a Vakrangee outlet in each Gram panchayat level in Rural India and in Each Urban ward in Urban India. In order to achieve this goal, we are targeting to reach 75,000 Operational Kendras in the next 18 months.

We aim to launch Additional Franchisee incentive schemes that re-invest cash flows for prompt return and drive strong franchisee interest

in order to achieve the long-term objectives. Additionally, aggressive marketing across India would result in higher lead funnel for the franchisee acquisition process and help us reach our long-term outlet expansion target of 75,000 Next-Gen outlets in the next 18 months.

We have digitized the complete Franchisee Lifecycle Management processes including Franchisee Acquisition, On-Boarding and Service Activation processes leading to delivering a faster, simpler and secured experience. This would ultimately lead to robust scalability and quicker turnaround of the prospective franchisees. Entire Franchisee Lifecycle Management (FLM Process) is now Digital: From Lead Generation to On-Boarding to Service Activation.

Furthermore, we have set-up BPO/ KPO for the Franchisee Acquisition which has significantly reduced franchisee on-boarding costs, enhanced field team efficiency and productivity, which further lead to higher scalability for the franchisee model and enhanced profitability.

In order to achieve the higher lead funnel for franchisee acquisition, we have initiated the digital marketing on Pan India basis. We have also introduced the centralized online franchisee training & induction programme, which is on an on-going basis, 5 days a week (Monday to Friday) 2 sessions each of 3 hours in English and Hindi Language. This has enabled us to achieve improved productivity and efficiency for our franchisee partners.

## Manufactured Capital

**The network of our Kendras is growing and expanding at an exponential pace.**

### Our Last Mile Infrastructure

Through our sustainable business model led by innovation and strong last mile infrastructure built across the country in deep rural locations, we are continuously focusing on Indian to benefits from financial, social and digital inclusion. Through our phygital infrastructure, we are able to offer various opportunities for our customers who can access every service by coming to outlets or through online mode. Our vast network of outlets is driving financial, digital and social inclusion in rural India. Our ultimate goal is to ensure that every Indian has the opportunity to benefit from social, financial, and digital inclusion as well as access to the global market.

In order to provide one-stop solution and real-time access by more than 100 million products and 1,000 services under single roof, we leverage our In-house proprietary built technology platform which serves as the last mile delivery infrastructure for a variety of goods and services.

We target to reach at least 75,000 Nextgen Vakrangee Kendras within next 18 months. The network of our Nextgen Kendras is growing and expanding at an exponential pace. Our company's entire business model and the products and services we offer are all sustainability related products and services.

Our outlets are one stop shops providing key Essential and necessary services to the citizens of the country in Rural India such as:

- Banking Services
- ATM Services
- Digital Healthcare - Total healthcare services – Including Unlimited Tele & Video Consultation with expert doctors, Home Blood test facility & medicines at discounted prices
- Online Demat & Trading Account Services
- Assisted E-Commerce - Online shopping of Groceries & Other products
- Online Pharmacy
- Travel Ticket Booking & Utility Bill Payment services.

The United Nation's Sustainable Development Goals are aligned with our business strategy and sustainability initiatives. The goals serve as a road map for achieving a better tomorrow. Our aim is to effectively implement these objectives and tackle the global challenges such as poverty, financial inclusion, social inequality, the environment, climate change, economic growth and prosperity, and peace and justice.

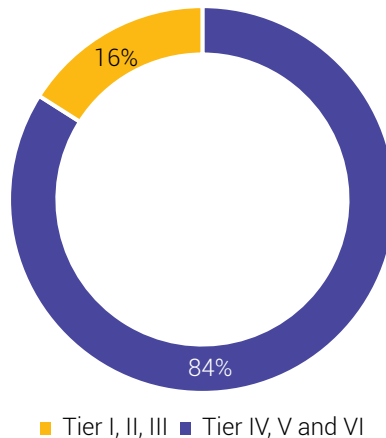
**22,042**  
operational outlets

**32**  
States and UTs

**5510**  
postal codes

**564**  
districts

### Permanent employee in FY 2021-22



Our Next Gen Kendras, located in several states, provide for the needs of rural customers daily. Our goal is to develop the Next Gen outlets into a resource that will allow every Indian to easily benefit from financial inclusion, social inclusion, digital India, skill development, employment generation, government programmes, and a wider access to basic goods and services, bringing urban convenience to rural residents' doorsteps.

The Company is continuously expanding its bouquet of services by making all services to the customers available. Furthermore, we offer last mile support through field team at the state level and dedicated centralized relationship managers for the Franchisees. Our digital systems aid in expanding our business to a higher extent from which customers can easily access the services from their homes and we provide them with all the services they want from online shopping to healthcare and banking facilities. Marketing support is also provided in terms of advertisement, leaflets, posters to the franchisees and also engage in IT investment for the upgradation of the inhouse portal of VKMS.

### Awards and Recognition

- We have been recognized by Sustainalytics as an ESG Global 50 Top Rated company. Globally ranked No.1 in the Sustainalytics ESG Risk rating rankings assessed in the Software and Services industry across worldwide. We have been identified as a top ESG performer out of more than 4,000 comprehensive companies that Sustainalytics cover in the global universe.

We have been honored to be included in this year's Sustainability Yearbook 2022, published by S&P Global. Vakrangee has earned a "S&P Global Bronze Class" spot in the yearbook and has score 77 ESG Score (S&P Global Scores) in the Corporate Sustainability Assessment (CSA) survey.

In the year 2021, we have been awarded ESG India Leadership Award 2021 for the Category - "Leadership in Data Privacy and Security" organized by ESGRisk.ai, India's first ESG rating company.

We have also been ranked amongst Top 100 Franchise Opportunities for the year 2021 by the Franchisee India in the Franchising World's Annual Survey.

Moreover, in the year 2019 Guinness World Records title for the Most Stores Launched Simultaneously on 14th January 2019. Launches 1107 Nextgen Vakrangee Kendra stores across the country at 11.07 am on the same day and Awarded as the best 'Financial Services Retailer of the year' at the Indian Retail Awards 2019. For more information, please visit [Awards and Recognition](#).

### Our Footprint and Expansion

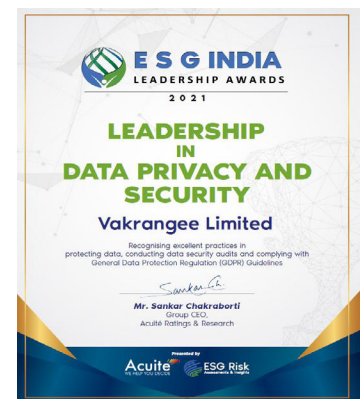
We have geographically expanded our kendras and provide services so that it could benefit the majority of the population. Our presence of 22,042 Kendras were spread across six Tiers and 564 unique general, LWE, tribal and aspirational districts.

**We have been recognized  
by Sustainalytics as an ESG  
Global 50 Top Rated Company.**



**Sustainability Award  
Bronze Class 2022**

**S&P Global**

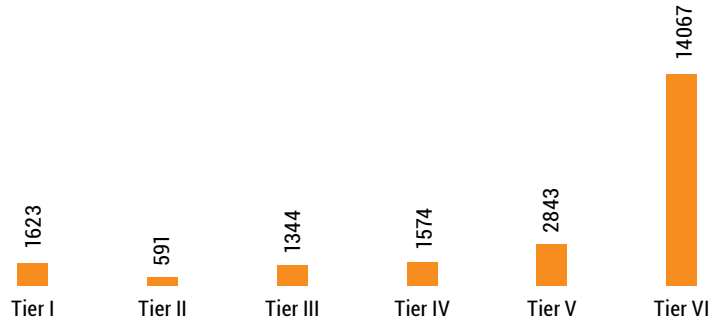




## Manufactured Capital

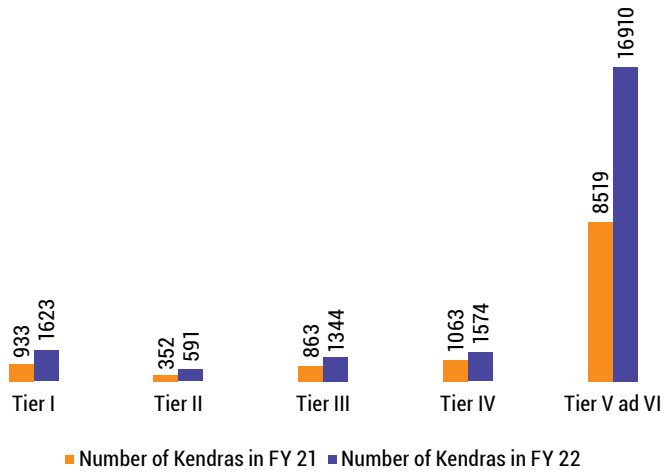
The number of our Kendras have reached to 22,042 which was previously 11,730 in FY 2020-2021.

Number of Kendras in FY 22 across tiers



The above graph is the representation of our work towards providing essential services to the different tiers of the country. More than 84% of our services is done in the remote parts (Tier IV, V and VI) of the country through our 22,042 Kendras.

Comparison with FY 21 across Tiers



The number of our Kendras have reached to 22,042 which was previously 11,730 in FY 2020-2021. Subsequently there has been a rise in the number of operational Kendras in each Tier. The data shows that there is nearly 100% increase that is twice the number of Kendras in 2021. We strive to increase our reach further to the rural India and target every corner of rural India.

The different kendras have different financial investment, area of outlet and number of counters, even though they are common in terms of services offered and look and feel of the outlet. To facilitate and structure our kendras as per the requirement on the basis of the location and the population we have an option of gold, silver and bronze model for the new outlets that are set up. The total number in each category of Operating Model is highlighted below:

36

Gold Operating Models

4,332

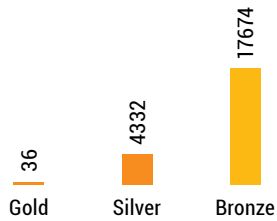
Silver Operating Models

17,674

Bronze Operating Models

**We strive to increase our reach further to the rural India and target every corner of rural India.**

**Operating Models**



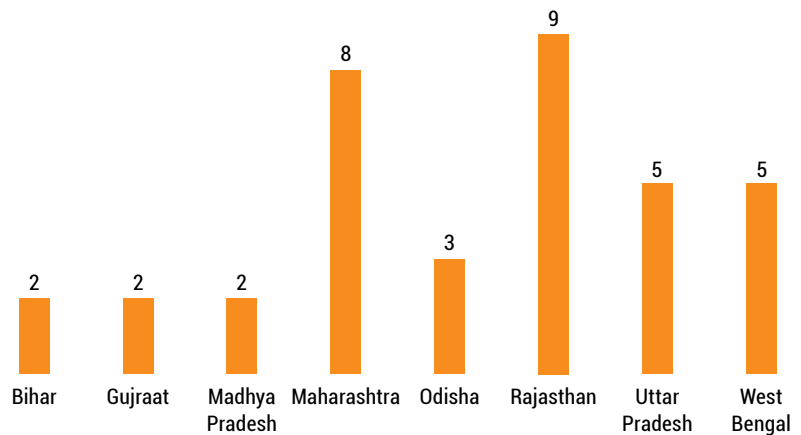
The total number of Kendras in each type of Operating model is depicted in the graphs.

Out of 22,042 Kendras, we have 36 Gold Operating Model (0.16%), 4332 Silver Operating Model (19.65%) and 17,674 Bronze Operating Model (80.18%).

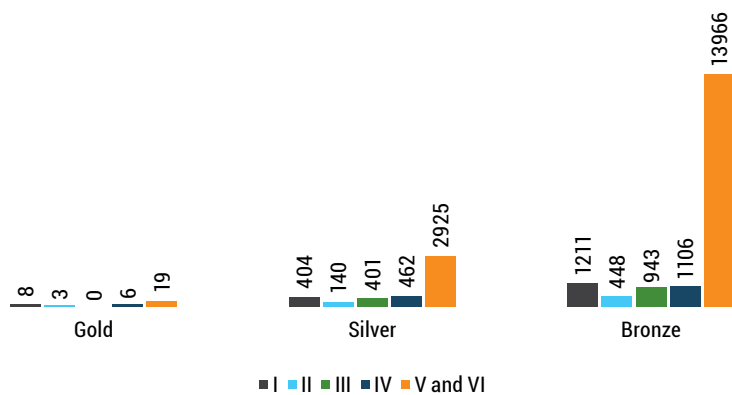
Our presence across six Tiers for each of these three types of Operating Models have been highlighted below:

Each of the Operating Models' major distribution across States have been represented in the graphs below:

**Operating Model: Gold**



**Number of Kendras in each Operating Model across Tiers**



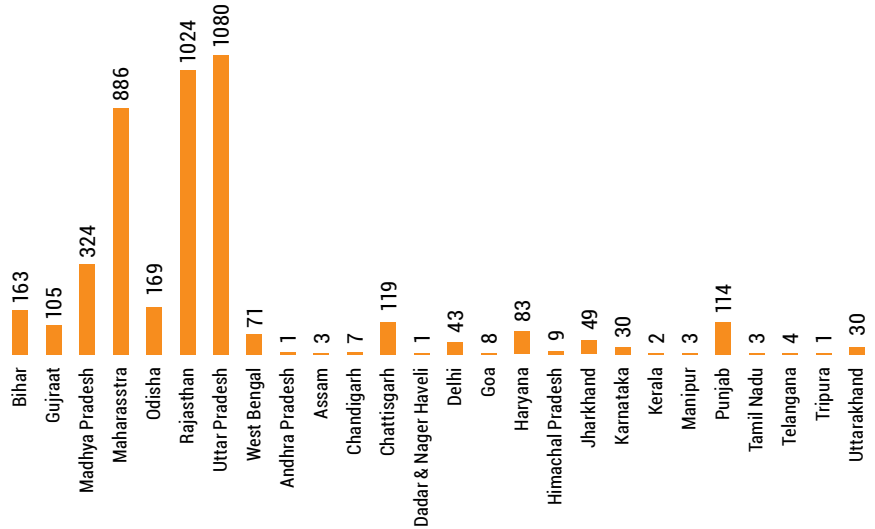
The above graph illustrates the number of Kendras for each type of Operating Model, spread across the six tiers we operate. The graph shows that we work in the most rural parts of the country, that is the tier V and VI, with our maximum number of operating Kendras in them.

The above graph depicts the total number of kendras operating in "Gold" Operating Model. 25% kendras are present in Rajasthan while 22% of kendras are present in Maharashtra. These are the two locations leading with maximum number of "Gold" Operating Model.

## Manufactured Capital

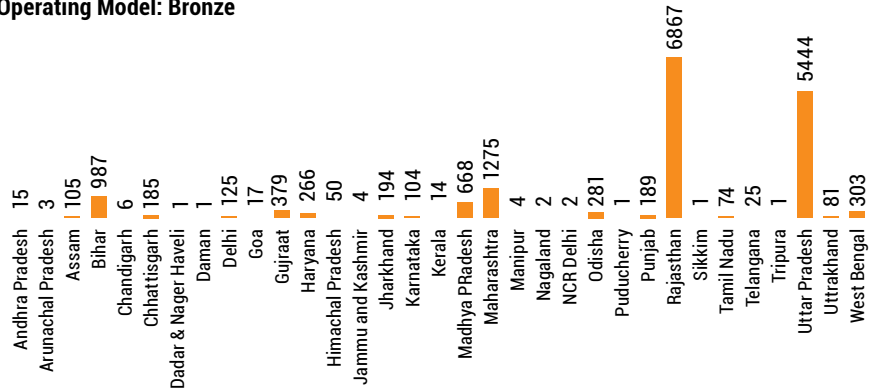
**Vakrangee is focused on creating India's extensive network of last-mile retail outlets at every postal code in the country.**

### Operating Model: Silver



The above graph elaborates the presence of our new Kendras for the “Silver” Operating Model category. With a total of 4332 silver operating model kendras we are operating in more than 25 states. A total of 1024 silver model kendras working in Rajasthan whereas Uttar Pradesh consist of 1080 kendras.

### Operating Model: Bronze

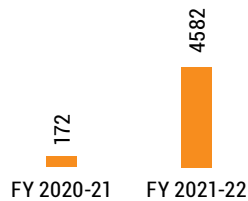


The above graph elaborates our Kendras for the “Bronze” Operating Model category. A total of 17674 of our Kendras are of Bronze operating model. With its maximum centers being in Rajasthan and Uttar Pradesh.

### Our Presence in LWE, Aspirational and Tribal Districts

We are also present across several Left-Wing Extremist (LWE), Tribal and Aspirational districts which has helped us in delivering quality services at the underserved parts of the Nation. We have a total number of 4,582 outlets present in LWE, Tribal and Aspirational districts which is elaborated by the below illustration:

### Comparison of our outlet presence in LWE, Tribal and Aspirational districts from previous year



Our business model is led by innovation and strong last mile infrastructure built across the country in deep rural locations. Our purpose is to shape the Vakrangee Next-Gen outlets as a source that enables every Indian to gain benefits like social and financial inclusion, amongst others.

### Our impacts on the communities through our business model

Being one of the largest franchisee-based, multi-service retail network, Vakrangee is focused on creating India's extensive network of last-mile retail outlets at every postal code in the country, enabling Indians to benefit from financial, social and digital inclusion.

Through our vast network of outlets, we are driving financial, digital and social inclusion in rural India. Our ultimate purpose is to ensure that every Indian has the opportunity to benefit from financial, digital and social inclusion and has access to the global marketplace.

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.

At Vakrangee, we follow a franchisee-based model whereby the franchisee is a member of the local community. We direct our efforts towards empowering rural entrepreneurship, employment generation as well as skill development, thereby bringing urban convenience at the doorsteps of rural dwellers.

### Unique Hybrid Model (Online to Offline)

We would be launching an online digital platform to enable seamless services for the consumer in the comfort of their homes. As a result, the company has developed into a unique O2O (Online to Offline) platform, where assistance is offered through the physical Kendra network along with Digital Online Services. We will be launching an All in one: "BharatEasy" Mobile Super App-based business platform (currently, the Beta Trial Version has been launched). Our consumers would gain access to a wide range of Products and Services by downloading a single Vakrangee's BharatEasy Super App mobile application thereby, drastically reducing their need to switch between multiple apps. This would result in a better customer experience and greater convenience for the customer. As a result, we have a better customer experience and customers are also convenient using it. The mobile super app platform would provide a range

**We have a total number of 4,582  
outlets present in LWE, Tribal and  
Aspirational districts.**

of consumer goods and services, all under one umbrella. Consumers would use it on a daily basis because it would provide a seamless, multi-service, integrated, contextualised, and efficient experience.

### Doorstep Banking facility

In remote locations, our Banking Business Correspondents (BCs) provide banking services at customers doorstep to Jan Dhan Account Holders, especially for senior citizens and old-age pensioners. We are one of the largest franchisee-based, multi-service retail networks, and our primary goal is to build India's extensive network of last-mile retail outlets to every postal code in the country. This would give Indians access to financial, social, and digital inclusion.

Through our extensive network of stores, we are promoting financial, digital, and social inclusion in rural India. Our ultimate goal is to ensure that every Indian has the opportunity to benefit from social, digital, and financial inclusion and also has access to the global marketplace. Financial inclusion is achieved by the promotion of the government's financial and social inclusion initiatives, such as PMJDY and social security insurance schemes. We provide Direct Benefit Transfer of subsidies, as well as universal access to banking, insurance, and pension schemes, through our Kendras.

By providing the same goods and services at the same time, at a competitive price, and with the same level of service to India's unserved and underserved rural and urban

## Manufactured Capital

**We take ordinary individuals who yield remarkable results.**

people, we are bringing financial and digital literacy to the bottom of the socioeconomic pyramid. We are acting as the biggest equalizer by bridging the gap between the urban and rural populations in India. We use a franchisee-based business model where the franchisee belongs to a member of the local community. We focus our efforts on fostering rural business, job creation, and skill development to bring urban convenience to rural residents' doorstep.

### Skill development and Job creation at rural level

We take ordinary individuals and provide them training with skills that help them yield remarkable results which led to facilitate skill enhancement. Moreover, for enhancing their technical skills, a basic certification is needed for rendering Banking and Insurance Services. This further helps in supporting the economic growth of the local communicate and reducing poverty.

Our franchisees create local work opportunities by recruiting staff and investing in skill development, including IRDA certification for insurance services and banking certification. By making people contribute to India's economic growth, we are making our effort to achieve fair globalization and poverty reduction.

### Financial Inclusion and Social Security

The Financial Inclusion Initiative, the Government of India proposed

to work towards creating a universal social security system for all Indians, especially for the poor, underprivileged and the workers in unorganized sector, using the bank accounts as the basis for launching the schemes.

We are driving the financial inclusion initiative whereby PMJDY has provided a platform for the three social security schemes viz. Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and Pradhan Mantri Mudra Yojana (PMMY).

#### Atal Pension Yojna:

Atal Pension Yojana is a government-backed pension scheme in India, primarily targeted at workers in the unorganized sector like personal maids, drivers, gardeners amongst others.

#### Jeevan Jyoti Bima Yojana:

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a one-year life insurance scheme, renewable from year to year, offering coverage for death. The cover under PMJJBY is for death only and hence benefit will accrue only to the nominee. People, who join this scheme before completing the age of 50, can continue to have the risk of life cover up to the age of 55 years, subject to the payment of premium. The scheme has an annual premium of Rs.330, with a risk coverage of Rs.2,00,000.

#### Pradhan Mantri Suraksha Bima Yojna:

Pradhan Mantri Suraksha Bima Yojana is a government-backed accident insurance scheme in India that provides risk coverage in case

of accidental death, partial or full disability. The insured amount for accidental death or full disability is Rs. 2,00,000 and Rs. 1,00,000 for partial disability. It has an annual premium of Rs. 12 only.

These Social Security schemes help in mapping our business goals and strategy with Social Inclusion Initiatives. We believe in our ethos to empower underserved areas and give back to society. In order to make the world a better place to live, we aspire to contribute to the expansion of our economy.

Our customers have access to our online shopping platform which provides them multiple product options from daily staples, fashion items, to electronics. Our business model function as a Social Equalizer by offering the same items at reasonable costs in the remotest parts of the country. In terms of delivery, we also offer convenience to the customers by getting products delivered to our Kendra from where customers can pick up the delivery.

We offer our customers a trusted, secure and convenient option in the unserved and underserved rural areas to get access to a large range of products at the most affordable pricing. The store person at our Kendra showcases various variety of products to the consumers and help them in choosing the right product, order placing and making the payment.

With a complete focus on underserved and unserved people in rural India, we provide a comprehensive Health package through our network of Kendras across the country. Our customers now have access to total

**Our entire business is delivering value to its communities like Financial Inclusion, Social Inclusion and Digital inclusion.**

healthcare services through our assisted online healthcare platform.

Our entire business is delivering value to its communities like Financial Inclusion, Social Inclusion and Digital

inclusion. New infrastructure projects, investments, and services that we support have no current or anticipated detrimental effects on the local communities.



### Locker Safety Facility

Every Next-Gen Vakrangee Kendra has a Safe Locker. The key role of the safe locker to ensure safety of the cash available at the outlet



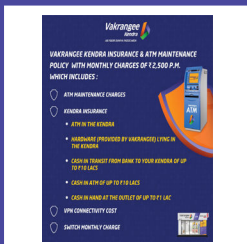
### Centralized Monitoring CCTV Surveillance

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



### Insurance Policy for Next-Gen Vakrangee Kendra Outlets

Vakrangee Kendra Insurance policy includes hardware at the outlet, ATM as well as cash in ATM up to Rs.10 lakhs, including cash in transit. As on date, 31st March 2022, 5,886 outlets have been included in this Insurance scheme. This insurance and maintenance policy is mandatory once the ATM machine is installed and made live

# Human Capital

Maintaining a growth oriented workplace with professionalism and respect at its core



*The major transformation in the way of doing business from offline to online mode has generated multiple opportunities for innovative development. As we are undergoing a rapid transformation through the “Phygital ecosystem model,” we are focused on expanding our business to multiple areas to offer our services and fulfil our customer’s requirements. The phygital ecosystem has provided access to our customers to enjoy services through online and offline modes. Our employees have been provided with efficient training to fulfil customers’ requirements.*

Our human capital aims to achieve business efficiency and long-term success of the organisation by fostering a culture based on talent and equal opportunity by promoting diversity and inclusion and enhancing the security of our employees and customers. We are looking for talented people who can contribute in achieving our goals and help us create an inclusive India. Our people and culture are the major components of our success. The Phygital ecosystem has enabled us to reach out to more customers so that they can access every facility. It allows the Company to connect with customers in different ways in order to gain excellence.

This section provides details about our internal organisation culture and explains the qualitative and quantitative environment with focus on upgrading employees’ skills by giving everyone equal opportunities, which helps build an inclusive workplace.

## Organisational Culture

We strive to maintain a growth and productivity-oriented workplace with professionalism and respect at its core. A positive work culture of high moral principles and ethics helps us maintain an appropriate workplace decorum and supports our meaningful work, which needs continuous engagement. We believe in transparent decision-making and fair resolutions based on merit and honesty. All employees are required and trained to follow the code of conduct irrespective of hierarchy and designation, which is available on our website. We have established a code of conduct for all employees in order to maintain proper workplace decorum and an employer-employee relationship. The code of conduct includes terms such as alcohol and drug-free workplace, health and safety for all employees and the organisation, integrity, respect for individuals, protection of Company property, and maintaining professionalism within the office and while representing our Company outside the office. For more information, please visit [code of conduct](#) for employees.

We seek an open-minded work culture for ideas, views, and opinions. To demonstrate our encouragement, we often reward them with our incentive schemes and recognition programs which, combined with our engagement activities, boost their morale and feeling of belongingness. We keep our workplace progressive by respecting and considering their innovative ideas, views, and opinions. It helps us practice our values and principles of growth and communication. We have an open feedback mechanism for all our employees, where peer-

**We perform business  
based on fairness, honesty,  
integrity, and respect.**

to-peer feedback can be given to colleagues irrespective of designation and hierarchy. This acts as a tool to ensure employees feel valued and helps improve the performance of underperforming employees.

Additionally, our Human Resource department regularly conducts employee surveys to find out gaps in management policies and leadership methodology, which is later updated on our Human Resource Management Portal (which is just one of the many platforms we use to broadcast our values, principles, standards, and norms to all our employees). We work together to improve on those areas. This demonstrates that we take our internal and external feedback

seriously. If, at any point, an employee feels mistreated, he can report to [humanresource@vakrangee.in](mailto:humanresource@vakrangee.in) or on (022) 67765130. We have instilled a culture of open-door policy wherein employees are free to approach any superior or peers at our organisation.

We perform business based on fairness, honesty, integrity, and respect. Bribery and corruption are not tolerated in our Company in any form. Our employees and franchisees should not engage in any form of illegal or improper payments or should not receive or offer any benefits or undue favours for the conduct of our business. In FY 2021-22, no incidents of corruption have been recorded at the organisation.

**Induction  
program**

The induction program helps in familiarising new joiners with the Company's policies, procedures, and standards of business conduct.

**Human  
Resource  
Management  
System**

Portal provides Company's updated policies, circulars, and notices for employees' reference.

**Group  
e-mail id**

We have created common e-mail id groups for all employees to communicate important information regularly. Information includes circulars, notices, and updating employees on norms of behaviour, standards, or processes.

**Human  
Resource  
manual**

Handbook of Company's policies, values, standards, and norms updated regularly. All employees can access a soft copy of the manual on the internal server. Moreover, a print-out of the manual is available with the HR department and respective Department Heads for employees' reference.

**WhatsApp  
group**

We broadcast all updates on Company's policies and processes timely.

**VKMS**

Our IT platform is accessible to all employees. It is also a medium to keep employees updated about Company and its values.



## Human Capital

**We ensure our employees are treated with respect and dignity.**



### Human Rights

We follow our Human Rights Policy encouraging socio-economic empowerment and inclusive growth, guided by international bodies such as the United Nations Universal Declaration of Human Rights, United Nations Global Compact and International Labour Organization's conventions. The policy is extended to entities we own, entities wherein we hold a majority interest and facilities we manage as we recognise ourselves accountable and responsible for maintaining proper human rights

conduct across our value supply chain, which includes our workforce, stakeholders and communities we engage with. We ensure our employees are treated with respect and dignity. Our Corporate Human Resources team constantly monitors, records and reports matters for reviewing and updating standards on social policies and providing support to all concerned. The team address issues directly through policies, procedures, and training related to workplace discrimination and harassment and engages the workforce to prevent discriminatory practices.

Initiatives adhering to our human rights policy are:

#### Compliance with labour laws

We abide by all applicable laws, namely wages, work hours, overtime, benefits, pay practices, and employment classification according to job level and status. We also commit to protecting the 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.

#### 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

**To ensure the diversity of our workforce, we exercise positive discrimination in favour of socially disadvantaged communities, provided potential employees fulfil the merit-based criteria.**

responsibilities for effectively managing human rights risks. Any employee who believes there is a conflict in our policy and practices can raise concerns with the HR department, legal department, and the local management.

### **Diversity at workplace**

We respect the rights of all our stakeholders. Our diversity philosophy celebrates the shared values that bring joy, happiness, energy, and enthusiasm to the community and focuses on bridging differences by enhancing commonalities among the diverse work pool. To ensure the diversity of our workforce, we exercise positive discrimination in favour of socially disadvantaged communities, provided potential employees fulfil the merit-based criteria. These systems and processes are monitored for compliance and are subject to continuous improvement.

### **Harassment-free workplace**

We commit for maintaining 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, indentured labour, bonded labour, military labour, modern forms of slavery and any form of human trafficking. In the reporting year, we received zero complaints regarding child labour, forced labour or sexual harassment.

### **Support and Respect for internationally proclaimed Human Rights**

As part of our commitment to the United Nations Global Compact, we are responsible for upholding human

rights in our workplace and within our sphere of influence. In complying with the same, we follow these steps:

- We develop and ensure transparent and rights-aware working and encourage this approach in our business operations.
- We have also formed an appropriate grievance redressal mechanism to report human rights concerns.
- The Grievance redressal mechanism ensures that no reprisal or retaliatory action will be taken against any employee or stakeholder for raising concerns under this policy.

### **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 fewer labour unions than the manufacturing industry. Since we focus on digital platforms, we have video calls to address or train employees across all locations. Maximum employees are field employees spread out in different locations across the country. Therefore, we do not face situations of freedom of association in the business.

### **Healthy and safe workplace**

Our healthy and safe workplace aligns with our requirements and 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 on health and security hazards to the management.

### **Grievance redressal mechanism**

We have an online portal for open and structured discussions to address employees' concerns about human rights and decent labour. We have also formed a Vishakha Committee to address incidents related to sexual harassment. Different business and functional leadership teams own our progress on aspects of human rights. It is under constant review by the Board of Directors. During the annual review system, we survey our employees each year. After that, we provide each employee's feedback to the Nomination, Remuneration and Compensation Committee for its review and further action. For more details, please visit [Human Rights Policy](#).

*Our Human Rights Policy helps identify, assess, and minimise potential adverse impacts through due diligence and management of issues.*

## Human Capital

**We strictly prohibit any kind of discrimination based on their individualities.**

### Diversity and Inclusion

Being a business with the principles of fairness, honesty, integrity, and respect, we practice extreme commitment to build a diverse and inclusive workforce. We value our employees with their varied culture, gender, race, colour, religion, disability, national origin, sexual orientation, age and embrace the different perspectives they bring to the table. We strictly prohibit any kind of discrimination based on their individualities. In FY 2021- 22, we faced zero instances of discrimination in the aspects mentioned above. Our independent sub-committee of Board members, called "Nomination, Remuneration and Compensation Committee", takes care of the Diversity Programme and Inclusion Policy commitments. They ensure providing equal opportunities to all employees in the process of hiring, promotion, talent development and retention, training, mentorship program, and employee affinity group. During the board meeting, the committee also submits a quarterly report on the organisation's diversity initiatives to the Board of Directors. Our commitment to human rights is also seen in our Diversity and Inclusion Council, which designs, implements, and monitors our initiatives for diversity with its agenda of building a safe workplace-infrastructure and agricultural designs, as well as addressing employees' privacy concerns. The Council reports to the Sub-committee and can be reached at [diversity@vakrangee.in](mailto:diversity@vakrangee.in).

Employees hired in districts are local residents, especially in minority areas

Women are hired as per the set ratio and gender pay equality is maintained

Number of hours of training of employees on diversity parameters

Mentors assigned to relevant employees and are effectively providing guidance

### Diversity Monitoring or Audits

We see our diversity as our strength. We have several diversity inclusion initiatives in our workplace. We have our Diversity and Inclusion Council, which monitors and regularly collects data on diversity. The Council reports to the Nomination, Remuneration and Compensation Committee and submits the quarterly report on workplace diversity and inclusion. We have an independent third party auditing us annually. The committee presents the further deeply analysed report to the Board of Directors.

Initiatives implemented in the organisation

Outcome of the initiatives

Outcome of the targets set by the Nomination and Remuneration and Compensation Committee

Complaints of unlawful discrimination made by employees, partners and third party personnels, in relation to our business and take appropriate action after thorough investigation

**We consider gender equality as an integral part of our non-discrimination commitment.**

Few key performance indicators (KPI) monitored and their results in FY 2021-22 are as follows:

Sr. No.	KPI	2019-20	2020-21	2021-22
1	Number of males at corporate HQ	221	169	136
2	Number of females at corporate HQ	79	27	26
3	Male/Female ratio at corporate headquarter	2.79:1	6.26:1	5.23:1
4	Percentage of females at corporate HQ	26.33%	13.77%	16.05%
5	Number of women representing the Company's management council	24	4	9
6	Percentage of women representing the Company's management council	25.81%	5.28%	35%

## Gender Equality

We consider gender equality as an integral part of our non-discrimination commitment. Our remuneration and recruitment policy prioritises and focuses only on the merit and skill of the individual regardless of their gender identity. Our Nomination, Remuneration and Compensation Committee ensures gender pay equality at our organisation and our subcommittee, "Pay Equity Committee", is solely dedicated to designing, implementing, monitoring, and reviewing gender pay equality programs. Pay Equity Committee comprises the Head of Human Resources, Head of Strategy, Chief Operating Officer and Chief Finance Officer, responsible for monitoring and reporting non-discriminatory pay.

To demonstrate our commitment to gender equality and to ensure there is no gap left in our commitment, we have independent firm audits for our gender pay equality parameters and provide its findings and recommendations on compensation gaps. The Nomination, Remuneration and Compensation Committee ensures that all recommendations and findings are presented to the Board of Directors and addressed promptly and satisfactorily.

We have several initiatives to ensure gender equity in our organisation.

**Pay Equity Committee :** To ensure our workplace maintains a culture of giving rewards, pay and recognition to our employees irrespective of their gender.

**Encouraging salary negotiations by showing salary ranges:** Several studies show that women are less likely to negotiate their salary for their role. To encourage them, we communicate the salary range on offer so that the applicant knows what they can reasonably expect.

**Including multiple women in shortlists for recruitment and promotions:** After examining and preparing the shortlist of qualified candidates, we ensure that there is more than one woman on the list.

**Fair reward system:** For pay increases and bonuses, we set a threshold of maximum pay increase or bonuses that is equitable and solely based on merit, regardless of gender identity.

**Promote and disclose pay transparency:** We maintain transparency by disclosing our annual band-wise pay to our employees.

**Salary and bonus:** We ensure that regular basic salaries for female

and male-dominated jobs are parity and that the criteria for judging and deciding rewards and bonuses are the same for all employees regardless of gender.

**Promote and support flexibility:** We conduct workshops to educate our supervisor employees on managing flexible work schedules, balancing their work and familial responsibilities, and creating equal opportunities for men and women.

**Average increment of women employees:** We cross-examine the average increment of employees in the organisation and compare it with the average increment of our organisation, which gives us an idea of any gaps in the skillsets of our women employees. To promote their empowerment and improve their skills to perform better, we conduct additional workshops and training sessions for them.

Some KPIs to measure the gender pay equality program are:

### Determine equal Value

We use the ILO guide of Promoting Equity: Gender-Neutral Job Evaluation, which is an effective tool for comparing jobs and determine its value. Through this, we determine the numerical value of job based on gender-neutral criteria like skills and qualification.

### Listing all jobs in organisation

Qualifications, levels, job bands in the organisation and department are all studied in detail. Qualification is further categorized into inter-personal skills, manual dexterity, knowledge-related, and work-related categories.

## Human Capital

**Our 100% women employees are mapped to a senior woman mentor with a wealth of knowledge and experience.**

### Educational level and field of study

All full-time employees have completed basic educational qualification i.e. graduation or 10+2+3. All employees are paid equally, fairly and with transparency on the basis of their education level and additional qualification level like paid experienced work in the same industry, post-graduation degree and based on their informal training.

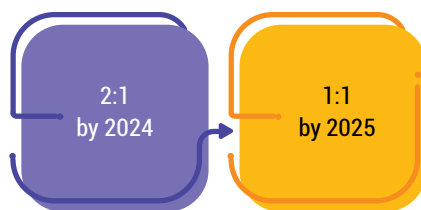
We have a defined pay for academic or vocational training certified by a diploma, paid work experience in the industry, Informal training, etc.

At the start of a financial year, the Nomination and Remuneration and Compensation Committee sets targets for gender pay equality. We have designed our targets to reach a 1:1 ratio of male: female across the organisation by 2025. Following are a few ratios of male: female salaries across organisation and designation as of FY 2019-20, FY 2020-21 and FY 2021-22

Sr. No.	Male: Female ratio detail	2019-20 Male: Female ratio	2020-21 Male: Female ratio	2021-22 Male: Female ratio
1	Average salary across organisation	0.95:1	1.01:1	1.53:1
2	Median salary across organisation	0.72:1	0.85:1	0.89:1
3	Median salary male/ female and ratio at corporate headquarter*	1.45:1	1.21:1	0.94:1
4	Average salary of Assistant Manager	0.93:1	0.97:1	1.08:1
5	Average salary of Manager	0.77:1	0.86:1	1.18:1
6	Average salary of Deputy General Manager	1.11:1	1.19:1	1.24:1
7	Average salary of General Manager	1.12:1	0.95:1	0.91:1
8	Average salary of Associate Vice President	1.0006:1	0.92:1	NA
9	Average salary of Vice President	2.35:1	NA (as there are no female employees under this designation)	2.04:1

\*Only corporate headquarter staff is considered as field staff is primarily male. The job involves travelling 30-50 km daily to visit outlets in rural locations. Most males prefer to apply for such field roles.

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



### Targeted Recruitment

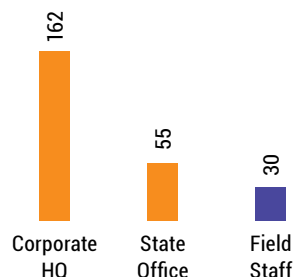
Aiming to be India's most sustainable ecosystem to facilitate universal financial and digital inclusion, we keep our parameters for recruitment inclusive of aptitude, competency mapping, skill set benchmarking, ability and more to make sure we diversify our workplace and create an equal opportunity for employment for the talented.

### Internal Job Posting

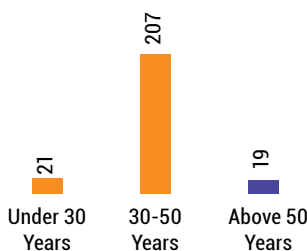
We have options for our current employees to switch departments on our internal job posting portal to

expand their experience and practice their skills. We reward our employees with cash rewards for promoting internal referrals. The portal contains the vacancies to which they can apply between departments and helps us encourage internal requirements within ranks.

### Permanent employee in FY 2021-22



### Age-wise breakup of permanent employees



### External Recruitment

We generate local employment in rural India for our Kendras. We also diversify our workplace and encourage applications from minority groups by hiring from rural India from various sources available. At our corporate office, we select more people from minority group.

We have our hierarchical structure as divisional managers, state heads and we hire our state staff from local communities, including minority

**We have designed our targets to reach a 1:1 ratio of male and female across the organisation by 2025.**

groups, to support rural employment. The rural individuals are engaged in several employment opportunities, which enables them to sustain their living conditions appropriately. As of FY 2021-22, we have a team of 55 employees in state office.

To further evidence our responsible business, we include multiple women in the hiring process to encourage their selection for a vacancy and currently in FY 2021 – 22, in our corporate headquarters, we have 16% women. We believe that by this, we are encouraging women to have more control over their careers and motivate other women to do so. There is mounting evidence that having men and women coexist in the same setting results in more innovative teams and our Company's increased number of female employees benefits our team formation, participation, and decision-making processes. We see diversity as essential to our business's future success.

We show our commitment to diversity by encouraging retired military professionals to take employment opportunities with us. We undertake recruitment from Armed Forces Recruitment Board and the Indian Army Recruitment Board. To strengthen the diversity of our workplace further, we encourage applications and recruitment of divyang staff, to make it more evidential we have facilitated special features in the premises of our corporate office. We also have a ramp facility at various office locations and a Braille feature at most of our access points. As of FY 2021-22, we have no divyang individuals as permanent employees.

## Mentorship

The newly recruited employee is given training and seminars from the core team and a mentor is assigned to them from the same work profile to make them easily and comfortably absorbed into the role. The new employees get guidance on their role and organisation culture, skill improvement and mentorship from their mentor. The existing employees interested in becoming a mentor are given mentorship training programs semi-annually.

Sr. No.	Mentorship program	Function of program
1	Minority group program	This is a unique mentorship program for our employees from minority groups, as many of them are based in rural India. With the help of a mentor, employees learn to have a sense of belongingness at the workplace and excel in their work and career.
2	Women mentorship program	Our 100% women employees are mapped to a senior woman mentor with a wealth of knowledge and experience. Mentors help their mentees develop their professional knowledge and competence while offering advice on personal issues like childcare that may impact their productivity at work. Currently, we are maintaining a system where a maximum of three mentees are mapped to one mentor, especially at the senior level. This helps in focusing carefully on individual mentees for the effectiveness of work.
3	Specially abled mentorship program	Various mentors have been appointed to help our divyang staff effectively fulfil their roles and responsibilities. Wherever there are mentors with similar job profiles and activities, they can help in guiding their mentees.
4	Military mentorship program	The program is developed for former military professionals and their spouses to facilitate a smooth transition from military to corporate life. This helps ex-military professionals build the skills needed to succeed in corporate roles, which the mentor guides.
5	New-joiner program	Every new joiner is assigned a mentor to help them understand the organisation's culture so they can effectively perform their roles and responsibilities.
6	Mentor and buddy program	The program is developed especially for State Heads (or Buddy) who are new to the firm and need help acquiring knowledge about the operations of the State. A senior State Head with more than five years of working experience with us assists them by sharing his knowledge and expertise. A Mentor state head also helps guide Buddy to achieve his targets.

## Employee Affinity Group or Networking Group

To create a more inclusive environment and make our employees feel more valued, we allow our employees to form 'Affinity Groups' or 'Networking Groups'. This helps retain the existing employees and recruit more by providing perspectives on techniques for a targeted group and attracting more talent, which can increase the number of women and minorities employed in the organisation.

## Human Capital

**We regularly conduct seminars and knowledge-sharing training for all employees at each level of the organisation.**

Sr. No.	Affinity Group	Role of Affinity Group
1	Women professionals	This group encourages women to take a leadership position, with our 50% female mentors from the core strategy team mentoring the women professionals in the affinity group. Identifying and understanding any possible barriers in their career paths and how they can take charge using their learned skills and communication. More than 11% of our employees are women, striving, achieving, and growing in their careers daily. This affinity group ensures the women's well-being in the organisation and inspires other women to join and grow together.
2	Regional affinity groups	These affinity groups are categorised into native locations of employees in Northern India, Eastern India, Western India, Southern India, and Central India. This helps the employees project confidence and communicate values that make them feel more included and comfortable.
3	Working families	This affinity group is also called the "Working Parents Support Group", which ensures the comfort of new parents and parents of young children by supporting them by discussing their needs and offering extra services like in-house crèche. This group helps them maintain a work-life balance and not get burdened by both the responsibilities.
4	Minority in India	The affinity is for representing employees from minority groups in our country. This helps promote friendships and sharing values that make them feel more inclusive and help the organisation retain talent. It also attracts talent from various parts of the country, especially from underserved and unserved districts. The affinity group also details any possible discrimination, making the employees feel safer and more appreciated. Employees are represented by a Coordinator who communicates the group's opinions to the management.
5	Specially abled professionals	Our affinity group for specially-abled professionals creates awareness and drives workplace growth opportunities. This attracts talent and retention of our specially-abled members and employees. Mentors help and support one another in overcoming challenges to perform their tasks and realise their full potential. We encourage communication and collaboration to promote friendship and satisfaction in working.
6	Ex- Military professionals	This group connects ex-military professionals at the organisation. Encourages them to build more connections based on similar interests and characteristics, which increases their effective performance and productivity as we provide an environment of support and empowerment.
7	Young professionals	We recruit freshers from a wide source of educational institutes. These young, educated employees chose to have their first working experience with us. This affinity group is there to make them feel welcome and accustom them to the working environment. This group takes initiatives to provide training to fresher for required skills and help them develop their career path. These employees have been in the organisation for less than 500 days. This also helps us attract young talent from their institutes further.

*Our recruitment policies and various committees prioritise the merit and skills of applicants irrespective of their gender. They also ensure that gender pay equality programs flourish in our organisation.*

### Training and Development

We regularly conduct seminars and knowledge-sharing training for all employees at each level of the organisation- tactical, strategic and leadership levels to improve employees' knowledge base, along with soft-skills training for employees to enhance their communication skills. The Nomination and Remuneration and Compensation Committee sets a target for training man-hours. We have our training plan set as every year, each employee would be enrolled on at least two training workshops. In FY 2021-22, we conducted 18,089 hours of training for permanent employees on health and safety, skill upgradation, cyber security, energy efficiency, anti-corruption policy, human rights policy, and waste disposal. All the employees, including 28 female employees, were trained in these aspects in the reporting year.

**In FY 2021-22, we  
conducted 18,089 hours  
of training.**

Type of training	Employees joined	Per employee training	Total training hours	Course content	Remarks
Mandatory training	61	5 hours	305	All HR policies Ethics and Moral Code of Conduct Anti-corruption Policy Prevention of Sexual Harassment Human Rights Policy Business Conduct Training Data Privacy	Total training hours of 305, which includes training for 61 new joiners.
Refresher training	247	72 hours	17,784	All HR policies Ethics and Moral Code of Conduct Anti-corruption Policy 4. Prevention of Sexual Harassment Human Rights Policy Business Conduct Training Data Privacy & Security	All employees were given refreshment training on a variety of subjects. All these trainings were provided virtually for employees on a term basis periodically
Franchisees training	22,042	15 hours	3,30,630	On-Boarding Level Training Technical Training on the VKMS ATM training Service level training VC training	We conducted training sessions service-wise (1 Hour each for Banking ATM, E-commerce, and online health care services) for all Franchisees through VC sessions.

Our training program also focuses on leadership training and team culture for our senior-level managers. Special training for women empowerment for our middle-management team is also conducted. Training is also held for minority group's rights skills and guidance encouraging them to succeed in their roles, which helped us hire for managerial and senior positions from within the organisation, rather than external sources. For our 7-security staff, we conducted training sessions every quarter. There were two types of training sessions: fire execution and mock drills training.

Following initiatives improve the productivity of our employees:

**Alignment:** aligning employee's work with the organisation's targets

**Pay parity:** paying employees a fair salary on a regular schedule

**Opportunities:** creating opportunities for employees to do their best

**Safety:** developing a safe office environment providing quality health benefits and offering a pension plan

**Belongingness:** embracing and celebrating diversity, promoting collaboration across teams, and offering equal access to programs and employee initiatives

**Esteem:** recognising team contributions, providing employee feedback, and rewarding exceptional employee performance

**Self-actualisation:** creating personalised training plans, offering custom management tracks, and providing high-level mentorship from executives regularly



## Human Capital

### Talent retention involves strategic actions taken to keep employees motivated and focused.

**Wellness program:** Implementing a workplace wellness program

In addition, our training programs specific to the customer service department assisted in resolving customer service-related issues.

Training is also provided to our franchisees on the following:

- On-Boarding training - Training is provided to the Franchisees on the Code of Conduct, best business practices, as well as induction presentation, which is conducted to create awareness about the Company and its core value system
- Technical Training on the VKMS (Vakrangee Kendra Management System) provided by the Relationship Manager at the HO level as well as Block Officer at the ground level
- ATM training provided by the OEM at the field level
- Service level training provided by the respective business heads from the HO level through direct online VC training sessions as well as through State teams at the ground level

The pandemic has pushed businesses to leverage technology, implement process automation, and use innovative digital initiatives to conduct everyday business and manage field operations. Thus, it has helped us with VC channels being set up whereby franchisees can log in daily and get online training sessions service-wise as well as have live two-way communication sessions with direct business teams as well as centralised HO level relationship managers to resolve their queries on real-time

basis along with a calendar for the sessions connected to VKMS Portal, e-mail as well as on WhatsApp.

### Talent Retention

Talent retention involves strategic actions taken to keep employees motivated and focused so that they can be fully productive to the organisation. We see talent retention as an extreme help to achieve long-term growth for our company. Our measures to retain our talent include giving them challenging tasks, setting achievable and cross-functional targets and several benefits such as wellness, parental support, and mobility. We offer our employees the opportunity to try new positions and departments to increase their networking and get new challenges by moving from one department to another using internal postings. The internal job posting is essential for continuous skill acquisition and creates a fair opportunity for employees to apply for the open positions at zero cost. Internal job postings help us to promote internal recruitment within the organisation and recruit internal employees within the ranks. To support this further, our internal referral program gives the referrals lucrative cash rewards based on the open position and level in the hierarchy referred.

The list of benefits that are given to employees are listed below:

- Retirement benefits: Gratuity
- Stock option (ESOP Benefits)
- Insurance benefits: Group Medclaim policy, Group Term Life, and accidental cover insurance

- Work-life balance: Annual leave, public holidays, maternity leave with full pay, leave encashment, flexible working hours.
- Career break policy: Medical emergency, higher education
- Wellness programs: Employee assistance program, health and fitness initiatives, well-being and cessation programs, further education programme

Our Early Interventions team conducts regular meetings periodically at an interval of 45 days, 90 days, 125 days, and 180 days for our new joiners to understand the gap in their orientation process and departments. Through our onboarding 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. With our average age of 38 years, we have six years on average for our employees being associated with us. Our initiatives have enabled us to reduce the attrition rate and retain employees. In the reporting year, we recorded a voluntary attrition rate of 14.2%.

Out of our 247 employees, 111 got performance appraisal including 12 employees who also got designation wise promotion in FY 2021-22.

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

**We have always been a company that values its employees.**



### Employee Satisfaction

We have always been a company that values its employees. Our main targets are output and well-being of human resources. Our employees work under the guidelines of law i.e., for around 9 hours with flexible timing. If employees work more than 8 hours, we compensate them for the same. In addition, we provide 21 days of annual leave and nine 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, the 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 up to INR 60,000 for hospital expenses during pregnancy and offer a crèche facility to female employees who find it challenging to manage work with children and to make them feel safe with their employment we preserve

their employment during the agreed leave. In the reporting period, no employees availed of parental leaves.

Wedding is a special occasion in everyone life, we recognizes this important milestone and extends best wishes to the employee and his / her family members by giving marriage gift and we also recognizes employees by Long service Award emphasis and aims at recognizing and commemorating the long-term commitment and loyalty of employees who have achieved milestone years of service in Vakrangee.

To encourage and take care of our employees, we provide paid time-off, public holidays, career break for purposes such as studies, medical emergencies or attending to household duties, and fringe benefits like parking, mobile reimbursement and more in-kind benefits or partially financed by the Company.

We offer all employees the benefits mentioned earlier without gender

bias. As per our policy, 100% of employees are eligible to receive Employee Stock Options (ESOPs) as per their band level. We also offer a gratuity to employees at the time of separation on completing five years of continued service. We review these benefits annually to adhere to the industry's best practices.

We sign a Non-Disclosure Agreement (NDA) with employees to maintain the confidentiality of their information generated within the organisation or acquired through business relations, including health-related information. NDA also restricts employees from furnishing any detail about the Company to any individual, organisation, or group. Our HR department guards the documents. If we know that confidential information has been compromised at any point, we will initiate disciplinary action against those responsible.

Apart from monetary benefits, employees also receive recognition for the job. In our Company, we have initiated various employee rewards and recognition programs such as:

1. Star Performer Awards
2. Long Service Award
3. Incentive Awards for the entire ecosystem in our Company

Apart from the performance awards, we also have appreciation cards that employees can send to their peer group or managers and vice versa. These cards could be given for a job well done, for thanking, for appreciation of work etc.

## Human Capital

**We believe that when an employee is involved with the organisation, the work and his workplace are more than just an income source.**



### Employee engagement program

We believe that engaged employees are concerned about their work and the organisation's success and believe that their contributions matter. We believe that when an employee is involved with the organisation, the work and his workplace are more than just an income source. They engage with the organisation and recognise that the organisation's well-being and high performance are related to their well-being. As a result, they show higher performance and commitment to their work, improving their work efficiency as they understand their importance in organisational growth. To keep our employees engaged and the work atmosphere live and healthy, we carry out the below following activities:

- **Zumba classes:** We conduct Zumba classes for all our employees twice a week to keep the workforce fit. It is a powerful form of exercise and great for weight loss.
- **International Women's Day celebrations:** We celebrate Women's Day every year by organising games or sporting events for the women employees and sending them a superwoman e-card reminding them that they matter to us daily.
- **Inter-departmental Tug OF War:** The interdepartmental Tug of War sporting event is a fun session wherein all departments actively participate as all the teams are involved in supporting their departments.
- **Happiness sessions** are conducted once a quarter, as we believe happier brains do better work. It maximises the productivity of the team. These happiness workshop activities encourage employees to be more optimistic, improve brain function, and develop team trust through shared experiences.
- **Mother's Day event:** We invite the mothers of all the employees to our corporate office because we believe that it is an excellent opportunity to celebrate and honour mothers and women in the workplace. We believe that it is important to show employees (including the mothers of the employees) that we see and appreciate their efforts. When employees feel good about their workplace, the sense of gratitude and accomplishment carries over between work and home.

**We believe that engaged employees are concerned about their work and the organisation's success.**

- **Independence Day and Republic Day activities:** The Corporate Office and Regional Offices' employees sing the national anthem together, followed by delectable snacks and cultural activities later in the evening. The day is spent in the office with the remembrance of our national heroes.
- **Navratri celebrations:** Navratri is celebrated twice a year at our Company. The event is filled with employees dancing over and grooving to the traditional beats of Navratri songs. It is a fun event in which all the employees show active participation.

### Employee engagement survey

Our relationship with our employees is built on mutual respect, integrity, a two-way commitment, and an open communication between organisation and its employees. The below ten common themes are measured which are related to Employee Engagement Survey, these are:

- Pride in employer
- Satisfaction with employer
- Job satisfaction
- New challenges to grow their skills and opportunity to explore more in their role
- Recognition and positive feedback for one's contributions
- Personal support from one's supervisor
- Efforts beyond the minimum
- Understanding the linkage between one's job and the organisation's overall mission

- Prospects for future growth with one's employer
- Intention to stay with one's employer

The result of the survey for the year 2021-22 are depicted below:



## Human Capital

**Our employee incentives and recognition programme are a system that guarantees productivity and engagement in an organisation in both extrinsic and intrinsic ways.**



### Employee rewards and recognition

We believe that along with fair compensation, employees also want fair treatment and appreciation for efforts. Our employee incentives and recognition programme are a system that guarantees productivity and engagement in an organisation in both extrinsic and intrinsic ways. It increases motivation so that workers stay on task and keep a positive outlook. These initiatives promote teamwork and give our staff members something to strive for. We recognise employees especially for:

1. Ability to manage and champion change
2. Innovation
3. Systems improvement

4. Customer or client retention
5. Significant personal development
6. Perform actions that embody the core values of the organisation

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 the 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.

### Retirement Policy

Our retirement policy applies to all permanent employees working with us. The age of retirement for an employee is 58 years. However, the management may extend an employee's retirement 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 the next 30 days for the retired employee.

**In addition to UN-SDGs, we conform to conventions of the International Labour Organisation, the United Nations Global Compact principles and all Labour Laws of India.**

- Permanent staff are entitled to retirement benefits such as gratuity, which is processed within 45 days from the 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 organisation.

*We are committed for growing as a truly diverse and inclusive Company. As a responsible organisation, we prohibit discrimination based on an individual's race, colour, religion, disability, gender, national origin, sexual orientation, age, genetic information, or any other legally protected status.*

## Our commitment to United Nations Sustainable Development Goals

### Gender Equality SDG 5



This sustainable development goal focuses on achieving gender equality and empowering women at workplace. We believe that gender equality is necessary foundation to build a sustainable organisation and also provide human right. Therefore, we focus more on giving importance to women's empowerment in our organisation. We offer mentorship programs for women as well as training for work efficiently in their work areas along with flexibility related to childcare. We maintain gender pay equality at workplace. This helps in encouraging women with all fairness and equality to progress in their career paths.

### Decent Work and Economic Growth SDG 8



We see it as our duty to empower our underrepresented sections of society as a way to give back to the community. We aspire to contribute to the growth of these groups, thereby doing our part in providing them with decent work and economic growth opportunities. We are driving rural growth by creating local work opportunities by hiring resources from underrepresented groups and undertaking skill development. Since these groups work with our organisation while residing in their local areas, they contribute to the local upliftment and growth of their localities by appointing franchisees in their place.

### Decent Work and Economic Growth SDG 8



We are minimizing existing societal disparities by committing to hire people from underrepresented groups. We prohibit every discrimination based on race, colour, religion, gender, nationality, age, etc., to reduce inequalities by giving and ensuring equal opportunities for all people.

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

## Human Capital

### We are certified with ISO 45001:2018

### Occupational Health and Safety

### Management System.

#### ISO 45001:2018 - Occupational Health and Safety Management System

We are certified with ISO 45001:2018 Occupational Health and Safety Management System. We aim to mitigate any factor that can cause irreparable harm to employees and businesses. ISO 45000:2018 is concerned with mitigating any factors that are harmful or pose a danger to workers' physical and/ or mental well-being. It has improved employees' satisfaction and retention, improved their 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. This standard gives practical guidance on preventing, establishing, implementing, and maintaining anti-bribery management systems and detecting and improving anti-bribery management systems.

#### Human Capital Risk Assessment

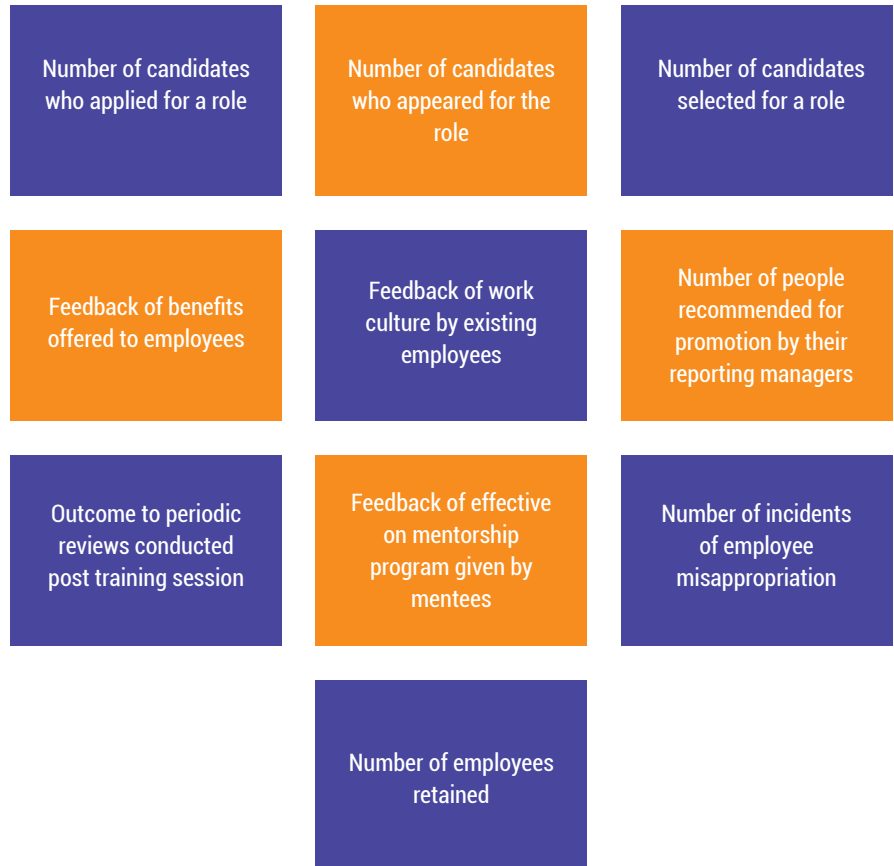
Our human capital risk assessment is done and managed by our risk management committee on a regular basis. Small or large groups of people tied to one another through division of labour are necessary for an organisation to function, and each employee's work aims to advance the organisation's overall objectives. Human capital risk assessment helps in identifying factors which can cause negative impact on the activities of personnel and organisation.

In order to manage human capital risks, our Head People, Performance and Culture creates an action plan and provides information such as:

- Human capital risk identification
- Classification of human capital risks
- Description of human capital risks induced losses
- Description of human capital risk management strategy
- Sequence of actions necessary to implement a human capital risk management strategy

- Timing of implementation of human capital risk management strategy
- Officials responsible for implementing a human capital risk management strategy

Our Risk Management Committee of the Board further assesses and approves our detailed action plan, defining roles and responsibilities of officials and timelines for a task. We create an annual activity calendar for all activities for mitigating any kind of risk involving human capital. Few parameters are used for measuring effectiveness of plan's activities are:



**We work towards ensuring  
the health and well-being  
of our workers.**



## Health and Safety

We protect the health and safety of all employees at work and make sure that safety measures and procedures are always in place to prevent any accidents by ensuring that safety tools and processes are always prepared to combat any accident. Our commitment also improves employee satisfaction and retention, improving employees' health, increasing productivity, and reducing absenteeism. We work towards ensuring the health and well-being of our workers. We continuously engage workers in the 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. Every employee wants to work in a safe atmosphere which is free from accidents and injuries. They are more productive at a workplace which have safe and secure environment. We understand that workplace health and safety are crucial for any long-term success of the business and the personnel. As a result, health and safety provides benefits to both the business and its employees.

Work-related hazards vary significantly across different locations. We have grouped these incidents based on geographical areas and business lines. We have also identified potential hazards or incidents causing high-risk injury. We classify high-risk injuries as those that could result in fatality and

an employee cannot recover within four months. We insist relevant field staff, Block Officers and Divisional Operating Managers travel on a four-wheeler or book a taxi ride for business-related travel. In our opinion, we should take advantage of all the resources at their disposal to educate them on their duties to ensure the safety of employees and how to handle risky circumstances.

Our organisation is responsible for providing personnel with the proper safety training. The first step in this training is when a company introduces a new hire to occupational safety and health, including hazard recognition. The training should carry over into the specific division where the new hire will work. Regular refresher training is required after that.

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. Similarly, employees at our corporate office work either on their laptops or desktops. They sit for long hours at workstations and tend to strain their eyes. In FY 2021-22, we recorded zero fatalities for work-related ill health.

To increase productivity and lower staff turnover, we provide our employees sickness leave. We focus on Health is Wealth motto and, therefore, conduct various initiatives to help employees stay fit physically and remain stress-free. Our HR department is responsible for executing and monitoring fitness initiatives at our organisation.



## Human Capital

**We consider it our responsibility to provide a diverse suite of well-being programs to our employees.**



A key step in the right direction is a health and safety policy, as we must ensure we manage those risks. We ensure that our personnel have the necessary tools to do their duties effectively and securely. To ensure that equipment is used correctly and to lower the likelihood of errors, it is also crucial to have the appropriate signs and training.

We consider it as our responsibility to provide a diverse suite of well-being programs focused on employees' physical, mental, financial, and spiritual health. How our employees feel about their capacity to articulate their ideas, values, and purpose is a measure of their spiritual wellness. Instead of hindering or challenging their spirituality, employees should believe that their work offers them opportunities to exercise it. We believe such programs drive employee productivity, retention, and engagement. We have also communicated a help-line number to report all safety-related issues.

The benefits given at our organisation is elaborate in the following section:

**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 trains employees to make smarter health decisions, exercise, improve nutrition, lose weight, and quit smoking and chewing tobacco or guthka.

**Practical well-being support:** There may be situations where employees cannot 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, personalised research, and resources to help employees balance work with personal matters and stay focused on their jobs.

**Health & Fitness:** We promote health and fitness initiatives like a marathon,

yoga, Zumba, and training programs for the workplace and employee happiness.

**Smoking Cessation Program:** Smoking Cessation Programs are carried out periodically to help those employees who are smokers quit the habit of smoking. A trainer defines a personalised "quit plan" and provides live chat coaching and text messaging support.

**Online Doctor Consultation during Pandemic:** We had a dedicated doctor available for online and digital telemedicine consultation for all employees during the Covid-19 pandemic.

**Healthy Workplace:** 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 the lives of other employees and himself will be subject to strict disciplinary action.

**Online yoga classes:** Yoga and meditation are extremely effective stress-relievers. We have scheduled two classes per week for employees.

**Medical room facility with Company doctor:** Our corporate office has a medical room facility. Employees use the medical room to relax when they are not feeling well or experience unease at work. Our in-house doctor visits Head Office every Friday from 11 am to 1 pm.

**Work-life balance:** We provide flexible work schedules to help employees balance their professional and personal responsibilities.

**We have zero tolerance  
for any act of sexual  
harassment.**

**Parental support and crèche facility:**

We provide parental support and crèche facility for parents who find it challenging to manage work and children.

**Health monitoring and blood checks:**

We conduct health monitoring and blood checks annually for all employees free of cost. We also provide additional support and guidance from medical practitioner wherever necessary.

**Healthy lunch and snacks:**

Lunch Committee in the organisation ensures that lunch and snacks are nutritious and with fewer calories.

**Health and safety training:**

We provide safety-training programs for all employees who should necessarily include emergency action plan training and how to treat yourself while injured and alone. The training program ensures that the employees are well efficient during crises.

**Fire safety and emergency drill:**

Preparation is the key to effectively responding to workplace fires. Our fire drills help our employees prepare for disasters and respond safely, quickly and calmly. We give an opportunity to all our employees to practise emergency procedures in a simulated but safe environment and guide them so that they carry out emergency duties effectively. There are fire extinguishers on every floor to use in emergencies. Fireboxes have been built to prevent fire extinguishers from being misused.

**First aid box:** Accidents are unexpected - Being prepared can reduce panic and provide the necessary aid. We constantly check

our inventory monthly to ensure our First Aid Kit is ready to use when the unexpected occurs. The First Aid kit consists of gauze piece, cotton, spirit, scissor, sticking plaster, bandages, anti-inflammatory, anti-pyretic, anti-emetic, and anti-allergic medicines.

**Self-defence training:** We want our employees to be mentally, emotionally, and physically healthy and are interested in investing more in our future as a Company. We understand the short-term and long-term value of providing important life-saving skills for our employees. Self-defence training can prevent workplace violence before it even happens. We conduct self-defence training periodically to make our employees self-equipped against any harmful incidents or physical attacks. Employees who are capable of protecting themselves feel more confident, which directly affects their level of performance and their leadership potential. It also helps to develop assertiveness and reduce aggressiveness.

**Medical insurance policy:** All employees are covered under the Company's Health and Medical Insurance policy, which protects employees from the financial loss of costs incurred because of sickness or injury. Group Term Life Policy of the Company is designed to offer life insurance to a group of people under a single policy. This policy covers all ailments, including Covid-19, for hospitalisation and home treatment. Apart from this, all forms of super annuity benefits are provided to all employees. The policy ensures at least a basic insurance cover for those without any life insurance policy. As the insurance is offered to

all group members, irrespective of their health condition, it is of great value to employees who belong to a high-risk group or finds it difficult to buy a policy. In the case of retirement benefits, we provide gratuity and Pension (From the Provident Fund) for the quality of life of our employees after retirement.

**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 their place of work, life-threatening diseases like cancer, dengue, malaria, typhoid, and tuberculosis.

We believe in the saying, "Health is Wealth"; therefore, we conduct various initiatives to help employees stay physically fit and stress-free.

**Grievance Redressal**

Sexual harassment is considered as an act of unacceptable conduct and social crime. We have zero tolerance for any act of sexual harassment. As per the regulatory requirement, we have formed the "Vishakha Committee" and an Internal Complaints Committee to address such incidents as and when reported. To address the grievances of our permanent employees and franchisees, we have a dedicated team of professionals who handle the matters responsibly. A query management system for employees records employees' grievances and reports them directly to the HR Head at the corporate office. Additionally, the Internal Complaints Committee and Vishakha Committee also address concerns of permanent employees.

# Intellectual Capital

Taking our 'Phygital' model to build India's largest network of last-mile retail touch points



*With most businesses upgrading to an online platform to improve their efficiency and outreach, the pandemic has significantly boosted and identified further opportunities for growth in the digital business world. We are using our 'Phygital' model to build India's largest network of last-mile retail touch points to deliver real-time banking, insurance, financial services, e-governance, e-commerce, and ATM services to the underserved rural, semi-urban and urban markets.*

Innovation is the key part of our success. Therefore, our business is moving towards the new age of India with opportunities to leverage digitisation for improved comfort and refined standard of living with our technologies such as Aadhaar-enabled Payment System (AePS) and Artificial Intelligence (AI) to support our franchisees as we are a growing population of consumers. We use our technical knowledge, talent, tools, risk management strategies, R&D, and software as our intellectual capital with our employees, franchisees, customers, and stakeholders in implementing our phygital model to get higher efficiency, performance, credibility, and growth. Dealing with data and its complications, we have ISO standards to secure and guard our data and support our values.

Our intellectual capital focuses on our ability to innovate and adopt new strategies and technologies that help us in delivering operational excellence and help us in developing digital technologies.

Being a technology-driven company, Intellectual capital plays the most critical aspect in our business as it is at the core of our innovation culture that helps benefit all our capitals. Our intellectual capital covers the application of knowledge, tools, and software by customers, franchisees and employees using standard operating procedures, policies, software, risk management strategies, and Research and Development (R&D) that help us develop into a unique enterprise.

Our last mile services are working to improve the quality of life and customer satisfaction which are growing exponentially geographically and offering service diversity. We strive to bring innovation through diversification of services and technology, catering to the needs of the ever-changing and adapting society. Our work is to transform our rural landscape of India by providing rightful access to a wide range of products and services of high quality at fair prices and impacting the lives of many citizens for good. We made 84% of our presence in tier IV, tier V and tier VI cities, with currently 22,042 operational Vakrangee Kendras covering 5510 postal codes.

With a qualified team of professionals providing support and assistance to the franchisees as well as customers round the clock across our Kendra network and our working group believes in giving equal opportunities and maintaining an ethical, non-discriminatory, and result-oriented environment at the workplace; we are making our unique enterprise customer and staff friendly every day with incredible growth.

22,042

Operational Vakrangee Kendras

32

Presence in States & UTs

## We strive to bring innovation through diversification of services and technology.

### OUR LAST MILE SERVICES



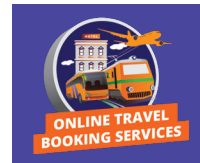
We provide biometric enabled paperless real time interoperable Banking Services as well as Financial Services to the unserved & underserved population in the rural India.



We come up with services which offer customers the convenience of paying bills/mobile & DTH recharges without travelling much.



We are providing total healthcare services where citizens have access to unlimited tele/ video consultation with expert doctors in local regional languages, home blood test facility as well as discounted pricing on ordering of medicines.



We provide services to the customers in booking travel tickets with the convenience of locality and payment mechanisms.



We give customers access to millions of products at competitive prices.

### OUR IMPACT

#### Input

- Data privacy and security
- Virtual Assistance
- Internet of Things
- Blockchain
- Chatbot Conversational Interface and Designs
- Financial Incentives
- Big Data and Data analytics

#### Output

- Presence in 32 states and UTs, over 564 districts, and more than 5510 postal codes in India
- Over 84% of outlets are in Tier IV and Tier VI locations in India

#### Outcome

- Services to previously ignored rural population
- Prevalence of essential services like banking, e-commerce, insurance, Total Healthcare Services, Online Demat & trading Account Services in remote areas

- Hassle-free services save time and increase the productivity of customers and franchisees
- Greater inclusiveness in society as services like biometric-enabled banking help illiterate citizens avail banking services with ease
- No need to travel long distances due to the provision of interoperable banking

#### Impact

- Access to financial products in all regions of India through last-mile services
- Access to digital services (e-commerce, demat & trading account, total Healthcare, 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

## Intellectual Capital

**Retaining data quality is a priority for us to function efficiently.**

### Policies and Standards for Protecting Information

We keep the rights of our stakeholders and business secure with our well-defined policies and the best global standard practices. Our policies and standards help us make all significant decisions and actions that cover all areas of business impact, including environment, social and governance. Our well-defined policies and standard practices extend to our supply chain and 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 Quality

Being a technology-driven company, data is one of the most critical assets of our business. To maintain and retain data quality is a priority for us to function efficiently. Our repositories and golden sources maintain accurate, consistent, timely, and relevant personal information. Our data quality operating model and process overlooks profiling, analysing, and describing the data, ensuring adequate integrity controls to maintain the data while data privacy and information security ensure that designated

roles perform data modification. We have data delivery services, data quality assessment, and data controllers as a part of our data quality operating model. Our data owners will document data quality rules based on the characteristics of the data from profiling, while our data controllers and senior management ensure that data elements are extended and enriched based on the context. KPIs are constantly seen by data controllers and data owners in the Control scorecard. Our data delivery services meet adequate abstract environment and data transfer requirements. The data quality assessment and monitoring are performed based on the nature of the data operation and the lifecycle stage—any errors in the data handled by the data remediation function with adequate root cause analysis documented.

### Data Privacy

We have our Data Privacy Program in place to ensure efficient and strategic data protection and privacy, as we respect the trust of our customers who entrusted us with their personal information. As a responsible business, we go further to make a fully equipped protection service with ISO standard certification. Our Data Privacy program handles data protection and privacy by categorising data based on the sensitivity (confidentiality), criticality (availability), identifiability (privacy) and compliance.

### ISO/IEC 27001:2013 Information Security Management System



ISO/IEC 27001:2013 Information Security Management System provides secure access and actions of sensitive data of the Company and our customers. It offers a robust security risk assessment, design, implementation, and management model. These certification standards are intended to help organisations achieve the highest-level performance possible, reduce data risk, and create an environment of continuous improvement. Vakrangee has been certified with ISO 27001:2013 certification (Information Security Management System (ISMS)) for more than 12 years since 2009.

Compliance with this internationally recognised standard validated by an independent third-party audit validates our security management program and confirms that it is comprehensive and follows industry-leading practices. At Vakrangee,

**We respect the trust of our customers who entrusted us with their personal information.**

our focus is to remain committed to maintaining and continuing this standard and certification. We have demonstrated our promise to continuously improve Information Security standards and strengthen our credentials as a managed service provider. Information Security Management System (ISMS) helps protect and manage information based on a systematic business risk approach. It also helps establish, implement, operate, monitor, review, maintain, and improve information security. Protecting the information and data entrusted to us is a top priority for Vakrangee, and ISO 27001:2013 certification ensures the protection of data and information that belongs to the Company, its customers, stakeholders, and its partners.

As this ISO places a greater emphasis on continual improvement, we have established, implemented, maintained, and continually improved information security standards by our Plan-Do-Check-Act (PDCA) approach and other methodologies for continual improvement. To promote continual improvement, senior management reviews the information security management system at planned intervals to ensure its suitability, adequacy, and effectiveness.

Our priority is to secure valuable information assets by implementing appropriate policies, procedures, and controls to assess and treat risks. The ISO 27001:2013 Information Security Management System certification process requires Vakrangee to thoroughly evaluate information security risks, including

the impact of identified threats and vulnerabilities, design and implement a comprehensive set of information and data security controls and other risk management measures to address security risks within its cloud infrastructure as well as its corporate environment. It implements an overarching program to ensure that the information security controls meet the security needs of both Vakrangee and its customers on an ongoing basis.

### ISO 27701 - Privacy Information Management System



We also have ISO 27701 - Privacy Information Management System, which ensures the enforcement of compliance with mandatory regulatory, internal compliance, best practices, and legal and ethical requirements, along with the need for managing risk—appointed a Data Protection Officer as a data controller who records the purposes of all the

data processed and implements measures to appropriately manage risks for the rights and freedoms of data subjects.

As a commitment to information security and data privacy, one representative from the Board of Directors is part of the Governance of Information Security and Data Privacy Organization Structure and holds the key position. All stakeholders' involvement in risk assessment (e.g., executive board, board of directors, top management, HODs, and other management teams) is essential.

ISO 27701 is an extension to ISO 27001 Information Security Management for privacy and ISO 27002 Security Controls. ISO 27701 is an international management system standard which guides the protection of privacy, including how organisations should manage personal information, and assists in demonstrating compliance with privacy regulations worldwide.

### The benefits of ISO 27701 are mentioned below:

- Builds trust in managing personal information
- Provides transparency between stakeholders
- Facilitates effective business agreements
- Clarifies roles and responsibilities
- Supports compliance with privacy regulations
- Reduces complexity by integrating with the leading information security standard ISO 27001

## Intellectual Capital

**We are regularly investing in best-in-class technologies and upgrading our systems to ensure the safety and protection of confidential data.**

### ISO 20000-1:2011 Information Technology Service Management System



IT Management System. It benefits us with improved IT service management, reliable IT services with reduced downtimes, minimal risk of errors, lower costs, and time-saving and increased customer confidence. The certification confirms that our management practices are tightly controlled and applied consistently.

### ISO 22301- Business Continuity Management Systems



Business Continuity Management System specifies the requirements for a management system to protect against, reduce the likelihood of, and ensure that the organisation's business recovers from disruptive incidents.

With the advent of technological advancements across the globe, the business landscape has transformed profoundly. It will continue to evolve as businesses keep adopting advanced technologies to add value to consumers' lives. Given its role in determining customer experience and satisfaction, an organisation cannot underplay technological advancements' value to various businesses and customers. To deliver convenience to our customers, we are regularly investing in best-in-class technologies and upgrading our systems to seamlessly cater to our

customers while ensuring the safety and protection of confidential data.

### Our Proprietary Technology Platform

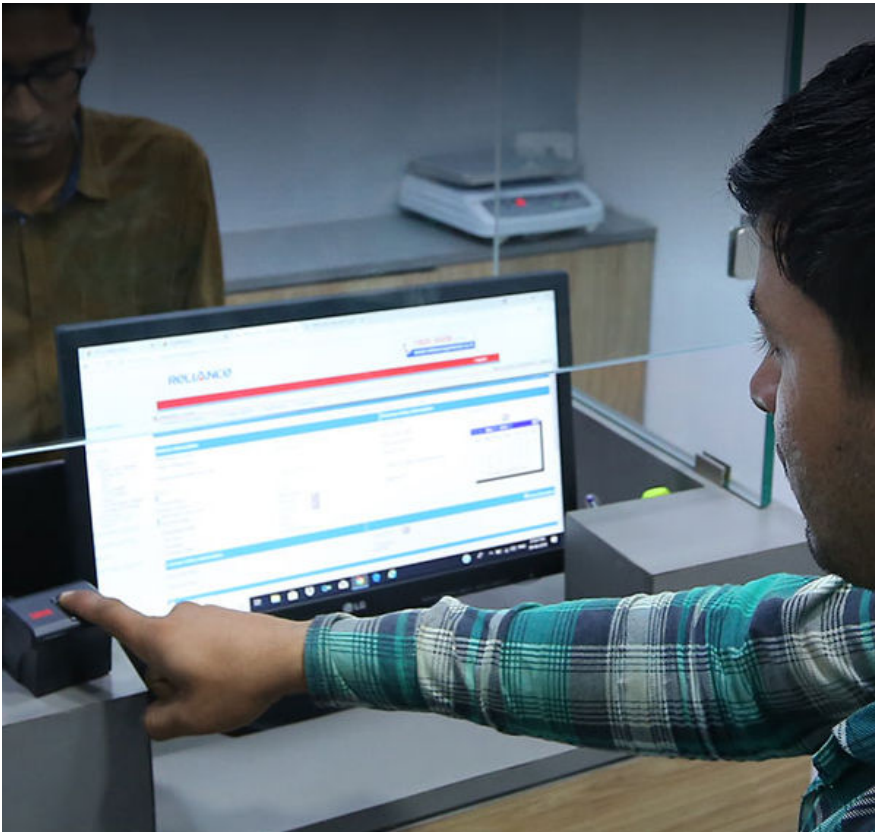
#### Data Security

Data security protects digital information from unwanted access, corruption, or theft at all stages. We are incorporating all aspects of information security, from hardware and storage device physical security to administrative and access controls, security of software applications and policies to guard and monitor. Our business model deals with sensitive information that our business partners and customers who access our services through various channels entrust us with.

The user privacy rights and data security threats, new data privacy laws and growing enforcement of existing regulations have been challenging the data governance efficiency of the organisation. We understand that a breach of sensitive data can have substantial financial repercussions. It has the power to disrupt business operations, resulting in a loss of revenue. The regulatory authority can impose fines or penalties if the breach violates a compliance or industry obligation.

We understand that checking the boxes during compliance audits does not complete the job. We have formed multiple teams to ensure smooth data security operations to show our commitment to data security. Our Vakrangee Information Security Committee performs responsibility for defining and improving the Information Security Management

**We have started working with big data analytics to get behavioural insights and do business with more clarity.**



System (ISMS). This team reports to the Chief Information Security Officer. Our Information Security Committee is responsible for drafting policy, having reviews performed, publishing and communicating to the grassroots of the enterprise.

Further, policy and standards are ensured to be reviewed by Information Security Committee and approved by Executive Level Management as an extended responsibility. The Data Governance team ensures that data classifications, including data management characteristics, security, and privacy classification, are established. The data owner and data governance team ensure that privacy by design is embraced.

Where appropriate, private data security controls are created at the data service level rather than the 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.

We have risk assessment models for data protection, commissioned every year by the second line of defence using the Risk Control Self-Assessment procedures to identify new risks and understand the impact of results and their frequency and risk scores. As a commitment to information security and data privacy, one representative from the Board of

Directors is part of the Governance of Information Security and Data Privacy Organization Structure and holds the key position. All stakeholders' involvement in risk assessment (e.g., executive board, board of directors, top management, HODs, and other management teams) is essential.

We view protecting data as a long-term and ongoing commitment. We believe in training employees in our good security practices and password. Creating a "human firewall" with several workshops on identifying and reporting risk, effective communication and reporting any suspicion has made security further hard to breach. As a result of our efforts, there was no instance of a data breach in our organisation or at the outlets.

### **Big Data and Data Analytics**

Big data is a large and complex collection of data. The amount of data generated is significant and will continuously increase, mainly due to the number of devices, artificial intelligence and other data streams which generate big complex data. Because of the complexity and changing nature of the big data sets, they have outperformed traditional data management systems. We have started working with big data analytics as its flexibility in data processing and storage tools helps to utilise the data generated by processing and analysing it to get behavioural insights and do business with more clarity. Big data can be used to develop analytics that predicts clients' behaviours, by which we can shorten the processing delay and improve customer satisfaction.



## Intellectual Capital

**We focus on deploying AI as an augmentation tool to deliver meaningful customer engagement.**



### **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. These cognitive systems think and respond like human experts and provide an optimal response based on available data in real-time. They are seen as the leading technologies for the next Industrial Revolution. Using these technologies, we are expanding our Phygital model, further supporting speed and convenience to all the parties. By automating and enhancing

data preparation, data visualisation, predictive modelling, and other complicated analytical operations that would otherwise be labour-intensive and time-consuming, AI and ML make big data analytics more straightforward and efficient. 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 accuracy, allocate resources, maximise automation of existing processes, and save countless human hours. AI technology recognises anti-money laundering activities in a few seconds, which otherwise take hours and days. 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 intuitive interactions to deliver meaningful customer engagement.

### **Chatbot Conversational Interface and Designs**

Chatbots identify the context in the text chat by the Customer and stakeholder and respond to it appropriately. This cognitive technology enables us to save time, money and improve efficiency. The ease and convenience of such a user experience motivate the users to stay and interact with software more often, increasing customer retention and engagement. With the help of NLP technology, our stakeholders can get answers to their questions and develop a better understanding of the aspects. We observed that all the employees and franchisees could use NLP in FY 2021-22

**All our employees earn competitive salaries and receive annual bonuses when our goals are met.**

### Internet of Things (IoT)

Internet of Things (IoT) is an advanced technology that helps connect multiple devices like wearable devices, enterprise-wide physical assets, and other electronic devices through sensors, actuators, etc. This gives our customers a seamless and smooth phygital experience. Intelligent devices can relate to one another and are controlled by our phygital systems. The security team can quickly take other appropriate measures if an intrusion is detected. Along with fraud detection, improved analytics, and improved customer service, we can assess customer needs at any place or time. We have adopted this technology to improve process efficiency, utilisation of assets and productivity. IoT enables us to monitor ATMs, electric surveillance, and logistics at the corporate office. In FY 2021-22, we monitored all 100% of our 22,042 franchisees with the help of IoT, which has significantly increased from the previous FY, which was 11,730 franchisees working with the help of IoT.

### 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. It creates a world where consumers can avail our services without leaving the virtual world. The technology provides a simplified and comfortable phygital experience, which helps us retain and grow our business. The advantage of this technology is that the Customer can experience the product or services

before buying without its physical availability. It also makes it easier and faster to visualise and organise large amounts of complex data. VR needs a headset, but a smartphone is enough to access AR. AR enhances both the virtual and real world, while VR only enhances the virtual and technological customer experience. Our phygital model fuses the absolute physical world trust and connection and virtual world efficiency, accessibility and speed with AR and VR. All the employees at our firm are trained on these technologies.

### Block Chain

In a business network, a blockchain is a shared, immutable ledger that makes it easier to record transactions and track assets. The Company has leveraged blockchain in the elimination of reconciliation, the real-time visibility to perform track and trace analysis, assess risks, End-to-end data encryption, protecting any transactions, transactions cryptographically secured, control personal data like identity proofs, citizenships, financial and educational records, 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. Because blockchain delivers immediate, shareable, and entirely transparent information kept on an immutable ledger that permissioned network users can only view, it is excellent for us to deliver sensitive information. Authorised members can see all the transaction activities, as members share a single view of

the truth, providing more confidence and additional efficiencies and opportunities.

### Financial Incentives

In our Company, all the employees earn competitive salaries and receive annual bonuses when the Company's ambitious goals are met. We review our employees' salaries and increase that by evaluating their performance and the position's market value. They also receive annual cash bonuses and ESOPs based on their performance. Health coverage (on-site medical services), company-matched retirement benefits, ESOP, and basic life insurance are certain benefits provided by our Company. Moreover, Coverage is also available to them from the day they join the Company.

### Virtual Assistance- Voice-based services

Virtual assistance is our phygital approach to simplify the process provided to the customers through software that can perform tasks or services based on commands or questions with voice-based services to make customer interaction more straightforward and user-friendly. Our Company has adopted Natural Language Processors (NLP), like voice-based services for customers, to make their day-to-day tasks much more accessible and convenient. Our phygital program of Virtual assistance- voice-based services is reinventing the buying and service experience for our customers and stakeholders with its immersion in customer satisfaction with its immersion and immediacy. The assistance is provided to all our 22,042 franchisees.

## Intellectual Capital

**Our last-mile services to the rural population of India to give them exposure to the world market.**



queries. Work shifts of 8 hours, 12 hours a day operation, three shifts of operation on working days. We also provide a separate support desk for customers where they can register their complaints regarding any malpractices conducted by franchisees or staff.

### Licenses

Our work in providing last-mile services to the rural population of India to give them exposure to the world market, products, and services with safe and easy access using our Next-Gen Vakrangee Kendras is supported by franchises. Our Kendras are asset-light investments with a brick-and-mortar layout, and we only charge our franchisees for our proprietary platform. We have our Reserve Bank of India license to set up and manage White Label ATMs, which enables real-time cash withdrawals from all the banks. In FY 2021-22, our White Label ATM transactions are 5,31,58,611. We are currently working on developing and updating a mobile app for franchisees and customers. Our VKMS (Vakrangee Kendra Management system) offers services through systematic real-time secured integration with our partner systems.

### Technical Support Desk Process and Customer Support Process

The Franchisee Technical Support Desk (TSD) is an important communications link between the franchisees and the Company. It will serve as a central point of contact for information and support concerning the Franchisees' Technical queries.

The Technical Help desk manages all calls centrally via a dedicated phone number 022 - 67765178 and toll-free number 18002744427. Description of Help Desk the Help desk is operated for 12 hours (8 AM to 8 PM) on working days and 8 hours on non-working days of the week, with a higher workforce present on the day shift to address the Franchisee

### Research and Development (R&D) and Achievements

We are currently working on developing and expanding our 'Phygital model' for better service efficiency and customer experience. We are incorporating the latest technologies like AR and VR, the Internet of Things, and Integrated Voice-based assistance for virtual assistance in our application for

**5,31,58,611**  
White Label ATM transactions

**We are currently working on developing and expanding our 'Phygital model' for better service efficiency and customer experience.**

our customers and stakeholders. Our conversational interface can communicate with the customers in a human-like voice, which helps them use our services more comfortably. We strive to deliver the best services, experiences, and positive, memorable and safe consumption using innovative technologies and best practices. Our investment in Research and Development for the financial year 2021-22 is approximately 88 lakhs.

As an Innovative critical step toward Digital initiatives, the Company is launching its Digital platform i.e. BharatEasy Mobile Super App which would result into a Unique Hybrid Model (Online to Offline), would transition into a unique 'Phygital Ecosystem.' (Currently Beta Trial Version has been launched).

- By downloading a single Vakrangee's BharatEasy Super App mobile application, our customers would get access to a wide array of Products and Services which would significantly reduce their requirement to switch between multiple apps. This would lead to superior customer experience and convenience for the customer.
- The Mobile super app platform would be offering various consumer products and services under one umbrella. Consumers would use it every day because our app would offer a seamless, multi-service, integrated, contextualized and efficient experience.
- In the Unique Hybrid model, assistance is provided to people through physical store networks with digital online services.

- This would help the Company transform and provide services through the phygital model, which would help customers use these services and transact conveniently. This would give customers trust and comfort in using services through the existing Kendra network. The unique offering of physical assistance has evolved into a Unique Hybrid proposition where customers can choose our services as convenient for them.

We have initiated this Unique proposition with the launch of the few Digital services such as Healthcare services, Online Demat & Trading Account Services, Online Shopping, CIBIL Score Services and Pan Card Services.

In the future, we have also planned to make more services live through this platform which will be an All-in-one platform for all Customer needs. Our customers have access to all the products and services through our BharatEasy Mobile App, which would be convenient for customers as they don't have to switch to different apps for ordering products and services. This would help in increasing our customers' experience and satisfaction.

**We would be providing various services digitally through our Mobile app platform, such as:**

- Online Shopping
- Total Healthcare services (Doctor consultation, Home Blood Test facility, medicines at discounted price)



- Online Pharmacy
- Money Transfer
- Insurance
- Loan products / Financial products
- Mutual funds / Credit Cards
- All types of Bill payments
- Mobile / DTH recharges
- Travel services (Bus / Train / Flights / Hotel Bookings)
- Movie Tickets / Entertainment
- Online Education
- Online Agri Products – Seeds & Pesticides
- Courier Booking

# Social and relationship capital

Using technology to build a more meaningful engagement with people



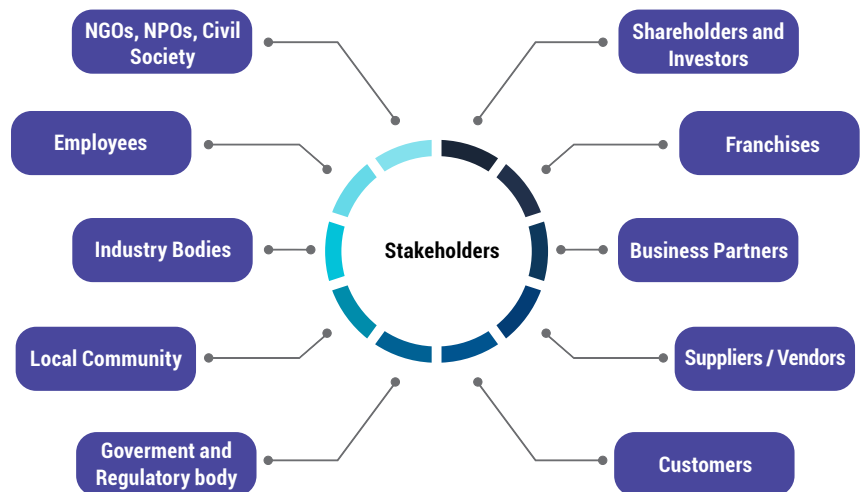
*India is a large country, with around 60% of its population residing in rural regions. Being a fast-developing country, business is growing at a tremendous rate. The pandemic has pushed this rapidly growing economy to go technologically more advanced and online. Social networks are now supported heavily by advanced technologies, which are not only limited to social interactions but also to providing services.*

Our business is taking Phygital approach to offer our services to India's rural population. Rural India has a deep knowledge gap, trust deficit and non-existent hand-holding assistance due to which they do not migrate to digital transactions. Therefore, it is vital to encourage the rural population to make their transactions digitally by educating them about its convenience and other benefits. Digitalisation has provided access to our customers to

enjoy services through online mode by encouraging online purchases, payments, bookings, and more.

We work with the New Age India to facilitate universal financial, digital, social inclusions and engagement for and with our customers and stakeholders. We use Phygital methods to integrate our stakeholders' commitments into business decisions while maintaining transparent communications. We use clear policies and guidelines to ensure and maintain the inclusion of our customers, employees, regulatory bodies, and stakeholder in our decisions. We strive to nurture our social relations using convenient and user-friendly phygital technologies.

This section details our engagement with different parties and stakeholders within and outside our business. We work for the betterment of our society using our expertise and technologies are also discussed.



## We have created a Shareholder Engagement Policy to promote open and sustained dialogue with our shareholders.

### Engagement with Shareholders and Investors

We ensure regular interaction with our shareholders and focus on maintaining direct and regular contact with them to stimulate the exchange of ideas. This constructive engagement with shareholders can provide valuable insight that will assist the Board in maintaining high governance standards. We have created a Shareholder Engagement Policy to promote open and sustained dialogue with our shareholders. This direct regular engagement helps us to encourage the exchange of 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

In addition, we have recorded and uploaded sessions on our website, published annual reports, and designate investor relation contacts to facilitate communication and query resolution for our shareholders and a stakeholder relationship committee. For more information, please visit Shareholder Engagement Policy.

### Engagement with Suppliers/ Vendors

Suppliers and Vendors are considered a vital part of our business. We are committed to adopting policies that help improve the lives of all workers across the supply chain and help preserve the environment. To enable this, we expect all our suppliers to comply with necessary social, business integrity and environmental sustainability standards defined in our suppliers' policies and adopt best practices to reduce our ecological footprint. We also expect our suppliers to review these standards, ensure adherence and improve upon parameters regularly to help contribute to the welfare of the society and environment.

We have developed our Sustainable Sourcing Policy and Green Procurement Policy which helps in clearly defining the prerequisites for our suppliers' business with us. These policies apply to all suppliers and employees (including permanent, temporary, contract agency and migrant workers). Each supplier must sign our Supplier Code of Conduct which ensures commitment to these policies, which will be provided during their onboarding process.

Our suppliers are regularly monitored on their performance against the ESG requirements through the following:

#### Internal Audits

We conduct an unbiased and independent review of our suppliers' system against the designated key performance indicators (KPIs) to evaluate the suppliers' strategies and processes for dealing with ESG risks.

### Meeting

We conduct regular meetings with our suppliers. Some common contract management meetings undertaken with the suppliers include:

**Progress Review Meeting:** These meetings are held regularly with the supplier's management team. Workers' well-being, sustainable product sourcing, steps to reduce environmental impacts, ESG performance trends, impending contract events or milestones, contract changes, proposed actions/ responses to current or potential problems, and other matters affecting contract operation are on the agenda of these meetings.

**Technical Review Meetings:** These meetings are held between our technical representative and the supplier's technical expert. The agenda is generally to review technical reports and ESG performance data and discussion of the role and contribution of the technical team in achieving the ESG parameters.

**Long-term Review and Audits:** These meetings are systematised 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 per the policy. Furthermore, we will consider every effort of suppliers to embrace sustainability within their business. To analyse supply chain compliance, we reserve the right to request suppliers to map the supply chain back to the source. In addition, we reserve the right to audit any supplier's facilities

## Social and relationship capital

**Business Partners are one of our most essential stakeholders in boosting our value development.**



periodically. We will provide the results of audits, including areas of improvement, to suppliers.

For more information, please visit Sustainable Sourcing Policy, Supplier Code of Conduct and Green Procurement Policy.

### Engagement with Business Partners

Business Partners are one of our most essential stakeholders in boosting our value development. We collaborate with industry leaders to deliver the best quality products and services efficiently and effectively. We strive to expand the reach to unserved

and underserved markets of India. Following are a few methods of engaging with our business partners:

- Dedicated service or vertical head to engage with business partners
- Quarterly and ad-hoc or need-based interactions with business service partners of senior management
- Invite business partners once a month for state team webinars for direct interactions, feedback, and question-answer sessions
- Joint marketing initiatives and strategies for activation of services and achieving sales targets
- Interaction with the IT team for service integration as well as a data security strategy
- Dedicated Centralized FRM team and Subject Matter Experts for service training and issue redressal

To provide best-in-class products and services to the underserved and unserved India, we continued collaborating 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 Franchisee

Being a franchise model business, our engagement with franchisees becomes necessary in sustaining and expanding our business. We are one of the largest franchise-based and multi-service retail networks which focus on creating India's extensive network of last-mile retail outlets at every postal code in the country by enabling Indians to benefit from financial, social, and digital inclusion.

4

Suppliers were assessed based on social and environmental impact in FY 2021-22

**We collaborate with industry leaders  
to deliver the best quality products and  
services efficiently and effectively.**

## FRANCHISEES OWNED BY

2,603

Women

966

Divyang

We regularly focus on increasing our efforts towards empowering rural entrepreneurship, employment generation, and skill development, thereby bringing urban convenience to the doorsteps of rural dwellers. We have successfully enrolled 22,042 franchisees and we plan to onboard over 50,000 franchisees over the next 18 months. We encouraged women to establish outlets. Over 60% of women are franchisees in Rajasthan.

We have also introduced the centralized online franchisee training & induction programme which takes place on an on-going basis which is five days a week and two sessions each of three hours given in English and Hindi Language. This has enabled us to achieve improved productivity and efficiency for our franchisee partners.

Franchisees have reported a significant income increase and gained trust and respect in the community. We had made our Kendra Outlets accessible to people during the pandemic by opening stores

with all Safety Protocols in place. During this challenging situation, we launched the following new initiatives to cope with the times:

### Doorstep Banking

During the lockdown, our banking Business Correspondents (BCs) provide doorstep banking services to Jan Dhan Account Holders, particularly the senior citizens and old age pensioners in remote rural areas

### Launch of New Services – Total Healthcare Services

We revolutionised Rural Healthcare by introducing vHealth by Aetna's (a CVS Health company, Fortune 500 Company), Medibuddy & Allianz Partners total healthcare services at our Vakrangee Kendras and BharatEasy Mobile Super App.

- Telephone or video consultations with in-house primary care doctors will reduce the need for physical consultations by more than 70%.
- Home Blood test facility as well as doorstep deliver of medicines at discounted prices.
- It provides access to professional medical advice and the highest-quality healthcare when governments and healthcare authorities across the globe are recommending social distancing to curb the spread of the virus.

### Launch of New Services – Online Demat & Trading Account Services

We have a tie-up with 5Paisa, Choice Broking and Goodwill for opening Online Demat & Trading Account Services to the citizens.

## Engagement with Customers

We have emerged as one of India's largest Last Mile Distribution Platforms with a Phygital ecosystem and PAN INDIA Presence. We deliver services like real-time Banking & Financial Services, ATM, insurance, e-governance and e-commerce (including Healthcare services) services to the unserved rural, semi-urban and urban markets and enable Indians to benefit from financial, social, and digital inclusion.

We have emerged as the "Go to Market Platform" for various Business verticals, including Fintech and Digital platforms. We have set up "Vakrangee Kendra", the digital convenience stores which act as the "One-stop shop" for availing various services and products. Moreover, the Digital platform we have made is the BharatEasy Mobile Super app.

## NUMBER OF OUTLETS OFFERING FOLLOWING SERVICES

22,042

BFSI

5,888

ATM

22,042

E-Commerce



## Social and relationship capital

### We have aligned sustainability initiatives with the United Nation's Sustainable Development Goals (UNSDGs).

Our business model is completely sustainable, which helps fulfil the objective of enabling Indians access to financial, social, and digital inclusion. We are driving financial, digital, and social inclusion in rural India through the extensive network of our outlets. Our ultimate purpose is to ensure that every Indian can benefit from financial, digital, and social inclusion and has access to the global marketplace. The business model and products and services we offer to customers, are all sustainable. Our Kendra outlets are One-stop-shops for Individuals in Rural India, which provide Essential critical services such as:

- Banking Services
- ATM Services
- Online Demat & Trading Account opening service
- Digital Healthcare - Total healthcare services – Including Unlimited Tele & Video Consultation with expert doctors, Home Blood test facility & medicines at discounted prices
- Assisted E-Commerce - Online shopping of Groceries & Other products
- Online Pharmacy
- Travel Ticket Booking & Utility Bill Payment services

We have aligned our business strategy and sustainability initiatives with the United Nation's Sustainable Development Goals (UNSDGs). These goals serve as a blueprint for better tomorrow. We aim to efficiently implement these goals and address the global challenges, which include

poverty, financial inclusion, social inequality, climate, environmental degradation, economic growth & prosperity, and peace and justice.

Our business model is led by Innovation and robust last mile Infrastructure built in deep rural Locations across the country. With the help of our technology platform, we provide a one-stop solution and real-time access to over 100 million products and 1,000 services under a single roof, which helps develop last mile infrastructure for distributing various products and services.

#### Engagement with Government & Regulatory Association

Currently, we are handling the only business of our kendras whereby there is no direct relationship with any Government bodies and have discontinued the legacy e-Governance business. We own the White Label ATM license from the Reserve Bank of India (RBI) to set up and manage White label ATMs and enable real-time cash withdrawals. We are now India's 3rd most prominent White Label ATM players and 13th largest ATM operator in India overall. However, it is the 4th largest ATM operator in Rural India and Over 2/3rd of our ATMs are situated there only. We provide ATM facilities to every citizen through our vast network of Nextgen Vakrangee Kendras.

Our purpose is to provide a reliable network of ATMs that enables people to conduct basic financial and non-financial transactions. Apart from the ATM business, we have an association with PSU banks and private players.

Moreover, the yearly audit also takes place for the ATM business by RBI. We have an association with Government and private partners to drive financial, social, and digital inclusion throughout the rural communities in India.

- We have been a member of The Confederation of ATM Industry (CATMi) since 2016, headquartered in Mumbai's financial capital. CATMi was incorporated with a vision of creating an environment conducive to sustainable growth & development of the modern ATM industry in India. CATMi is a registered non-profit trade association representing ATM Manufacturing and Outsourcing companies, White Label ATM Operators, Payment Services Companies, Cash Replenishment & Cash in Transit Agencies, ATM Security Services & Solutions Companies etc. in India.
- Through combined and concerted efforts of liaison with government regulators and financial institutions/banks in India, CATMi is dedicated to promoting the interests of the ATM Industry. Also, we have contributed to CATMi's promotion of the White Label ATM (WLA) business in India by promoting Franchisee Model in India and have been part of various committees of CATMi on policy advocacy for WLA business.
- We are a member of the Business Correspondent Federation of India (BCFI), which takes studies, workshops/conclaves and supports collaborative development activities related to financial inclusion.

**Being a Socially Responsible company, we are taking financial and digital literacy to the bottom of the socio-economic pyramid.**



### Engagement with Industry Bodies

As a member of various national associations such as the 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 the best practices of industries. Additionally, we are a signatory member 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 committed to building a sustainable future. We interact with industry bodies on an ongoing basis through industry body membership. We are a part of meetings with the 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 can participate in discussions and contribute to addressing economic challenges, among others.

### Engagement with NGOs/NPOs/ Civil Societies

We recognise our responsibility towards the society in which we operate by regularly contributing towards the upliftment of the underserved communities by providing them access to facilities for improving their lives.

### Engagement with Local Community

Being a Socially Responsible company, we are taking financial and digital literacy to the bottom of the socio-economic pyramid and serving by connecting India's unserved and

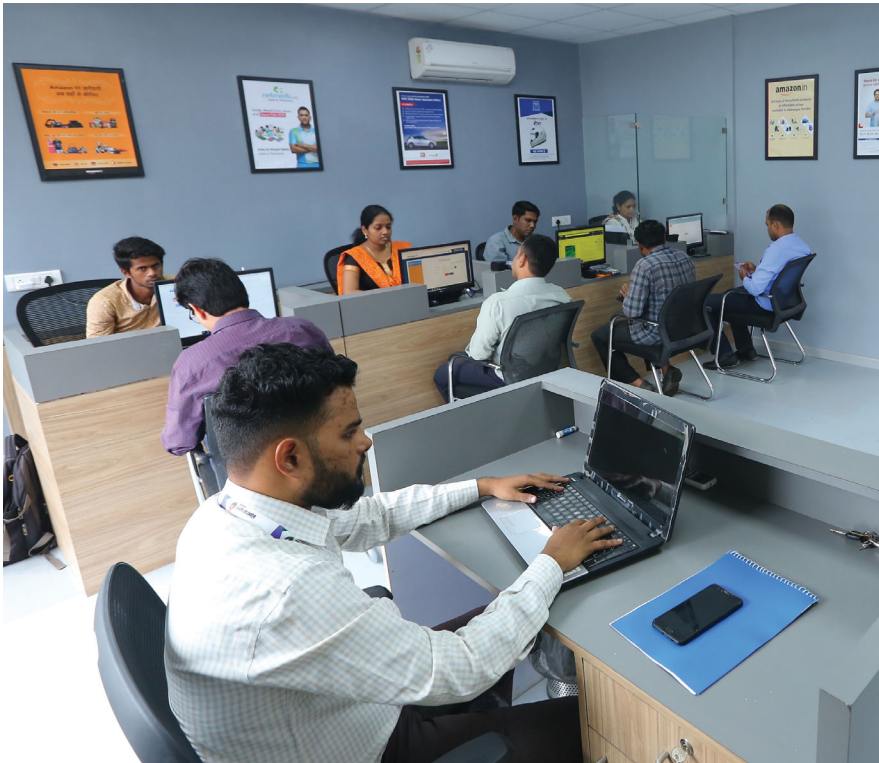
underserved rural and urban citizens. We aim to efficiently implement the UNSDG goals and address the global challenges, which include poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. As a responsible business, we contribute to creating a positive impact in the community. Some of the critical social impacts for the community through our business-as-usual activities include:

#### Reduced Inequalities

To improve the standard of living of rural citizens in the country, we strive to bridge the gap between India's urban and rural populations. Our Next Gen Kendras are in sync with our theme "Ab Poori Duniya Pados Mein". We offer the same quality products and services to urban and rural citizens at the same price through our kendras, 'One Stop Shop Convenience Stores'.

## Social and relationship capital

**We ensure full and effective participation with equal opportunities for leadership at all levels of the decision-making process.**



### Gender Equality

We ensure full and effective participation with equal opportunities for leadership at all levels of the decision-making process. Moreover, we adopt and strengthen sound policies to promote gender equality and women empowerment.

### Enhancing Skills

We take ordinary individuals and train them with skill sets that help them yield remarkable results. Aadhaar and Banking services require a basic certification for employees, enabling them to enhance their technical skills.

### Decent Work and Economic Growth

We provide the right opportunities for people to get productive, stable,

and well-paid work. Our business is working towards poverty elevation, economic growth and globalisation. With our last mile services and large rural-based Kendras, we are creating employment opportunities, skill development for the rural population with certification for banking and insurance services, exposure to products and services worldwide, and business support for the rural business.

### Innovation and Infrastructure for the Communities

With our last mile service kendras and offices offering real-time access to over 100 million products and 1,000 services in rural India, we create resilient and technologically innovative previous mile infrastructure. Our last mile infrastructure supports our services and distribution of products. We are focusing on building our technologically advanced, user-friendly, easily accessible and environmentally friendly infrastructure. We currently have our kendras with real-time paperless biometric-enabled banking. We have made interoperable banking achievable by connecting the core banking serves of significant banks, demonstrating our commitment to the focusing factors.

### Clean Water and Sanitation

We have an arrangement of a water cooler providing drinking water facilities to people, which is free of cost. Since more than 84% of our Kendras are centred in Tier IV, Tier V and Tier VI cities, we are thus creating clean water drinking facilities in remote areas.

**>1,000**  
services offered to  
rural India

## We are focusing on building our technologically advanced, user-friendly, easily accessible and environmentally friendly infrastructure.

### CSR Policy

We understand the importance of a responsible business and recognise our responsibility towards the society in which we operate. We strive to continuously contribute to the country's improvement and upliftment of underserved communities by providing them access to facilities that can assist them in improving their life.

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; suggest 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.

### CSR Committee

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

S. No.	Name of member	Designation
1	Mr. Dinesh Nandwana	Chairman
2	Mr. Ramesh Joshi	Member
3	Mr. Sunil Agarwal	Member

The terms of reference of the CSR committee are as follows:

- To formulate and recommend to the Board of CSR policy and activities to be undertaken by the Company.
- To review and recommend the amount of expenditure to be incurred on the Company's CSR activities.

- To monitor the CSR Policy of the Company from time to time.
- To monitor the implementation of the CSR projects, programs, or activities undertaken by the Company.
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

For more information, please refer to board committees.

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; suggest the amount of expenditure to be incurred on the activities referred to in clause (a); and keeps a periodic check on the Corporate Social Responsibility Policies of the Company.

### Guiding Principles of CSR Implementation

We have also identified some of the guiding principles that help us achieve our CSR objectives professionally and comprehensively.

- Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/ community in which it operates.
- Create a positive footprint within the society by creating inclusive and enabling infrastructure/ environment for liveable communities.

- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/ judicious use of natural resources.
- Work towards mainstreaming the marginalised segments of society by striving towards providing equal opportunities and making a meaningful difference in their lives.
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure and grooming them as future value creators.
- Assist in skill development by providing the vulnerable direction and technical expertise, empowering them towards a dignified life.
- Emphasise providing basic nutrition/ health care facilities with a particular focus on establishing health centres for the mother and child and the elderly.
- Facilitate water conservation by reducing water consumption at the plants and taking up rainwater harvesting projects.
- Create a business value chain which is sustainable – environmentally, socially, and economically.
- Promote an inclusive work culture.
- Work towards generating awareness for creating public infrastructure that is barrier-free, inclusive, and enabling for all, including the elderly and the disabled.
- Create positive awareness of the need to adopt measures that reduce carbon footprint and dependence on fossil fuels and promote alternate energy approaches.

## Social and relationship capital

### Our focus areas include financial, social, and digital inclusion.

- Promoting the well-being and development of employees and their families through an inspiring corporate culture engenders good values.
- Encourage and motivate employees to spend time volunteering on issues of their interest. Employee participation is an integral part of developing responsible citizenship.

Sustainable development of communities is necessary for 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:

**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 promoting sanitation and availability of safe drinking water.

**Contribution to various bodies** - Contributing or collaborating with registered trust, voluntary organisations, academic institutes, Government, a registered society, or a company undertaking CSR activities.

**Education** - Promoting projects that boost livelihoods and education, particularly special education and employment enhancing vocation skills mainly focused on children, women, the elderly, and the differently abled.

**Equality** - Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, daycare centres, and other facilities for senior citizens, and actions are taken to lessen the disparities experienced socially and economically disadvantaged groups.

**Environment** - Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining the quality of soil, air, and water.

**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, and promoting and developing traditional arts and handicrafts.

**Armed forces** - Measures for the benefit of armed forces veterans, war widows and their dependents.

**Sports** - Training to promote the rural, nationally recognised Paralympic and Olympic sports.

**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 publicly 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), Defense Research and Development Organization (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).

**Contributions or funds are provided to technology incubators** located within academic institutions approved by the central Government.

#### Rural development projects

##### Slum area development

We aim to undertake initiatives to eradicate hunger, poverty, and malnutrition, promote preventive health care, promote education, including special education and employment enhancing vocation skills etc. We strive to create a positive impact within the communities through such engagements. We have invested INR 135.74 lakhs in various initiatives for this FY 2021-22. The breakup of the amount spent during the financial year is detailed in the below table:

**We have conducted health sessions for our employees where a doctor has guided on health and well-being related topics, providing knowledge and understanding that ultimately benefits the people.**

CSR project or activity identified	Sector	State and district where projects or programs were undertaken	Amount spent on the projects or programs (in lacs)
VIPRA Foundation	Cl.(ii) Infrastructure for Education	Mumbai (Maharashtra)	18.96
Mental Health Foundation (India)	Cl.(i) Health Care	New Delhi	10.00
RVG Educational Foundation	Cl.(ii) Promoting education	Mumbai (Maharashtra)	100.00
Bharat Vikas Parishad	Cl.(i) Health Care	Mumbai (Maharashtra)	4.00
Kota Dall Mill	Cl.(i) Eradicating Hunger	Kota (Rajasthan)	2.78
<b>Total</b>			<b>135.74</b>

### Key CSR initiatives undertaken during FY 2021-22

#### Well-being

We believe that a person's health and well-being are paramount. Therefore, we sponsor activities like marathons and encourage our employees to participate in the run to promote the significance of an active life. Running provides various benefits such as improved mental health, immune system, destressing, amongst others. We have conducted health sessions for our employees where a doctor has guided on health and well-being-related topics, providing knowledge and understanding that ultimately benefits the people.

#### Healthcare

We operate a multi-speciality in the heart of Kota where we undertake all the multi-speciality treatments on a no-profit no-loss basis, including cardiology, neurology, urology, general surgery, gynaecology, orthopaedic,

gastroenterology. The medical services provided in this multi-speciality are 30-40% less expensive than the prevailing rates in the town. Moreover, free medical services are provided to people unable to bear the treatment cost. Treatments costing approximately Rs 50 lakhs are offered free of cost for a year. For 2019-20, the indoor patients' food facility was valued at Rs 1 crore. We also provide a donation, which is used for cardiac setup (CTVS) at the hospital that enables about 40- 50 bypass surgeries and valve surgeries in a month.



#### Education

We are an industry partner in setting up IIIT Kota and have contributed Rs. 3.20 crore as 2.5% of the total capital cost of Rs. 128 crores. The objectives of the scheme are:

- To establish it as the world's leading institution for global information technology and allied fields of knowledge,
- To develop competent youth who have innovative ideas and entrepreneurship talent 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 promote and ensure the highest level of transparency in admission, appointment to various positions, academic evaluation, administration, and financing.

Moreover, we have committed to donating research labs, projects, internships, and faculty chairs, amongst others, to achieve the scheme's objectives as agreed upon in the tripartite MoU signed between Central Government, State Government, and various Industry Partners.



## Social and relationship capital

**We have a well-defined whistle-blower policy that allows franchisees, our employees, business partners, or any other third party to report any concern regarding any irregularity, misconduct, or unethical matters.**

### Grievance redressal mechanism

We ensure the role played by business in long term protection of the human rights of all the employees working of our Company. We have committed to respect the human rights of our workforce, communities, and those affected by all our business operations. We believe empowering employees is the most effective way to receive feedback and identify improvement areas. A grievance Redressal Procedure has been implemented to address employee concerns and complaints about human rights and decent labour practices. The online portal allows for open and structured discussions on grievances raised on these issues and their fair resolution.

In FY 2021-22, 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 2021-22, there have been no significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic domains. We received 0 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 successfully conducted an anti-bribery and compliance management audit. Moreover, we did not face any confirmed corruption incidents,

public corruption cases, or any legal action regarding anti-competitive behaviour and violation of anti-trust.

A "Zero Tolerance" approach has been maintained for Sexual harassment. As per the regulatory requirement, we have also formulated a "VISHAKHA COMMITTEE" and an Internal Complaint Committee for addressing various incidents. We also have an internal complaint committee which takes up the matter to address any act of misconduct. The composition of the committee, as well as the contact details, are as below:

Sr. No.	Name	Designation	Role	Contact Details
1	Mrs. Veena Shetty	General Manager	Special Counsellor	9167766761
2	Mrs. Anagha Chitare	Deputy General Manager	Head – Complaint Committee	9167766768
3	Mr. Viral Majmudar	General Manager	Member	9167766732

We have a well-defined whistle-blower policy that allows franchisees, our employees, business partners, or any other third party to report any concern regarding any irregularity, misconduct, or unethical matters within our ecosystem, whether financially or otherwise. For more details, please visit Whistle-blower Policy. The Whistle-blower can report any issue either of the below members:

Committee	Name	Designation	E-mail Id	Contact No
Group Ethics Officer	Mrs. Akshata Mali	VP-HR	infohumanresource@vakrangee.in	022-67765100
Compliance Officer	Mr. Sachin khandekar	Company Secretary	infocompliance@vakrangee.in	022-67765100
Audit Committee	Mr. B.L Meena	Chairman of the committee	blmeena1950@gmail.com	-

We also provide an Independent Reporting Hotline available 24-hour to raise any questions or concerns. A third party controls it by allowing people to raise issues anonymously

where local country law permits. All the stakeholders are made aware of our policies to enhance transparency. All franchisees and suppliers are also made to sign a code of conduct in line with our policies.

### New associations

The Company has done new associations with various companies, which are mentioned below:

#### TELEMEDICINE SERVICES

Vakrangee Digital Ventures Limited (VDVL) (100% subsidiary of our Company) has tied up with Allianz

Partners and MediBuddy to offer a combination of Telemedicine services and privileged access to its nationwide network of hospitals and clinics.

#### BANKING SERVICES

Through its network of Nextgen Kendras, we have partnered with NSDL Payments Bank Ltd to offer Banking Business Correspondent (BC) services on Pan India basis.

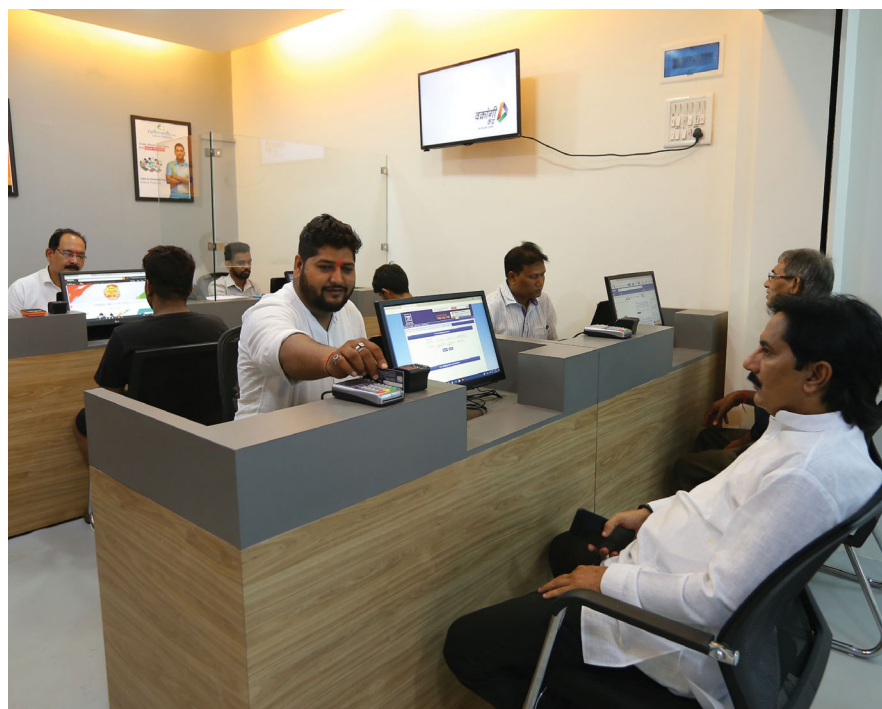
**We are accredited with various ISO certifications that strengthen our business performance and improve our service delivery.**

## FINANCIAL SERVICES

- Vakrangee Digital Ventures Limited (100% Subsidiary of Vakrangee Ltd) alliance with 5Paisa, to offer online trading account opening services through its BharatEasy Mobile app. We also provide the service from our physical network of Kendras.
- We alliance with Choice Equity Broking Private Limited to offer complete online trading services across its platform (physical network & digital app).
- We also alliance with Goodwill to offer complete online trading services across its platform (physical network & digital app).
- We have entered into a partnership agreement with LendDenClub to provide investment and borrowing options to its customers in the remotest part of the country. LendDenClub is one of India's leading peer-to-peer (P2P) lending platforms.
- We have partnered with Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited) to offer PAN card-related services. We will work as a PAN Service Agency (PSA) of Protean eGov Technologies Limited.

## E-COMMERCE SERVICES

- We had partnered with TSI Yatra Private Limited to offer Assisted Online travel services
- Vakrangee Digital Ventures Limited (100% Subsidiary of our Company) has tied up with PharmEasy (Axelia Solutions Private Limited) to provide online medicines & healthcare services to the unserved and underserved population of India.



## STRATEGIC TIE-UP

We have tied up with Nayara Energy Limited to set up our Kendra outlets at its Nayara retail fuel outlets. With its headquarters in Mumbai, India, Nayara Energy Limited is a privately held downstream oil company that encompasses refining, production, marketing, and a network of more than 6,000 retail fuel stations around the country. It operates the second-largest oil refinery in India in Vadinar, Gujarat.

## ISO Certification

2020 is considered a milestone for us to achieve International Standards. 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 businesses any irreparable harm. ISO 19600:2014 Compliance Management System guides establishing, developing, implementing, evaluating, maintaining, and improving an effective and responsive compliance management system within the organisation. Similarly, ISO 20400:2017 Sustainable procurement Management system assists the organisation with developing and implementing a responsible sourcing strategy. 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

Caring for our environment through our actions



*COVID-19 has fast-tracked the adoption of digital transformation and technologies by several years. To ensure a resilient business model, we must keep up with the changing needs of the consumer and the new technological needs. The Government of India actively made an effort to include the larger populace into the stronger global financial system. The objective was to replace the digital divide with digital inclusion. The government has implemented several policies to accelerate economic growth through financial & digital inclusion. Post-pandemic India has witnessed a rise in the number of bank accounts opened, followed by familiarisation with digital payment modes.*

By combining technology and creativity through the diversification of the services provided, we are not only growing the business geographically but also solving societal needs. This would be a massive gain to Indians, financially, socially and digitally, if we concentrated on building the vast last-mile retail outlet network that covers every postal code across the country. The government’s introduction of the Jan Dhan Aadhaar Mobile positively affected the banking sector and financial inclusion in India, leading to a significant change in targeted and reliable payments since the introduction of JAM Services. Our phygital operations are aimed at creating a sustainable ecosystem. We want to be India’s ecosystem to facilitate universal financial, digital and social inclusion.

## Thinking Global, Acting Local

The sustainable growth of the economic sector as a whole is the keystone of our framework for sustainability. We aim to effectively implement the United Nations Sustainable Development Goals (UN SDGs) in our business practices and help fight the growing problem of climate change and environmental degradation. Hence, we are committed to protecting the environment through sustainable practices and good governance.

We aim to guarantee that our corporate activities support the National Guidelines on Responsible Business Conduct (NGRBC) of the Indian Government. Additionally, we are signatories of the United Nations Global Compact and thus fully committed to protecting human rights, labour standards, and the environment. Through our associations and commitments, we can strengthen the larger objective of a sustainable country.

## Our Policies for Sustainability

Sustainable practices are not a choice but responsibility for us. Our goal is to incorporate sustainability into every aspect of our business operations. Our efforts to reduce environmental impact and subsequently build a sustainable world include paperless banking, Go Green ATM services, and Next Gen Vakrangee Kendras. Our commitment to sustainability and desire to reduce our carbon footprint is backed by a robust governance and risk management system.

**Through our associations and commitments,  
we can strengthen the larger objective of a  
sustainable country.**

Furthermore, our Communication of Progress policy has detailed our approach to prevent environmental degradation and adopting sustainable operations in business operations. The following section describes our policies for environmental protection.

### Environmental Policy

Responsibility is the foundation of our strategy. To fulfil our environmental obligations as a responsible organisation, we conduct routine evaluations and monitoring activities

to spot potential ecological risks and opportunities and incorporate them into our corporate strategy. By encouraging our staff, franchisees, business partners, customers, and shareholders to follow our environmentally friendly practices, we hope to make our value chain ecologically and socially responsible. Our environmental management strategies will eventually incorporate a lifecycle approach. The following action areas are part of our environmental pledges.



## Natural Capital

**We see climate change as the most critical issue of our time, one that demands that everyone take decisive action.**

### Sustainable Sourcing

We acknowledge that the main sustainable challenge faced by a business and society is environmental and climate change impact. These issues affect the environment, vulnerable groups, and economic stability. By enacting laws that promote the planet’s sustainable growth, we are committed to sustainable growth.

We utilise the best methods thanks to our sustainable sourcing policy, which also helps us lessen our environmental impact. To reduce the environmental impact of the goods and services we purchase, we demand that all suppliers adhere to the relevant standards. The following guiding concepts serve as the foundation of our [Sustainable Sourcing Policy](#).

### GHG Reduction Program

We see climate change as the most critical issue of our time, one that demands that everyone take decisive action. We have implemented sustainable methods into our company strategy to address the issue of climate change. Our Next-Gen Vakrangee Kendras offer our goods and services in the most environmentally responsible way possible. We work to reduce our carbon footprint at our office and in all of our Next-Gen Vakrangee Kendras. We are accessible to every citizen of the nation thanks to our extensive network of Vakrangee Kendras, which minimises the carbon footprint created by long-distance travel. We want to be the last mile link that includes everyone by bringing financial and digital knowledge to everyone sustainably.

### Social

We create an atmosphere of trust in all our business dealings and expect the same from our suppliers. In accordance with the principles of the International Labor Organization, the UN Global Compact, and the UN Universal Declaration of Human Rights, we demand that our suppliers abide by all applicable laws.

### Business Ethics

We conduct business ethically and demand that our suppliers do the same. They must be aware of subjects like conflicts of interest, bribery and corruption, gifts and donations, confidentiality protection, anti-competitive behaviour, fraud, regulatory compliance, fair compensation, grace, and whistleblower mechanisms.

### Environmental Sustainability

Our value chain will be responsible and ethically friendly. We are dedicated to abiding by the environmental regulations that are in place in the nations and regions where suppliers do business and where they obtain their raw materials, finished goods, and services. We promise to offer preference to vendors whose goods and services have a reduced adverse environmental impact.

### Quality Focus

Since 1998, we have been a QMS (Quality Management Systems) organisation with ISO 9001 certification. We constantly try to excel in what we do. To demonstrate our capacity to consistently deliver goods and services that satisfy the client and legal requirements and to show continuous development, we use ISO 9001:2015.

### Green Procurement Policy

We are devoted to long-term growth, which is why we have aligned our policies with reference to the Sustainable Sourcing Policy. The environment is essential in our decision-making process when purchasing office supplies since it will positively impact the lifecycle of the goods and services we obtain.

By adhering to our procurement requirements, we anticipate that all of our suppliers will meet the environmental sustainability standards outlined in the environmental policy and use best practices to lessen our ecological footprint. To contribute to the welfare of society and the environment, we also demand that our suppliers

**We are devoted to long-term growth, which is why we have aligned our policies with reference to the Sustainable Sourcing Policy.**

regularly examine these requirements, ensure conformity, and enhance the criteria. Our procurement team, which ensure that all the products comply with our green buying/procurement policy.

### Robust Governance

We have tried integrating sustainability into every aspect of our

operations, overseen by numerous teams and positions. A robust governance system that monitors the impact areas of our business operations and the top global risks that all firms confront underpins our commitment to sustainability.

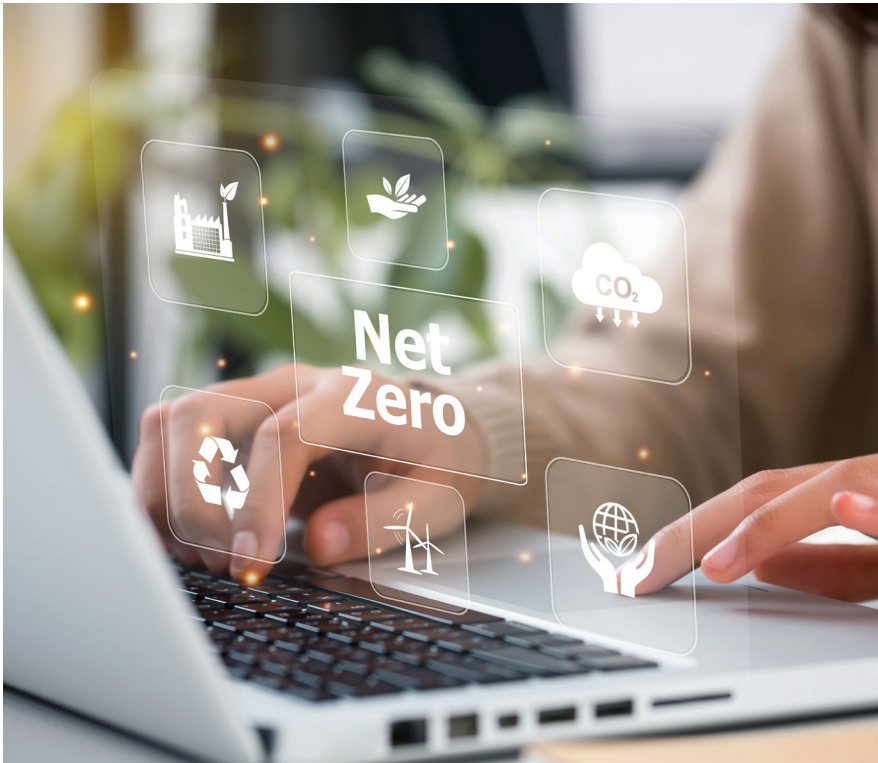
The governing groups in charge of managing and achieving sustainable operations are listed in the table

below. To reduce our carbon footprint and emissions, the committee strives to include environmental considerations into our company operations, take proactive measures, and use technology and innovation to conserve energy throughout our operations.

Personal	Responsibility
Board Oversight: Board-level Responsibility	<ul style="list-style-type: none"> <li>Accountability begins with our Board, which governs and oversees strategy, operations, and management.</li> <li>The Board actively and routinely assesses enterprise risk, which includes business continuity risk factors such as climate change.</li> <li>The Board determines its priorities and considers enterprise risk a key area for regular review on continuity, including climate-related risks, if identified as significant.</li> <li>The Board supervises our top management, with whom power over day-to-day climate-related concerns has been entrusted.</li> <li>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.</li> <li>Management notifies the Board or the Nominating and Governance Committee, as appropriate, of climate and environmental challenges.</li> </ul>
Chief Executive Officer (CEO)	<ul style="list-style-type: none"> <li>Assess and manage Environment-related risks and opportunities quarterly.</li> <li>Carry out environmental initiatives throughout all business activities at the field level.</li> <li>Drive the operational progress required to accomplish resource efficiency objectives, for example, by assisting our facilities management teams in improving energy efficiency and ensuring programmes are suitably resourced in collaboration with the administrative team.</li> <li>This two-pronged strategy allows us to progress faster while regularly communicating our journey to workers and other stakeholders.</li> </ul>
Chief Operating Officer (COO)	<ul style="list-style-type: none"> <li>Assess and manage Environment-related risks and opportunities quarterly.</li> <li>Carry out environmental initiatives throughout all business activities at the field level.</li> <li>Drive the operational progress required to accomplish resource efficiency objectives, for example, by assisting our facilities management teams in improving energy efficiency and ensuring programmes are suitably resourced in collaboration with the administrative team.</li> <li>This two-pronged strategy allows us to progress faster while regularly communicating our journey to workers and other stakeholders.</li> </ul>
GHG Reduction Strategy Committee	<ul style="list-style-type: none"> <li>Discuss and identify various environmental challenges and actions, and monitor and measure such activities regularly.</li> <li>The reporting and disclosure are done on an annual basis.</li> </ul>

## Natural Capital

**We are dedicated to reducing our greenhouse gas (GHG) emissions at the lowest possible cost, increasing the amount of renewable energy we use to run our operations, and investing in cutting-edge technologies.**



### Energy and Greenhouse Gas (GHG)

All facets of society must act swiftly and together to address the serious environmental, social, and economic threats posed by climate change. Our goal is to reduce our GHG emissions. We run a business with few assets. We guarantee that there is almost no negative impact on the environment during our operations thanks to our strict waste and material rules. We are dedicated to reducing our Company's greenhouse gas (GHG) emissions at the lowest possible cost, increasing the amount of renewable energy we use to run our operations, and investing in cutting-edge technologies. We have established goals for our emissions for 2019,

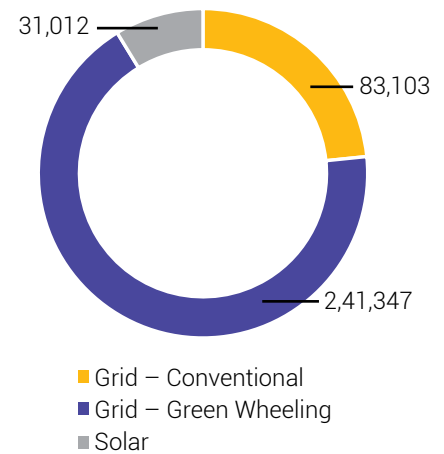
which serve as the baseline. All progress is being watched in relation to performance in the first year because FY 2018-19 is the first year of our new business model with Next-Gen Vakrangee Kendras. We have implemented "Go Green" programmes, which have enabled the Company to go paperless, significantly decreasing carbon emissions.

### Energy Consumption

Energy Consumption at Corporate Office

	2020-21	2021-22
Grid – Conventional	2,81,180	83,103
Grid – Green Wheeling	-	2,41,347
Solar	51,214	31,012
<b>Total</b>	<b>3,32,394</b>	<b>3,55,462</b>

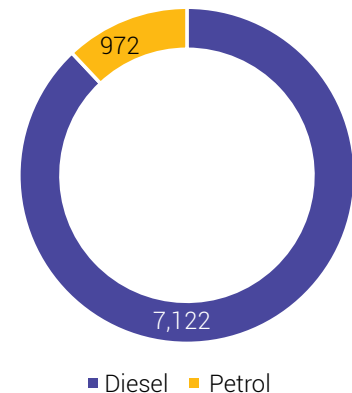
Electricity consumed in corporate office in FY 2021-22 (Kwh per annum)



Fuel consumed by company-owned cars for transportation in FY 2021-22 are:

	2020-21	2021-22
Diesel (in litres)	9,422.44	7,121.96
Petrol (in litres)	1,163.60	971.57
<b>Total</b>	<b>10,586.04</b>	<b>8,093.53</b>

Fuel consumed by company-owned cars for transportation in FY 2021-22 (Liter per annum):



**Our outlets are within walking distance of our customers, communities, and franchisees. This leads to lower greenhouse gas emissions from driving to Vakrangee Kendras.**

### Solar Electricity Consumption in KWH (FY 2021-22):

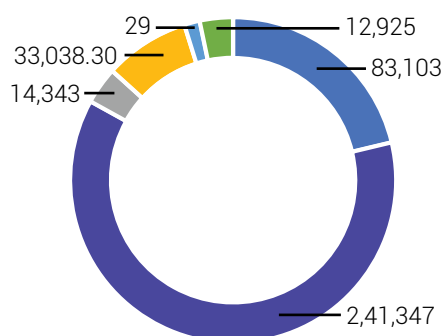
Sr. No	Reading Date	Monthly Reading (Units)
1	April	6,293
2	May	5,802
3	June	5,258
4	July	4,540
5	August	1,674
6	September	Uninstalled for Waterproofing work
7	October	Uninstalled for Waterproofing work
8	November	Uninstalled for Waterproofing work
9	December	Uninstalled for Waterproofing work
10	January	2,096
11	February	Under Maintenance
12	March	5,349

We also monitor the energy used by our Kendras so that we can stay informed about their effects on the environment. Since our Kendras are asset-light, the energy consumption of our Kendras is generally low.

### Energy Consumption at Vakrangee:

Consumption	FY 2020-21
Corporate Office Grid Conventional (Kwh)	83,103
Corporate Office Green Wheeling (Kwh)	2,41,347
COCO Outlets (Kwh)	14,343
Other Offices Grid Conventional (Kwh)	33,038.30
Other Offices Green Wheeling (Kwh)	29
Guest House (Kwh)	12,925
<b>Total Consumption (Kwh)</b>	<b>3,84,785.3</b>

### Energy Consumed at Vakrangee FY 2021-22:



- Corporate Office Grid Conventional (Kwh)
- Corporate Office Green Wheeling (Kwh)
- COCO Outlets (Kwh)
- Other Offices Grid Conventional (Kwh)
- Other Offices Green Wheeling (Kwh)
- Guest House (Kwh)

### GHG Emissions

The following table elaborates our greenhouse gas emissions (kgCO<sub>2</sub>e):

Scope 1 Emissions	
Scope 1	21,541.85
Scope 2	113,293.35
<b>Total</b>	<b>134,835.20</b>

Scope 2 Emissions	
Corporate Office	65,651.37
Other Offices	26,100.26
Guest House	10,210.75
Company Owned Company Operated Outlets	11,330.97
<b>Total</b>	<b>113,293.35</b>

We do not have a diesel generator in the corporate office, so the fuel usage for this activity is nil. A total of 21,541.85 kgCO<sub>2</sub>e emissions have been calculated based on the distance driven by company-owned vehicles.

Our locations are within walking distance of our customers, communities, and franchisees. This leads to lower greenhouse gas emissions from driving to Next-Gen Vakrangee Kendras.

### GHG Emission Reduction Initiatives

We are devoted to using the most environmentally friendly practices to combat climate change. In addition to minimising our environmental impact, we also want to ensure that the goods and services we offer at our locations are available in the most environmentally responsible way possible. At our corporate headquarters and all our Next-Gen Vakrangee Kendras, we work to lower our carbon footprint and improve health safety. We are also using 100% renewable energy for our corporate office since July and 1 regional office at Raylon since November.

Our vast network of stores and our "Go Green" campaigns have reduced carbon impact. We provide biometric-enabled paperless banking services, ATM, financial services, insurance services, eKYC, real-time transactions, e-Governance services, logistics services, and e-Commerce goods and services while keeping an eye on our sustainable goals. We provide a range of goods and services to our clients that are accessible by foot, saving time and gasoline. Our phygital model of operations significantly impacts our green initiatives because our services are accessible at the tips of our hands.

## Natural Capital

**Numerous steps have been undertaken to improve the data centre's energy performance.**



increased the capacity of existing data centres. To take advantage of system efficiencies and exert better control over energy performance, we have optimised the “Data Centre” facility into a single facility to reduce the energy consumption by Data centres. Numerous steps have been undertaken to improve the data centre's energy performance. High and medium server density rooms, server virtualisation, server consolidation, cold aisle containment, and managing optimal inlet temperature levels are a few of the initiatives that have produced positive results in lowering the energy intensity of data centres and promoting environmental sustainability.

### Targets on Greenhouse Gas Emissions Reduction

Vakrangee is continuously developing programmes to aid in the reduction of GHG emissions. Our effort to reduce greenhouse gas emissions, overseen by the GHG Reduction Strategy Committee, is closely reviewed and compared to our goals. The committee's primary goal is to discuss and identify various projects routinely and periodically evaluate and measure those of the organisation. The same is reported on and disclosed on an annual basis.

Our environmental targets are established and benchmarked against ecological objectives and targets on an ongoing basis to improve our environmental performance and overall environmental management system. We also regularly track and evaluate the success of the numerous essential steps to lower GHG emissions. We have a set of

### Green building offices

The construction of our corporate headquarters has followed green building principles. In order to create a sustainable ecosystem, green buildings offer 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 illumination systems. The structure is primarily made of glass walls that let the most sunshine in to lessen the need for electricity. To ensure appropriate electricity usage, we have also installed LED lights.

### Green Data Centres

The need for information storage, computation, and analysis has increased as we transition to a paperless economy, which has

**209.19**  
metric tonnes

Saved A4 size papers through our paperless ATMs and banking transactions initiative

**Our Long-term targeted goal is a 25% reduction in absolute Scope 1 and 2 GHG emissions from our operations, compared to a 2020 baseline, by 2025.**

short-term and long-term goals that will help us reach our environmental goals since goals give observable and measurable effects that must be completed within a specific timeframe:

■ **Short-term goals for reduction of GHG emission**

Our Short-term Yearly targeted goal is a 5% reduction per year in absolute Scope 1 and 2 GHG emissions from our operations compared to a 2020 baseline. Additional focus is to reduce Scope 3 Emissions, which are indirect emissions throughout the Company's value chain through offering and using services and products.

■ **Long-term goals for reduction of GHG emission**

Our Long-term targeted goal is a 25% reduction in absolute Scope 1 and 2 GHG emissions from our operations, compared to a 2020 baseline, by 2025. Additional focus is also to reduce Scope 3 Emissions.

We recognise the value of certifications as they help us on our path to sustainability. An independent third-party audit was conducted in the corporate office in March 2022 to cover verification of emissions from anthropogenic sources of greenhouse gases included within the organisation's boundary and is based on ISO 14064- 3: 2006. It covers the organisation's physical infrastructure, activities, technologies and processes. The inspection boundary was Vakrangee Corporate House, Marol, Andheri (E), Mumbai.

**Achieving Short-term GHG Reduction Target – 2022**

In 2021-22, we collectively saved 209.19 metric tonnes of A4 size papers through our paperless ATMs and banking transactions initiative.

Particulars	Energy/ resources saved in banking		Energy/resources saved in ATM		Energy/ resources saved by Digital Annual Report	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
A4 size paper saved (in million)	39.92	35.76	-	-	39.87	49.58
Quantity of paper saved (in metric tonnes)	199.63	178.78	23.35	30.41	199.36	247.88
CO2 equiv. of greenhouse gas emissions avoided (in pounds)	39,60,000	35,40,000	4,97,000	6,47,000	39,50,000	49,10,000
Wood saved (in U.S. short tonnes)	878	787	53.7	69.9	877	1,090
Water saved (in gallons)	47,10,000	42,20,000	10,70,000	13,90,000	47,00,000	58,50,000
Solid waste avoided (in pounds)	2,59,000	2,32,000	20,400	26,600	2,59,000	3,22,000
Energy saved (in million BTU)	5,610	5,020	724	943	5,600	6,970
Trees saved from being cut for paper (in number)	5,270	4,720	322	420	5,260	6,540

**Achieving Long-term GHG Reduction Targets – 2025**

To meet our long-term targets for reducing greenhouse gas emissions, we are focusing on the following strategies:

- Designing energy-efficient solutions, such as usage of renewable energy, to reduce specific energy consumption as well as leveraging technology to lead innovation and get digital transactions leading to minimal paper waste, thereby reducing GHG emissions;
- We plan to increase our share of renewable energy through power purchase agreements with private renewable energy generators for our corporate office;

- Support our energy and carbon management process through a focus on green infrastructure, usage of clean technologies, green IT, and IT-enabled operational efficiencies;

- Focus on sustainable procurement through our green procurement policy. Preference to procure only EPEAT certified products;
- Our corporate office has been built on the concept of green building. 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;
- Commute by carpool/vanpool, bike, and public transit, which helps to reduce Scope 3 GHG emissions, has been incentivised for employees;



## Natural Capital

**We are building clean water drinking facilities in rural places that can be accessed at any time for free because roughly 84% of Next-Gen Vakrangee Kendras are concentrated in tier IV, tier V and tier VI cities.**



- In order to encourage employees to be more sustainable, we plan to set up electric vehicle charging stations at our facilities;
- Leveraging technology (video conferencing) to reduce local and inter-city travel, educating customers to move to paperless transactions through the internet and biometric-enabled banking, thereby avoiding the usage of paper;
- To reduce the use of plastic, we have restricted the use of plastic package and drinking water bottles. We have started the use of glass water bottles for office meetings. We have adopted a sustainable waste management philosophy in line with the concept of circularity through waste management, recycling and eco-friendly disposals through Industry best practices;
- We are focusing on achieving our goal by designing energy efficiencies into our facilities, such as usage of Renewable energy at our last mile franchisee infrastructure

and leveraging technology to lead innovation and get digital transactions leading to minimal paper waste, thereby reducing GHG emissions.

### Water

We recognise the value of having access to clean, safe water, lacking in several rural areas of India. Every Vakrangee Kendra has a water cooler setup that provides individuals with free drinking water. Access to clean, safe water is made possible through the extensive network of Next-Gen Vakrangee Kendras. We are building clean water drinking facilities in rural places that can be accessed at any time for free because roughly 84% of Next-Gen Vakrangee Kendras are concentrated in tier IV, tier V and tier VI cities.

**Water Consumption report MIDC office FY 2021-22**

Period of Billing	Usage (Kilo Litres)
Apr 21	112
May 21	196
Jun 21	98
Jul 21	130
Aug 21	181
Sep 21	183
Oct 21	208
Nov 21	192
Dec 21	159
Jan 22	181
Feb 22	170
Mar 22	88
<b>Total</b>	<b>1,898</b>

### Waste

The goal of our green initiatives is to move toward a paperless society. The amount of ink and paper waste is decreased by our paperless banking services and electronic KYC. Additionally, we employ cutting-edge

**480**kgs

Safely disposed E-Waste in an environment-friendly manner during FY2022

**The goal of our green initiatives is to move toward a paperless society.**

environmental features like paperless banking, real-time banking, and biometric evaluation at our Next Gen Vakrangee Kendras to reduce the production of paper or plastic waste.

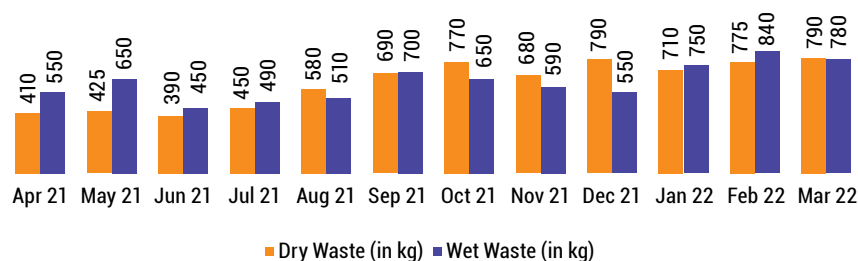
We can reduce the adverse environmental effects by practising prevention, reduction, recycling, and reuse. Our stores also use refillable ink cartridges to reduce hazardous waste. Consequently, we generate very little waste overall in our activities. We have been recognised for our efforts in recycling e-waste by receiving the Green India Certificate for recycling e-waste, which attests to the fact that we safely disposed of e-waste in a way that protected the environment.

#### Waste generated at the corporate office in FY 2021-22:

Month	Dry waste (in kg)	Wet waste (in kg)
Apr 21	410	550
May 21	425	650
Jun 21	390	450
Jul 21	450	490
Aug 21	580	510
Sep 21	690	700
Oct 21	770	650
Nov 21	680	590
Dec 21	790	550
Jan 22	710	750
Feb 22	775	840
Mar 22	790	780
Total	7,460	7,510

### Dry and Wet Waste

#### Dry and Wet Waste



### Green India - E-Waste Recycling

We have been certified with the E-waste recycling certificate. This ensures that we have safely disposed of 480 kgs of E-Waste in an environment-friendly manner for the reporting year.

#### E-Waste Recycled

Description	E-Waste Recycled (No.s)
Laptop	9
Extension board	6
Hub	17
Mouse	11
Camera	11
Keyboard	26
Printer	1
UPS (3 battery)	1
Weighing machine	1
V-sat	18

#### Scrap generated and safely disposed (in kgs) at the corporate office

Item	Jun-July 21	Aug-21	Sep-21	Nov-21	Total Wt
Carton Box	191	71	113.5	61	436.5
Shredded Paper	397.55	727.3	45	25	1194.85
Color Shredded Paper		554.9		11	565.9
Plastic	20.6	-	49	1	70.6
Aluminium	6.9	-	-	-	6.9
Metal Scrap	411.93	44.2	349.7	-	805.83
Box Files	-	327.2	-	-	327.2
Wire	-	-	10	-	10
Nylon	-	-	22	-	22
Wood/Glass Scrap	-	-	-	-	0
Rooftop shed Iron scrap	-	-	2,495	-	2,495

## Natural Capital

**To protect the sustainability of our value chain, we require that our suppliers follow our sustainable procurement policy.**

Scrap from Corporate office disposed (total units) to vendors or sold to franchisees/employees

Item Name	Vendor	Franchisee	Employee	Total
Cassette AC	8	0	0	8
UPS batteries	27	2	0	29
ATM Lollypop	0	3	0	3
Table	8	3	2	13
Cupboard	1	2	1	4
Sitting Bench	0	1	1	2
Safe Lock	0	3	2	5
Dustbin	0	2	0	2
Customer Chair	11	0	0	11
Staff Chairs	0	0	4	4
Printers	0	0	5	5
Split AC	0	0	2	2
Water Dispenser	0	0	5	5

### Working with our Suppliers

To protect the sustainability of our value chain, we require that our suppliers follow our sustainable procurement policy. We perform our company operations in accordance with social rights, environmental protection, and corporate integrity, and we anticipate that our suppliers will do the same. The policy covers all employees, including migrant workers, contract agency workers, permanent

employees, and employees of any of our suppliers. We reserve the right to request that the supplier generate complete supply chain mapping back to origin to evaluate supply chain compliance. Each supplier must sign our supplier Code of Conduct to demonstrate their dedication.

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

Our supplier contracts are overseen by specialised contract managers who regularly evaluate and confirm ESG requirements established by the organisation. To ensure knowledge, transparency, and independence of assessments, a thorough evaluation is done to determine suppliers' social, ethical, and environmental practices.

Risks and opportunities associated with each purchasing category have been identified and mapped for all firm purchases. The assuring matrix identified three stake levels—low, medium, and high—. The impact on the environment, society, use of goods and services, the supply chain, and corporate ethics are all tied to this.

We emphasise the supplier's performance score as a crucial selection criterion. Four pillars are the scorecard's foundation: supply chain management, labour standards, the environment, and business ethics. After a thorough evaluation, suppliers are given scorecards that outline how they compare to other suppliers and highlight areas for development. Suppliers are also encouraged to consider feedback to implement Corrective Action Plan (CAP) to improve their performance.

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



Environmental management principles at manufacturing plants



Reduction of Greenhouse gas emissions and other harmful air emissions



Applying principles of Reduce, Reuse and Recycle



Adopting green initiatives and practices

## We prioritise the establishment of outlets that contribute to environmental sustainability and implement energy-saving and waste-control strategies.

### Our Initiatives - Reducing our Impact on the Environment

The strains on our planet's limited natural resources and the threat of climate change necessitate immediate and coordinated action on our part. We have a strong commitment to social and environmental responsibility, which will fuel our desire to operate sustainably. In order to reduce the negative environmental effects of our company operations and supply chain, we have translated our vision through several initiatives.

#### Training Employees

Our employees must be fully aware of their individual and collective duties towards the environment as a vital component of their professions if we are to be truly sustainable. Systems that provide education and clearly define roles and obligations with regard to the environment have been established.

#### Energy-saving Technologies

We prioritise the establishment of outlets that contribute to environmental sustainability and implement energy-saving and waste-control strategies. We provide cutting-edge technologies to reduce negative environmental effects and develop strategies for safeguarding the local ecology. Our offices and Kendras have also adopted many energy-saving technologies and reduced environmental load. Sensor-based lighting, green data centres, and solar electricity in our offices and franchisees have all considerably reduced energy consumption.

### Saving Paper

#### ■ Save Paper through Biometric-enabled Paperless Banking

We continue our journey toward a paperless economy through numerous green efforts, such as eKYC, interoperability, and real-time transactions. In addition, we employ cutting-edge technologies that are environmentally beneficial, like paperless banking, real-time banking, and biometric assessment. Our Kendras helped to significantly reduce paper waste because they are digital and paperless in nature.

The major initiative undertaken in FY 2021-22 is using e-KYC to open Bank accounts and Biometric enabled AePS (Aadhaar-enabled Payment System) paperless banking services. The initiative has resulted in saving approx. Five A4 size papers per new account opened and one A4 size paper per 3 financial banking transactions. Through the initiatives in the last year, i.e. 2021-22, we have collectively saved approximately 35.76 Million A4 size papers from its approx. 22,042 outlets. Saving approximately 35.76 million A4 size papers has resulted in the following:

##### Energy/Resources saved from Banking service in FY 2021-22:

S. No.	Particulars	Energy/resources saved
1.	A4 size paper saved (in million)	35.76
2.	Quantity of paper saved (in metric tonnes)	178.78
3.	CO2 equiv. of greenhouse gas emissions avoided (in pounds)	35,40,000
4.	Wood saved (in U.S. short tonnes)	787
5.	Water saved (in gallons)	42,20,000
6.	Solid waste avoided (in pounds)	2,32,000
7.	Energy saved (in million BTU)	5020
8.	Trees saved from being cut for paper (in number)	4720

#### ■ Save Paper through Go-Green Initiative at ATM

Our "Go Green" campaign for our ATM services has assisted in lowering paper usage because ATM transactions don't produce printed receipts. Customers receive transaction acknowledgements via SMS. In order to reduce their negative effects on the environment, we aim to achieve environmentally sound management of paper through prevention, reduction, recycling, and reuse. Saving approximately 30.41 metric tonnes of A4 size papers has resulted in the following:

##### Energy/resources saved from ATM service in FY 2021-22:

S. No.	Particulars	Energy/resources saved
1.	Quantity of paper saved (in metric tonnes)	30.41
2.	CO2 equiv. of greenhouse gas emissions avoided (in pounds)	6,47,000
3.	Wood saved (in U.S. short tonnes)	69.9
4.	Water saved (in gallons)	13,90,000
5.	Solid waste avoided (in pounds)	26,600
6.	Energy saved (in million BTU)	943
7.	Trees saved from being cut for paper (in number)	420

## Natural Capital

**The Company's dedication to advancing its corporate governance and transparency standards is reflected in its global reputation.**

### Energy/resources saved from Digital Annual Report in FY 2021-22:

S. No.	Particulars	Energy/resources saved
1.	A4 size paper saved (in million)	49.58
2.	Quantity of paper saved (in metric tonnes)	247.88
3.	CO2 equiv. of greenhouse gas emissions avoided (in pounds)	49,10,000
4.	Wood saved (in U.S. short tonnes)	1,090
5.	Water saved (in gallons)	58,50,000
6.	Solid waste avoided (in pounds)	3,22,000
7.	Energy saved (in million BTU)	6,970
8.	Trees saved from being cut for paper (in number)	6,540

### Global Recognition for Sustainability – ESG Focus

- We at Vakrangee have always managed to run a responsible and socially conscious business. Through our network of kendras, we are bringing financial and digital literacy to the base of the socioeconomic pyramid and acting as the last-mile link to connect India's underserved and unserved rural and urban populations by offering them the same products and services at the same time, at a competitive price, and with the same level of service. We are the largest equaliser in India, bridging the gap between the urban and rural populations.
- The Company has effectively assessed its performance against a wide range of industry-specific ESG criteria that are important to the growing focus on Business sustainability and financially relevant to corporate success.
- The Company's dedication to advancing its corporate governance and transparency standards is reflected in its global reputation. Due to its outstanding ESG performance and long-term business sustainability, the Company has received recognition on several international forums.

- Vakrangee ranked World's No.1 Company in the Software and Services industry based on Sustainalytics ESG Assessment.
- Rated amongst the Global 50 Top Rated ESG companies by Sustainalytics ESG Ratings.
- Globally Ranked 1st out of 816 Companies in Software & Services (Industry Group).
- Sustainalytics is the leading independent global provider of ESG and corporate governance research and ratings to investors. Sustainalytics is also the Rating partner of the National Stock Exchange (NSE).
- S&P Global ESG Rankings: Vakrangee ranked No. 13 Company in the global industry ranking and ranked No. 9 Company in the Corporate Governance global industry ranking based on S&P Global ESG Score.

### S&P Global Sustainability Yearbook

- Vakrangee Limited has been included in the S&P Sustainability Yearbook 2022 based on Sustainability ratings.

- Vakrangee sustainability is within the top 15% of the industry and among the world's highest-performing sustainable companies. Only 630 sustainability leaders have been selected out of 7,000 Companies assessed for this year's Yearbook based on their S&P Global ESG Scores calculated from the CSA.
- Vakrangee ranked No. 13 Company in the global industry ranking and ranked No. 9 Company in the Corporate Governance global industry ranking based on RobecoSAM – S&P Global ESG Score.
- Vakrangee is now a Participant and Signatory member of UNGC (United Nations Global Compact) and also our Company is now in Full compliance with the ESG Framework. ([www.vakrangee.in](http://www.vakrangee.in))
- Vakrangee is also now a Signatory member of the United Nations Women Empowerment Principles. (UN WEP)

### ISO Certifications –

A company must maintain certifications to make sure that its systems and procedures are in place and compliant with its environmental responsibilities. Therefore, we make sure to hold the appropriate certifications that support sustainable operations. We have ensured to get some of the significant environmental-related ISO certifications such as ISO 20400:2017 - Sustainable Procurement Management System, ISO 14064-1:2006, ISO 14064-2:2006 & ISO 14064-3:2006 - Green House

**We make sure to hold the appropriate certifications that support sustainable operations.**



Gas Emission, ISO 14001:2015 - Environmental Management System, ISO 45001:2018 - Occupational Health & Safety Management System, ISO 50001:2018 – Energy Management System and ISO 9001 - Quality Management System. As we have been found to comply with ISO 14064 norms, we have been credited with a Certificate of Conformity. We have also been certified by Green India for E-waste recycling.

- ISO 14001:2015 - Environmental Management System We underwent an Independent ISO Audit and got certified with ISO 14001:2015 Environmental Management System on Mar 12 2020. This standard helps to improve environmental performance by identifying, managing, monitoring and controlling environmental issues and enables more efficient use of resources, thus gaining a competitive advantage and the trust of stakeholders.





- ISO 20400:2017 - Sustainable Procurement Management System We have been credited with ISO 20400:2017 Sustainable Procurement Management System on Mar 12 2020. This standard assists organisations with the development and implementation of a responsible sourcing strategy.
- ISO 14064-1:2006, ISO 14064-2:2006 & ISO 14064-3:2006 - Green House Gas Emission We have been certified with ISO 14064- 1:2006, ISO 14064-2:2006 & ISO 14064- 3:2006 - Green House Gas Emission on Mar 23 2021. This standard helps quantify and report greenhouse gas emissions to reduce Scope 1, Scope 2 and Scope 3 emissions.

- ISO 50001 - Energy Management System ISO 50001 is based on the management system model of continual improvement also used for other well-known standards such as ISO 9001 or ISO 14001. This makes it easier for organisations to integrate energy management into their overall efforts to improve quality and environmental management.

- ISO 50001 provides a framework of requirements for organisations to:
- Develop a policy for more efficient use of energy
- Fix targets and objectives to meet the policy
- Use data to better understand and make decisions about energy use
- Measure the results
- Review how well the policy works
- Continually improve energy management

# SDG Mapping

UN SDG Goal	Report sections describing activities contributing to the SDG Goal	Page no	<IR> Mapping
 2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Slum area development	108 Social and relationship capital
 3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	Healthcare: Nutrition & Sanitation	108 Social and relationship capital
		Healthcare: Multi-speciality hospital services	109
		Healthy and safe workplace	73 Human capital
 4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Education	108 Social and relationship capital
		Training & Development	78 Human capital
 5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	Gender Equality	75 Human capital
		Equality	108 Social and relationship capital
 6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	Healthcare: Nutrition & Sanitation	108 Social and relationship capital
		Clean water and Sanitation	106
		Water	120 Natural capital
 7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable, and modern energy for all	Energy Saving Technologies	123 Natural Capital
 8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	Integrating Robustness of Financial Growth with Contribution to Financial Inclusion	54 Financial Capital
		Organisational Culture	70 Human capital
		Decent work and economic growth	106 Social & Relationship Capital
 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	Our Proprietary technology Platform	59 Manufactured capital
			94 Intellectual Capital
		Next Gen Vakrangee Kendras	61 Manufactured Capital
		Launch of mobile super app	99 Intellectual Capital
		Green building offices	118 Natural Capital
		GHG emission reduction initiatives	117
		Waste	120
		Innovation and Infrastructure for the communities	106 Social & relationship capital

UN SDG Goal	Report sections describing activities contributing to the SDG Goal	Page no	<IR> Mapping	
 <b>10</b> REDUCED INEQUALITIES	Reduce income inequality within and among countries	Engagement with franchisees	102	Social & relationship capital
		Reduced inequality	105	
		Gender equality	75	Human capital
		Diversity and inclusion	74	
		Mentorship	77	
		Financial Inclusion	54	
 <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	Waste	120	Natural capital
		Energy Consumption	116	
		Working with our suppliers	122	
		GHG emissions	117	
 <b>13</b> CLIMATE ACTION	Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy	GHG emission reduction initiatives	117	Natural capital
		Green building offices	118	
		Sustainable Sourcing	114	
		Green Procurement Policy	114	
		GHG Reduction Program	114	
 <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Robust governance	115	Natural Capital
		Working with our suppliers	122	
		Business ethics	122	
		Organisational culture	70	Human capital
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# GRI Index

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	102- 1 Name of the Organization	Business Responsibility and Sustainability Report	229
	102- 2 Activities, brands, products and services	About Vakrangee	18
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	102- 3 Location of headquarter	Business Responsibility and Sustainability Report	229
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	102- 5 Ownership and legal form	Message from the Chairman	12
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	102-15 Key impacts, risks, and opportunities	Strategy and Performance – Business Risk and Opportunities	44
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GRI Standard	Disclosure	Reference	Page Number
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	102-28 Evaluating the highest governance bodies performance	Corporate Governance Framework	30
	102-29 Identifying and managing economic, environmental, and social impacts	Corporate Governance Framework	30
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# Assurance Statement



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**Independent Reasonable Assurance Statement on the non-financial performance data and information included in the Integrated Annual Report of Vakrangee Limited for the FY 2021-22**

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

**Introduction**

We, Grant Thornton Bharat LLP, have been engaged by Vakrangee Limited ('Vakrangee' or 'the Company') for the purpose of providing an independent assurance on selected non-financial disclosures presented in the Integrated Annual Report for FY 2021-22 ('the Report').

**Reporting Criteria**

The Report has been developed by the Company based on the principles of the International Integrated Reporting Framework published by the International Integrated Reporting Council ('IIRC'). The sustainability performance reporting criteria has been derived from the Global Reporting Initiative ('GRI') Sustainability Reporting Standards 2020 ('the GRI Standards'). In addition, the National Guidelines on Responsible Business Conduct (NGRBCs) for Business Responsibility and Sustainability Reporting (BRSR) and UN-Sustainable Development Goals (UNSDGs) are also considered while developing this Report.

**Responsibilities**

The preparation and fair representation of the Report in accordance with the above stated reporting criteria, which is free from any material misstatement, whether due to error or fraud, is the sole responsibility of the management of the Company. This responsibility includes establishing and maintaining relevant and appropriate performance management systems and internal control framework to facilitate collections, calculation, aggregation and validation of the data with respect to management's basis of preparation and the GRI Standards.

Our report is prepared only for the purpose of expressing reasonable assurance in relation to specified non-financial information contained in the Report to the Company's Management/ Board of Directors and accordingly, should not be used for any other purpose without our prior written consent.

Member firm of Grant Thornton International Ltd  
Grant Thornton Bharat LLP is registered with limited liability with identity number AAA-7677 and its registered office at L-41, Connaught Circus, New Delhi, 110001  
Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Gurugram, Hyderabad, Kolkata, Kochi, Mumbai, New Delhi, Noida and Pune

### Assurance Standards

Our assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements ('ISAE') 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000') issued by the International Federation of Accountants ('IFAC') and third version of AA1000 Assurance Standard ('AA100AS v3') issued by AccountAbility, a body recognized as a 'Framework Developer' by World Economic Forum's ESG Ecosystem Map.

Reasonable level of assurance under ISAE 3000 requires us to plan and perform procedures to obtain sufficient appropriate evidence on conformity of sustainability performance disclosures as per GRI Standards. Under this standard, we have reviewed the information presented in the Report against the characteristics of relevance, completeness, reliability, neutrality and understandability.

Type 1 High Assurance under AA100AS v3 requires us to obtain evidence from internal and external sources and parties including stakeholders, and at all levels of organization to conclude on the nature and extent of adherence of the Report to the AA1000AP principles, i.e., Inclusivity, Materiality, Responsiveness and Impact.

### Scope, Boundary and Limitations

#### Scope

The Scope of Work was limited to the examination of non-financial performance data and information disclosed in the Report, for the period of 01 April, 2021 till 31 March, 2022.

Non-financial performance disclosures subject to assurance are:

Capital	Parameter	Performance Indicators	GRI Disclosure
Manufactured	Vakrangee Kendras	Operational Next-Gen Vakrangee Kendras	GRI – 102
		Number of Vakrangee Kendras in General districts	
		Number of Vakrangee Kendras in Tribal districts/LWE districts/ Aspirational districts	
	Vakrangee Kendra operating model	Number of Vakrangee Kendras with Gold operating model	GRI – 102
		Number of Vakrangee Kendras with Silver operating model	
		Number of Vakrangee Kendras with Bronze operating model	
Geographical Presence	Presence in Tier 4, Tier 5 & Tier 6 cities	GRI – 102	
Insurance	Kendras included in this scheme (insurance of Kendras) as on 31/03/2022	GRI – 102	
Certifications	ISO 9001:2015 Quality Management System	-	

Capital	Parameter	Performance Indicators	GRI Disclosure
Human	Employee Details	Total Employees	GRI – 102, 401, 405
		Average Age	
		Age – under 30 years	
		Age – 30-50 years	
		Age – above 50 years	
		Year of association of employees with Vakrangee on an average	
		Voluntary attrition rate	
	Employees in Corporate Headquarter	Male	GRI – 102, 401
		Female	
		Number of women representing company's management council	
		Male/Female ratio at corporate headquarter	
	State Office	Male	GRI – 102, 401
		Female	GRI – 102, 401
	New Employees Recruited	Male & Female	GRI – 401
	Training	Mandatory training – Number of employees trained	GRI – 404
		Mandatory training – Training hours	
		Refresher training – Number of employees trained	
		Refresher training – Training hours	
		Franchises – Number of franchisees trained	
		Franchisee – Training hours	
		Security Staff – Number of security staff trained	
Security Staff – Training Hours			
Parental Leave	Female employees	GRI – 401	
Corruption	Incidents of corruption recorded at the organization	GRI – 205	
Complaints	Complaints regarding child labour, forced labour or sexual harassment	GRI – 408, 409, 419	

Capital	Parameter	Performance Indicators	GRI Disclosure
	Remuneration Parity- Ratios at corporate headquarter	Average salary across organisation	GRI – 405
		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 connected with co-workers (Good Team bonding) and happy because their managers encourage collaboration in their Team	-
		Employees feel that they can get assistance from their team whenever required and employees feel that their managers are committed towards good quality result.	
		Employees feel that they are encouraged to come up with new ideas in the work.	
		Employees feel that they have friends in the organization and employees feel that they are allowed to take leave whenever required.	
		Employees feel that their managers are capable enough to build trust between the team members.	
		Employees feel that their managers provide guidance and motivation to their team whenever required.	
Employees feel that their managers provide challenging task to them.			



Capital	Parameter	Performance Indicators	GRI Disclosure
		Employees feel that their managers are supportive and active and encourage them during team discussion.	
		Employees feel that they receive feedback from their managers which helps them to improve better	
		Employees feel that the work is equally distributed among their team	
		Employees feel that they are satisfied with their job responsibilities.	
		Employees are happy being a part of Vakrangee	
	Fatalities	Fatalities as a result of work-related ill-health	GRI – 403
Intellectual	ISO Certifications	ISO/IEC 27001:2013 Information Security Management System	GRI – 102
		ISO 20000-1:2011 Information Technology Service Management System	
		ISO 9001:2015 Quality Management System	
		ISO 27701 - Privacy Information Management System	
		ISO 22301 - Business Continuity Management System	
	R&D	R&D Expenditure	GRI – 203
	ATM Transactions	White Label ATM transactions	GRI – 203
	IoT	Number of franchisees monitored with the use of IoT (They are monitoring ATMs and electric surveillance)	GRI – 102
Data Breach	Instances of data breach in: 1. company 2. franchisee	GRI – 418	

Capital	Parameter	Performance Indicators	GRI Disclosure
	Claims	We have crossed the 5000th white label ATM Milestone and emerged as the 4 <sup>th</sup> largest ATM operator in Rural India	GRI – 203
Social & Relationship	Kendra break-up as per services	BFSI	GRI – 203
		ATM	
		E-Commerce & Logistics	
	CSR spent	Activity – wise CSR spent	GRI – 413
	Franchisee Owner	Women	GRI – 102, 405
		Divyang	
	Local Community	Kendras centered in Tier IV, Tier V and Tier VI cities – Percentage	GRI – 102
	Grievance redressal mechanism	Recorded complaints from customers, third parties, regulatory bodies and local community members, concerning breach of customer privacy	GRI – 205, 418, 419
		Recorded theft, identified leak or loss of customer data	
		Recorded complaints regarding unethical and unlawful behaviour	
Sustainable Procurement	Suppliers assessed on their environmental and social impact	GRI – 308	
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		
	ISO 20400:2017 Sustainable Procurement Management System		
Claims	We are now part of UNGC global network of over 12,000 companies and 3,000 non-business participants that are committed to building a sustainable future		
Natural	Energy	Energy consumed (Scope 1) - Diesel/Petrol	GRI – 302
		Energy consumed (Scope 2) - Grid	

Capital	Parameter	Performance Indicators	GRI Disclosure
	Emissions	Scope 1	GRI – 302
		Scope 2	
	Green Building Initiatives	Rooftop Solar PV – KWh generated	GRI – 302
	Water	Water consumed at the corporate office	GRI – 303
	Waste	Waste Generated (Corporate HQ) – Dry	GRI – 306
		Waste Generated (Corporate HQ) – Wet	
	Paperless Transactions	ATM transactions	GRI – 306
		Banking transactions	
		Digital Annual Report	
	Paper Saved	Quantity of paper saved (through paperless banking and ATM) for FY 20-21	GRI – 306
	Certifications	ISO 14001:2015 - Environmental Management System	GRI – 102, 302
		ISO 20400:2017 - Sustainable Procurement Management System	
		ISO 14064-1:2006 & ISO 14064-2:2006 - Green House Gas Emission	
		ISO 50001 - Energy Management System	

**Boundary**

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

- ☒ The Corporate Office located in Mumbai (MIDC Office)
- ☒ For Scope 2 indirect energy consumption and emissions –
  - ✓ 8 state offices located in Ahmedabad, Bhiwandi, Chandigarh, Delhi, Lucknow, Mumbai (Raylon), Raipur and Rajasthan
  - ✓ 3 Company Owned Company Operated Outlets in Andheri, Jijamata and Parel
  - ✓ 2 guest houses located in Chandigarh and Delhi
- ☒ 22,042 Nextgen Kendra outlets
- ☒ 5,888 ATMs in the 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.

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.

The 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 considered the internal controls pertaining to the preparation of the Report to design appropriate assurance procedures which included:

- ☒ Physical site visit at the corporate office for document verification
- ☒ 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,
- ☒ Reviewing data from independent sources, wherever available,
- ☒ Reviewing data, information about sustainability performance indicators and statements in the report.
- ☒ Reviewing of materiality assessment and awareness workshops;

- ☒ Reviewing the Company's stakeholder identification and engagement process;
- ☒ Reviewing of materiality assessments process;
- ☒ Reviewing and verifying of information/ data related to six capitals of International Integrated Reporting Council (IIRC) Framework;
- ☒ Reviewing of accuracy, transparency and completeness of the information/ data provided;
- ☒ Identification of gaps with respect to IIRC framework and other global standards.

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

### Conclusions

Based on the procedures performed as above, evidences obtained and the information and explanations given to us along with the representation provided by the management and subject to inherent limitations outlined elsewhere in this report, in our opinion, Vakrangee's non-financial performance data and information for the period of 01 April 2021 to 31 March 2022 included in the Report, is, in all material respects, in accordance with the Reporting Criteria mentioned above.

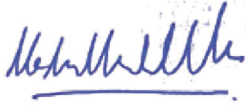
Our conclusions on the Report's adherence to the AA1000 Accountability Principles of Inclusivity, Materiality, Responsiveness and Impact are as follows:

- ☒ 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 prioritisation.
- ☒ Materiality – The Company has reported on material topics across economic, environmental, social, and governance aspects, post stakeholder consultations. However, the process of obtaining stakeholders' feedback and determination of materiality score 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.
- ☒ Impact - The company acknowledges its impact on the wider society and has established policies and processes to measure, monitor and evaluate the economic, environmental and social impacts for select aspects material to the Company. The company communicates its performance across these aspects through its integrated annual report. It also evaluates its performance through scoring from organizations like Sustainalytics and S&P Global.

### Independence

We have complied with Grant Thornton's independence policies, which are in line with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the 'IESBA Code'). The firm complies with the requirements of International Standard on Quality Control -1 ('ISQC1') and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Associate Partner

Dated: 05-August-2022

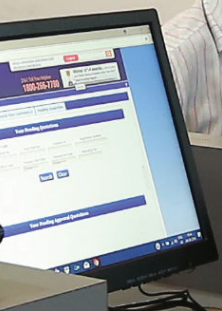


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# MANAGEMENT DISCUSSION AND ANALYSIS

Implementing a Phygital Transformation to create an inclusive India

## OVERVIEW

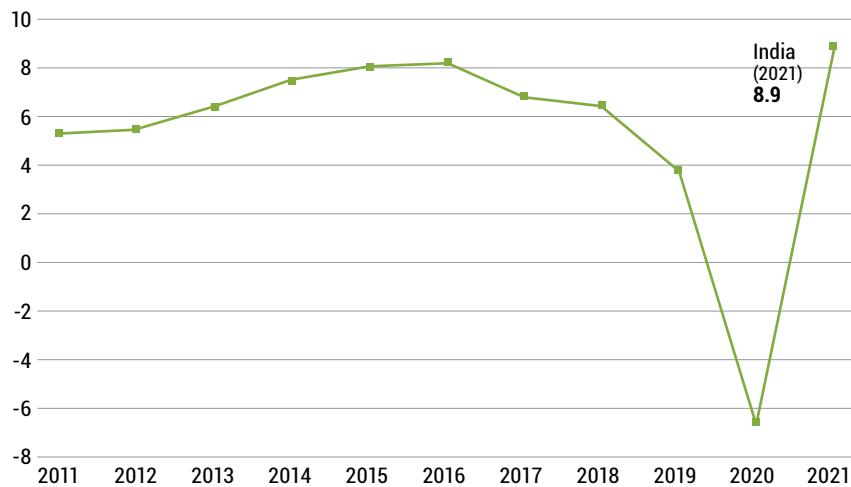
### India's Economic performance

*India has emerged as the fastest-growing major economy in the world. Although the rising global conflict and fragile economic recovery from the pandemic have slowed India's growth, the economy is expected to increase by 6.4 per cent in 2022. As per studies, India is said to become a \$5 trillion economy by 2026-27 and \$10 trillion by 2033-34. In 2022, India became the third-largest unicorn base in the world, with over 100 unicorns.*

India's services industry has been booming exponentially over the last decade. Demand has continued to improve after the economy was reopened following the Covid-19 lockdowns. With a positive stimulus for growth, India is poised to play a significant role in the revival of the global economy.



**AT VAKRANGEE, WE KNOW THE IMPORTANCE OF BEING DIGITALLY PRESENT FOR OUR CONSUMERS WHILE STILL BEING ACCESSIBLE TO ALL IN PHYSICAL FORM.**



## Fintech Industry Overview

Consumers are increasingly turning to alternative digital methods to manage their finances, and tech companies and established financial institutions are entering the fintech market. Over the next four years, the Global Fintech Market is expected to grow at a CAGR of over 20%. By 2025, the market value is estimated to be over \$305 billion.

India is one of the fastest growing Fintech markets in the world, with over 6,000 FinTech startups. The Fintech sector in India has seen funding of \$8.53 Bn (in 278 deals) in FY22. As of April 2022, India has 16 fintech startups that have achieved "Unicorn Status" with a worth of over \$1 billion.

## Opportunities for the Fintech Industry

The traditional perception of the financial services business has evolved. Fintech is an essential component of modern finance. The disruptive potential of fintech businesses can cause the

modernisation of the conventional industry, thus, lowering costs and boosting the size of the banking population in the process. This field is evolving rapidly, making it even more vital for firms to identify their opportunities and translate them into viable business solutions. Following are some of the key opportunities for the fintech industry:

**Upgrading technology:** A business needs to upgrade its technology continuously. The finance sector is known for handling large amounts of data, making AI technology essential for gathering and storing such data. Depending on the needs of the business, different AI applications should be used to assist with operations.

**Incorporating sustainability:** With the increased emphasis on environmental protection due to climate change, sustainable or green financing is another significant opportunity a business may seize. Companies looking for methods to incorporate

sustainability into their operations may consider climate-friendly investments.

## Phygital Transformation to create an inclusive India

2021 has been the year of transition. One aspect that has seen enormous growth throughout the COVID-19 crisis is digitalisation, which includes everything from online customer service to remote working to supply-chain innovation to the use of artificial intelligence (AI) and machine learning to optimise operations. Healthcare has also evolved significantly, with telemedicine and biopharma coming into their own.

We at Vakrangee have realised the importance of being digitally present for our consumers while still being accessible to all in physical form. There is a huge Underpenetrated Rural market with huge Retail & MSME Customer Base. Further, there is Lack of trust and Digital Know-how within the last mile Rural Customer base. Therefore, Physical Presence & Assistance is a Key Differentiator. Going forward, we are well structured to transition into a unique O2O (Online to Offline) platform, whereby there would be Assistance available through our Physical Kendra network along with our Digital Mobile superapp platform. Further we have strong existing Retail customer base in Rural India which we would leverage along with a clear focus on affordable pricing and unique online to offline consumer experience. We aim to be present in all postal codes of India and create a PHYGITAL transformation.

MANAGEMENT DISCUSSION AND ANALYSIS

**OUR LONG-TERM GOAL IS TO HAVE A VAKRANGEE OUTLET IN EVERY GRAM PANCHAYAT IN RURAL INDIA AND EVERY URBAN WARD IN URBAN INDIA.**



*Over Vakrangee physical kendras are active across the country, delivering essential services and assisting society amid the pandemic.*

**Our operational performance**

Our Vakrangee Kendra serves as India’s largest network of last-mile retail outlets. Our focus is on building the largest network of last-mile retail outlets driven by technology and delivering services like real-time BFSI, ATM, e-commerce, Total Healthcare Services and logistics to the unserved and underserved rural, semi-urban and urban markets in the local/state/national ecosystem providing financial inclusion in line with the government policies. The turnover and profit/(loss) figures are on a standalone basis of Vakrangee Limited are given below:

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
Total income	69,460.89	29,558.92	69,934.81
EBITDA	14,503.38	8,216.94	9,153.39
Profit before tax (PBT), before exceptional	12,957.81	6,738.59	7,667.35
Profit before tax (PBT)	12,789.15	6,738.59	8,170.76
Profit after tax (PAT)	9,935.96	5,136.12	6,452.38

Because of the pandemic, the year 2021 has been a challenging year. We have laboured tirelessly to serve our consumers and community in the face of the ongoing pandemic. This year of hard work has resulted in significant financial and operational growth. This has been made feasible by returning to business normalcy brought about by the launch of E-commerce, Online Healthcare, and other financial services.

Although the pandemic has posed several challenges to businesses, the crisis has accelerated the process of digitalisation. During the pandemic, consumers have moved dramatically toward online channels, and Vakrangee has successfully met the demands of this new-age digital world. Despite all the restrictions that came along with the pandemic, we have been able to serve over 5,000+ postal codes leading to building a network of our physical and digital outlets.

We successfully launched a pilot for Digital healthcare services across 1,000+ outlets in Q4 FY2021-22 and witnessed a 700%+ registration success rate. Adding to our list of achievements for the financial year 2021-22, we have successfully launched a pilot for Demat services across 3,500+ outlets in Q4 FY2021-22. Our Total Number of banking transactions crossed 69 million for FY2021-22, which has been very encouraging.

**₹69,460mn**

Total income for FY2022

**₹9,936mn**

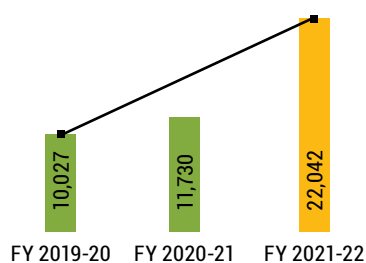
Profit after tax (PAT)

## WE ASPIRE TO BUILD A PAN-INDIA PRESENCE COVERING 100% POSTAL CODES OF INDIA.

### Our Operations

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
Operational Next-Gen Vakrangee Kendras	22,042	11,730	10,027
No of kendras offering following services:			
BFSI	22,042	11,730	10,027
ATM	5,888	5,414	4,506
E-commerce & Logistics	22,042	11,730	10,027

#### Operational Vakrangee Kendras



Our doorstep facility and access to services even in the most remote areas will ensure Indians benefit from financial, social and digital inclusion. We aspire to build a pan-India presence covering 100% postal codes of India. Our target for the next 18 months is to reach 75,000 operational Vakrangee kendras. Our long-term goal is to have a Vakrangee outlet in every Gram Panchayat in Rural India and every Urban Ward in Urban India.

### Industry's performance and outlook

#### 1. E-Governance

We are working towards bridging the gap to link India's social, digital, and financial inclusion. The services provided by Next-Gen Vakrangee Kendras include not only government-sponsored social programmes but also private-sector services. Financial inclusion strengthens the availability

of economic resources and builds the concept of savings among the poor. Financial inclusion is a critical step toward more equitable growth. For financial inclusion, the Indian Government has introduced several different schemes. These schemes intend to provide social security to the less fortunate sections of society. Following are highlights of the Government's push for financial and social inclusion:

#### 1.1 Pradhan Mantri Jan Dhan Yojana (PMJDY):

PMJDY is a National Mission on Financial Inclusion that focuses on ensuring all families in the country are financially included. The concept envisions universal banking access, with each family having at least one basic banking account, financial literacy, access to credit, insurance, and a pension plan. As per data, 43.04 crore Jan Dhan accounts were held in rural and semi-urban bank branches. As of December 29, 2021, nearly 24.61 crore account holders were women.

*"Our doorstep facility and access to services even in the most remote areas will ensure Indians benefit from financial, social and digital inclusion."*

#### 1.2 Atal Pension Yojana (APY):

The Atal Pension Yojana is a government of India initiative that protects the working poor's long-term income stability and encourages and enables them to save for retirement. APY was introduced in 2015 and is available to people between 18 and 40 with a savings or post office savings account. From the age of 60, subscribers or their nominees (in the event of the subscriber's death) would receive a guaranteed monthly pension. More than 99 lakh APY accounts were opened during FY2021-22. By the end of 2021-2022, the number of participants in the Atal Pension Yojana has surpassed four crores.

#### 1.3 Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY):

PMJJBY is a government-backed Life insurance scheme in India and is available to people in the age group of 18 to 50 years having a bank account. This life insurance policy covers the death of the policyholder at low premiums. As of March 31, 2022, the implementing insurers have collected an amount of Rs. 9,737 crore towards premium and claims of Rs. 14,144 crore have been paid under PMJJBY.

#### 1.4 Pradhan Mantri Suraksha Beema Yojana (PMSBY):

PMSBY is a government-backed accident insurance scheme in India. The Scheme is available to people aged 18 to 70 with a bank account. Risk coverage under PMSBY includes accidental death, total disability and partial disability. Since its introduction, enrollment in PMSBY has steadily grown, reaching 23.88 crore students as of July 21, 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

**VAKRANGEE IS WELL PLACED TO SUCCEED IN THE NEO BANKING SEGMENT.**



due to Underpenetrated Rural market whereby there is Last Mile unserved and underserved Retail and MSME Customer Base. Further, there is Lack of trust within the current existing user base. Therefore, Physical Presence & Assistance is a Key Differentiator along with Digital Neo-Banking services.

Vakrangee is well placed to succeed in the neo banking segment, since our unique differentiator would be digital as well as physical eco-system in place till the last mile. Further, we have a Strong existing retail & msme customer base primarily rural based with a clear focus on User experience and affordable pricing structure.

**1.5 Capital Infusion Scheme**

The Finance Ministry announced its plan to infuse Rs. 14,500 crores (US\$) as a capital infusion in public sector banks in the fourth quarter of FY21.

**2. Banking**

There are 12 public sector banks, 22 private sector banks, 56 regional rural banks, and 46 foreign banks in India. During 2016-21, deposits expanded at a CAGR of 13.93%, while credit off-take grew at a CAGR of 13.93%. So, by FY 2021, deposits have reached USD 1.9 trillion and total credit granted has risen to USD 1,698.97 billion.

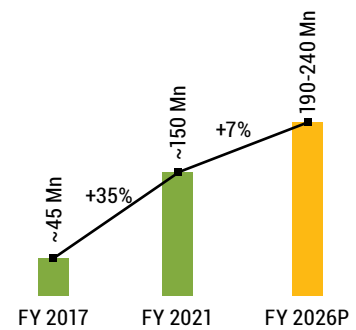
The Reserve Bank of India (RBI) has proposed universal access to financial services in its National Strategy for Financial Inclusion for 2019-24. A professional financial service provider would be available within 5 kilometres of every village. In India, less than 15% of villages have a physical bank branch, and banking correspondents (BC) are the sole financial service providers in several

areas. In face-to-face transactions, approximately 8,00,000 agents serve a population of approximately 34 crores. The report also emphasises efforts to digitally onboard customers for financial services. India has over 1.5 lakh operational commercial bank branches.

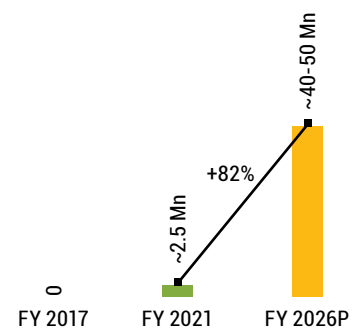
Currently, digital payment is taking the world by revolutionising payments and massively disbursement of credit. In FY21-22, UPI processed more than 46 billion transactions, amounting to over Rs 84.17 trillion. Furthermore, internet banking, biometric AEPs Banking, mobile banking, and ATMs will improve operational efficiency and complement the growing number of transactions. Rising rural income is predicted to drive the need for banking in rural areas, accelerating the banking sector's growth.

Neo Banking Opportunity In India : While currently nascent, the Indian Neobanking userbase is expected to grow fast – at 80%+ yearly till FY26. There is a huge opportunity

**Indian digital banking userbase** +X% CAGR  
In Mn, FY 2017, 2021, 2026P Estimates



**Indian Neobanking userbase** +X% CAGR  
In Mn, FY 2017, 2021, 2026P Estimates



## PHYSICAL PRESENCE & ASSISTANCE IS A KEY DIFFERENTIATOR ALONG WITH DIGITAL NEO BANKING SERVICES.

### 3. Insurance

India's insurance industry is made up of 57 companies. 24 are life insurance companies, while the remaining 33 are non-life insurers. The Government's policy of insuring the uninsured has gradually increased insurance penetration and the proliferation of insurance schemes in the country. Between 2019 and 2023, the life insurance industry is expected to grow at a CAGR of 5.3 per cent. In FY2021-22, India's insurance penetration stood at around 4 per cent, with life insurance accounting for about 3 per cent, while the non-life insurance penetration was much lower at one per cent.

Regarding insurance density, India's overall density in FY21 was US\$78. Private sector companies' market share in the general and health insurance market increased from 48.03% in FY20 to 49.31% in FY21. The Union Budget of 2021 increased the FDI limit in insurance from 49% to 74%. The Insurance Regulatory and Development Authority of India (IRDAI) has announced that insurance companies will be able to issue digital insurance policies through Digilocker. Following COVID-19, market conditions for the life insurance industry appear promising due to several changes in the regulatory framework, which will further lead to a change in how the industry conducts business and interacts with its customers. With health risks threatening society, the traditional practice of not purchasing insurance will gradually fade away. By 2031, the insurance industry is expected to be worth 317.98 billion. Furthermore, India's life insurance industry is

expected to grow by 12-15% per year for the next 3 to 5 years.

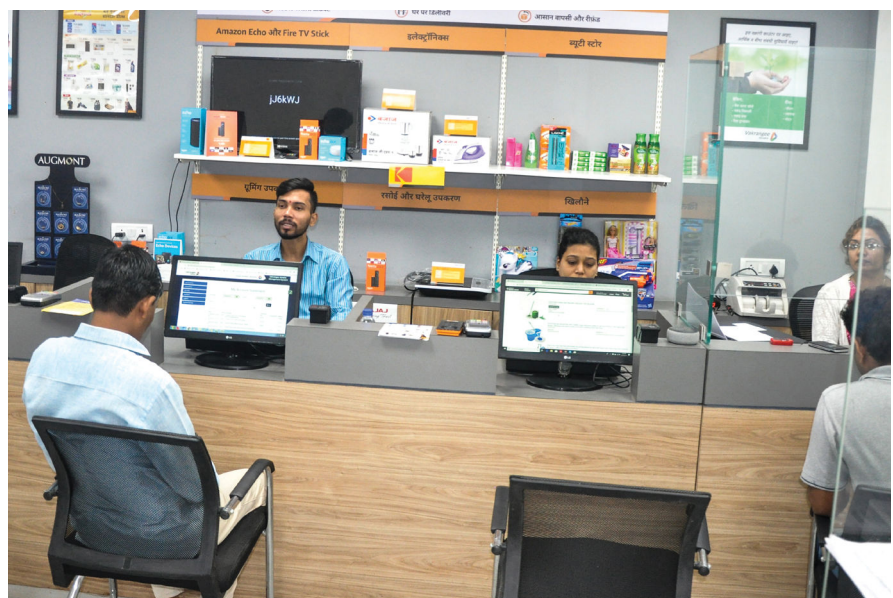
### 4. ATM

In India, cash is the preferred method of payment. The increased issuance of debit cards has not been accompanied by an increase in the number of ATMs. The country's cash withdrawals from ATMs are second only to China. India had 2,38,588 ATMs as of March 2022. Rural India has 47,490 ATMs out of this total. The country has 25,013 White Label ATMs (WLA), with 13,187 WLAs in rural India.

### 5. E-commerce

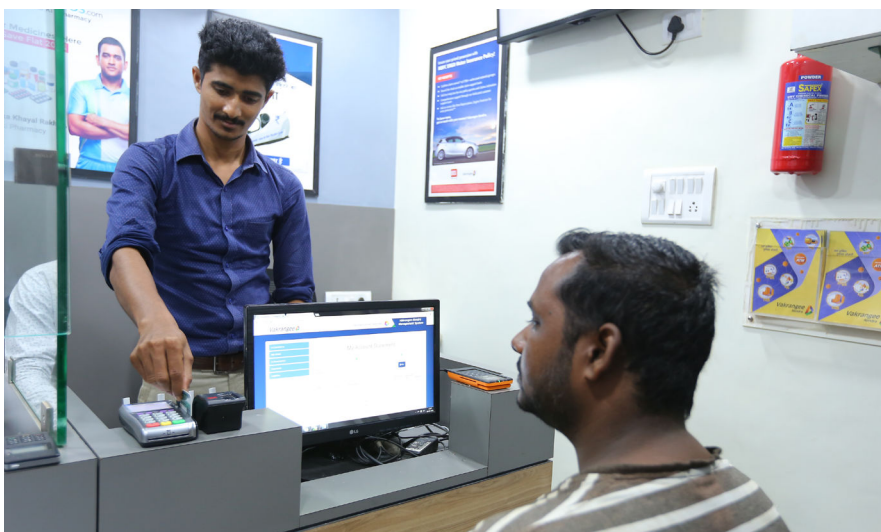
E-commerce, often known as electronic commerce, is the exchange of goods and services as well as the sending of money and data through an electronic network, most commonly the internet. During the pandemic, there has been an increase in activity and new customers for e-commerce. For the safety of their workers, many

firms were forced to close their actual storefronts and place layoffs on employees. For particular consumers, online shopping is now a requirement and preference. Rising incomes, a surge in internet users, a high smartphone penetration rate, policy improvements, government initiatives, and a young population all boost the e-commerce industry. A section of the young urban population remains on e-commerce for their technical, seasonal and daily essentials in India. However, a large population of rural and some urban populations remain untouched by the e-commerce market. To bring access to a vast diversity of products and choices to everyone in the country, there is a need to have access to all products and services at the same price across India. The Indian Online Grocery Market, which had a value of USD 3.95 billion in FY2021, is anticipated to rise at a CAGR of almost 33.00 per cent over the forecast year and reach USD 26.63 billion by FY2027.



MANAGEMENT DISCUSSION AND ANALYSIS

**EHEALTH SECTOR HAS BEEN WITNESSING RAPID GROWTH, PROVIDING HUGE LONG TERM GROWTH POTENTIAL.**



Through our business, we intend to bridge this gap of exposure and availability for our customers with our assisted online shopping platform giving an additional convenience of getting the products delivered to our Kendra. Our platform gives them access to essentials like daily staples, fashion items, to electronics.

Our association with amazon brings a secure and convenient shopping experience with a diverse range of products to our unserved audience. We assist our Nextgen Vakrangee Kendra customers in browsing through millions of products, selecting, placing orders, and paying for their chosen products.

A wide selection of high-quality alternatives and reasonable pricing improves our customer experience and takes our rural population closer to the global market.

With the new trend of e-commerce, which aims to make buying goods and services more straightforward, convenient, and pleasant for a diverse

consumer base, e-commerce will soon be a part of our daily lives.

**6. E-Health**

Ministry of Health and Family Welfare (MoHFW) has started various e-Gov initiatives in the healthcare sector in India. E-healthcare is using Information and Communication Technology (ICT) in health. It has the potential to make a world of difference in India, where mobile technologies have been penetrating at a rapid rate. The e-health initiatives have the vision to deliver better health outcomes in terms of access, quality, affordability, lowering disease burden and efficient monitoring of health entitlements to citizens. The scope of these initiatives is to make all medical facilities available all the time from any part of the world through web services, mobile services, SMS or call centre services.

At Vakrangee, our assisted online healthcare platform provides our customers with access to telemedicine and pharmacy services. Our physical Kendras & digital app

meet the unique medical requirements of numerous people through our service partners, who offer medicines at a discounted price and cost-effective telemedicine services.

We along with our service partner provides a wide range of comprehensive healthcare solutions which aims to provide the 360 degree protection including health insurance for hospitalization expenses. These healthcare plans include: -

- 24\*7 Doctor Tele / Video consultation with expert doctors
- Full Body Check-up through Blood test Package
- Discounted Pharmacy vouchers
- Diet Consultation & Psychological Consultation
- Preventive health checkup
- Health insurance for hospitalization expenses.

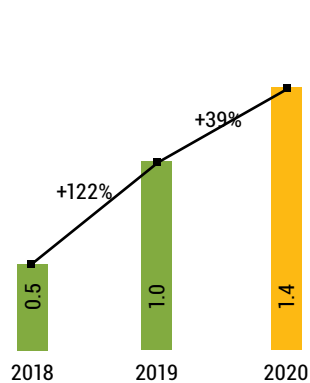
eHealth sector has been witnessing rapid growth, whereas the overall penetration rates across segments still remain low, providing Huge Long Term Growth potential. Currently, the Rural consumer requires assistance to understand different healthcare services and with Limited availability of physical doctors in rural locations, there is Lack of access to Health Infrastructure & Expert Consultation. Thereby, it provides huge opportunity for Vakrangee as we are rightly placed to leverage our physical as well as Digital eco-system across the country.

As the world continues to grapple with one of the most severe health crises, India's healthcare sector has emerged as the Government's top priority following the breakout of Covid-19.

## VAKRANGEE PLANS TO REVOLUTIONISE THE WAY HEALTHCARE IS DELIVERED ACROSS RURAL INDIA.

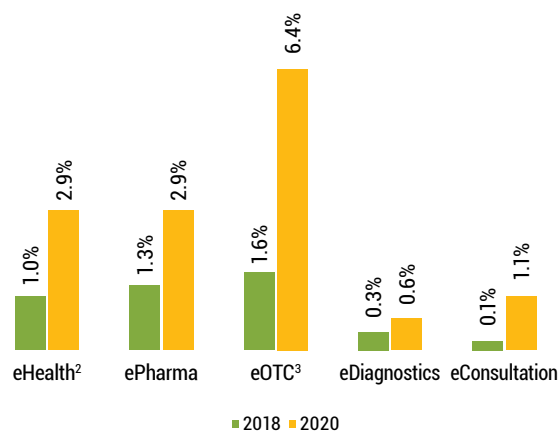
**eHealth Market GMV<sup>1</sup>**  
USD Bn, 2018-20

**Annual Growth Rate**

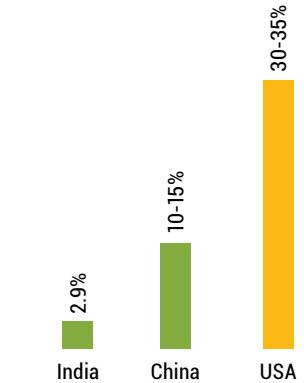


~70% of the market was led by metro cities in 2020, although the non-metro segment is growing much faster

**India eHealth Penetration**  
%, 2018, 2020



**ePharma & eHealth Penetration-  
Global Benchmarks %, 2020**



*"Vakrangee plans to transform & revolutionise the way healthcare is delivered across rural India. The service is set to give patients residing in rural locations a different experience when they see a doctor, to listen to their concerns, and do a virtual consultation."*

The budget allocation for health and wellbeing is INR 2.23 Lakh Crore in FY 2021–22 as opposed to this year's BE of Rs 94,452 crore, a rise of 137 %. Investment in health infrastructure has increased significantly. The PM Aatma Nirbhar Swasth Bharat Yojana, a new centrally funded program, would be introduced with an estimated outlay of Rs 64,180 crore over six years, according to the Finance Minister. Address the

diagnosis and treatment of new and emerging illnesses will enhance existing national institutions, develop the capacity of primary, secondary, and tertiary care health systems, and build new institutions.

In partnership with Allianz Partners, we cost-effectively provide our customers professional telemedicine services in underserved rural locations. Vakrangee plans to revolutionise the way healthcare is delivered across rural India. The service is set to give patients residing in rural locations a different experience when they see a doctor, discuss their concerns, and do a virtual consultation. We also arrange home blood tests and doorstep delivery of medicines through partner network.

### 7. Logistics

Logistics Industry in India has been growing exponentially. The rise of e-commerce, streamlined GST and government infrastructure development projects are just a few drivers boosting the domestic

logistics sector. India has played a critical role in raising its global position in cross-border trade from 146th in 2017 to 80th in 2016. The Department of Commerce is working actively to reduce logistics costs from 14 per cent of GDP to nearly 10 per cent by 2022 by building a logistics portal that will serve as a single window marketplace for all stakeholders. Logistics investments, including infrastructure, are estimated to reach USD 500 billion annually by 2025.

The global pandemic has had a negative impact on the logistic sector in India. Overall, we can see responses and inventions from several businesses in response to the pandemic. As the economy gradually reopens, we will need to adapt our business strategy to stay ahead of the growth curve. The following sections concentrate on our corporate strategy and resilience in a volatile, uncertain, complex, and confusing business environment.



## MANAGEMENT DISCUSSION AND ANALYSIS

## WE HAVE DEVELOPED A RISK MANAGEMENT POLICY TO ENABLE SUSTAINABLE AND RESILIENT BUSINESS GROWTH.

### BUSINESS RISKS AND OPPORTUNITIES

#### Risk Management Framework

*The pandemic created short-term disruptions and provoked long-term changes in how the world lives and does business. Businesses experienced a significant shock as a result of the abrupt change from the status quo.*



Being proactive in risk identification and appropriate risk management is essential given the increasingly turbulent and complicated market environment. We have developed a Risk Management Policy to enable sustainable and resilient business growth and to encourage a proactive attitude in assessing, addressing, and reporting business-related risks. Our policy complies with both RBI's instructions on risk management in banking correspondence and white label ATM (WLA) operations and Regulation 21 of SEBI LODR.

The active identification, investigation, evaluation, management, and documenting of risks that might threaten our business constitutes of our risk management process. Our Board of Directors reviews and assesses the company's risk management system on a regular basis. Our Head of Department is in charge of putting the risk management system in place, when necessary, and will report to the Board and Audit Committee.

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

- Be in charge of setting up, implementing, and overseeing the company's risk management plan.
- Ensure that all departments' and verticals' SOPs are created in accordance with the best global practises, are in compliance with ESG standards and UN-SDGs, and are risk-free in terms of both business and legal matters.
- Define the tasks and responsibilities of the Risk Management Committee, and delegate monitoring and evaluating of the risk management plan to the Committee, as well as any additional functions it deems appropriate.
- Ensure that suitable risk management mechanisms are in place.
- Independent Directors shall assist in bringing an independent judgement to bear on the Board's discussions on risk management issues and shall assure themselves that the risk management system is robust and defensible. They must also take part in significant decisions that influence the risk profile of the firm.
- Have awareness of and continually monitor management of strategic risks
- Be certain that procedures and controls are in place to mitigate less significant threats; be satisfied that a suitable accountability structure is in place so that any risk delegation is recorded, and performance can be tracked appropriately; make sure

## WE HAVE ALSO FORMED A SEPARATE BOARD ESG COMMITTEE TO HELP BE A GLOBAL LEADER IN ESG PERFORMANCE.

that the methods for board reporting and yearly reporting incorporate risk management.

- 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:

S. No.	Name of Director	Designation
1.	Mrs. Sujata Chattopadhyay	Chairperson
2.	Mr. Dinesh Nandwana	Member
3.	Dr. Nishikant Hayatnagarkar	Member
4.	Ms. Sapna Thakur	Member

### Terms of references for the Risk Management Committee are:

- To guarantee suitable procedures for risk management and to make sure that all of the company's present and future substantial risk exposures are recognized, analyzed, quantified, and properly mitigated, minimized, and managed.
- To create a structure for the company's risk management procedure and to guarantee its execution.
- To make it possible to follow the proper requirements, when applicable, by implementing best practices.
- To ensure financial stability and corporate growth.
- To evaluate actual and potential Human Rights risk related to data privacy.

- To confirm the framework for the Human Rights Risk Assessment in relation to data privacy.
- To monitor the implementation of the Human Rights Risk Assessment Framework for Data Privacy.
- To report Human Rights Risk Assessment in Data Privacy to the Board of Directors.
- To assess existing and prospective risks associated with Human Capital.
- To approve the action plan developed in response to the identified risks.
- To monitor the comprehensive action plan's execution.
- To present the Human Capital Risk Assessment findings to the Board of Directors.

Management and management information must be freely available to the Committee. It must convene at least once a year. Furthermore, as its authority, it may seek the counsel of external experts or consultants as needed. Furthermore, the Committee should evaluate the policy at least once a year to verify that it fulfils legislative requirements as well as the needs of the organisation. Risks are communicated to all stakeholders once the risk management committee has reviewed them.

While we have been proactive in risk mitigation, we have also been effective in converting risks into economic opportunities. We are committed to serving the nation by providing basic services such as banking and ATMs at over 22,000 locations. Vakrangee Kendras of the Next Generation Our business correspondents provide banking services by providing government subsidies to Jan Dhan Account customers in rural areas around the country. Furthermore, in order to reduce the need for citizens to travel, we have successfully deployed mobile van facilities throughout the Mumbai Metropolitan Region to provide essential services such as banking, ATM, online pharmacy, telemedicine health services, mobile recharge, and online grocery shopping. We intend to expand mobile van services across India in the near future.

We have also formed a separate Board ESG Committee. The Committee's goal is to analyse substantial environmental, social, and governance issues important to our business activities and to help us preserve our position as a global leader in ESG performance. The committee should undertake review process at least once a quarter. However, the assessment is conducted on an as-needed basis to examine major company strategy

Risk

Board of Directors risk review

Risk Management Committee risk review

Disclosure of risks to all stakeholders

MANAGEMENT DISCUSSION AND ANALYSIS

**IN ORDER TO CREATE LONG-TERM VALUE,  
WE FORESEE RISKS TO OUR DEVELOPMENT  
WHILE CAPITALISING ON NEW POSSIBILITIES.**

decisions and the implementation requirements of any ESG-related projects.

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

- Identifying how environmental, social, and governance concerns affect Vakrangee's potential to create value - monitoring external ESG trends and understanding related risks and opportunities
- Understanding key stakeholders' expectations
- The Committee recognises that the Board People & Remuneration Committee and the Board Corporate Social Responsibility Committee also help the Board achieve its ESG duties.

The board ESG committee is composed of the following individuals:

S. No.	Name of Director	Designation
1.	Mr. Avinash Vyas	Chairman
2.	Mr. Ramesh Joshi	Member
3.	Mrs. Sujata Chattopadhyay	Member

**The Role and responsibilities of the Board ESG committee include-**

- Evaluating the performance and outcomes of significant ESG investor initiatives/surveys, as well as global benchmarks- Overseeing the execution of major projects indicated in ESG investor surveys and global benchmarks, as well as opportunities for improvement.

- Considering developing ESG concerns to determine their relevance to the Company's long-term value generation
- Review and evaluate the overall business strategy from an ESG impact perspective
- To monitor and assess whether or not the sustainable development goals have been included into any new company strategy or new business activities.
- Assist the NRC Committee in reviewing senior management's performance in terms of ESG deliverables.

**Business Risks**

In order to create long-term value, we foresee risks to our development and those of our stakeholders while capitalising on new possibilities presented by a changing environment. Vakrangee has taken formal and systematic techniques to risk mitigation. To identify and analyse risks, we undertake risk assessments. The risk assessment is a thorough examination of threats and vulnerabilities that result in hazards and have the potential to harm our organisation. The following steps are taken while analysing and evaluating risks:

**Risk identification**

- Once identified, the possible risk should be addressed and articulated in terms of its potential consequences.

**Risk analysis**

- After identifying risks, the likelihood and consequences of each risk are determined. The precise nature of the risk and how it may impact organisational goals and objectives are assessed.

**Risk evaluation**

- The degree of risk is determined by risk appraisal, which is a mix of the likelihood of the risk and the severity of its repercussions. Once the risk size is determined, a judgement is taken as to whether the risk is acceptable. If it is deemed unacceptable, the next stage will be to identify what steps must be taken to lessen the risk.

**Risk treatment**

- Risk treatment is assessing all identified risks and then developing and implementing action plans to reduce the risks to acceptable levels. However, the emphasis is not just on limiting the negative risks, but also on how to maximise the possibilities that have been recognised.

**Risk monitoring and review**

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

**WE RECOGNISE THE SIGNIFICANCE  
OF A NEXT-GENERATION COMPANY  
MODEL IN THE DIGITAL AGE.**

**Risks identified and evaluated through these assessments are enumerated below:**

S. No.	Risk	Significance	Mitigation measure	Linkage with capital
1.	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.	<ul style="list-style-type: none"> <li>■ Financial</li> <li>■ Social and relationship</li> </ul>
2.	Rapid technological transformation	As a financial technology firm, we supply our services using electronics such as computers and printers, as well as technologies such as IoT and biometric identification. Disruptive innovations may have an impact on a company's margins.	<ul style="list-style-type: none"> <li>■ We recognise the significance of a next-generation company model in the digital age. To coincide with the government's digital payment agenda and capitalise on the opportunity, we have established a Unified Payment Platform to handle all payments, including card payments, UPI, AEPS, Aadhaar Pay, and QR, among others. It will allow our Next-Gen Vakrangee Kendras to collect money from our clients in any way. We were among the first to use the Aadhaar enabled Payment System (AePS) for banking. The implementation of an integrated digital payment method enables us to provide banking services to every Indian citizen. We are already nearing the finish of the process of implementing various payment solutions at our Kendras.</li> <li>■ We recognise that technological obsolescence is a fact. We analyse technological obsolescence on a regular basis and make the required expenditures to utilise the finest available technology. Our buying approach takes into account all legislative requirements as well as the capabilities of future upgrades.</li> <li>■ Our company has also recently created an online digital platform to provide consumers with seamless services from the comfort of their own homes. Through this, we have evolved into the unique O2O (Online to Offline) platform, whereby there is Assistance available through the Physical Kendra network along with Digital Online Services. The company has Initiated this Unique Hybrid proposition with launch of first Digital service of Telemedicine services. We intend to make many more services available via this platform. We are also building a business platform based on Mobile Super Apps: BharatEasy App, India ka Super App.</li> </ul>	<ul style="list-style-type: none"> <li>■ Intellectual</li> <li>■ Natural</li> <li>■ Financial</li> </ul>
3.	Heavy dependence on franchisee model	Although a franchisee model allows for fast development, there are still dangers involved. Our brand name and reputation might suffer if any of our franchisees experience a loss of repute. Franchisees also have lower profit margins, and legal problems might complicate otherwise efficient operations.	In the future, if necessary, we can choose an alternative franchisee model layout. In the future, we can simply implement revenue-based banking correspondence and White Label ATMs.	<ul style="list-style-type: none"> <li>■ Human</li> <li>■ Manufactured</li> <li>■ Social and relationship</li> <li>■ Financial</li> </ul>

MANAGEMENT DISCUSSION AND ANALYSIS

**WE MAINTAIN HIGH STANDARDS OF CORPORATE GOVERNANCE AND PUBLIC DISCLOSURE.**

S. No.	Risk	Significance	Mitigation measure	Linkage with capital
4.	Legal risk	As we are governed by various laws and regulations, we are exposed to legal risks in case of any violation.	To make sure that we uphold all contractual obligations, our experienced team of specialists and consultants assesses contract risks, determines our obligations, and limits our liabilities.	All
5.	Financial Reporting risk	Uncertainty in business is brought on by changing laws, rules, and standards in accounting, corporate governance, and public disclosure, such as SEBI guidelines and Indian stock market listing restrictions. Different interpretations may result from new rules, norms, and regulations that may not be sufficiently precise. As new guidelines are issued by regulating and governing authorities, their application may change over time. Due to constant adjustments to these corporate governance rules, this might lead to persistent ambiguity over compliance issues and greater compliance expenses.	We maintain high standards of corporate governance and public disclosure to abide by evolving laws, regulations and standards.	<ul style="list-style-type: none"> <li>■ Financial</li> <li>■ Social and relationship</li> <li>■ Human</li> </ul>
6.	Corporate Accounting fraud	Accounting fraud, often known as corporate accounting fraud, can put a corporation at risk by misusing or diverting cash, overstating revenues, understating costs, etc.	We mitigate these risks by: <ul style="list-style-type: none"> <li>■ Understanding applicable laws and regulations</li> <li>■ Conducting risk assessment</li> <li>■ Enforcing and monitoring code of conduct for key executives</li> <li>■ Instituting whistle-blower mechanisms</li> <li>■ Deploying strategy and process for implementing new controls</li> <li>■ Adhering to internal control practices that prevent collusion and concentration of authority.</li> <li>■ Employing mechanisms for multiple authorization of key transactions with cross-checks</li> <li>■ Scrutinizing management information to identify dissimilarity of comparative figures and ratios</li> <li>■ Creating a favourable atmosphere for internal auditors in reporting</li> <li>■ Highlighting any instance of minor non-adherence to procedures and manuals, and a host of other steps throughout the organisation</li> </ul>	<ul style="list-style-type: none"> <li>■ Financial</li> <li>■ Social and relationship</li> <li>■ Human</li> </ul>

**WE PRIORITIZE  
PRIVACY AND  
SECURITY OF DATA.**

S. No.	Risk	Significance	Mitigation measure	Linkage with capital
7.	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"> <li>■ 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.</li> <li>■ Mandatory Access Control (MAC) limits the access of each user to a set of tasks and timeframe.</li> <li>■ Digital signatures using asymmetric encryption: regular audits, hash chaining are standard practices to keep our data secure.</li> <li>■ Monitor logs on a real-time basis to identify anomalies, misuses and abnormality.</li> <li>■ Data tagging and time stamps to trace unauthorized activity.</li> <li>■ Maintaining the confidentiality and integrity of data requires encryption. Data in-transit and at rest within databases are encrypted. By using SSL encryption to connect the client and server, we offer extra security for data in transit and make sure that only reliable computers can decrypt the data. Encryption of data within the database, access control, masking sensitive data and stringent authorization policies, keeping security patches up to date. Even if there is a system breach, the data itself is safe thanks to the granular encryption that is used on all data.</li> <li>■ Key exchange policy: Loading and managing ATM encryption keys. The management of the key life cycle, including the creation, distribution, and injection of ATM encryption keys, is made easier by the Hardware Security Module (HSM). The inbuilt secure cryptographic device for key storage is part of these tamper-evident, tamper-responsive servers, which also abide by all other important industry standards like ISO, PCI, DSS, etc.</li> <li>■ We have installed "anti-skimming card reader" at its ATMs to prevent skimming attacks.</li> </ul>	<ul style="list-style-type: none"> <li>■ Financial</li> <li>■ Social and relationship</li> <li>■ Human</li> <li>■ Intellectual</li> </ul>
8.	Theft of physical assets	The security and safety of franchisees and stores is critical. As a result, any danger of theft, physical burglary, or damage or loss to the outlet must be avoided. The ATM is a significant corporate asset that is transferred to the franchisee on a custodial basis. As a result, adequate maintenance and security of the ATM asset have been of paramount significance to the organisation.	<ul style="list-style-type: none"> <li>■ We have put in place a master insurance plan that now covers all of the Kendra's hardware, including ATMs, cash in transit, and cash at outlets up to INR 10 lakhs.</li> <li>■ A one-of-a-kind product handles ATM maintenance. Simple maintenance plus insurance covers all-year service of ATMs as well as coverage for any damage to spare components.</li> </ul>	<ul style="list-style-type: none"> <li>■ Financial</li> <li>■ Social and relationship</li> <li>■ Human</li> <li>■ Manufactured</li> </ul>

MANAGEMENT DISCUSSION AND ANALYSIS

**WE HAVE RECENTLY LAUNCH AN ATTRACTIVE MASTER FRANCHISEE SCHEME WHEREBY WE ARE IN PROCESS OF APPOINTING DISTRICT LEVEL MASTER FRANCHISEES ACROSS THE COUNTRY.**

**Risk identified and mitigated for the current financial year:**

Risk Identified	Mitigation Strategy
<p>The COVID-19 pandemic has affected various business services. The lockdown implemented across the country impacted customer visits to outlets as well as field visits to monitor and train the franchisees.</p>	<p><b>Mitigation 1:</b> Because Vakrangee is a vital service provider, our banking and ATM services remained operating during the shutdown, which benefited our franchisees because their core services remained functioning.</p> <p><b>Mitigation 2:</b> Doorstep banking service: During the lockdown, Vakrangee banking Business Correspondents (BCs) offered doorstep banking services to Jan Dhan Account Holders in remote rural regions, particularly senior citizens and retirees.</p> <p><b>Mitigation 3:</b> Launch of Digital Vakrangee Kendra: Unique Hybrid Model (Online to Offline)</p> <ul style="list-style-type: none"> <li>■ Vakrangee has entered the digital market space by delivering digital healthcare services. Vakrangee has grown into a one-of-a-kind Hybrid O2O (Online to Offline) platform, with support available through a physical retail network as well as digital online services.</li> <li>■ With this, Vakrangee hopes to provide its clients with the option of using multiple partner services at the company's physical locations as well as its online digital platform. This would make it easier for customers to transact. Furthermore, the existing Kendra network serves as a one-of-a-kind providing of physical help to customers, fostering greater trust and comfort. This has grown into a unique hybrid concept in which clients can select to use Vakrangee services at their leisure.</li> </ul> <p><b>Mitigation 4:</b> The COVID-19 epidemic has produced unprecedented disruptions in the industry, thus Vakrangee is using technology, adopting process automation, and launching creative Digital projects as new methods of conducting daily business and managing field operations.</p>
<p>The security and safety of the franchisee and its outlet are of the highest significance, thus any danger emerging from theft, physical burglary assault, or any harm or loss to the outlet must be addressed. Furthermore, the ATM is a significant corporate asset that is provided to the franchisee on a custodial basis. As a result, appropriate maintenance and security of the ATM asset have been of paramount importance.</p>	<p><b>Mitigation 1:</b> We have created a master insurance policy that now covers the whole Kendra hardware, ATM machine, cash-in-transit, and cash at outlet up to Rs. 10 lakhs.</p> <p><b>Mitigation 2:</b> ATM maintenance is totally taken care of by a one-of-a-kind solution that includes all-year servicing of the ATM as well as covering for any damage to spare parts through a simple maintenance + insurance programme.</p>
<p>The Indian government has prioritised digital payments across the country. Currently, not all payment mechanisms, such as QR code and UPI payments, are supported by the Kendra network.</p>	<p>We recognise how crucial it is in the digital world to have a next-generation company model. We have created a Unified Payment Platform to handle all payments, including card payments, UPI, AEPS, Aadhaar Pay, and QR codes among others, in order to support the government's aim of digital payment and capitalise on the advantage.</p> <p>As a result, our Vakrangee Kendras will be able to take payments from consumers using any type of payment method. We are one of the forerunners of the banking system that is Aadhaar enabled Payment System (AePS) based. We now have the ability to make banking services available to every Indian citizen, even down to the last tier, thanks to the adoption of an integrated digital payment method. The rollout of all types of payment options at our Kendra is already nearing completion.</p>

## OUR COMPANY HAS RECENTLY LAUNCHED AN ONLINE DIGITAL PLATFORM TO PROVIDE CONSUMERS WITH SEAMLESS SERVICES.

### Risk monitoring and communication

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

#### Risk monitoring tool

**Granular auditing:** In order to identify any form of cyberattack or malicious activity, we analyse network logs, which is always profitable and helpful.

**Data provenance:** To precisely identify the source of the data and enable additional validation as well as access control, we categorise the data.

#### Periodic Audit

Audits provide a structured documentation procedure that continuously evaluates operational reality to stated principles and standards. It also aids in meeting regulatory requirements.

#### Training management

To ensure the effectiveness, learning, and development of our staff, our training programmes are delivered via a variety of mediums. Staff, ATM custodians, and banking operators all receive extensive training.

#### Surveillance

All Next-Gen Vakrangee Kendras have centralised closed-circuit surveillance (CCTV) that monitors ATM and banking activities around the clock. Furthermore, our locations are constantly manned throughout business hours.

#### Risk Communication

The Risk Management Committee promptly informs the Managing Director and/or Compliance Officer about risk discovered and mitigation procedures to be performed after successful monitoring and identification of risk. Furthermore,

it is communicated to the Board of Directors during a Board meeting.

In the case of a significant and large risk, the Board will be quickly contacted for review and advise on mitigation steps to be adopted.

### Internal control system and adequacy

We have always prioritised establishing a robust internal control system that is proportionate to the Company's size and nature of operations. Vakrangee's internal controls are designed to provide reasonable assurance in recording and providing reliable financial and operational information, complying with applicable statutes, protecting assets from unauthorised use or loss, executing transactions with proper authorization, and ensuring compliance with corporate policies, laws, and accounting standards.

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.

### Business opportunities

#### Revolutionizing rural healthcare

Vakrangee's latest partnership with vHealth by Aetna, Medi Buddy and Allianz Partners broadens our supply of essential items to India's underprivileged and unserved population.

When people in remote areas contact a doctor digitally, they will have an unique experience owing to the telemedicine service. We will also be able to organise home blood testing and medicine delivery through partner network.

With this collaboration, we have increased the spectrum of services accessible at our unique Vakrangee Kendras, transforming them into one-stop shops for all of our customers' healthcare needs.

#### Business expansion

We have recently launch an attractive Master Franchisee scheme whereby we are in process of appointing District level Master franchisees across the country. This new initiative would help us scale at a much faster pace and thereby achieve our Long Term targets well ahead of targeted timelines. Master franchisee shall be responsible for end to end monitoring and ensuring operational compliances for there respective franchisees.

#### Launch of Digital Platform: BharatEasy Mobile Super App

Our company has recently launched an online digital platform to provide consumers with seamless services from the comfort of their own homes. We have grown into a unique O2O (Online to Offline) platform, with assistance available through the Physical Kendra network as well as Digital Online Services. We launched a unique hybrid concept with the launch of our first digital telemedicine service. We intend to make many more services available via this platform. We are also building a business platform based on Mobile Super Apps: BharatEasy App, India ka Super App.(Currently under Beta Trial version) Our consumers would have access to a wide range of Products and Services by downloading a single Vakrangee's BharatEasy Super App mobile application, drastically reducing the need to move between various apps. This would result in a better customer experience and more convenience for the customer. Customers can utilise it on a daily basis since it can provide a seamless, multi-service, integrated, and efficient experience.



MANAGEMENT DISCUSSION AND ANALYSIS

**WE ESTIMATE THAT OUR GROSS TRANSACTION VALUE WOULD CROSS US\$50 BN ANNUALLY OVER THE NEXT 5 YEARS.**

**VAKRANGEE'S PERFORMANCE HIGHLIGHTS**

*Our Next-Gen Vakrangee Kendras have repeatedly shown to be a symbol of adaptability, resilience, and stability in this new normal of COVID 19. In other words, our outlets are powerhouses of minimal footprint and maximum value. This section gives an overview of how we generate value across various stakeholders.*



**Performance of our Next-Gen Vakrangee Kendras**

**1. Product-wise performance**

Our 22,042 Vakrangee Kendras have performed exceptionally in delivering our promise of convenience and inclusiveness to India's underprivileged and unserved citizens. Whether it is keeping outlets open till late at night or helping citizens during the COVID-19 pandemic, our franchisees have proudly supported building a resilient India. Our product-wise performance results present our hard work, sincerity and endurance to achieve our mission. In FY 2021-22, our ATMs recorded a total number of transactions of more than 53.2 million, while the gross value of ATM transactions stood at over INR 113 billion. Similarly, the number of transactions for our banking service was around INR 69.7 million recording a gross value of INR 351 billion in the reporting year.

We estimate that our Gross Transaction value would cross US\$50 billion annually over the next five years and No. of our transactions would cross a billion transactions annually. We are transitioning into a neo-bank model, allowing us to reach all of India at a lower cost.

S. No.	Particulars	FY 2021-22	Explanation
1.	Debtors Turnover (%)	0.70	It is assumed that the entire revenue from operations represents total credit sales, fewer sales returns and allowances. The ratio between the average trade receivables and the revenue from operations is considered
2.	Inventory Turnover (%)	152.54	The ratio between the revenue from operations and the average inventory between the beginning and end of FY 22 is taken. The net sales are considered in this regard
3.	Interest Coverage Ratio (%)	NA*	We have not incurred any 'Finance Cost' during the FY and thus, the ratio is not applicable

**WE HAVE COMMITTED TO INCORPORATING  
THE UN GLOBAL COMPACT AND ITS GUIDING  
PRINCIPLES INTO OUR COMPANY'S STRATEGY.**

S. No.	Particulars	FY 2021-22	Explanation
4.	Current Ratio (%)	12.32	There has been an increase in current assets as well as an increase in current liabilities, and the value signifies the ratio between the current assets to the current liabilities
5.	Debt Equity Ratio (%)	NA*	Considering we are unleveraged, 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
6.	Operating Profit Margin (%)	18.72%	For the computation of the ratio, EBIT is taken without considering the exceptional items
7.	Net Profit Margin (%)	14.35%	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
8.	Return on Net worth (%)	4.06%	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 a standalone basis.

\* There is no long term debt / borrowings and finance cost, hence these ratios are not applicable

## 2. Capital-wise performance

In the financial year 2021-22, the total income of our Company stood at INR 69,460.89 lakhs, while the EBIDTA stood at INR 14503.38 lakhs in FY 2021-22. The PAT stood at INR 9,935.96 lakhs in FY 2021-22, and the EPS (basic) for the face value of INR 1 stood at INR 0.94 in FY2021-22.

## 3. Manufactured capital

We have made considerable progress towards our aim of reaching the last mile and providing quality services to the people. Through our presence in the remotest parts of the country and the evolution of our services to benefit the community, we have ensured growth through financial, digital and social inclusion. We implemented the Unique Hybrid Model to supplement our physical locations with a digital platform, making our services more accessible even amid the countrywide lockdown and restrictions. We have not only introduced new innovative service offerings but also expanded our geographical presence by reaching 22,042 operational Next-Gen

Vakrangee Kendras in FY21 compared to 11,730 in FY20

We have navigated the pandemic strategically while providing essential services to the nation, such as telemedicine and doorstep banking. More than 84% of Tier IV, Tier V and Tier VI sites were covered by our geographical footprint, distributed throughout 32 states, 564 districts, and 5510 postal codes. We have served 4,582 LWE, tribal and aspirational districts.

Since 1998, we have been ISO 9001:2015 certified, demonstrating our commitment to fostering innovative change and continuously improving the goods and services we provide to our clients. Our strategic approach and robust technology enabled us to bridge the gap between rural and urban India. We look forward to serving the unserved and underserved populations to build a resilient nation.

## 4. Human Capital

One of the most important stakeholders for the Company has always been our employees, for whom

we constantly work to improve their knowledge and abilities, which helps improve their performance. We value our employees and motivate them to achieve our shared goal of serving underserved and unserved citizens of India. We have a strong workforce of over 200 employees who bear testimony to our commitment. As a result of investing in human capital, we have experienced increased productivity, employee loyalty and motivation to work.

We are the signatories of UNGC and thus support ten principles of the United Nations Global Compact (UNGC) on human rights, labour, environment, and anti-corruption. We have committed to incorporating the UN Global Compact and its guiding principles into our Company's strategy, culture, and day-to-day operations and engaging in collaborative projects that advance, particularly the United Nations Sustainable Development Goals.

Furthermore, we have collaborated with central nationalised banks and, in principle, authorisation to establish

## MANAGEMENT DISCUSSION AND ANALYSIS

## WE AIM TO ACHIEVE A 1:1 RATIO OF MALES AND FEMALES ACROSS THE ORGANISATION BY 2025.

and operate the Bharat Bill payment operating unit. We are members of well-recognised industrial bodies in the country, such as CATMi, BCFI and NPCI.

Our drivers of value for human capital are:

**Organisational culture:** Our objective is to bring meaningful work and continuous engagement to our work culture. We believe that a professional and respectful work culture increases productivity, growth and positivity. To achieve this objective, we seek fair resolutions, base our decisions on merit, treat all stakeholders equally, and maintain transparency in the decision-making process.

**Leveraging Technologies:** As the world has faced unprecedented disruption caused by Covid-19, we are focusing on utilising technologies adopting process automation and launching creative digital projects as new approaches to managing field operations and day-to-day business. The training sessions are provided to franchisees, who can log in daily through the set up of business-wise VC channels. We also provide live, two-way conversations with centralised HO-level relationship managers and direct business teams to resolve their queries.

**Human Rights:** Our human rights objectives include adhering to labour laws, creating awareness of human rights among employees, giving equal opportunity for employment, a harassment-free workplace, employee health and safety, and a grievance mechanism for employees.

**Diversity and inclusion:** We prohibit discrimination based on an individual's race, colour, religion, disability, gender, national origin, sexual orientation, age, genetic information or any other legally protected status. Our efforts have resulted in 11.4 per cent of staff being women.

**Gender equality:** We ensure gender equality by taking initiatives like Pay Equity Committee, salary negotiations, a fair reward system, pay transparency, bonus, flexible work schedules, and average increment of women employees. We aim to achieve a 1:1 ratio of males and females across the organisation by 2025.

**Targeted recruitment:** Our goal is to hire the best talent across the country from diverse backgrounds, which resembles that we provide equal opportunities to everyone. Because our outlets are present across India, we work with people from diverse backgrounds to achieve common organisational goals. Our recruitment criteria consider aptitude, competency mapping, skill set benchmarking, and ability.

**Mentorship:** Mentorship programs for guiding our employees in their professional lives include minority group programs, women mentorship programs, especially abled mentorship programs, military mentorship programs, new-joiner programs, and mentor and buddy programs.

**Training and development:** We have trained our employees on ISO certifications, induction, behavioural aspects, etc., by imparting 1476 hours on their training.

**Talent retention:** We can reduce turnover among new joiners by 8% in the first 180 days of their employment through our onboarding and joining process. For years, employees have been associated with our Company and in FY 2021-22, we recorded a voluntary attrition rate of permanent employees at 14.2%.

**Employee satisfaction:** We execute various employee engagement initiatives, such as competitions, family events, sponsorships, and motivating programs. Moreover, we also conduct employee engagement surveys and provide services to employees from the in-house store.

**Health and safety:** To promote health and safety, we take the following initiatives as Employee Assistance Program, practical wellbeing and support, yoga classes, fire safety and emergency drills, etc. During the Covid-19 outbreak, we assigned a dedicated doctor for online and digital telemedicine consultation for all employees.

**Grievance redressal:** We have a qualified team of professionals to address grievances for all our stakeholders.

### 5. Social and Relationship Capital

In Social and Relationship Capital, we focus on engaging with stakeholders effectively to understand our Company's expectations. We have a trusting relationship with key stakeholders such as franchisees, customers, business partners, the local community we operate, shareholders, suppliers and government or regulatory bodies. We always work by maintaining

**IN FY 2021-22, WE CONDUCTED 18,089 HOURS  
OF TRAINING ON ISO CERTIFICATIONS,  
INDUCTION, BEHAVIOURAL ASPECTS, ETC..**

cooperation and trusting relationships with our stakeholders by maintaining transparency. 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 indicate our commitment to building strong relationships and help guide us and adapt to our stakeholders' requirements.

### 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.

### Franchisees

- We empower rural entrepreneurship, employment generation as well as skill development.
- Kendra outlets were operational amidst the pandemic with all Safety protocols in place.
- Doorstep Banking was introduced primarily for senior citizens and old-age pensioners.
- Tele Medicine Services which provided professional medical consultations by expert doctors and reduced physical consultations

### Suppliers/ Vendors

- Assessed four suppliers based on their social and environmental impact. Moreover, we conducted regular meetings and held internal audits to monitor their performance on our ESG requirements.

### Customers

- We have entirely focused on providing a sustainable business model to enable Indians to benefit from financial, social and digital inclusion.

### Government and Regulatory Authority

- We have no direct relationship with Government bodies; however, we own a license from the Reserve Bank of India to set up and manage White Label ATMs. We are the 12th largest and 4th largest ATM operator in India and rural India, respectively.
- Tie-ups with central nationalised banks for Business Correspondents
- Member of CATMi, BCFI and NPCI, well-recognised industry bodies in the country

### Local community

- Sponsor activities like marathons encourage our employees to participate in the run to promote the significance of an active life.
- We operate a multi-speciality in the heart of Kota where we undertake all the multi-speciality treatments on a no-profit no-loss basis, including cardiology, neurology, urology, general surgery, gynaecology, orthopaedic, gastroenterology.
- We are an industry partner in the setting up IIIT Kota and have contributed Rs. 3.20 crore as 2.5% of the total capital cost of Rs. 128 crores.

MANAGEMENT DISCUSSION AND ANALYSIS

**BEING A GROWTH-ORIENTED COMPANY, WE CONSTANTLY WORK ON INNOVATING OUR SERVICES.**

**6. Intellectual Capital**

Being a growth-oriented company, we constantly work on innovating our services. With our last mile services to bridge the gap between the rural and urban population of our country even during the pandemic, we are bringing innovation to serve the large section of our society, for people who need more attention with services like doorstep facilities, Digital Kendras and Tele medicine which includes the facilities like a consultation by doctors, medical deliveries at homes.

- Data privacy and security – With our ISO/IEC 27001:2013, ISO 27701, ISO 20000-1:2011 and more
- Risk assessment models for data protection
- Next-Gen payment systems - Contactless payment
- Artificial Intelligence and Natural Language Processing - Cognitive systems that think and respond like human experts
- Virtual Assistance - Offers users to experience the spatial presence
- Internet of Things - Smart devices can all be connected and remotely controlled
- Chatbot Conversational Interface and Designs - identifies the context in the text chat by the person and respond to it in the most appropriate way
- Blockchain - A shared, immutable ledger that facilitates the recording of transactions and tracking of assets in a business network
- Big data and data analytics - Large or complex collection of data is processed deeply, and conclusions and predictions are drawn
- Adopted AR and VR technologies to virtually experience the product or service before buying without making them physically available.
- Introduced conversational interfaces using NLP for human-like voice conversation designed to assist customers.

A few highlights in FY 2021-22 are:

- We are certified in the relevant ISO standard certifications, ensuring we have proper systems and processes to run our operations. ISO/ IEC 27001:2013 Information Security Management System protects sensitive data of the Company and our customers
- ISO 27701- Privacy Information Management System, which ensures the enforcement of compliance with mandatory regulatory, internal compliance, best practices, legal and ethical requirements along with the need for managing risk

- 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 22301- Business Continuity Management System specifies the requirements for a management system to protect against, reduce the likelihood of, and ensure that the organisation's business recovers from disruptive incidents
- Our investment in R&D and advanced technology for FY 2021-22 was more than INR 88 lakhs
- We have trained all the employees and 22,042 franchisees in advanced technologies
- As a result of strengthening data security in our operations, we faced 0 instances of a data breach in our corporate office and outlets
- 100% of franchises are using IoT, along with all 5,880+ ATM Franchisees
- 100% of franchisees are using electric surveillance
- As an Innovative key step toward Digital initiatives, the Company has Launched Digital Vakrangee Kendra: Unique Hybrid Model, i.e., creating a phygital platform that allows us to engage with consumers both physically and digitally.

## WE ARE MOVING TO FURTHER REDUCE OUR GHG EMISSIONS BY USING RENEWABLE ENERGY IN OUR LAST MILE INFRASTRUCTURE.

### 7. Natural capital

#### Growth with environmental stewardship

The pandemic has made us realise how dynamic and volatile markets are. Businesses had to shift and adapt to new methods from their conventional ways in just a few months to survive, compete, sustain and succeed. The pandemic's various challenges and opportunities made businesses adapt to new business strategies. We also understood the need for resilience in operation and to meet constantly changing consumer behaviour. To form resilience and further boost our growth while keeping the environment in mind, we have set short-term and long-term targets to curb our carbon emissions and minimise our footprint. We demonstrate our commitment to perseverance by providing our customers with the best means of digital, social and financial services while complying with environment-conscious methods.

#### Impact of initiatives

We have environmental impact reduction imbibed in our business model; with our well-defined corporate policies, we have guidance to perform our business in an environmentally conscious way.

- Go-Green Initiatives has introduced paperless ATMs, eliminating paper consumption and paper waste.
- Biometric-enabled paperless banking has made our Next Gen Vakrangee Kendras reduce paper consumption and nearly eliminate paper waste.

- Expansion of Next Gen Vakrangee Kendras in rural India has reduced the distance travelled by customers and stakeholders, reducing overall fuel consumption and greenhouse gas emissions.

#### Management Discussion and Analysis

- Our corporate offices are built on the Green Building concept, with energy-efficient design, onsite renewable energy through rooftop solar photovoltaic (PV) panels, daylight harvesting through glass walls, using recycled material and net-zero discharge initiatives.
- We are reducing fuel consumption and greenhouse gas emission by incentivising commuting by carpool/vanpool, bike, and public transit for employees.
- We use existing infrastructure for our Next-Gen Vakrangee Kendras to reduce greenhouse gas emissions, biodiversity disturbance, fuel consumption, land clearing for utilisation and water consumption by construction.
- We are creating free-of-charge clean water drinking facilities in all our Next-Gen Vakrangee Kendras. Almost 84% of Next-Gen Vakrangee Kendras are in tier IV and tier VI cities making it an anytime-access clean drinking water source for the rural population.

- We maintain a sustainable waste management philosophy with the concept of circularity through waste management, recycling and eco-friendly disposals through industry best practices. Further extending our commitment to the environment-friendly business, we have restricted the use of plastic drinking water bottles and replaced them with glass water bottles for office meetings.
- We are moving to further reduce our GHG emissions by using renewable energy in our last mile infrastructure, leveraging technology, incorporating more green innovations, reducing paper waste through digital transactions and overall creating an energy-efficient ecosystem for our business.
- 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, ISO 50001 - Energy Management System.

MANAGEMENT DISCUSSION AND ANALYSIS

**WE AIM TO SET UP 75,000  
VAKRANGEE KENDRA OUTLETS  
IN THE NEXT 18 MONTHS.**

**BUSINESS OUTLOOK – OUR CORPORATE STRATEGY**

*We have emerged as a leading player at the forefront of driving financial inclusion and social inclusion initiatives through its network of Kendras.*



We've aligned our sustainability initiatives with the Sustainable Development Goals of the United Nations. These goals serve as a roadmap for a better future through a phygital transformation to create an inclusive India. We aim to effectively implement these goals and solve global issues such as poverty, inequality, climate change, environmental degradation, prosperity, and peace and justice. Our ESG framework is founded on

the overall sustainable development of the economy as a whole. We incorporate Environmental, Social and Governance (ESG) initiatives in our fundamental business process for sustainable development.

We aim to bring financial and digital literacy to the bottom of the socioeconomic pyramid by physically and digitally serving India's unserved and underserved rural and urban populations. We serve as the biggest equaliser by bridging the gap between urban and rural India's financial, social, and digital inclusion.

Through the promotion of government financial schemes and social inclusion efforts such as PMJDY and social security insurance schemes, we want to achieve financial inclusion. We offer universal access to banking, insurance, and pension plans along with the Direct Benefit Transfer of subsidies.

We continue to make our services accessible and aim to set up 75,000 Vakrangee Kendra outlets in the next 18 months.

Our vision is to create the world's largest franchisee-based distribution channel in India with a strong focus on Rural India. We estimate that our Gross Transaction value would cross US\$50 billion annually over the next five years and no of the transactions would cross a billion transactions annually. This would result in significant growth in Revenues and profitability as our business model is asset light franchise-based model with substantial operating leverage. Our Cash Adjusted Return on Capital would improve significantly.

## WE ESTIMATE THAT OUR NUMBER OF THE TRANSACTIONS WOULD CROSS A BILLION TRANSACTIONS ANNUALLY.

The concept underlying the Company's projected target is to have a presence in every District and Postal code across the country, ensuring that every person has access to necessary vital services within walking distance and within reach of their phones. Vakrangee aspires to be India's No. 1 retailer by providing creative concepts and cutting-edge technology to enable universal financial, digital, and social inclusion.

We are advancing financial, digital, and social inclusion in rural India through our innovative business strategy and extensive network of stores. Our ultimate goal is to ensure that every Indian has access to the global markets and benefits from financial, digital, and social inclusion.

Our strategy is to steadily increase the service offering bouquet so that citizens can access the most significant number of services possible under one roof. For customers, our goal is to become their go-to store for everyday needs and convenience services. Our goal is for our customers to relate to our motto of "Sab Kaam Ek Dukaan" or "Ab Poori Duniya Pados main".

### **The "Vakrangee Effect": adopting economic, social and governance aspects**

The extensive network of our operations using the phygital model, i.e. creating a presence in both the physical and digital world, has led to the financial empowerment of a large segment of society previously excluded from mainstream economic development. We've aligned our corporate growth plan with sustainable development goals and principles of responsible

business practices. We work with the Government and corporate sector to promote financial, social, and digital inclusion in India's rural areas.

Our mission is to successfully integrate these goals into our strategy and business operations and solve global concerns such as poverty, inequality, climate change, environmental degradation, prosperity, peace, and justice.

We are now part of a worldwide network of over 9,500 businesses and 3,000 non-profits dedicated to creating a more sustainable future. Increased participation of people will further support industrialisation, agriculture, and the creation of a larger market for products and services.

Subsequently, with the 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 and energised. We call this "The Vakrangee Effect".

As a company, we are always planning, and our strategy is always to grow the business organically. We want to expand our network to 75,000 Vakrangee kendras in the next 18 months.

### **Phygital Transformation To create an inclusive India.**

We have realised the importance of establishing physical and digital platforms for our consumers to access our services. The pandemic helped us understand that for a business to be resilient, it needs to be at par with its peer and keep up with the change in consumer behaviour while updating its technology. Our ultimate goal at Vakrangee is to

ensure that every Indian has access to the global markets and thus benefits from financial, digital, and social inclusion. We are fostering Phygital Transformation to create an inclusive India through our extensive physical and digital outlets network. To allow this process to fast-track, we are trying to be present in both the physical and digital worlds. Our commitment to creating an inclusive nation can be achieved with the help of the following:

#### **Social inclusion:**

- **Enhancing skills:** Our business approach makes it easy to facilitate skill enhancement. Ordinary people are recruited, and skill sets are taught to them, resulting in significant achievements. These workers are also urged to get an essential certification to improve their technological abilities for rendering Aadhaar and Banking Services.
- **Creating employment:** Our business approach is entirely franchisee based. Apart from generating job opportunities within the Company, each franchisee employs a minimum of 1 to 2 local resources, resulting in more job prospects and financial security for the community. Our unique approach to business has a domino effect on the employment generation in society.
- **Social inclusion through e-Governance:** Social inclusion aids a citizen in gaining an identity, acknowledging their presence, and assisting the Government in reaching out to locals to administer different welfare programs. It also allows it to foster financial inclusion and make loans more accessible.



MANAGEMENT DISCUSSION AND ANALYSIS

**WE ARE TAKING DIGITAL LITERACY TO THE BOTTOM OF THE SOCIO-ECONOMIC PYRAMID.**



**Financial inclusion:**

We provide access to basic banking and insurance services. Additionally, we enable the transfer of Government subsidies directly into citizens' bank accounts through the Government's Direct Benefit Transfer (DBT) scheme. The Indian economy can be further broadened by bringing financial inclusion to a more extensive population segment that accounts for more than half of the country's GDP.

**Digital inclusion:**

We are taking digital literacy to the bottom of the socioeconomic 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 services e-governance services at our Kendras. We have created a technology platform integrated with CBS of various banks, delivering real-time & interoperable banking access. We want our services to be accessible to our consumers from any corner of the nation and thus have established online platforms that will allow them to access various services.

**Reducing inequalities:**

We are bridging the gap between India's urban and rural populations as one of our primary goals is to minimise disparities. "Ab Poori Duniya Pados Mein" is the theme on which our Next-Gen Vakrangee Kendras are based. We have a system called 'One Stop Shop Digital Convenience Stores,' which provides goods and services to both urban and rural populations at the same price, at the same time, and with the same quality. We have served 4,582 LWE, tribal and aspirational districts.

**Promoting decent work and economic growth:**

We provide the right opportunities to people– to get work that is productive, stable, and well paid. Our franchisees provide local job opportunities by hiring locals and providing certification for training in banking, insurance, and UIDAI certification.

**"Sab Kaam Ek Dukaan" – Bringing a world of convenience to your doorstep.**

1.3 billion Indians reside in rural areas, accounting for around 65 per

## OUR KENDRAS HAVE HELPED RURAL MARKETS GAIN ACCESS TO DIGITAL AND FINANCIAL SERVICES.

cent of the country's population. We want to link India's rural population and map them under the banner of financial, social, and digital inclusion through our Next-Gen Vakrangee Kendras. The Next-Gen Vakrangee Kendras are now regarded as one of the most important consumer hubs in the rural economy.

We are consistently working to improve the services provided by our Next-Gen Vakrangee Kendras to better address the needs of rural India. The needs of the rural population are different from that of the urban. Hence, it necessitates a different strategy. The Indian Government's support for digital payments encourages us to turn our stores into one-stop shops for various goods and services. We aim to create a phygital transformation to create an inclusive India through our online and physical stores.

With the support of the Government's financial inclusion programs, every Indian family now has at least one bank account and access to a debit card. The Direct Benefit Transfer (DBT) initiative has aided in the expansion of banking services into rural areas. Demand for digital banking alternatives and platforms has increased significantly across the country as access to digital platforms has grown.

Our Kendras have helped rural markets gain access to digital and financial services. Our consumers benefit from innovative technologies such as Aadhaar enabled Payment Systems (AePS), e-KYC, interoperability, and real-time banking transactions. As their corporate

agents, we work with several insurance companies to provide life, general and health insurance.

We've built a network of widely accessible ATMs through our Kendras, allowing communities to withdraw cash in their neighbourhood and thus eliminating the need to drive vast distances for essential services. Through our Kendras', we can serve the community as a local Cash-in Cash-Out point.

We are technology-driven retailers and offer services like e-commerce, online healthcare, telemedicine, and online travel reservations, all under one roof. Indirect access to modern services by rural citizens and the

availability of few products in rural areas are bundled with a premium price primarily because of high transportation costs.

As part of our mission to be the largest equaliser franchise-based, multi-service retail network, we have focused on providing maximum convenience at minimum or no cost. Our Next-Gen Vakrangee Kendras address the day-to-day needs of rural residents. We offer rail and bus ticket booking, energy bill payment, and courier and logistics services. With the assistance of these services, our goal is to reach out to rural parts of India and engage with underserved segments of society.

### Unique features and advantages of Next-Gen Vakrangee Kendra

#### 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 and visibility

#### ATM in outlet

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

#### 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

#### Digital advertising

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

#### 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

## MANAGEMENT DISCUSSION AND ANALYSIS

### OUR BUSINESS STRATEGY IS HEAVILY FOCUSED ON TECHNOLOGICAL INNOVATIONS.

#### Robust technological innovations for our promising business model

Our business strategy is heavily focused on technological innovations. We believe in the power of technological breakthroughs and have adopted a variety of them, including biometric-enabled banking, paperless digital transactions, and e-KYC (Know Your Customer). We are continually updating our technology with the most recent breakthroughs. A few of our solutions are:

#### Next-Gen payment solution:

The Indian Government has emphasised digital payments across the country. We recognise the significance of implementing a next-generation company model in the digital age. We are creating a Unified Payment Platform to process all payments, including card payments, UPI, AEPS, Aadhaar Pay, and QR, in line with the Government's digital payment mission. This will allow our Next-Generation Vakrangee Kendras to accept payments from clients via any payment method. We are among the first to implement an Aadhaar-enabled Payment System (AePS)-based banking system. An integrated digital payment method enables us to make banking services available to everyone across all tiers.

#### Big data and data analytics:

Daily, we generate and store a large amount of data. This data requires rigorous sorting, structuring, and storing, which is impossible with a traditional database system. We have moved toward using big data to manage massive amounts of data. We recognise that using artificial intelligence will increase the number

of devices linked and the amount of data created. As a result, we have included data analytics - the processing and analysing of data to get behavioural insights. We employ artificial intelligence and machine learning to improve outcomes by considering past data and providing accurate forecasts, which is helpful for proactive action.

#### Artificial Intelligence (AI) and Machine Learning (ML):

Because of their capacity to manage large amounts of data, AI and ML are essential components of every corporate strategy. We have begun implementing AI and ML technologies since they help develop cognitive capacities. We employ AI and ML to improve our product lines and build sophisticated business solutions; gather relevant information to increase accuracy; aid in resource assignment; maximise automation of current operations, and save countless human hours. Our primary goal is to use AI to supplement the present workforce, giving engineers and other experts additional insights that will boost their efficiency and free them up to focus on improving the customer experience.

#### Internet of Things (IoT):

In today's world, the Internet of Things is one of the leading technologies for managing devices and applications. It connects wearable devices, enterprise-wide physical assets, and other electronic devices via sensors, actuators, and other components. This aid in collecting real-time data from several departments, procedures, or business lines. This technology is being adopted and

used by our organisation to increase process efficiency, asset usage, and production. We utilise IoT to monitor ATMs, electric surveillance, and logistics.

#### Chat-bot conversational interface and design:

As chat-bots grow more popular in many industries, we have launched conversational interfaces that use NLP for human-like voice dialogue to perform various roles and assist employees and consumers. A personal assistant engages in instant two-way communication by answering questions, taking notes, and playing videos on demand. In contrast, a customer-service professional delivers information about products or services.

#### Our strategic alliances

We are constantly looking for new strategic partnerships and opportunities to expand our world of convenience for customers. Our strategic alliances during the last 12 to 18 months are as follows:

#### Total Healthcare service:

Vakrangee Digital Ventures Limited (VDVL) (100% subsidiary of our Company) has tied up with Allianz Partners and MediBuddy to offer a combination of Telemedicine services and privileged access to its nationwide network of hospitals and clinics.

#### Banking service:

We have partnered with NSDL Payments Bank Ltd to offer Banking Business Correspondent (BC) services on Pan India basis.

**WE ARE CONSTANTLY LOOKING FOR NEW STRATEGIC PARTNERSHIPS AND OPPORTUNITIES TO EXPAND OUR WORLD OF CONVENIENCE FOR CUSTOMERS.**



**Financial Services:**

- Vakrangee Digital Ventures Limited (100% Subsidiary of Vakrangee Ltd) alliance with 5 Paisa, to offer online trading account opening services through its BharatEasy Mobile app. We also provide the service from our physical network of Kendras.
- We alliance with Choice Equity Broking Private Limited to offer complete online trading services across its platform (physical network & digital app).
- We also alliance with Goodwill to offer complete online trading services across its platform (physical network & digital app).
- We have entered into a partnership agreement with LendDenClub to provide investment and borrowing options to its customers in the remotest part of the country. LendDenClub is one of India's leading peer-to-peer (P2P) lending platforms.
- We have partnered with Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited) to offer PAN card-related services. We will work as a PAN Service Agency (PSA) of Protean eGov Technologies Limited.

**E-COMMERCE SERVICES:**

- We had partnered with TSI Yatra Private Limited to offer Assisted Online travel services
- Vakrangee Digital Ventures Limited (100% Subsidiary of our Company) has tied up with PharmEasy (Axelia Solutions Private Limited) to provide online medicines & healthcare services to the unserved and underserved population of India.

**STRATEGIC TIE-UP**

We have tied up with Nayara Energy Limited to set up our Kendra outlets at its Nayara retail fuel outlets. With its headquarters in Mumbai, India, Nayara Energy Limited is a privately held downstream oil company that encompasses refining, production, marketing, and a network of more than 6,000 retail fuel stations around the country. It operates the second-largest oil refinery in India in Vadinar, Gujarat.

# DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present 32<sup>nd</sup> Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended March 31, 2022.

## 1. PERFORMANCE OF THE COMPANY

The Company's performance is summarized below:

### FINANCIAL RESULTS

Particulars	(₹ in Lakhs)			
	Standalone		Consolidated	
	2021-2022	2020 - 2021	2021-2022	2020 - 2021
Revenue from Operations	69229.15	22743.67	77869.23	31429.14
Other Income	231.74	6815.25	391.29	6965.99
Profit / Loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	14503.38	8216.94	15869.2	9762.32
Less: Depreciation/ Amortisation/ Impairment	1545.57	1478.35	1545.78	1480.51
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	12957.81	6738.59	14323.42	8281.81
Less: Finance Costs	0	0	0	0
Profit /Loss before Exceptional items and Tax Expense	12957.81	6738.59	14323.42	8281.81
Add/(Less): Exceptional Expense	(168.66)	0	(168.66)	0
Profit /Loss before Tax Expense	12789.15	6738.59	14154.76	8281.81
Less: Tax Expense (Current & Deferred)	2853.19	1602.47	3202.29	2002.68
Profit /Loss for the year (1)	9935.96	5136.12	10952.47	6279.13
Total Comprehensive Income/Loss (2)	2.22	89.24	40.92	88.50
Total (1+2)	9938.18	5225.36	10993.39	6367.63
Balance of profit /loss for earlier years	192641.07	190153.46	195441.62	191811.00
Less: Transfer to Reserves	0	0	0	0
Less: Dividend paid on Equity Shares	1059.41	2648.51	1059.41	2648.51
Less: Dividend Distribution Tax	0	0	0	0
Balance carried forward	201517.62	192641.07	205334.70	195441.62

### PERFORMANCE

#### Standalone:

Your Company's total income during the year under review was ₹ 69460.89 Lakhs as compared to ₹ 29558.92 Lakhs in the previous year. The Profit after tax was ₹ 9935.96 Lakhs as compared to ₹ 5136.12 Lakhs in the previous year.

#### Consolidated:

Your Company's total income during the year under review was ₹ 78260.52 Lakhs as compared to ₹ 38395.13 Lakhs in the previous year. The Profit after tax was ₹ 10952.47 Lakhs as compared to ₹ 6279.13 Lakhs in the previous year.

## 2. STATE OF COMPANY'S AFFAIRS

Today, Vakrangee has emerged as the "Go To Market Platform" for the Rural India for our various Business verticals including the new age Fintech and Digital platforms. We are Building India's Largest Last Mile Distribution Platform and emerging as the Physical plus Digital Eco-system with a PAN INDIA Presence.

Vakrangee is one of the largest franchisee-based, multi-service retail network. We are focused on creating India's extensive network of last-mile retail outlets at every postal code in the country, enabling Indians to benefit from financial, social and digital inclusion. 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. Vakrangee through its services has tried to bridge the gap between the rural and urban India by providing essentialities such as Banking and ATM services, online shopping, online demat & trading account services, Total healthcare services – including unlimited tele & video consultation with expert doctors, home blood test facility and doorstep delivery of medicines to minimize the potential threat to the health and safety of the Vakrangee franchisees and customers present at remotest locations.

We are also launching a Mobile Super App based business platform: BharatEasy App, India ka Super App. It is currently a Beta trial version and we intend to go fully operational live in the next 8-12 months. There is a huge Under penetrated Rural market with huge Retail & MSME Customer Base. Further, there is Lack of trust within the current Rural Customer base. Therefore, Physical Presence & Assistance is a Key Differentiator. Going forward, we are well structured to transition into a Neo Bank as we plan to launch Neo Banking services through our BharatEasy Mobile super app platform. Through this, we are focussed to evolve into a unique O2O (Online to Offline) platform, whereby there would be Assistance available through the Physical Kendra network along with various Digital Services across

BFSI & E-Commerce verticals. Further we have strong existing Retail customer base in Rural India and we are focussed on affordable pricing and unique online to offline consumer experience. We have made live and activated some of the key services like Online Shopping, Healthcare services, Online Demat Account opening, CIBIL credit score rating services as well as Online PAN Card application services.

During the year, we scaled up our highly recognisable "Next-Gen" format Kendra network to more than 22042 Operational outlets which are spread across covering 32 States and Union Territories over 564 districts and 5,510 postal codes. Out of these outlets, 84% 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 75,000 Vakrangee Kendras within next 18 months. Our aim is to become India's largest rural distribution platform.

During the last 12 months, we have successfully added new business partnerships with some of the Marquee partners who are Global leaders in their respective business segments. We have partnered with Allianz partners & Medibuddy to provide assisted total healthcare services across our platform. Allianz Partners is a world leader in insurance and assistance services and they would offer a combination of assisted healthcare services to the unserved and under served population of India through our platform. We have also partnered with Decathlon Sports India, a world leader in sports equipment's to offer a complete range of sports equipment's and products to our customers. Decathlon provides world-class products both for beginners as well as passionate professionals at extremely affordable prices. With this collaboration, we have strategically added a complete bouquet of sports equipment's products at our Kendras making them into a one-stop for

## DIRECTORS' REPORT

all the sports goods requirements of our customers.

Further, your Company has been successful in benchmarking Company's performance on a wide range of industry specific economic, environmental, governance and social criteria that are relevant to the growing focus on Business sustainability and financially relevant to the corporate success. Global recognition reflects company's commitment to further enhance its corporate governance and transparency standards. Company has achieved Global recognition across various platforms for its superior ESG performance and long term Business sustainability.

In 2022, Vakrangee has been recognized by Sustainalytics as an ESG Global 50 Top Rated Company. Vakrangee Limited has been identified as a top ESG performer out of more than 4,000 comprehensive companies that Sustainalytics cover in the global universe. Vakrangee Limited has also been honored to be included in this year's Sustainability Yearbook 2022, published by S&P Global. Vakrangee has earned "S&P Global Bronze Class" spot in the yearbook in the Corporate Sustainability Assessment (CSA) survey. The Sustainability Yearbook 2022, published by S&P Global is one of the world's most comprehensive publications providing in-depth analysis on corporate responsibility. This annual ranking showcases the sustainability performance of the world's largest companies in each industry as determined by their score in the annual Corporate Sustainability Assessment (CSA). In 2022 S&P Global has assessed over 7,500 companies across 61 industries this year.

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 under served 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.

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.

- Your Company's 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)

### Update on Business Operations

We have witnessed strong Financial & Operational growth on YoY basis due to increase in Number of outlets as well as our services return to normalcy on the business front as E-commerce, Online Healthcare and other Financial services have become operational.

Our Consolidated Revenue from Operations stood at

₹ 778.69 crore in FY2021-22 as against ₹ 314.29 crore for the corresponding last year, registering a growth of 147.76%. Full year EBIDTA stood at ₹ 158.69 crore registering a growth of 62.54%. PAT stood at ₹ 109.52 crore registering a growth of 74.43%. Our Full Year GTV (Gross Transaction value) crossed ₹ 47,000 crores and Total Number of Transactions crossed 12.8 crore.

We believe our Brand awareness and store awareness has increased significantly post 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.

The Company has launched the Additional Franchisee incentive schemes. These Additional incentives are transitory in nature but would lead to quick payback for the franchisees thereby driving strong new franchisee interest. The Maximum impact on Gross Margins due to these additional incentives has been in the Q1 FY2022-23 and would keep on reducing over the next few quarters thereby Gross Margins and Profitability will keep on improving henceforth in the subsequent quarters. Strong word of mouth and referral incentives along with Pan India marketing have resulted into Higher lead funnel for Franchisee acquisition. We have received an overwhelming response with more than 60,000 fresh applications during June 2022 quarter.

Further, we have introduced New aggressive pricing for all our kendra models as well as Introduced Master Franchisee Scheme which would help us scale at a much faster pace and thereby achieve our Long Term targets well ahead of targeted timelines. Our Planned target is to reach 75,000 Vakrangee Kendras within next 18 months. Our aim is to become India's largest rural distribution platform. We are confident that these strategic initiatives shall lead to significant growth in profitability in the long run.

#### **Update on Scheme of Arrangement for demerger**

The Company at its Board Meeting held on 19<sup>th</sup> June 2021 had approved a Scheme of Arrangement for Demerger ("Scheme") whereby the Digital

division (Demerged Undertaking) of Vakrangee Limited ("Demerged Company") will be demerged into the Vakrangee Digital Ventures Limited ("**Resulting Company**")

However, Board of Directors in their meeting held on 10<sup>th</sup> October, 2021, had after much deliberation and detailed discussion, and in the best interest of the stakeholders, decided to demerge its E-Governance and IT/ITES division whereas the digital division continues to remain part of Vakrangee Limited.

Considering the above facts, the Board of Directors at their meeting held on October 10, 2021, considered and approved to restructure the business of the Demerged Company by way of a Scheme of Arrangement for Demerger ("Scheme") whereby the E-Governance & IT/ITES Business (Demerged Undertaking) of Vakrangee Limited ("Demerged Company") will be demerged into the VL E-Governance & IT Solutions Limited (formerly know as Vakrangee Logistics Private Limited) ("Resulting Company") as a going concern basis.

Pursuant to the above scheme, shareholders of the Demerged Company shall get in respect of every Ten (10) Equity Shares of the face value of ₹ 1/- each fully paid up held in the Demerged Company One (1) new Equity share of the Resulting Company of the face value of ₹ 10/- each fully paid up which shall be listed on BSE and NSE.

Pursuant to the Regulation 37 of the LODR the Company has obtained No Objection Letter from the BSE and NSE vide their letter dated 11th March, 2022 and subsequently an application has been made to the National Company Law Tribunal for further directions, the same is pending for hearing and disposal.

### **3. DIVIDEND**

Your Directors are pleased to recommend a dividend of ₹ 0.05/- per equity share of ₹ 1/- each fully paid up of the Company (previous year ₹ 0.10/- per equity share of ₹ 1/- each fully paid up of the Company), subject to the approval by the shareholders at the forthcoming Annual General Meeting.



## DIRECTORS' REPORT

The total dividend payout will be of ₹ 529.75 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](https://www.vakrangee.in/policies_and_guidelines.html).

### 4. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on March 31, 2022 was ₹ 105,94,99,790/- comprising of 105,94,99,790 equity shares of ₹ 1/- each.

On March 07, 2022 the Company had issued and allotted 94,150 equity shares having face value of ₹1/- each to the employees of the Company upon conversion of stock options resulting in increase in Equity Share Capital of the Company from 105,94,05,640 equity shares to 105,94,99,790 equity shares. The details of the said allotment is as under:

Name of ESOP Scheme	Date of Grant of options	Grant Price (in ₹)	No. of Shares allotted
ESOP 2014	26-11-2014	32.35	58,900
ESOP 2014	09-10-2019	14.175	12,475
ESOP 2014	05-10-2018	14.38	9500
ESOP 2014	10-07-2019	17.95	3125
ESOP 2014	03-01-2019	18.025	8150
ESOP 2014	09-07-2018	25.925	2000
	<b>Total</b>		<b>94,150</b>

### 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, 2022, the Company has four wholly owned subsidiaries viz, Vakrangee Finserve Limited, VL E-Governance & IT Solutions Limited (erstwhile known as Vakrangee Logistics Private Limited), Vakrangee e-Solutions INC and Vakrangee Digital Ventures Limited.

There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

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](http://www.vakrangee.in). These documents will also be available for inspection during the business hours at the registered office of the Company. Any member desirous of obtaining the copy of the said financial statements may write to the Company.

As on March 31, 2022, as per the provisions of Listing Regulations, as per immediately preceding accounting year, Vakrangee Finserve Limited is a material subsidiary company.

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](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.

### **VL E-Governance & IT Solutions Limited (erstwhile known as Vakrangee Logistics Private Limited)**

VL E- Governance & IT Solutions Limited, incorporated in March 2016, is a wholly owned subsidiary of Vakrangee Limited. The name of the Company has been changed to VL E - Governance & IT Solutions Limited w.e.f. 1<sup>st</sup> November, 2021.

### **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.

### **Vakrangee Digital Ventures Limited (Incorporated as wholly owned subsidiary on June 14, 2021)**

Vakrangee Digital Ventures Limited provides an online digital platform to enable seamless services for the consumer at the comfort of their homes. Through this,

the company has evolved into the unique O2O (Online to Offline) platform, whereby there is Assistance available through the Physical Kendra network along with Digital Online Services.

## **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, 2022, 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

## DIRECTORS' REPORT

- 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	(₹ in Lakhs)	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

### 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

#### (a) Appointments during the year:

Mr. Sachin Khandekar was appointed as Company Secretary & Compliance Officer of the Company w.e.f. 25<sup>th</sup> September, 2021.

#### (b) Resignations during the year:

Mr. Jay Bhansali resigned as Company Secretary & Compliance Officer of the Company w.e.f. September 24, 2021.

None of the Independent Directors had any pecuniary relationship or transactions with the Company during Financial Year 2021-22. In the opinion of the Board, all the Independent Directors possess required qualifications, integrity, expertise and experience (including proficiency) for the position and they fulfill the conditions of independence as specified in the Companies Act, 2013 and Listing Regulations and are independent of the management.

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 Directors or Key Managerial Personnel (KMP) of the Company are related inter-se.

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. Ajay Jangid, Chief Financial Officer
- Mr. Sachin Khandekar, Company Secretary & Compliance Officer

Pursuant to the provisions 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 9 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 viz, Composition, number of meetings, dates of meetings and attendance of Directors at such meeting are included 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

## DIRECTORS' REPORT

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.

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.

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

### d. NOMINATION AND 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 Board has framed a Nomination and Remuneration and Compensation Policy including 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 [https://vakrangee.in/policies\\_and\\_guidelines.html](https://vakrangee.in/policies_and_guidelines.html).

The details viz, Composition, 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.

The composition of the Committee was re-constituted on January 22, 2022 with the following members:

1. Mrs. Sujata Chattopadhyay – Chairperson
2. Mr. Dinesh Nandwana – Member
3. Dr. Nishikant Hayatnagarkar – Member
4. Ms. Sapna Thakur - Member

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

**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 2021-22 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 CSR Policy of the Company is available on the Company's website [https://www.vakrangee.in/policies\\_and\\_guidelines.html](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 viz, Composition, number of meetings, dates of meetings and attendance of Directors at such meeting are 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.

## DIRECTORS' REPORT

- 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
Mrs. Sujata Chattopadhyay	Member

During the year under review, total 2 (two) meetings of the ESG Committee were held on 26.07.2021 and 22.01.2022 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	Chairman	2	2
Mr. Ramesh Joshi	Member	2	2
Mrs. Sujata Chattopadhyay	Member	2	2

## 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 Registration No. 116293W) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 28<sup>th</sup> AGM held on September 28, 2018 until the conclusion of the ensuing Annual General Meeting.

The Board of Directors at their meeting held on August 5, 2022 have considered and approved appointment of M/s. S. K. Patodia & Associates; Chartered Accountants, Mumbai (Firm Regn. No.112723W) as Statutory Auditors of the Company. The said appointment shall be subject to the approval of the members in the ensuing Annual General Meeting of the Company.

The Company has also received confirmation from M/s. S. K. Patodia & Associates; Chartered Accountants, Mumbai, to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

The Board is of the opinion that appointment of M/s. S. K. Patodia & Associates; Chartered Accountants, Mumbai, as Statutory Auditors will be in the best interests of the Company and therefore, the members are requested to consider their appointment as Statutory Auditors of the Company, for a term of five years, from the conclusion of the ensuing Annual General Meeting, till the 37<sup>th</sup> Annual General Meeting to be held in the calendar year 2027, at such remuneration mutually agreed and approved by the Board.

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 2021- 2022 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, 2022 is annexed herewith as "Annexure 6" to this Report.

The Secretarial Auditor's Report do not contain any qualifications, reservations, adverse remark or disclaimer. With respect to the observation mentioned in Secretarial Auditor's Report, the Board of Directors are of the opinion that the same is self-explanatory.

In accordance with the provisions of Regulation 24A of SEBI LODR 2015, Secretarial Audit Report of material unlisted Indian subsidiary of the Company namely, Vakrangee Finserve Limited is provided as "Annexure 7" to this Report.

## 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](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 2021- 22, 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



## DIRECTORS' REPORT

which the Financial Statement relate and the date of this report.

There was no change in company's nature of business during the FY 2021- 22.

### 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. 42 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](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 AND SUSTAINABILITY REPORT

A separate section on Business Responsibility and Sustainability 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.

### 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](http://www.vakrangee.in).

## 24. EXTRACT OF ANNUAL RETURN

The Annual Return of the Company as on 31<sup>st</sup> March, 2022 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, would be available on the website of the Company at i.e. [www.vakrangee.in](http://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.

The Company has introduced employee friendly policies which has aided in retaining and hiring the best talents in the organization. The Company gives importance in Rewarding and Recognizing (R&R) the well-deserved employee by felicitating them during R&R functions.

## 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 ₹ 6,22,399/- pertaining to financial year ended on March 31, 2014 lying with the Company for a period of seven years was transferred during the financial year 2021-22, to Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, as required under section 124 of the Act, 26,204 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 2021-22. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

The Company have appointed Mr. Sachin Khandekar, as the Nodal Officer to ensure compliance with the IEPF Rules.

## DIRECTORS' REPORT

The details of unpaid and unclaimed amounts lying with the Company is available on the Company's website:- [www.vakrangee.in](http://www.vakrangee.in)

### 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 appreciate and value the contribution made by every employee of the Vakrangee family. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

On behalf of the Board of Directors

#### **Dinesh Nandwana**

Managing Director & Group CEO  
(DIN: 000062532)

#### **Nishikant Hayatnagarkar**

Whole Time Director  
(DIN: 000062638)

**Place: Mumbai**

**Date: August 05, 2022**

## 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.

## DIRECTORS' REPORT

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.

## 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.

(In ₹ Lakhs, except % of shareholding and exchange rate)

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 and Surplus	Total Assets	Total Liabilities	Investments Turnover	Profit before taxation	Provision for taxation	Profit after tax-ation	Proposed Dividend	% of Shareholding	
1	Vakrangee Finserve Limited	11/09/2011	March 31, 2022	INR	1500	4491.34	7483.87	-	9158.82	1348.54	349.00	999.54	-	100%
2	Vakrangee e-Solutions Inc.	08/05/2009	March 31, 2022	1 PHP = 1.51	96.00	256.38	3066.85	-	-	16.68	-	16.68	-	100%
3	VL E-Governance & IT Solutions Limited (erstwhile Vakrangee Logistics Private Limited)	18/03/2016	March 31, 2022	INR	1200	-276.94	925.09	-	20.08	17.74	0.09	17.65	-	100%
4	Vakrangee Digital Ventures Limited	14/06/2021	March 31, 2022	INR	1	-17.33	44.55	-	55.12	-17.33	-	-17.33	-	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

## DIRECTORS' REPORT

## 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) RULES, 2014 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><b>Executive Directors</b></p> <p>Mr. Dinesh Nandwana (Managing Director &amp; Group CEO) – 201.41:1</p> <p>Dr. Nishikant Hayatnagarkar (Whole-time Director) – 47.44:1</p> <p><b>Non-Executive Directors**</b></p> <p>Mr. Ramesh Joshi (Chairman) – 4.15:1</p> <p>Mr. Hari Chand Mittal – 4.20:1</p> <p>Mr. Babu Lal Meena – 4.15:1</p> <p>Mr. Avinash Vyas – 4.57:1</p> <p>Mr. Sunil Agarwal – 4.20:1</p> <p>Mrs. Sujata Chattopadhyay – 3.78:1</p> <p>Mr. Ranbir Datt – 3.78:1</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; <sup>§</sup>	<p>Mr. Dinesh Nandwana – Managing Director &amp; Group CEO - NIL</p> <p>Dr. Nishikant Hayatnagarkar - Whole-time Director - NIL</p> <p>*Mr. Sachin Khandekar – Company Secretary – 25%</p> <p>Mr. Ajay Jangid – Chief Financial Officer – 25%</p> <p>*Mr. Jay Bhansali – Company Secretary – NIL</p>
3	The percentage increase in the median remuneration of Employees in the financial year; <sup>§</sup>	15%
4	the number of Permanent Employees on the rolls of the Company;	245 (excluding Managing Director & Group CEO and Whole-time Director)

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; <sup>§</sup>	Average percentile increase is 27%.
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.

\* Mr. Sachin Khandekar, Company Secretary has been appointed w.e.f. September 25, 2021 in the place of Mr. Jay Bhansali, Company Secretary who cease the office of the Company Secretary w.e.f. September 24, 2021.

<sup>§</sup> The percentage increase in remuneration of Chief Financial Officer, Company Secretary, median increase in remuneration of the employees and average percentile increase have been calculated on the basis of increments made effective from March 1, 2022.

On behalf of the Board of Directors

**Dinesh Nandwana**  
Managing Director & Group CEO  
(DIN: 000062532)

**Place: Mumbai**

**Date: August 05, 2022**

**Nishikant Hayatnagarkar**  
Whole Time Director  
(DIN: 000062638)



## DIRECTORS' REPORT

## 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 and 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 of 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, Materialty Issues KPI targets and ESG performance targets released by the Company. The targets are also mentioned in the HR Manual of the Company.

## DIRECTORS' REPORT

We believe linking Materiality Issues KPI targets and 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% X 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%)

Weightage of Materiality Issues KPI Targets will be of 33.33 % of the variable pay as well as long term incentives (Stock Option) of the Employees. The variable pay of 33.33% will be paid to the employee in the proportion of target achieved by the respective Executive.

## 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/KMP/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 and 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 and Compensation Committee and approved by the Board of Directors and compensation.
- 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 and compensation 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 and Remuneration and Compensation and 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 and 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 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.

## DIRECTORS' REPORT

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.

- e. Compensation Claw back: The terms of all compensation held by the executive officers allow us to recoup any shares or other amount that may be paid in the event the individual engages in certain acts of misconduct. Vakrangee may recover compensation in the event the named executive officer commits any misconduct while employed by Vakrangee or at any time thereafter, the individual engages in a breach of confidentiality, materially breaches any agreement with Vakrangee, commits an act of theft, embezzlement or fraud, or if Vakrangee is required to prepare an accounting restatement as a result of the named executive officer's misconduct.

### 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):

KMP 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 KMP 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

### Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2021-22

#### 1. Brief Outline on CSR Policy of the Company

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. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Dinesh Nandwana	Chairman (Managing Director & Group CEO)	-	-
2	Mr. Ramesh Joshi	Member (Non-Executive Independent Director, Chairman)	-	-
3	Mr. Sunil Agarwal	Member (Non-Executive Independent Director)	-	-

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
- [https://vakrangee.in/board\\_committees.html](https://vakrangee.in/board_committees.html)  
[https://vakrangee.in/our\\_initiative.html](https://vakrangee.in/our_initiative.html)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.
- Not Applicable

DIRECTORS' REPORT

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
1	2018-19	-	-
2	2019-20	-	-
3	2020-21	-	-
<b>Total</b>		-	-

6.	Average net profit of the company as per section 135(5).	₹ 6,787.11 Lakhs
7.	a. Two percent of average net profit of the company as per section 135(5)	₹ 135.74 Lakhs
	b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
	c. Amount required to be set off for the financial year, if any	NIL
	d. Total CSR obligation for the financial year (7a+7b- 7c)	₹ 135.74 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ Lakhs)	Amount Unspent (in ₹ Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in ₹ Lakhs)	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
<b>135.74</b>	-	-	<b>Not Applicable</b>		

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of Project	Items from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹ Lakhs)	Amount spent in the current financial Year (in ₹ Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration number.

**NOT APPLICABLE****TOTAL**

-



DIRECTORS' REPORT

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sr. No.	Name of the project	Items from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.	Amount spent for the project (in ₹ Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency		
			State	District			Name		
							CSR Registration number.		
1	Education	Cl.(ii) Infrastructure for Education	Yes	Maharashtra Mumbai	18.96	No	VIPRA Foundation	CSR00006626	
2	Promoting Education	Cl.(ii) Promoting Education	Yes	Maharashtra Mumbai	100	No	RVG Educational Foundation	CSR00008361	
3	Health Care	Cl.(i) Health Care	No	Delhi	10	No	Mental Health Foundation (India)	CSR00013879	
4	Health Care	Cl.(i) Health Care	Yes	Maharashtra Mumbai	4	No	Bharat Vikas Parishad	CSR00000558	
5	Eradicating Hunger	Cl.(i) Eradicating Hunger	No	Rajasthan Kota	2.78	Yes	Kota Dal mill	NA	
	<b>TOTAL</b>				<b>135.74</b>				
(d)	Amount spent in Administrative Overheads						NIL		
(e)	Amount spent on Impact Assessment, if applicable						NIL		
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)						₹ 135.74 Lakhs		
(g)	Excess amount for set off, if any						NIL		
Sr. No	Particular	Amount (in ₹)							
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 135.74 Lakhs							
(ii)	Total amount spent for the Financial Year	₹ 135.74 Lakhs							
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL							
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL							
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL							

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sr. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in ₹ Lakhs)	Amount spent in the reporting Financial Year (in ₹ Lakhs).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years (in ₹ Lakhs)
				Name of the fund	Date of transfer
1	2020-21	650.05	-	-	650.05
2	2019-20	-	-	-	-
3	2018-19	-	-	-	-
	<b>TOTAL</b>	<b>650.05</b>	<b>-</b>	<b>-</b>	<b>650.05</b>

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No	Project ID.	Name of the project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in ₹ Lakhs)	Amount spent on the project in the reporting Financial Year (in ₹ Lakhs).	Cumulative amount spent at the end of reporting Financial Year. (in ₹ Lakhs)	Status of the project – Completed / Ongoing.
-	-	-	-	-	-	-	-	-
	<b>TOTAL</b>							

## DIRECTORS' REPORT

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year(asset-wise details).**

(a) Date of creation or acquisition of the capital asset (s)	Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable

**11. Specify the reasons(s), if the company has failed to spend two percent of the average net profit as per Section 135(5).**

Specify the reasons(s), if the company has failed to spend two percent of the average net profit as per Section 135(5).	Not Applicable
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**Mr. Dinesh Nandwana**

Chairman of CSR Committee  
(DIN: 00062532)

**Dr. Nishikant Hayatnagarkar**

Whole Time Director  
(DIN: 00062638)

**Place:** Mumbai

**Date:** August 5, 2022

## ANNEXURE TO DIRECTOR'S 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, 2022

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. I hereby report that in my opinion, the Company has, during the audit period 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 ("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 here in after:

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 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) 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) During the Year under report the Company has not availed any External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment under Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under.
- (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;

## DIRECTORS' REPORT

- 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 Listed Entity has not issued any Securities during the Financial Year under review).**
  - f. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable as the Listed Entity has not listed its Debt Securities);**
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(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, 2018; **(Not applicable as the Company has not brought back/propose to Buy-back any of its securities during the Financial Year under review)** and
- (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.
  - iv. Reserve Bank of India Act, 1934, Rules and Schemes made thereunder;

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 mentioned above and there are no material non-compliance that have come to our knowledge except the following:

- i. The RBI had issued certificate of authorization (COA) to the Company to set-up own and operate WLAs on January 23, 2014 under "Scheme B" which require it to deploy a minimum of 15,000 WLAs within a period of 3(Three) Years from the date of starting of its WLAs operations. As on December, 2019 the Company had deployed only 4318 WLAs due to which RBI has imposed a Penalty of ₹ 1,00,00,000 (Rupees One Crore Only) along with all other WLAs players for this non-compliance. The Company had paid the Penalty amount to RBI within the given timelines.

### I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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 specific events as under.

1. The Company in its Meeting held on 24<sup>th</sup> September 2021 appointed Mr Sachin Khanderkar Company Secretary with effect from 25.09.2021 of the Company in place of Mr. Jay Bhansali.
2. Issuance and Allotments of Equity shares upon to exercise of Options as per Vakrangee Limited Employees Stock Option Scheme 2014 (ESOP 2014) during the year under review is depicted as below:

Name of Esop Scheme	Date of Grant of Options	Grant Price (in ₹)	No of Applicants	No of Shares	Amount Received (in ₹)
ESOP 2014	26-11-2014	32.35	27	58,900	19,05,415
ESOP 2014	09-10-2019	14.175	13	12,475	1,76,833.125
ESOP 2014	05-10-2018	14.38	3	9,500	1,36,610
ESOP 2014	10-07-2019	17.95	2	3,125	56,093.75
ESOP 2014	03-01-2019	18.025	4	8,150	1,46,903.75
ESOP 2014	09-07-2018	25.925	2	2,000	51,850
<b>Total</b>			<b>51</b>	<b>94,150</b>	<b>24,73,705.625</b>

Upon exercise of Options under ESOP 2014 the allotment of 94,150 (Ninety Four Thousand One Hundred and Fifty) shares of face value of ₹ 1/- each, the Company's issued and paid up capital stands increased to 105,94,99,790 Equity Shares of face value of ₹ 1/- each aggregating to ₹ 105,94,99,790.

**For S. K. Jain & Co.**

**Dr. S. K. Jain**  
**Practicing Company Secretary**  
**Membership No. FCS: 1473**  
**COP No.: 3076**  
**UDIN: F001473D000489081**

**Place: Mumbai**  
**Date: 13-06-2022**

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.

## DIRECTORS' 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.

**For S. K. Jain & Co.**

**Place: Mumbai**  
**Date: 13-06-2022**

**Dr. S. K. Jain**  
**Practicing Company Secretary**  
**Membership No. FCS 1473**  
**COP No.: 3076**  
**UDIN: F001473D000489081**

**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: 13-06-2022  
Place: Mumbai**

**Dr. S. K. Jain  
Practicing Company Secretary  
Membership No. FCS 1473  
COP No.: 3076  
UDIN: F001473D000489081**



## DIRECTORS' REPORT

## ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 7

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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]

To,

**The Members,**

**M/s. Vakrangee Finserve Limited**

**CIN: U74930MH2011PLC221655**

**Regd. Off.:** Vakrangee Corporate House, Plot No.93,

Road No.16, M.I.D.C. Marol,

Andheri East Mumbai 400093.

Dear Sir/Madam,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Vakrangee Finserve Limited, CIN: U74930MH2011PLC221655** ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 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 for the financial year ended on March 31, 2022, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- (not applicable to the Company during the audit period as the company has no Foreign Direct Investment);
- 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; (not applicable to the Company during the audit period);
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (not applicable to the Company during the audit period);
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable to the Company during the audit period);

- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the Company during the audit period);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the audit period);
- f) 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; (not applicable to the Company during the audit period);
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (not applicable to the Company during the audit period); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (not applicable to the Company during the audit period).
- i) Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (not applicable to the Company during the audit period).

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 Meetings and General Meetings.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-executive Directors.

Mr. Vedant Nandwana (DIN: 08420950) was appointed as Director and Mr. Nitin Sharma resigned as Director w.e.f 07<sup>th</sup> April, 2021.

And Mr. Sunil Agarwal (DIN: 00062767) was appointed as Additional Director w.e.f 30<sup>th</sup> September, 2021.

2. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and at a shorter notice in the presence of all the Directors; 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.
3. During the year under review, all the decisions at the meetings of the Board and Committees thereof, were carried out unanimously as the Minutes of these Meetings did not reveal any dissenting member's view.

**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 further report that** no specific event having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. has taken place during the year under review.

**Place: Mumbai**  
**Date: 27/05/2022**

**Kavita Raju Joshi**  
**Practicing Company Secretary**  
**Membership No: 9074**  
**COP No: 8893**  
**UDIN:F009074D000410167**

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms integral part of this report.

## DIRECTORS' REPORT

### 'Annexure A'

**To,**  
**The Members,**  
**M/s. Vakrangee Finserve Limited**  
**CIN: U74930MH2011PLC221655**

**Regd. Off.:** Vakrangee Corporate House, Plot No.93,  
Road No.16,M.I.D.C. Marol,  
Andheri East, Mumbai 400093.

Dear Sir/Madam,

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 processes 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 processes 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, standards is the responsibility of management. My examination was limited to the verification of procedures 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.

**Kavita Raju Joshi**  
**Practicing Company Secretary**  
**Membership No: 9074**  
**COP No: 8893**

**Place:** Mumbai

**Date:** 27/05/2022

**UDIN: F009074D000410167**

# 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 2021-22:

## 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 six non-executive Independent Directors (including one women 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](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.

Board is of the opinion that the Independent Directors fulfil the conditions specified in the SEBI LODR 2015 and are independent of the Management.

CORPORATE GOVERNANCE REPORT

**Chart / matrix setting out the skills/expertise/competence of the Board of Directors:-**

The Board of Directors of the Company is highly structured to ensure a high degree of diversity by age, education/ qualifications, professional background, sector expertise and special skills.

The following are the skills /expertise/competencies as identified by the Board:

Skills/expertise/competencies as identified by the Board in the context of its businesses and sector's	Name of Directors who have such skills/expertise/competence
Finance, Law, Management, Administration, Corporate Governance related to the Company's business	Mr. Ramesh Joshi, Mr. Dinesh Nandwana, Mr. B.L. Meena, Mr. Avinash Vyas, Mrs. Sujata Chattopadhyay.
Management, Strategy, Sales, Marketing, Administration Technical Operations related to the Company's business	Mr. Dinesh Nandwana, Dr. Nishikant Hayatnagarkar, Mr. Hari Chand Mittal, Mr. Ranbir Datt, Mr. Sunil Agrawal.

The Board consists of 9 directors. The details of the Board of Directors as on March 31, 2022 are given below:

Name	Category	Designation	Date of appointment	No. of other Directorship held <sup>#</sup>	Directorship in other Listed Company and category of Directorship	Chairmanship in Committees of Boards of other companies <sup>§</sup>	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	4	NIL	NIL	NIL
Dr. Nishikant Hayatnagarkar	Executive	Whole-Time Director	27/08/1999	1	NIL	NIL	NIL
Mr. Hari Chand Mittal	Non Executive, Independent	Director	31/07/2020	1	NIL	NIL	NIL
Mr. Sunil Agarwal	Non Executive, Independent	Director	28/06/2002	1	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) Industrial Investment Trust Limited – Non -Executive, Independent Director 3) Steel Exchange India Limited – Non -Executive, Independent Director	1	2

<sup>#</sup> Excludes alternate directorship and directorship in Foreign Companies, Private Companies and Companies governed by Section 8 of the Companies Act, 2013.

<sup>§</sup> 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 2021-22, your Board met nine times on 09/06/2021, 19/06/2021 (10.00 AM), 19/06/2021 (05.00 PM), 26/07/2021, 24/09/2021 09/10/2021, 10/10/2021, 12/11/2021, and 22/01/2022 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, through video conferencing.

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, 2022 (no. of shares)
Mr. Ramesh Joshi	9	Yes	500
Mr. Dinesh Nandwana	9	Yes	69107095
Dr. Nishikant Hayatnagarkar	9	Yes	174288
Mr. Sunil Agarwal	9	Yes	NIL
Mr. B. L. Meena	9	Yes	36812
Mr. Avinash Vyas	9	Yes	NIL
Mrs. Sujata Chattopadhyay	9	Yes	NIL
Mr. Ranbir Datt	9	Yes	NIL
Mr. Hari Chand Mittal	9	Yes	361623

## 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 July 26, 2021 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 its 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;
- Reviewing implementation of Anti-Money Laundering Compliance Program and processes.
- Considering and commenting on rationale, cost benefit analysis and impact of schemes involving merger, demerger, amalgamation, etc on listed entity and its shareholder;

### Composition

The composition of Audit Committee as on March 31, 2022 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 nine meetings of the Audit Committee viz. on 05/06/2021, 09/06/2021, 19/06/2021, (09.00 AM), 19/06/2021, (04.30 PM) 26/07/2021, 09/10/2021, 10/10/2021, 12/11/2021, 22/01/2022 and following is the table showing attendance for the same. The Company Secretary acts as the Secretary to the Committee. 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)	9	9
Mr. Ramesh Joshi	Independent Director	9	9
Mr. Avinash Vyas	Independent Director	9	9

## NOMINATION AND REMUNERATION AND COMPENSATION COMMITTEE

The Nomination and Remuneration and Compensation Committee (NRC Committee) of the Company consists of three non-executive Independent Directors 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, 2022 is as follows:

Sr. No	Name of the Director	Designation
1.	Mr. Avinash Vyas	Independent Director (Chairman)
2.	Mr. Sunil Agarwal	Independent Director
3.	Mr. Hari Chand Mittal	Independent 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 performance of Independent Directors and the Board of Directors.
- 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 two meetings of the NRC Committee were held on 26/07/2021 and 24/09/2021 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)	2	2
Mr. Sunil Agarwal	Independent Director	2	2
Mr. Hari Chand Mittal	Independent Director	2	2

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.vakrangee.in/policies\\_and\\_guidelines.html](https://www.vakrangee.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 anybody 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.



## CORPORATE GOVERNANCE REPORT

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 July 26, 2021.

### Remuneration of Directors

The details of remuneration paid to Directors during the financial year 2021-2022 are as under:

#### (a) Non - Executive Directors

(₹ In Lakhs)	
Name of Directors	Sitting Fees
Mr. Ramesh Joshi	4.95
Mr. Sunil Agarwal	5.00
Mr. B. L. Meena	4.95
Mr. Avinash Vyas	5.45
Mrs. Sujata Chattopadhyay	4.50
Mr. Ranbir Datt	4.50
Mr. Hari Chand Mittal	5.00

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.

#### (b) Executive Directors

(₹ In Lakhs)

Particulars	Mr. Dinesh Nandwana	Dr. Nishikant Hayatnagarkar
Basic	96.00	32.98
Allowances	96.00	10.18
HRA	48.00	13.38
Others (Bonus & Leave Encashment)	--	--
Perquisites on account of Stock Options exercised	--	--
<b>Total</b>	<b>240.00</b>	<b>56.54</b>

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 01, 2020 respectively. The notice period is six months for Mr. Dinesh Nandwana and three months for Dr. Nishikant Hayatnagarkar. There are no severance fees.

Dr. Nishikant Hayatnagarkar, Whole Time Director of the Company were granted 1,00,000 stock options of the Company at a exercise price of ₹ 42.70/- per option. Options granted shall be exercised over a period of four years after a completion of vesting period and as per the vesting schedule from the date of grant i.e. January 11, 2022.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the financial year under review, one meeting of Stakeholders Relationship Committee was held on January 22, 2022 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, 2022 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. Sachin Khandekar, 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, no complaints were received from the shareholders and none of them were pending as on March 31, 2022.

The Company had no transfers pending at the close of 31.03.2022.

## 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, 2022 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;
- monitoring CSR Policy of the Company from time to time;
- formulate and recommend to the Board an Annual Action Plan in pursuance of the CSR Policy;
- analyse the need of an impact assessment, if any, for the projects undertaken by the Company.

## CORPORATE GOVERNANCE REPORT

### 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, two meetings of Risk Management Committee were held on August 6, 2021 and January 22, 2022 and all the members were present at the meeting. The meetings were conducted in accordance with the provisions of Regulation 21 of SEBI LODR, 2015.

The composition of the Committee as on March 31, 2022 is as follows:

Sr. No	Name of the Director/ Member	Designation
1.	Mrs. Sujata Chattopadhyay	Chairperson, Independent Director
2.	Mr. Dinesh Nandwana	Managing Director & Group CEO
3.	Dr. Nishikant Hayatnagarkar	Executive Director
4.	Ms. Sapna Thakur*	Member

\* The composition of the committee was re-constituted on January 22, 2022 and Ms. Sapna Thakur was appointed as Member of the Committee in place of Mr. Prabodh Bhusari.

**The brief Terms of Reference of the committee include:**

- Review of strategic risk arising out of adverse business decisions and lack of responsiveness to changes;
- Review of operational risks;
- Review of financial and reporting risks;
- Review of compliance risks;
- Review of risk related to Data Privacy;

- Inquiring about existing risk management processes and review the effectiveness of those processes in identifying, assessing and managing the Company's most significant enterprise - wide risk exposures;
- Review periodically key risk indicators and management response thereto.
- To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

### General Body Meetings

Date, Venue and Time for the last three Annual General Meetings.

Date	Venue	Time	Special Resolutions passed
August 30, 2021	Through Video Conferencing/Other Audio-Visual Means at registered office of the Company.	11.00 A.M.	NIL
September 28, 2020	Through Video Conferencing/Other Audio-Visual Means at registered office of the Company.	11.00 A.M.	2
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

### RESOLUTION(S) PASSED THROUGH POSTAL BALLOT

No postal ballot was conducted during the financial year 2021-22. 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](http://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](http://www.vakrangee.in). and are also sent to the Stock Exchanges.

### EQUITY SHARES IN THE SUSPENSE ACCOUNT

As on March 31, 2022, no shares are lying in suspense account.

### GENERAL SHAREHOLDERS INFORMATION

#### Annual General Meeting

The 32<sup>nd</sup> Annual General Meeting (AGM) of the Company will be held on September 27, 2022 at 11:00 AM. The Company is conducting meeting in accordance with the General Circular issued by the MCA on May 5, 2022 and other relevant MCA Circulars, through VC / OAVM. 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 2022-23

Tentative Schedule	Likely Board Meeting Schedule
Financial reporting for the quarter ending June 30, 2022	On or before August 14, 2022
Financial reporting for half year ended September 30, 2022	On or before November 14, 2022
Financial reporting for the quarter ending December 31, 2022	On or before February 14, 2023
Financial reporting for the year ended March 31, 2023	On or before May 30, 2023
Annual General Meeting for the year ending March 31, 2023	On or before September 30, 2023

## CORPORATE GOVERNANCE REPORT

**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.

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, 5<sup>th</sup> 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 (2021-22)	Price on BSE during each month		Volume traded	Price on NSE during each month		Volume traded
	High	Low		High	Low	
April	66.70	50.50	52,12,596	66.80	50.40	54781040
May	53.20	38.55	83,88,180	53.15	38.55	76425845
June	54.50	40.15	1,67,70,582	54.50	40.15	135416756
July	43.45	34.90	99,65,919	43.50	34.90	78569713
August	43.15	29.15	2,04,12,251	43.40	29.15	189282696
September	45.60	38.45	2,27,35,355	45.50	38.50	204122130
October	47.00	36.30	1,77,35,003	47.20	36.25	111897249
November	39.25	33.20	1,00,18,577	39.30	33.15	60138876
December	46.95	34.00	3,14,75,746	46.95	33.25	206934308
January	44.65	37.65	1,49,64,580	44.60	37.70	83354059
February	39.90	29.55	96,76,112	39.80	29.55	41852808
March	35.20	29.00	1,69,61,225	35.25	28.90	105898321

**Stock Performance of Vakrangee Limited v/s. BSE Sensex & Nifty:**

Month (2021-22)	Price on BSE during each month		Volume traded	Sensex	Price on NSE during each month		Volume traded	Nifty
	High	Low			High	Low		
April	66.70	50.50	52,12,596	48,782.36	66.80	50.40	54781040	14631.1
May	53.20	38.55	83,88,180	51,937.44	53.15	38.55	76425845	15582.8
June	54.50	40.15	1,67,70,582	52,482.71	54.50	40.15	135416756	15721.5
July	43.45	34.90	99,65,919	52,586.84	43.50	34.90	78569713	15763.05
August	43.15	29.15	2,04,12,251	57,552.39	43.40	29.15	189282696	17132.2
September	45.60	38.45	2,27,35,355	59,126.36	45.50	38.50	204122130	17618.15
October	47.00	36.30	1,77,35,003	59,306.93	47.20	36.25	111897249	17671.65
November	39.25	33.20	1,00,18,577	57,064.87	39.30	33.15	60138876	16983.2
December	46.95	34.00	3,14,75,746	58,253.82	46.95	33.25	206934308	17354.05
January	44.65	37.65	1,49,64,580	58,014.17	44.60	37.70	83354059	17339.85
February	39.90	29.55	96,76,112	56,247.28	39.80	29.55	41852808	16793.9
March	35.20	29.00	1,69,61,225	58,568.51	35.25	28.90	105898321	17464.75

**Registrar and Share Transfer Agent****Bigshare Services Pvt. Ltd.**

Pinnacle Business Park, Office No S6-2, 6<sup>th</sup>, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Mumbai, 400093.

Telephone No.:022-62638200

Fax No.- :022-62638299

Email :investor@bigshareonline.com

**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 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.

## CORPORATE GOVERNANCE REPORT

**Distribution of shareholding as on March 31, 2022: - (Face Value ₹ 1/- per Share)**

Category(No. of Shares)	No. of shareholders	% of shareholders	No. of shares	% total equity
0-5000	198415	96.6671	86469188	8.1613
5001-10000	3382	1.6477	25250455	2.3832
10001-20000	1717	0.8365	24908004	2.3509
20001-30000	511	0.2490	12639381	1.1930
30001-40000	269	0.1311	9496641	0.8963
40001-50000	191	0.0931	8862057	0.8364
50001-100000	322	0.1569	23293111	2.1985
100001- above	449	0.2188	868580953	81.9803
<b>Total</b>	<b>205256</b>	<b>100.0000</b>	<b>1059499790</b>	<b>100.0000</b>

**Category wise Shareholding as on March 31, 2022**

Category	No. of Shares	%
Promoters	451353165	42.60
Financial Institutions/Banks	16488	0.001
Insurance Companies	66926981	6.32
Foreign Portfolio Investors	86176575	8.13
Public	455026581	42.95
<b>Total</b>	<b>1059499790</b>	<b>100.00</b>

**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, 2022)	%
Held with NSDL	785842818	74.17
Held with CDSL	272303948	25.70
Held in Physical Form	1353024	0.13
<b>Total</b>	<b>1059499790</b>	<b>100.00</b>

**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
Sachin Khandekar	022 - 67765100	info@vakrangee.in

**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](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 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](https://vakrangee.in/policies_and_guidelines.html).



## CORPORATE GOVERNANCE REPORT

### 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.
- **Audit Qualifications:** The Company's financial statement for the financial year 2021-22 does not contain any audit qualification.
- **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** There are separate posts of Chairperson and Managing Director & Group CEO of the Company and the Chairman of the Company is Independent Director and is not related to the Managing Director & Group CEO.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee.

### MATERIAL SUBSIDIARIES

During the year under review, Vakrangee Finserve Limited was the material subsidiary of the Company as per SEBI LODR, 2015. Further 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](https://vakrangee.in/policies_and_guidelines.html).

### FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company at its various meetings held during the Financial year 2021-22 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](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](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:

(₹ In Lakhs)

<b>Payment to Statutory Auditor</b>	<b>FY 2021 - 22</b>
Audit Fees	65.00
Tax Audit Fees	10.00
Other Services	0.00
Reimbursement of Expenses	1.65
<b>Total</b>	<b>76.65</b>

- **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

Number of complaints filed during the year 2021 - 22.	NIL
Number of complaints disposed off during the year 2021 - 22.	NA
Number of complaints pending as on 31 March 2022	NA

**Compliance Certificate:**

The Compliance Certificate 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 here with.

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 2021-22.

Sd/-

**Dinesh Nandwana**

Managing Director & Group CEO

(DIN:00062532)

## CORPORATE GOVERNANCE REPORT

## 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 as on 31<sup>st</sup> March, 2022 on the Board of the Directors of the Company as stated below have been debarred or disqualified from being appointed 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	Date of Cessation
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.	Sujata Chattopadhyay	02336683	31/03/2015	-
6.	BabuLal Meena	03281592	25/10/2010	-
7.	Avinash Chandra Vyas	06869633	14/11/2014	-
8.	Ranbir Datt	08064889	12/02/2018	-
9.	HariChand Mittal	08797386	31/07/2020	-

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:** 13-06-2022

**FOR S. K. JAIN & CO.**  
**Dr. S. K. JAIN**  
Membership No. FCS 1473  
COP NO.: 3076  
**UDIN: F001473D000489015**

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE REPORT

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 **31<sup>st</sup> March, 2022**.

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 31<sup>st</sup> March, 2022.

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.

**Place: Mumbai**  
**Date: 13-06-2022**

**FOR S. K. JAIN & CO.**  
**Dr. S. K. JAIN**  
**Membership No. FCS 1473**  
**COP NO.: 3076**  
**UDIN: F001473D000489061**

## CORPORATE GOVERNANCE REPORT

**To the Board of Directors of  
Vakrangee Limited**

Dear Sirs/Madam,

**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 of Vakrangee Limited for the Quarter ended March 31, 2022 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)

**Ajay Jangid**  
Chief Financial Officer

**Place:** Mumbai

**Date:** May 13, 2022

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of Company	L65990MH1990PLC056669
2	Name of the Company	Vakrangee Limited
3	Year of Incorporation	1990
4	Registered address	Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C., Marol, Andheri (E), Mumbai - 400093.
5	Corporate address	Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C., Marol, Andheri (E), Mumbai - 400093.
6	E- mail ID	info@vakrangee.in
7	Telephone	022-67765100
8	Website	www.vakrangee.in
9	Financial year for which reporting is being done	Financial year 2021-22 (April 1, 2021 to March 31, 2022)
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	₹ 1,05,94,99,790
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Sachin Khandekar Designation: Company Secretary & Compliance Officer Telephone No: 022-67765100 E-mail id: info@vakrangee.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures under this report are made on a standalone basis (i.e., only for the entity). Vakrangee Limited.

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Information and communication	Data processing, hosting, and related activities; web portal	99.67

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

**15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% Of total Turnover contributed
1	We have only one business segment, Vakrangee Kendra, which is also reported in the Company's balance sheet. Vakrangee Kendra, is a one-stop shop, offers following 3 key services: 1. BFSI - Banking, insurance, and financial services 2. ATM Services 3. E-commerce – assisted online shopping, total healthcare, assisted online travel, telecom, and E-Governance services such as Pan Card, bill payment services; and Logistics.	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	99.67

**III. Operations**

**16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	NA	22,042 operational Vakrangee Kendras Outlets across 32 states and Union Territories of India. Company Offices - 06	22,048
International	NA	NA	NA

**17. Markets served by the entity:**

**a. Number of locations**

Locations	Number
National (No. of States)	32 States and Union Territories of India.
International (No. of Countries)	NA

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

The Company serves in Local, State and National markets only and hence there are no exports.

**c. A brief on types of customers**

Vakrangee through its franchisees offers a bouquet of services (BFSI, ATM & E-Commerce Services) aimed at Financial, Social and Digital Inclusion of our customers. The Company operates on an asset light, franchisee-based business model to cater to the needs of the people. Through our physical network of Kendras and digital platform i.e. BharatEasy Mobile Super App, we are catering to the B2C Segment. 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 affordable prices and same service levels.

#### IV. Employees

##### 18. Details as at the end of Financial Year:

##### a. Employees (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	247	219	88.66%	28	11.33%
2.	Other than Permanent (E)	100	53	53%	47	47%
3.	Total employees (D + E)	347	272	78.38	75	21.61

##### b. Differently abled Employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	0	0	-	0	-
2.	Other than Permanent (E)	0	0	-	0	-
3.	Total differently abled employees (D + E)	0	0	-	0	-

##### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.11
Key Management Personnel	2	0	0

NOTE: Key Management Personnel (KMP) are Managing Director & Group CEO, Whole Time Director, Chief Financial Officer (CFO) and Company Secretary (CS).

##### 20. Turnover rate for permanent employees (Disclose trends for the past 3 years)

	FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in previous FY)			FY 2019-20 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	77.31%	66.67%	76.75%	43.41%	45.57%	43.54%	59.01%	35.06%	58.02%



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Vakrangee Finserve Limited	Wholly owned subsidiary	100	Yes
2	VL E-Governance & IT Solutions Limited	Wholly owned subsidiary	100	Yes
3	Vakrangee Digital Ventures Limited	Wholly owned subsidiary	100	Yes
4	Foreign subsidiary: Vakrangee e-Solutions Inc., Philippines	Wholly owned subsidiary	100	No

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (₹ In Lakhs): ₹ 69,229.15 Lakhs

(iii) Net worth (₹ In Lakhs): ₹ 2,70,297.38 Lakhs

**VII. Transparency and Disclosures Compliances**

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)	NA	NA	NA	NA	NA	NA	NA
Shareholders	Yes As per SEBI Listing Regulations.	0	0	NA	3	0	NA
Employees and workers	Yes <a href="https://vakrangee.in/policies_and_guidelines.html">https://vakrangee.in/policies_and_guidelines.html</a>	0	0	NA	0	0	NA
Customers	Yes	0	0	NA	0	0	NA
Value Chain Partners	Yes <a href="https://vakrangee.in/pdf/Policies-PDF/Disclosure%20on%20Whistleblower%20Complaints.pdf">https://vakrangee.in/pdf/Policies-PDF/Disclosure%20on%20Whistleblower%20Complaints.pdf</a>	4	0	NA	0	0	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

## 24. Overview of the entity's material responsible business conduct issues

**Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format**

Vakrangee's materiality assessment was carried out and the relevant subjects were highlighted. A rating exercise was conducted to identify the material topics of high, medium and low priorities. Priority was given to both stakeholders and Vakrangee.

The following filters were used to evaluate the materiality of the information: stakeholder concerns, legal considerations, internal policy considerations, and financial implications and risks. The detailed-out materiality assessment with the identified material topics have been mentioned in the Stakeholder Engagement and Materiality Assessment section on Page no. 38.

Various risk and opportunities for Vakrangee have also been identified with their significance and defined mitigation strategies. Various opportunities for Vakrangee has also been identified and report as part of their Management Discussion and Analysis on Page no. 144.

### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Y <sup>1</sup>	Y <sup>2</sup>	Y <sup>3</sup>	Y <sup>4</sup>	Y <sup>5</sup>	Y <sup>6</sup>	Y <sup>7</sup>	Y <sup>8</sup>	Y <sup>9</sup>
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Policies are based on NGRBS's and conform to international standards such as ISO 9000, ISO 20000, ISO 27000, UNGC principles and ILO standards.								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	Y <sup>10</sup>	Y <sup>10</sup>	N	Y <sup>11</sup>	Y <sup>12</sup>	N	Y <sup>13</sup>	Y <sup>2</sup>
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	N	Y <sup>10</sup>	Y <sup>10</sup>	N	Y <sup>11</sup>	Y <sup>12</sup>	N	Y <sup>13</sup>	Y <sup>2</sup>
<ul style="list-style-type: none"> <li>• Y1 <a href="https://vakrangee.in/pdf/Policies-PDF/Business%20Conduct%20Policy.pdf">https://vakrangee.in/pdf/Policies-PDF/Business%20Conduct%20Policy.pdf</a></li> <li>• Y2 <a href="https://vakrangee.in/pdf/Policies-PDF/Sustainability%20related%20Services.pdf">https://vakrangee.in/pdf/Policies-PDF/Sustainability%20related%20Services.pdf</a></li> <li>• Y3 <a href="https://vakrangee.in/pdf/Policies-PDF/Vakrangee%20-%20Health%20&amp;%20Safety%20Policy.pdf">https://vakrangee.in/pdf/Policies-PDF/Vakrangee%20-%20Health%20&amp;%20Safety%20Policy.pdf</a></li> <li>• Y4 <a href="https://vakrangee.in/pdf/Policies-PDF/Sustainability%20related%20Services.pdf">https://vakrangee.in/pdf/Policies-PDF/Sustainability%20related%20Services.pdf</a></li> <li>• Y5 <a href="https://vakrangee.in/pdf/Policies-PDF/Human%20Rights%20Policy.pdf">https://vakrangee.in/pdf/Policies-PDF/Human%20Rights%20Policy.pdf</a></li> <li>• Y6 <a href="https://vakrangee.in/pdf/Policies-PDF/Environmental%20Policy.pdf">https://vakrangee.in/pdf/Policies-PDF/Environmental%20Policy.pdf</a></li> <li>• Y7 <a href="https://vakrangee.in/pdf/Policies-PDF/Business%20Conduct%20Policy.pdf">https://vakrangee.in/pdf/Policies-PDF/Business%20Conduct%20Policy.pdf</a></li> <li>• Y8 <a href="https://vakrangee.in/pdf/Policies-PDF/Corporate%20Social%20Responsibility_Policy.pdf">https://vakrangee.in/pdf/Policies-PDF/Corporate%20Social%20Responsibility_Policy.pdf</a></li> <li>• Y9 <a href="https://vakrangee.in/pdf/Policies-PDF/Sustainability%20related%20Services.pdf">https://vakrangee.in/pdf/Policies-PDF/Sustainability%20related%20Services.pdf</a></li> <li>• Y10 <a href="https://vakrangee.in/pdf/Policies-PDF/HR%20-%20Key%20Metrics%20Targets%20Annual_Update%202022.pdf">https://vakrangee.in/pdf/Policies-PDF/HR%20-%20Key%20Metrics%20Targets%20Annual_Update%202022.pdf</a></li> <li>• Y11 <a href="https://vakrangee.in/pdf/Policies-PDF/Human%20Rights%20-%20E2%80%93%20Due-Diligence_%20Impact%20Assessment.pdf">https://vakrangee.in/pdf/Policies-PDF/Human%20Rights%20-%20E2%80%93%20Due-Diligence_%20Impact%20Assessment.pdf</a></li> <li>• Y12 The Company aims to fulfill environmental commitments through its GHG Reduction program/policy available at: <a href="https://vakrangee.in/pdf/Policies-PDF/GHG%20Reduction%20Program.pdf">https://vakrangee.in/pdf/Policies-PDF/GHG%20Reduction%20Program.pdf</a></li> <li>• Y13 <a href="https://vakrangee.in/pdf/News_and_Announcements/ESG%20Performance%20target%20March%202020.pdf">https://vakrangee.in/pdf/News_and_Announcements/ESG%20Performance%20target%20March%202020.pdf</a></li> </ul>										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>We aim to make a positive difference in the communities served through our business and other interventions. This BRSR report is a reflection of our commitment to further enhancing the corporate governance and transparency standards. BRSR is the next phase of mandated ESG reporting in India and a useful compliance and communication tool for a company's non-financial disclosures.</p> <p>Continuing with our tradition on ESG leadership, we are voluntarily disclosing our sustainability initiatives through BRSR. Through the BRSR Reporting, we have been able to highlight the impact our Phygital model of operations have had on the community. Our BRSR report covers the Environmental, Social and Governance (ESG) and Sustainability aspects, thus highlighting the true extent of our impact.</p>								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Mr. Dinesh Nandwana                      Managing Director &amp; Group CEO                      Telephone number - 022 67765100                      E-mail id - info@vakrangee.in</p>								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.				Yes	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:				
					<b>Corporate Governance Committee</b>				
					<b>DIN</b>	<b>Name</b>		<b>Designation</b>	
					00002683	Mr. Ramesh Joshi		Chairman	
					00062532	Mr. Dinesh Nandwana		Member	
					00062638	Dr. Nishikant Hayatnagarkar		Member	
					<b>Corporate Social Responsibility Committee</b>				
					<b>DIN</b>	<b>Name</b>		<b>Designation</b>	
					00062532	Mr. Dinesh Nandwana		Chairman	
					00002683	Mr. Ramesh Joshi		Member	
					00062767	Mr. Sunil Agarwal		Member	
					<b>ESG Committee</b>				
					<b>DIN</b>	<b>Name</b>		<b>Designation</b>	
					06869633	Mr. Avinash Vyas		Chairman	
					00002683	Mr. Ramesh Joshi		Member	
					02336683	Mrs. Sujata Chattopadhyay		Member	

## 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by					Frequency				
	Director / Committee of the Board/ Any other Committee					(Annually/ Half yearly/ Quarterly/ Any other – please specify)				
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
Performance against above policies and follow up action										
	As a practice, BRSR policies of the Company are reviewed periodically or on a need basis by respective department heads, business heads and executive directors. During this assessment, the efficacy of the policies are reviewed and necessary changes to policies and procedures are implemented. In addition, there is GHG Reduction Strategy Committee which regularly discusses and identifies the various Environment related Issues, initiatives, monitor & measures those initiatives of the Company from time to time. The reporting and disclosure is done on an Annual basis.									

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Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	<p>The Company is in compliance with the extant regulations as applicable. Further, Statutory Compliance Certificate on applicable laws is provided by the Managing Director &amp; Group CEO and the Compliance Officer to the Board of Directors on quarterly basis.</p> <p>Further, the Company has obtained the below ISO certifications and there is a regular compliance audit process on annual basis.</p> <ul style="list-style-type: none"> <li>● ISO 45001:2018 Occupational Health and Safety Management System (OHSMS)</li> <li>● ISO 14001:2015 Environmental Management System (EMS)</li> <li>● ISO 20400:2017 Sustainable Procurement Management System</li> <li>● ISO 14064-1:2006 &amp; ISO 14064-2:2006 Green House Gas Emission</li> <li>● ISO 26000 - Social Responsibility Management</li> <li>● ISO 50001 - Energy Management System</li> <li>● ISO 19600:2014 Compliance Management System (CMS)</li> <li>● ISO 9001:2015 Quality Management Systems (QMS)</li> <li>● ISO/IEC 27001:2013 Information Security Management System (ISMS)</li> <li>● ISO/IEC 20000-1:2011 Information Technology service management system (ITSMS)</li> <li>● ISO 27701 - Privacy Information Management System</li> <li>● ISO 22301 - Business Continuity Management System</li> <li>● ISO 37001:2016 Anti-bribery Management System (ABMS)</li> </ul>
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11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	<b>P</b> <b>1</b>	<b>P</b> <b>2</b>	<b>P</b> <b>3</b>	<b>P</b> <b>4</b>	<b>P</b> <b>5</b>	<b>P</b> <b>6</b>	<b>P</b> <b>7</b>	<b>P</b> <b>8</b>	<b>P</b> <b>9</b>
	<p>The Company has obtained ISO certifications and there is a regular compliance audit process on annual basis by independent third party</p> <p>The processes and compliances, however, may be subject to scrutiny by internal auditors and regulatory compliances, as applicable. From a best practices perspective as well as from a risk perspective, policies are periodically evaluated and updated by various department heads, business heads and approved by the management or board ESG Committee.</p>								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated: Not Applicable.

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total Number of Training and Awareness Programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	We conduct periodic training programs, awareness campaigns, leader talks, contests and more. The content of these programs addresses the various BRSR topics. We conduct campaigns through the year to encourage employees to leverage their learning. Engagement activities such as celebration of events related to environment, diversity, safety, health and wellness, also leverage the ESG learning resources. In addition, we have regular engagement mailers on ESG topics, and we cover 100% of our employees.		
Key Managerial Personnel			
Employees other than BoD and KMP's			

#### Note:

All the principles laid down in BRSR are covered by Vakrangee mandatory trainings and Vakrangee Code of Conduct/ Business Conduct Policy, which is adhered to by all employees.

#### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Amount (in `)	Case brief	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NA	NA
Settlement	NIL	NIL	NIL	NA	NA
Compounding fee	NIL	NIL	NIL	NA	NA
Non-Monetary					
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions		Case brief	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL		NA	NA
Punishment	NIL	NIL		NA	NA

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**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. The Vakrangee Business Conduct Policy contains guidelines on anti-corruption & anti-bribery. Vakrangee is committed to upholding the highest moral and ethical standards and does not tolerate bribery or corruption in any form. The policy is available on the company website at:

<https://vakrangee.in/pdf/Policies-PDF/Business%20Conduct%20Policy.pdf>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NA	NA

**6. Details of complaints with regard to conflict of interest:**

	FY 2021-22 (Current Financial Year)		FY 2020-21 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. – Not Applicable.**

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year (₹ In Lakhs)	Previous Financial Year (₹ In Lakhs)	Details of improvements in environmental and social impact
R&D	88.36	346.43	<p>Vakrangee's Business model is completely sustainable model focused on enabling Indians to benefit from financial, social and digital inclusion. Through our vast network of outlets, we are driving financial, digital and social inclusion in rural India. Our Entire Business model and the products / services we provide are all sustainability related products and services. Vakrangee Kendra outlets are one stop shops providing key Essential and necessary services to the citizens of the country in Rural India such as – Banking Services, ATM, Total Healthcare, Online shopping and more.</p> <p>Our Capex is primary for the ATM machines. Our ATM Machines are environment friendly, paperless machines.</p> <p>At our Vakrangee Kendras, we have adopted 'Go Green' initiatives. Our ATM transactions do not generate printed receipts. The transaction acknowledgments are sent via SMS. We are working towards achieving environmentally sound management of paper through prevention, reduction, recycling, and reuse, in order to minimize their adverse impacts on the environment.</p> <p>To further reduce our specific energy consumption by designing energy efficiencies into our facilities such as increasing the usage of Renewable energy like Solar. Currently already 16% of Energy consumption is through Solar power. Additionally to Solar panels at our facilities, we plan to have increased share of renewable energy through power purchase Agreements with private renewable energy generators. Focus on Green infrastructure, Usage of Cleaner technologies, green IT, and IT-enabled operational efficiencies would support Vakrangee's energy and carbon management process. Focus on Sustainable procurement through our Green procurement policy. Preference to procure only EPEAT certified products.</p>
CapEx	527.4	403.20	

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) – Yes.**

**b. If yes, what percentage of inputs were sourced sustainably? -**

100% of Vakrangee suppliers are covered in the responsible sourcing program.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Vakrangee does not manufacture any products hence this question is not applicable to the company's operations. Vakrangee has defined processes in place for reuse, recycle and safe end-of-life disposal for the products used in its operations.



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. – No, EPR is not applicable to Vakrangee.**

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	Percentage of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Daycare Facilities	
	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)	
<b>Permanent Employees</b>											
Male	219	219	100	219	100	NA	NA				
Female	28	28	100	28	100	28	100				
<b>Total</b>	247	247	100	247	100	28	100			*	
<b>Non-Permanent Employees</b>											
Male	53	-	-	-	-	-	-				
Female	47	-	-	-	-	-	-			**	
<b>Total</b>	100										

\* Note: Parental support benefit and creche facility is available to parent who find it difficult to manage work and children.

\*\* Our non-permanent employees not covered under above mentioned measures.

**b. Details of measures for the well-being of workers: Not Applicable**

Note: Since company is not involved in manufacturing activity, we do not employ any workers.

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2021-22 (Current Financial Year)			FY 2020-21 (Previous Financial Year)		
	No. of employees covered (as a % of total employees)	No. of workers covered (as a % of total workers)	Deducted and deposited with the authority (Yes/No/N.A.)	No. of employees covered (as a % of total employees)	No. of workers covered (as a % of total workers)	Deducted and deposited with the authority (Yes/No/N.A.)
PF	37.25	-	Yes	59.75	-	Yes
Gratuity	100	-	Yes	100	-	Yes
ESI	40.08	-	Yes	74.88	-	Yes
Others (please specify)	-	-	-	-	-	-

### 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes. The premises / offices of the entity are accessible to differently abled employees.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The entity has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. The policy is available on our website, at <https://vakrangee.in/pdf/Policies-PDF/Diversity%20Programme%20and%20Inclusion%20Policy.pdf>

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	No Case	No Case	NA	NA
Female	No Case	No Case	NA	NA
<b>Total</b>	NA	NA	NA	NA

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/ No	Brief Description of Mechanisms (if yes)
Permanent Employees	Yes	<p>Company has a well-defined Whistleblower policy which provides a platform for employees to raise concern regarding any irregularity, misconduct, or unethical matters within our ecosystem whether financially or otherwise.</p> <p><a href="https://vakrangee.in/pdf/Policies-PDF/Whistle%20Blower%20Policy_Final.pdf">https://vakrangee.in/pdf/Policies-PDF/Whistle%20Blower%20Policy_Final.pdf</a></p> <p>We have an independent third party online portal (24/7) for open and structured discussions to address employees' concerns related to human rights and decent labour.</p> <p>We have also formed a Vishakha Committee to address incidents related to sexual harassment. For more details, please visit our Human Rights Policy at : <a href="https://vakrangee.in/pdf/Policies-PDF/Human%20Rights%20Policy.pdf">https://vakrangee.in/pdf/Policies-PDF/Human%20Rights%20Policy.pdf</a></p>
Non-Permanent Employees	NA	NA
Permanent Workers	NA	NA
Non-Permanent Workers	NA	NA

### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: Not Applicable

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

**8. Details of training given to employees:**

Category	FY 2021-22 (Current Financial Year)					FY 2020-21 (Previous Financial Year)				
	Total (A)	Health and Safety Measures		Skill Upgradation		Total (D)	Health and Safety Measures		Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	219	219	100	219	100	744	744	100	595	80
Female	28	28	100	28	100	56	56	100	45	80
<b>Total</b>	<b>247</b>	<b>247</b>	<b>100</b>	<b>247</b>	<b>100</b>	<b>800</b>	<b>800</b>	<b>100</b>	<b>640</b>	<b>80</b>

**9. Details of performance and career development reviews of employees:**

Category	FY 2021-22 (Current Financial Year)			FY 2020-21 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	219	98	44.74	758	555	73
Female	28	13	46.43	42	27	64
<b>Total</b>	<b>247</b>	<b>111</b>	<b>44.93</b>	<b>800</b>	<b>582</b>	<b>72</b>

**10. Health and safety management system:**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, we have implemented the occupational health and safety management system across our organization. The Company is certified with ISO 45001:18 Occupational Health & Safety Management System to mitigate any factors that can cause employees and businesses irreparable harm.

Vakrangee has a well-defined Occupational Health and Safety (OHS) policy and supporting processes to ensure the safety and well-being of its employees. Safety lead and lag indicators are measured across the organization and reported.

ISO 45001 is concerned with mitigating any factors that are harmful or that pose a danger to workers physical and/ or mental well-being. This standard goal is to help business to provide a healthy and safe working environment for its employees and everyone else who visit the workplace. Since Vakrangee Limited goal is the safety of its employees and stakeholders and we have achieved it by controlling all the factors that could potentially lead to injury, illness and in extreme situations even death. This standard helped us to develop better and more robust occupational health and safety measures. We have demonstrated our commitment to occupational health and safety management within the organization and protect our employees as well as protecting the future health of our organization. This improved our employee’s satisfaction, retention and improved employee’s health, increase of productivity and reduced absenteeism.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

As a part of ISO 45001:2018 Occupational Health and Safety Management System, Vakrangee has carried out assessment of work-related hazards and risks for all routine and non routine activities. Hazard and risk identification is carried out by the process owners. The process owners are responsible to ensure adequate controls are identified and implemented to control the identified OHS risks Mitigation plan and controls that are provided to eliminate the identified hazards and risks.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes. Vakrangee has a safety incident reporting and management process to ensure that all work-related incidents (which include accidents, nearmisses, unsafe conditions and unsafe acts) are reported and closed after taking necessary corrective actions. This is enabled through an online safety incident reporting tool which is accessible to all Vakrangee employees to facilitate transparent reporting. The platform also supports incident investigation and corrective action with the perspective of eliminating hazards and preventing incidents.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. Vakrangee recognizes that overall physical and mental wellbeing of its employees is integral to its success and growth aspirations. Vakrangee has a people focus approach by involving consulting and training employees on physical health, mental health, and wellbeing. Vakrangee has taken a holistic approach to well-being and redefined them to be relevant in these trying times of pandemic. These well-being programs were reimaged to look at various aspects such as COVID-19 support, mental health, ergonomic health, physical health, and safety at home, delivered through digital channels, hospital insurance services, occupational health services and through seamless integration of all employees and stakeholders. Vakrangee Cares initiative has instituted programs for associates and their families to help cope with the mental stress and anxiety. Vakrangee has been promoting health and wellbeing of employees through Yoga, Zumba and similar initiatives.

Vakrangee provides comprehensive medical and healthcare services to employees through the company provided medical insurance to employees and their dependents.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NO Case	No Case
	Workers	NA	NA
Total recordable work-related injuries	Employees	NO Case	NO Case
	Workers	NA	NA
No. of fatalities	Employees	NO Case	NO Case
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NO Case	No Case
	Workers	NA	NA

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### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company has a policy in place which prohibits its employees from the consumption of drug, alcohol, tobacco, gutkha or any substance abuse to maintain Healthy Workplace. If an employee is found violating the policy which endangers the safety and health of themselves or other employees then they are subject to strict disciplinary action.

We are an ISO 45001 (Occupational Health and Safety Management) certified company. The organization emphasizes on best practices and standards such as there are fire extinguishers and fire alarms installed at all places within the office premises. All employees are given fire drill trainings which equip them with the ability to deal with any emergency. We have well designed workstations which contributes towards the stress-free working condition for our employees.

Further, we are in the business segment of technology and hence not into any hazard related business.

The Culture at our organization is defined in such a manner which keeps the employees motivated and helps increase their productivity. We have an Open Feedback Culture which encourages the employees to communicate with their managers and give their ideas or suggestions which makes them feel inclusive.

We value diversity and take various initiatives to assure equal employment opportunity at our workplace. We have various Training & Development programmes, Mentorship Programmes which keeps the employees motivated and engaged and helps them to upskill their skillsets.

We have health and safety policy in place. Please find below the link for the same. Link: <https://vakrangee.in/pdf/Policies-PDF/Vakrangee%20-%20Health%20&%20Safety%20Policy.pdf>

Also, we have taken the safety measure at our Vakrangee Kendra outlets. Link for the documents - <https://vakrangee.in/pdf/Policies-PDF/Safety%20Measures%20at%20Franchisee%20Outlets.pdf>

We had a session conducted by our Medical Practitioner on Omicron variant which was held for employees for taking precautions against new covid variant. Precaution and Prevention are basic rules which Vakrangee follows.

Also, as a proactive measure, we have ensured that fire extinguishers is kept on every floor at easy distance which is assessable by the employees in need of emergency. We have trained employees to use the same under emergency. Apart from the same, Company Medical Practitioner is available for the employees 24\*7.

**13. Number of Complaints on the following made by employees:**

	FY 2021-22 (Current Financial Year)			FY 2020-21 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NA	NIL	NIL	NA
Health & Safety	NIL	NIL	NA	NIL	NIL	NA

**14. Assessments for the year:**

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Our 100% business operations are managed by our Centralized Corporate Head Office in Mumbai. Our Corporate Head Office has been certified with ISO 45001:2018, Occupational Health & Safety Standards.
Working Conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Safety Incident / Risk / Concern	Corrective Action(s) Taken/Underway
NA	NA

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Vakrangee has a defined stakeholder engagement process in place. The same is mentioned in the Stakeholder Engagement and Materiality Analysis section on Page no. 38.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Franchisees	No	Email, SMS, Meetings	Regularly	<ol style="list-style-type: none"> <li>Marketing Support &amp; Strategy</li> <li>Training, guidance and support</li> <li>Franchisee Satisfaction</li> <li>Grievance addressal</li> </ol>
Employees	No	Email, Events, Newsletters	Regularly and Quarterly	<ol style="list-style-type: none"> <li>Human Rights issues</li> <li>Employee Engagement &amp; Feedback</li> <li>Operational aspects</li> <li>Performance review</li> <li>Talent development Training, skill development</li> <li>Code of conduct and Business conduct processes and policies</li> <li>Company business initiatives and strategies</li> <li>Franchisee and Customer behaviour and response towards Company's Business model</li> </ol>
Business Partners	No	Meetings	Regular Quarterly and ad hoc need based interactions	<ol style="list-style-type: none"> <li>Service availability in remote locations</li> <li>Service Manual and Training Guidelines</li> <li>Customer reach and business sales targets strategy</li> <li>Business risks and their mitigation strategies</li> <li>IT related Integration; Data privacy and security</li> </ol>

Stakeholder Group	Identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	One-on-one meetings, Board presentations, Annual General Meetings, Reports, Investor presentations	Quarterly	<ol style="list-style-type: none"> <li>1. Environment, Social and Governance strategy</li> <li>2. Key company level Strategy and developments</li> <li>3. Company Business Performance</li> <li>4. Technological innovations</li> <li>5. Shareholder voting rights</li> </ol>
Customers	No	Sms, Email, Pamphlets and Advertisement	Regularly and as per requirements	<ol style="list-style-type: none"> <li>1. New services and offerings</li> <li>2. Customer Grievance addressal and Satisfaction</li> <li>3. Customer Queries</li> <li>4. Data Privacy and Security</li> </ol>
Community	Yes	Community Meetings	Need Basis	<ol style="list-style-type: none"> <li>1. Livelihood generation</li> <li>2. Social Infrastructure development for local rural communities</li> <li>3. Financial, social and Digital inclusion</li> <li>4. Easy access to basic services like Universal Banking, Insurance and social security benefits through DBT (Direct benefit transfer)</li> </ol>



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Stakeholder Group	Identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers and Vendors	No	Meetings	Regularly	<ol style="list-style-type: none"> <li>1. Product and service requirement</li> <li>2. Quality Check and Pilot testing</li> <li>3. ESG Compliance on the product (EPEAT certification) and of supplier and vendor Code of Conduct for Suppliers</li> <li>4. Performance review and audit survey review on supply chain monitoring</li> <li>5. Performance review on product and service as per the requirement</li> <li>6. Feedback on support and maintenance of the respective product or service</li> <li>7. Grievance Addressal</li> <li>8. Product Customization (Example ATM made Divyang friendly as well as paperless ATM customization done as per our discussion with Supplier OEMs.)</li> </ol>

Stakeholder Group	Identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Industry bodies (Confederation of ATM Industry, CATMi)	No	Trade events, conferences, newsletter, publications	Need Basis	<ol style="list-style-type: none"> <li>1. ATM growth</li> <li>2. Advocacy for best industry practices</li> <li>3. Technological innovations in ATM industry</li> <li>4. Education and training</li> <li>5. WLA initiatives and Financial Inclusion initiatives</li> <li>6. Financial and social inclusion initiatives in Rural India.</li> <li>7. Industry feedback and expectation management on White label ATM business and Business correspondent banking services in India.</li> <li>8. Industry representation to Reserve Bank of India (RBI) and DFS (Department of Financial services)</li> <li>9. Prevention of any unethical practices if any and corrective strategy being implemented</li> <li>10. Digital India, RuPay cards and ATM expansion initiatives</li> </ol>
NGO, NPO and civil societies	Yes	Community Meetings	Need Basis	<ol style="list-style-type: none"> <li>1. Healthcare access</li> <li>2. Promoting education</li> <li>3. Youth employment</li> <li>4. Environmental sustainability</li> </ol>

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

Stakeholder Group	Identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and Regulatory bodies	No	Meetings and Events	Need Basis	<ol style="list-style-type: none"> <li>Promotion of financial, social and digital inclusion</li> <li>Industry feedback and expectation management on White label ATM business and Business correspondent banking services in India.</li> <li>Industry representation to Reserve Bank of India (RBI) and DFS (Department of Financial services)</li> <li>Review discussion with National Payments Corporation of India (NPCI)</li> <li>WLA License renewal and periodic Audit performed by RBI</li> </ol>

**PRINCIPLE 5: Businesses should respect and promote human rights**

**Essential Indicators**

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2021-22 (Current Financial Year)			FY 2020-21 (Previous Financial Year)		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	247	247	100	800	800	100
Other than permanent	100	100	100	NA	NA	NA
<b>Total</b>	<b>347</b>	<b>347</b>	<b>100</b>	<b>800</b>	<b>800</b>	<b>100</b>

## 2. Details of minimum wages paid to employees in the following format:

Category	FY 2021-22 (Current Financial Year)					FY 2020-21 (Previous Financial Year)				
	Total (A)	Equal to minimum wage		More than mini- mum wage		Total (D)	Equal to minimum wage		More than mini- mum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent										
Male	219	44	20.09	175	79.91	758	356	46.97	402	53.03
Female	28	6	21.43	22	78.57	42	14	33.33	28	66.67
Non-permanent *	-	-	-	-	-	-	-	-	-	-
Male	53	-	-	-	-	-	-	-	-	-
Female	47	-	-	-	-	-	-	-	-	-

Note: \* The Company pays the amount to the external agency for Non-Permanent Employees.

## 3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/ salary/wages (₹ per annum)	Number	Median remuneration/ salary/wages (₹ per annum)
Board of Directors (BoDs)	2	1,49,24,856	-	-
Key Managerial Personnel (KMPs)	2	20,87,244	-	-
Employees other than BoDs/KMPs	215	3,37,200	28	3,60,900
Workers	NA	NA	NA	NA

- 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)** – Yes. In order to design, implement and monitor diversity initiatives, the Company has designed a Diversity and Inclusion Council which comprises of Head of Human Resources Department, Ethics Officer, Head of Legal Department, Chief Corporate Communication Officer. The Diversity and Inclusion Council works with the agenda of building safe workplace in terms of infrastructure, architectural designs, privacy concerns for diverse groups. Further, the Nomination & Remuneration & Compensation Committee is also responsible for diversity initiatives. The Company maintains a zero-tolerance approach to Sexual harassment. The Company has formed a Vishakha Committee and an Internal Complaint Committee to look in the matters of sexual harassment. The Human Resources Department is also responsible for addressing any human rights impact or issues caused or contributed by the business.

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have an independent third party online portal (24\*7) 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 at: <https://vakrangee.in/pdf/Policies-PDF/Human%20Rights%20Policy.pdf>

During annual review system, we survey our employees, and we provide each employee's feedback to the Nomination and Remuneration and Compensation Committee, for its review and further action.

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**6. Number of Complaints on the following made by employees:**

Category	FY 2021-22 (Current Financial Year)			FY 2020-21 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Vakrangee does not tolerate any form of retaliation against anyone reporting good faith concerns. Anyone involved in targeting such a person raising such complaints will be subject to disciplinary action and Concerns on discrimination and harassment are dealt with confidentially. We have an independent third party online portal (24\*7) anonymous reporting facility for open and structured discussions to address employees’ concerns related to human rights and harassment cases. The third party reporting mechanism encourages employees to flag off internal ethics and compliance issues without any fear of retaliation.

**8. Do human rights requirements form part of your business agreements and contracts? –**

Yes, Suppliers and Vendors are an integral part of our business, we are committed to adopting policies that help improve the lives of all workers (Human Rights) across the supply chain and to help preserve the environment. We have developed one such policy that is the Sustainable Sourcing Policy and Green Procurement Policy which clearly defines the prerequisites for all our suppliers working with us. 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 the environment. The policy applies to all workers and employees of any of those suppliers. Each supplier must provide a commitment to this policy by signing our Supplier Code of Conduct which will be provided during the supplier onboarding process

Link for the Supplier Code of Conduct: <https://vakrangee.in/pdf/Policies-PDF/Supplier%20Code%20of%20Conduct.pdf>

**9. Assessments for the year:**

Category	% of plants and offices that were assessed (by entity/statutory authorities/third parties)
Child Labour	100%
Forced/Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others - please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. – Not Applicable.**

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Total electricity consumption (A)	1,496.8 GJ	1,412.30 GJ
Total fuel consumption (B)	307.65 GJ	402.77 GJ
Energy consumption through other sources (C)		
<b>Total energy consumption (A+B+C)</b>	1,804.52 GJ	1,815.07 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	26 Joules/ Rupees of turnover	61.4 Joules/ Rupees of turnover
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Grant Thornton Bharat LLP has given reasonable assurance on points (A) and (B). Details for the same have been mentioned in the assurance statement on Page no.132.

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. – Not Applicable

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameters	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
<b>Water Withdrawal by Source (in kilolitres)</b>		
(i) Surface Water	NA	NA
(ii) Ground Water	NA	NA
(iii) Third Party Water	1898	1117
(iv) Seawater/Desalinated Water	NA	NA
(v) Others		
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	1898	1117
Total volume of water consumption (in kilolitres)	1898	1117
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)		
<b>Water intensity ratio</b> (optional) – the relevant metric may be selected by the entity [such as units of product production volume [such as metric tons, litres, or MWh), size (such as m2 floor space), number of full-time employees]		

Name of External Agency (if assessment is carried out by external agency): No

Remarks (with regards to methodology, data compilation, calculation, etc): Not Applicable

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.** – No

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:** Not applicable

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	21.54	30.90
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	303.9	295.8
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.000000004672	0.000000011053
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Grant Thornton Bharat LLP has given reasonable assurance on Scope 1 and Scope 2 emissions. Details for the same have been mentioned in the assurance statement on Page no.132.

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.-** Yes, We are devoted to using the most environmentally friendly practices to combat climate change. In addition to minimising our environmental impact, we also want to ensure that the goods and services we offer at our locations are available in the most environmentally responsible way possible. At our corporate headquarters and all our Next-Gen Vakrangee Kendras, we work to lower our carbon footprint and improve health safety. Details of the initiatives have been listed out in our Natural Capital section of the Integrated Annual Report.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0.070	-
E-waste (B)	0.480	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	0.58	-
Radioactive waste (F)	-	-

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Other Hazardous waste. Please specify, if any. <b>(G)</b>	-	-
Other Non-hazardous waste generated <b>(H)</b> . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	5.93 tons Break up: 1) Carton Box - 0.4365 tons 2) Shredded Paper - 1.19485 tons 3) Color Shredded Paper - 0.5659 tons 4) Plastic - 0.0706 tons 5) Aluminium - 0.0069 tons 6) Metal Scrap - 0.80583 tons 7) Box Files - 0.3272 tons 8) Wire - 0.01 tons 9) Nylon - 0.022 tons 10) Rooftop shed Iron scrap - 2.495 tons	-
<b>Total (A+B + C + D + E + F + G + H)</b>	7.06 tons	
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	0.480	10.31
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>0.480</b>	<b>10.31</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>	-	-
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Vakrangee's Business model is completely sustainable model focused on enabling Indians to benefit from financial, social and digital inclusion. Through our vast network of outlets, we are driving financial, digital and social inclusion in rural India. Our ultimate purpose is to ensure that every Indian has the opportunity to benefit from financial, digital and social inclusion and has access to the global marketplace.



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Our Entire Business model and the products / services we provide are all sustainability related products and services. Vakrangee Kendra outlets are one stop shops providing key Essential and necessary services to the citizens of the country in Rural India such as -

- Banking Services
- ATM Services
- Online Demat & Trading Account Opening
- Total Healthcare - Telemedicine health services – Including Unlimited Tele & Video Consultation with expert doctors & Home Blood test facility
- Assisted E-Commerce - Online shopping of Groceries & Other products
- Travel Ticket Booking & Utility Bill Payment services

We make use of disruptive technology such as e-KYC (Biometric KYC), interoperability, and real-time transactions. We use advanced features that are environment-friendly, such as paperless banking, real-time banking, and biometric evaluation. Being digital and paperless in nature we are committed towards Responsible consumption; our Kendras generate negligible paper waste and zero plastic waste.

At our Vakrangee Kendras, we have adopted 'Go Green' initiatives. Our banking processes run on AePS (Aadhaar enabled Payment System) model. Moreover, ATM transactions do not generate printed receipts. The transaction acknowledgments are sent via SMS. We are working towards achieving environmentally sound management of paper through prevention, reduction, recycling, and reuse, in order to minimize their adverse impacts on the environment.

Our Kendras also minimize hazardous waste by using refillable ink cartridges. Minimal generation of waste prevents exposure of community members to hazardous and non-hazardous waste.

Vakrangee Limited is also Certified with Green consumer through Tata Power for availing 100% Green energy. Company receives 'Green Bill' for consumption of 100 percent 'Green Power', thereby committed towards the cause of sustainability and is keen to reduce its carbon footprint.

Vakrangee has always been a Responsible and Socially Conscious Company. The Company's Business strategy has been mapped with the sustainability initiatives along with the United Nation's Sustainable Development Goals. Vakrangee has re-affirmed its commitment towards sustainability by opting for 'Green Power' at its Corporate Headquarters based in Mumbai, whereby the Company would be paying 'Green tariff' as approved by the honorable Maharashtra Electricity Regulatory Commission (MERC).

We have adopted a sustainable waste management philosophy in line with the concept of circularity of through waste management, re-cycling and ecofriendly disposals through Industry best practices.

### **10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries,**

**biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Our offices are built on government-approved land in industrial zones and do not fall within or are adjacent to protected areas or high-biodiversity areas.

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:** - Not Applicable

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: -**

Yes. We are compliant with the applicable environmental law / regulations / guidelines in India.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

#### Essential Indicators

**1. a. Number of affiliations with trade and industry chambers/ associations.-7**

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Associated Chambers of Commerce and Industry of India (AASOCHAM)	National
2	Confederation of ATM Industry (CATMi)	National
3	Member of Business Correspondent Federation of India (BFCI)	National
4	CSC e-Governance Services India Limited	National
5	Member of NPCI	National
6	Signatory member of United Nations Women Empowerment principles (UN WEP)	International
7	Signatory member of United Nations Global Compact (UNGC)	International

**2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities. – None**

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.**

**Essential Indicators**

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.** – Not Applicable.
- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:** Not Applicable
- 3. Describe the mechanisms to receive and redress grievances of the community. –**  
 Company has a well-defined Whistleblower policy which provides a platform to receive and redress grievances of the community.  
[https://vakrangee.in/pdf/Policies-PDF/Whistle%20Blower%20Policy\\_Final.pdf](https://vakrangee.in/pdf/Policies-PDF/Whistle%20Blower%20Policy_Final.pdf)
- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:** Not Applicable

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

- 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback. –**

There is a dedicated support desk for customers and dedicated helpline number which is also visible in all our outlets. Customers can also call on this support number and register their complaints regarding any malpractices being conducted by the franchisees or their staff. All the complaints related to Franchisee, Kendra, Franchisee staff, fraudulent or suspicious transactions or charges etc can be registered by customer. The proof of the allegations is solicited by way of photographs, Videos, recorded conversations, receipts, proof of transactions etc. Further, there is a dedicated Email id for any Customer feedback and complaints.

The Company has Franchisee Technical Support Desk (TSD) which is an important communications link between the FRANCHISEEs and the Company. It will serve as a central point of contact for information and support with regards to the Franchisees’ Technical queries.

Further Company has state team and centralised dedicated relationship managers to monitor and assist the day-to-day activities.

- 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: -**

	As a Percentage to total Turnover
Environmental and Social parameters to the product	N.A
Safe and responsible usage	N.A
Recycling and/or safe disposal	N.A

### 3. Number of consumer complaints in respect of the following:

	FY 2021-22 (Current Financial Year)		Remarks	FY 2020-21 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy			We do not have any consumer complaints in respect of data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices and unfair trade practices.			
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. **Details of instances of product recalls on account of safety issues:** - Not Applicable.

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.** - Yes. This is accessible at:

- Data Privacy Policy: <https://vakrangee.in/pdf/Policies-PDF/Data%20Privacy%20Policy%20v3.pdf>
- Data Privacy Program: <https://vakrangee.in/pdf/Policies-PDF/Data%20Privacy%20Program.pdf>
- Information Security & Management Policy: <https://vakrangee.in/pdf/Policies-PDF/Information%20Security%20&%20Management%20Policy%20v3.pdf>

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.** – Not Applicable



# FINANCIAL STATEMENTS

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## STANDALONE FINANCIAL STATEMENTS

## 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, 2022, 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 ("the Act") 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, 2022, 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 Act and the Rules frame 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. Expected Credit Loss

As described in Note 2 (B) (xi) (d) of the Standalone financial statements for the year ended March 31, 2022. The management has determined the allowance for credit losses based on historical loss experience adjusted to reflect the impact of the economic conditions. The allowance for credit loss model requires consideration of the effect of COVID-19 pandemic event on the customers' business operations/ability to pay dues. Based on such analysis the Company has recorded an allowance aggregating to ₹ 729.00 lacs as at March 31, 2022, considered in Note 7 & 13 of the standalone financial statements. We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.

#### Principal Audit Procedure

We have performed the following procedures:

- i. Evaluated the design and implementation including the operating effectiveness of the controls over:

- Basis of consideration of the impact of the economic conditions
  - Completeness and accuracy of the data used in estimation of probability of default
  - Computation of the expected credit loss allowance
- ii. Carried out inquiries with the management to understand the impact of COVID-19 in terms of identification of distressed customers and evaluation of recoverability of dues, extension in contractual terms for collections.
  - iii. Tested the completeness and accuracy of the ageing of accounts receivable data.
  - iv. Further in addition to the above process, a forward-looking expected loss impairment model as prescribed in IND AS 109 "Financial Instruments" was also applied by the Company. This involves judgment as the expected credit losses must reflect information about past events, current conditions, and forecasts of future conditions.
  - v. Selected a sample of the customers, and
    - Verified publicly available credit reports and other information relating to the Company's customers to test if the management had correctly considered the adjustments to credit risk.
    - Obtained and verified the details of credit period extension granted to the customers and developed an expectation of similar extensions across other customers of the Company.
  - vi. Recomputed the expected credit loss allowance considering the above determined input data and compared the amounts so recomputed with the amounts recorded by the management to determine if there were any material differences individually or in the aggregate.

#### Information Other than the Standalone Financial Statements and Our Report Thereon

The Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the



## STANDALONE FINANCIAL STATEMENTS

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. The Annual report is expected to be made available to us after the date of this report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance and take necessary actions as applicable under the relevant laws and regulations.

### Management's and Those Charged with Governance Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of 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 including Other 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 and Board of Directors are 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Standalone Financial statements 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 and Board of Directors 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 preclude 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, 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, 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 Statement 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

## STANDALONE FINANCIAL STATEMENTS

(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:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid or provided by the company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

(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, as amended, 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 39 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.
- iv. a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding,

whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act

**For A. P. Sanzgiri & Co.**  
**Chartered Accountants**  
**FRN: 116293W**

**Anil Agrawal**  
**Partner**  
**Membership No: 041396**  
**UDIN: 22041396AIYHPB9926**

**Place: Mumbai**  
**Date: May 13, 2022**

# 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)

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2022, we report that:

### i. Property, Plant and Equipment and Intangible Assets:

- a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The Company does not have any intangible assets.
- b. The Company has regular program of verification of Property, Plant & Equipment by which all Property, Plant & Equipment of the Company are being verified in a phased manner, which, in our opinion, is reasonable, having regard to the size of the Company and nature of its business. Pursuant to program, a portion of Property, Plant & Equipment has been physically verified by the management during the year and no material discrepancies were noticed on verification conducted during the year as compared with book records.
- c. According to the information and explanations given to us, based on test check examination of the records and Sale deeds/ 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.
- d. According to the information and explanations given to us the Company has not revalued its Property, Plant & Equipment (including Right-of-Use Assets) or Intangible assets or both during the year;
- e. According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

### ii. Inventories

- a. 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.
- b. During any the year, the Company has been sanctioned working capital limit in excess of five crore rupees, in aggregate, from Bank on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii. The Company has not made investments in, and not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause 3 (iii)(a) to (f) of the order is not applicable to the Company;
- 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

## STANDALONE FINANCIAL STATEMENTS

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, 2022 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. There were no transactions which have not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (43 of 1961).
- ix.
- a. In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of loans or borrowings to a financial institutions or banks.
  - b. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - c. The Company has not raised any term loan during the year.
  - d. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the Company.
  - e. The Company has not taken any funds from any entity or person on account of or to meet obligations of its subsidiaries Company, therefore the details under the clause (ix) (e) of the order is not required.

f. The Company has not raised any loans during the year by pledging the shares of the Subsidiaries Company, therefore the details under the clause (ix) (f) of the order is not required.

- x.
- a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.
  - b. During the year, the company has not made preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.
- xi.
- a. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
  - b. No report under sub-section (12) of section 143 of the Companies Act, 2013 is required to be filed by the auditors in Form ADT-4 as prescribed under Rules, 2014 with the central government during the year and upto the date of this report.
  - c. Based on our enquires and according to the information and explanation given by the management, we have been informed that whistle blower complaint has been considered by the Company as received during the year.
- 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.

- a. The Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered, the internal audit reports for the period under audit.

xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered during the year into any non-cash transactions with its directors or persons connected with them and hence clause 3 (xv) of the Order is not applicable to the Company.

xvi.

- a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi)(a) of the order is not applicable.
- b. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi)(b) of the order is not applicable.
- c. The Company is not a Core Investment Company (CIC) as defined by Reserve Bank of India. Accordingly, clause 3 (xvi)(c) of the order is not applicable.
- d. According to the information and explanations provided to us during the course of audit, the group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii. According to the information and explanation given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and based on our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet and as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due with a period of one year from the Balance sheet date, will get discharged by the Company as and when they fall due.

xx.

- a. There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause (xx)(a) of the order is not applicable for the year.
- b. The Company during the year has transferred unspent amount in special account relating to ongoing project in compliance with sub section (6) of Section 135 of the Act.

**For A. P. Sanzgiri & Co.  
Chartered Accountants  
FRN: 116293W**

**Anil Agrawal  
Partner  
Membership No: 041396  
UDIN: 22041396AIYHPB9926**

**Place: Mumbai  
Date: May 13, 2022**

## STANDALONE FINANCIAL STATEMENTS

**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 Act**

We have audited the internal financial controls over financial reporting of VAKRANGEE LIMITED ("the Company") as of March 31, 2022 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 and Board of Directors are 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 Act.

**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 Act, 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.

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, 2022, 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

**For A. P. Sanzgiri & Co.**  
**Chartered Accountants**  
**FRN: 116293W**

**Anil Agrawal**  
**Partner**  
**Membership No: 041396**  
**UDIN: 22041396AIYHPB9926**

**Place: Mumbai**  
**Date: May 13, 2022**



STANDALONE FINANCIAL STATEMENTS

# BALANCE SHEET

as at 31 March 2022

Particulars	Note No.	(₹ in lakhs)	
		As at 31 March 2022	As at 31 March 2021
<b>I. ASSETS</b>			
<b>1. Non - Current Assets</b>			
Property Plant and Equipment	4	13,853.34	15,564.00
Capital Work-in-Progress	4	197.45	140.25
Intangible Assets under development	5	434.79	346.43
Financial Assets			
(i) Investments	6	3,037.57	2,934.85
(ii) Trade Receivables	7	-	-
(iii) Loans	8	2,692.91	2,657.46
(iv) Other Financial Assets	9	135.58	159.72
Other Non - Current Assets	11	59,026.88	59,633.83
<b>Total Non-current Assets</b>		<b>79,378.52</b>	<b>81,436.54</b>
<b>2. Current Assets</b>			
Inventories	12	410.46	497.22
Financial Assets			
(ii) Trade Receivables	13	91,486.68	107,614.49
(iii) Cash and Cash equivalents	14	4,195.08	584.01
(iv) Bank Balances other than (iii) above	14	614.21	1,004.75
(v) Loans	15	3.26	2.43
(vi) Other Financial Assets	16	605.47	1,832.94
Current Tax Assets (Net)	17	-	511.53
Other Current Assets	18	110,945.58	89,756.53
<b>Total Current Assets</b>		<b>208,260.74</b>	<b>201,803.90</b>
<b>TOTAL</b>		<b>287,639.26</b>	<b>283,240.44</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
Equity Share Capital	19	10,595.00	10,594.06
Other Equity	20	259,702.38	252,394.70
<b>Total Equity</b>		<b>270,297.38</b>	<b>262,988.76</b>
<b>2. Liabilities</b>			
<b>i. Non - Current Liabilities</b>			
Financial Liabilities			
(i) Trade Payables	21	-	-
- Dues of micro enterprises and small enterprises		-	-
- Dues of Creditors other than micro enterprises and small enterprises		12.04	14.34
(ii) Other Financial Liabilities	22	41.28	53.32
Deferred Tax Liabilities (net)	10	-	74.03
Employee Benefit Obligations	23	307.92	331.00
<b>Total Non-Current Liabilities</b>		<b>435.27</b>	<b>443.83</b>
<b>ii. Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	24	-	-
(ii) Trade Payables	25	-	-
- Dues of micro enterprises and small enterprises		102.35	38.76
- Dues of Creditors other than micro enterprises and small enterprises		3,130.36	2,622.47
(iii) Other Financial Liabilities	26	6,694.53	9,927.24
Other Current Liabilities	27	3,413.28	7,236.09
Provisions	28	1,160.55	1,092.08
Employee Benefit Obligations	29	16.45	26.05
Current Tax Liabilities	30	2,389.09	705.90
<b>Total Current Liabilities</b>		<b>16,906.61</b>	<b>19,807.85</b>
<b>Total Liabilities (i + ii)</b>		<b>17,341.88</b>	<b>20,251.68</b>
<b>TOTAL</b>		<b>287,639.26</b>	<b>283,240.44</b>
<b>Significant Accounting Policies and Notes forming part of the Standalone Financial Statements.</b>	1-55		

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

Anil Agarwal

Partner

Membership No.: 041396

Ramesh Joshi

Chairman

DIN : 00002683

Dinesh Nandwana

MD & Group CEO

DIN : 00062532

Dr. Nishikant Hayatnagarkar

Whole-time Director

DIN : 00062638

Place : Mumbai

Date : May 13, 2022

Ajay Jangid

Chief Financial Officer

Sachin Khandekar

Company Secretary

# STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

Particulars	Note No.	(₹ in lakhs)	
		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I Income</b>			
Revenue from Operations	31	69,229.15	22,743.67
Other Income	32	231.74	6,815.25
<b>Total Income</b>		<b>69,460.89</b>	<b>29,558.92</b>
<b>II Expenses</b>			
Operating Expenses	33	50,689.90	14,196.94
Purchase of Stock-in-Trade		825.43	949.03
Changes in Inventories	34	91.21	281.13
Employee Benefits Expense	35	1,322.82	3,347.33
Finance Costs		-	-
Depreciation and Amortization Expense	4	1,545.57	1,478.35
Other Expenses	36	2,028.15	2,567.55
<b>Total Expenses</b>		<b>56,503.08</b>	<b>22,820.33</b>
<b>III Profit Before Tax and exceptional Items</b>		<b>12,957.81</b>	<b>6,738.59</b>
<b>IV Exceptional Items</b>	37	(168.66)	-
<b>V Profit Before Tax</b>		<b>12,789.15</b>	<b>6,738.59</b>
<b>VI Tax Expense:</b>			
(a) Current Tax		2,838.01	1,481.87
(b) Deferred Tax		15.18	120.60
		2,853.19	1,602.47
<b>VII Profit for the year</b>		<b>9,935.96</b>	<b>5,136.12</b>
<b>VIII Other Comprehensive Income</b>			
<b>Items that will be reclassified subsequently to profit and loss</b>			
i) Exchange difference on translation of foreign exchange		-	-
<b>Items that will not be reclassified subsequently to profit and loss</b>			
i) Fair value gain on financial instruments at fair value through OCI		-	-
ii) Remeasurement of net defined benefit obligations (net of taxes)		2.22	89.24
<b>Other Comprehensive Income (net of tax)</b>		<b>2.22</b>	<b>89.24</b>
<b>Total Comprehensive Income for the period</b>		<b>9,938.18</b>	<b>5,225.36</b>
<b>IX Weighted Average No. of equity shares for computing EPS (in lakhs)</b>	38		
(1) Basic		10,594.12	10,594.06
(2) Diluted		10,596.87	10,605.24
<b>X Earnings Per Equity Share (Face Value ₹ 1/- Per Share):</b>	38		
(1) Basic (₹)		0.94	0.48
(2) Diluted (₹)		0.94	0.48
<b>Significant Accounting Policies and Notes forming part of the Standalone Financial Statements.</b>	1-55		

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

**Anil Agarwal**

Partner

Membership No.: 041396

**Ramesh Joshi**

Chairman

DIN : 00002683

**Dinesh Nandwana**

MD &amp; Group CEO

DIN : 00062532

**Dr. Nishikant Hayatnagarkar**

Whole-time Director

DIN : 00062638

Place : Mumbai

Date : May 13, 2022

**Ajay Jangid**

Chief Financial Officer

**Sachin Khandekar**

Company Secretary

## STANDALONE FINANCIAL STATEMENTS

# STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2022

Sr. Particulars No.	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I Cash flow from operating activities</b>		
Profit before tax from continuing operations	12,789.15	6,738.59
<b>Profit before tax</b>	<b>12,789.15</b>	<b>6,738.59</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment	1,545.57	1,478.35
Employee share based payment expenses	(1,594.90)	(1,041.58)
Net foreign exchange differences	0.06	(0.04)
Allowance for credit losses	131.53	64.78
Fair value gain on financial instrument at fair value through Profit and loss	(101.72)	(14.54)
Remeasurement of defined benefit obligations	2.97	119.25
Gain on disposal of property, plant and equipment	168.22	-
Interest income	(90.33)	(6,797.51)
Dividend income	(1.50)	-
<b>Operating profit before working capital changes</b>	<b>12,849.05</b>	<b>547.30</b>
Movements in assets and liabilities :		
Decrease / (increase) in inventories	86.76	284.16
Decrease / (increase) in trade receivables	15,996.29	25,170.26
Decrease / (increase) in loans and other financial assets	214.78	18,507.98
Decrease / (increase) in other current assets	(21,189.05)	(47,479.95)
Decrease / (increase) in other non-current assets	614.92	2,338.93
Increase / (decrease) in trade payables	569.18	(3,886.90)
Increase / (decrease) in employee benefit obligations	(32.68)	(5.40)
Increase / (decrease) in provisions	68.46	395.48
Increase / (decrease) in other current liabilities	(3,822.81)	1,605.61
<b>Cash generated from operations</b>	<b>5,354.90</b>	<b>(2,522.53)</b>
Income taxes paid (net of refunds)	(651.24)	(372.58)
<b>Net cash flow generated from operating activities (A)</b>	<b>4,703.66</b>	<b>(2,895.11)</b>
<b>II Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(756.60)	(2,132.97)
Proceeds from sale of property, plant and equipment	607.91	0.22
<b>Proceeds from sale of investments</b>	-	209.53
Investment in subsidiaries	(1.00)	-
Loans of subsidiaries	-	9.68
Interest received	90.33	6,797.51
Dividends received	1.50	-
<b>Net cash flow generated from / (used in) investing activities (B)</b>	<b>(57.86)</b>	<b>4,883.97</b>

# STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2022

Sr. Particulars No.	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>III Cash flow from financing activities</b>		
Proceeds from issue of shares	0.94	-
Proceeds towards securities premium on issue of shares	23.80	-
Dividends paid to company's shareholders	(1,059.41)	(2,648.51)
<b>Net cash flow (used in) in financing activities (C)</b>	<b>(1,034.67)</b>	<b>(2,648.51)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>3,611.13</b>	<b>(659.65)</b>
Effects of exchange rate changes on cash and cash equivalents	(0.06)	0.05
Cash and cash equivalents at the beginning of the year	584.01	1,243.61
<b>Cash and cash equivalents at the end of the year</b>	<b>4,195.08</b>	<b>584.01</b>

Significant Accounting Policies and Notes forming part of the Standalone Financial Statements 1-55

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

**Anil Agarwal**

Partner

Membership No.: 041396

**Ramesh Joshi**

Chairman

DIN : 00002683

**Dinesh Nandwana**

MD &amp; Group CEO

DIN : 00062532

**Dr. Nishikant Hayatnagarkar**

Whole-time Director

DIN : 00062638

Place : Mumbai

Date : May 13, 2022

**Ajay Jangid**

Chief Financial Officer

**Sachin Khandekar**

Company Secretary

## STANDALONE FINANCIAL STATEMENTS

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Other Equity							Total equity attributable to equity holders of the Company
	Equity Share Capital	Securities premium	Reserves and surplus		Share Options Outstanding Account	Other Comprehensive Income		
			Retained earnings	General Reserve		Equity instruments through other comprehensive income	Other items of other comprehensive income	
<b>Balance as at March 31, 2020</b>	<b>10,594.06</b>	<b>42,746.84</b>	<b>190,153.46</b>	<b>18,268.05</b>	<b>2,879.92</b>	<b>(3,086.34)</b>	<b>(102.49)</b>	<b>261,453.50</b>
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	-	-	5,136.12	-	-	-	-	5,136.12
Dividends (including dividend distribution tax)	-	-	(2,648.51)	-	-	-	-	(2,648.51)
Transfer to General Reserve	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	(1,041.59)	-	-	(1,041.59)
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	89.24	89.24
<b>Balance as at March 31, 2021</b>	<b>10,594.06</b>	<b>42,746.84</b>	<b>192,641.07</b>	<b>18,268.05</b>	<b>1,838.33</b>	<b>(3,086.34)</b>	<b>(13.25)</b>	<b>262,988.76</b>
Increase in share capital on account of conversion of ESOPs	0.94	-	-	-	-	-	-	0.94
Amount received on shares issued during the year	-	23.80	-	-	-	-	-	23.80
Transferred from Share Options Outstanding Account	-	33.65	-	-	(33.65)	-	-	-
Profit for the year	-	-	9,935.96	-	-	-	-	9,935.96
Dividends (including dividend distribution tax)	-	-	(1,059.41)	-	-	-	-	(1,059.41)
Transfer to General Reserve	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	(1,594.90)	-	-	(1,594.90)
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	2.22	2.22
<b>Balance as at March 31, 2022</b>	<b>10,595.00</b>	<b>42,804.29</b>	<b>201,517.62</b>	<b>18,268.05</b>	<b>209.78</b>	<b>(3,086.34)</b>	<b>(11.03)</b>	<b>270,297.37</b>

Significant Accounting Policies and Notes forming part of the Standalone Financial Statements 1-55

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

**Anil Agarwal**

Partner

Membership No.: 041396

**Ramesh Joshi**

Chairman

DIN : 00002683

**Dinesh Nandwana**

MD &amp; Group CEO

DIN : 00062532

**Dr. Nishikant Hayatnagarkar**

Whole-time Director

DIN : 00062638

Place : Mumbai

Date : May 13, 2022

**Ajay Jangid**

Chief Financial Officer

**Sachin Khandekar**

Company Secretary

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 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 May 13, 2022.

## 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.

## STANDALONE FINANCIAL STATEMENTS

### NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

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.



## STANDALONE FINANCIAL STATEMENTS

## NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

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.

## STANDALONE FINANCIAL STATEMENTS

### NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

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.

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

## STANDALONE FINANCIAL STATEMENTS

### NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

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.

## STANDALONE FINANCIAL STATEMENTS

### NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

#### 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.



## STANDALONE FINANCIAL STATEMENTS

### NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

#### 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.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## Note 4 - Property, Plant and Equipment

(a)	Description	Buildings										Total	Capital Work-In-Progress	Grand Total	
		Plant and Machinery	Furniture and Fixtures	Motors Vehicle	Office Equipments	Computers including Computer Peripherals	Leasehold Land & Building	Leasehold Improvement	Computers including Computer Peripherals	Leasehold Land & Building	Leasehold Improvement				
	<b>Cost or Valuation</b>														
	<b>At March 31, 2020</b>	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			
	Additions	10.13	2,251.00	5.80	-	1.78	19.08	-	9.68	2,297.46	2,051.52	4,348.98			
	Disposals/Transfers	-	-	-	-	0.41	-	-	-	0.41	2,373.09	2,373.51			
	<b>At March 31, 2021</b>	1,768.72	12,878.95	571.91	146.77	497.05	1,710.75	3,185.24	1,073.05	21,832.44	140.25	21,972.69			
	Additions	-	588.04	-	45.86	6.07	15.94	-	-	655.92	645.25	1,301.16			
	Disposals/Transfers	852.90	1,052.00	-	-	100.94	2.38	-	-	2,008.21	588.04	2,596.26			
	<b>At March 31, 2022</b>	915.82	12,414.99	571.91	192.63	402.19	1,724.31	3,185.24	1,073.05	20,480.14	197.45	20,677.59			
	<b>Depreciation and Impairment</b>														
	<b>At March 31, 2020</b>	89.15	2,288.47	335.81	71.35	208.64	1,244.83	123.55	239.12	4,600.91	-	4,600.91			
	Depreciation charged for the year	22.41	1,129.18	6.23	16.56	16.62	111.47	59.34	116.54	1,478.35	-	1,478.35			
	Depreciation for the year transfer to CWIP	6.70	-	29.24	-	58.45	94.96	-	-	189.35	-	189.35			
	Disposals/Transfers	-	-	-	-	0.18	-	-	-	0.18	-	0.18			
	<b>At March 31, 2021</b>	118.26	3,417.65	371.28	87.91	283.53	1,451.26	182.89	355.66	6,268.43	-	6,268.43			
	Depreciation for the year charged to P&L	25.12	1,164.28	22.02	19.75	61.13	76.74	59.34	117.21	1,545.57	-	1,545.57			
	Depreciation for the year transfer to CWIP	1.69	-	6.93	-	14.41	21.85	-	-	44.88	-	44.88			
	Disposals/Transfers	76.77	1,052.00	-	-	100.94	2.37	-	-	1,232.09	-	1,232.09			
	<b>At March 31, 2022</b>	68.30	3,529.93	400.22	107.66	258.13	1,547.47	242.23	472.86	6,626.79	-	6,626.79			
	<b>Net Book Value</b>														
	<b>At March 31, 2020</b>	847.52	8,885.06	171.69	84.97	144.06	176.84	2,943.01	600.19	13,853.34	197.45	14,050.79			
	At March 31, 2021	1,650.45	9,461.30	200.63	58.85	213.53	259.49	3,002.35	717.40	15,564.00	140.25	15,704.25			

(b) Immovable Property situated at Vakrangee Corporate House, Plot No. 93, Road No. 16, MIDC, Marol, Near Hotel Suncity Residency, Andheri East, Mumbai-400093 with total built up area of entire building is 21050 Sq ft has been mortgaged as collateral security against borrowings from Union Bank of India.

(c) Title deeds of all the Immovable Property are held in name of the company.

(d) The company has not revalued its Property, Plant and Equipment during the year.

(e) **CWIP ageing schedule**

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Project in Progress	154.94	42.51	-	197.45
<b>Project temporarily suspended</b>	-	-	-	-

(f) **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 31 March 2022	As at 31 March 2021
Leasehold Land & Building	2,943.01	3,002.35

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 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.

## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## Note 5 - Intangible Assets under Development

		(₹ in lakhs)
(a)	Description	Amount
	<b>Gross Block</b>	
	<b>At March 31, 2020</b>	-
	Additions	346.43
	Disposal	-
	<b>At March 31, 2021</b>	<b>346.43</b>
	Additions	88.36
	Disposal	-
	<b>At March 31, 2022</b>	<b>434.79</b>
	Depreciation and Impairment	
	<b>At March 31, 2020</b>	-
	Depreciation Charged for the year	-
	Impairment during the year	-
	Disposal	-
	<b>At March 31, 2021</b>	-
	Depreciation Charged for the year	-
	Impairment during the year	-
	Disposal	-
	<b>At March 31, 2022</b>	-
	<b>Net Book Value</b>	
	At March 31, 2022	434.79
	At March 31, 2021	346.43

## (b) Intangible Assets under Development ageing schedule

Intangible Assets under Development	Amount in Intangible Assets under Development for a period of				Total
	(₹ in lakhs)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	88.36	346.43	-	-	434.79
Project temporarily suspended	-	-	-	-	-

Note 6 - Investments  
(Non - Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>a) Unquoted</b>		
<b>Investment carried at Cost</b>		
- <b>Investments in Equity Instruments of Subsidiaries</b>		
96,000 Equity Shares of Vakrangee e-Solutions Inc., Philippines of Peso 100/- each fully paid up (March 31, 2021 : 96,000 Equity shares)	96.00	96.00
1,00,000 Equity Shares of Vakrangee Digital Ventures Limited of ₹ 1/- each fully paid up (March 31, 2021 : Nil Equity shares)	1.00	-

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
1,20,00,000 Equity Shares of VL E-Governance & IT Solutions Limited of ₹ 10/- each fully paid up (March 31, 2021 : 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, 2021 : 1,50,00,000 Equity shares)	1,500.00	1,500.00
<b>( A )</b>	<b>2,797.00</b>	<b>2,796.00</b>
<b>Investment carried at Fair value through Profit and Loss (FVTPL)</b>		
- In Equity Shares		
2,500 Equity Shares of CSC e-Governance Services India Limited of ₹ 1000/- each fully paid up (March 31, 2021 : 2,500 Equity shares)	240.57	138.85
<b>( B )</b>	<b>240.57</b>	<b>138.85</b>
<b>TOTAL (A + B)</b>	<b>3,037.57</b>	<b>2,934.85</b>
<b>Aggregate amount of unquoted investments</b>	<b>3,037.57</b>	<b>2,934.85</b>

Investment at fair value through profit and loss reflect investment in unquoted equity securities.

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.

## Note 7 - Trade Receivables (Non Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(a) Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	-	-
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivable - credit impaired	417.57	381.55
	<b>417.57</b>	<b>381.55</b>
Less: Allowance for credit losses	417.57	381.55
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>(b) Detailed note on disclosure as required by Schdeule III for ageing</b>		
Refer Note 48 for ageing of Trade Receivables		

**STANDALONE FINANCIAL STATEMENTS**
**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

for the year ended March 31, 2022 (continued)

**Note 8 - Loans  
(Non - Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(i) Loans Receivable considered good (Secured)	-	-
(ii) Loans Receivable considered good (Unsecured)		
(a) Loan to Others	-	-
(b) Loan to Related Parties		
Dues from subsidiaries	2,692.91	2,657.46
	<u>2,692.91</u>	<u>2,657.46</u>
(iii) Loans Receivable which have significant increase in Credit Risk	-	-
(iv) Loans Receivable - credit impaired	-	-
	<u><b>2,692.91</b></u>	<u><b>2,657.46</b></u>

**Details of Loans to Related Parties**

Type of Borrower	(₹ in lakhs)			
	As at 31 March 2022		As at 31 March 2021	
	Amount outstanding	Percentage of total Loans	Amount outstanding	Percentage of total Loans
Loan to Subsidiary (without specifying any terms or period of repayment)	2,692.91	100%	2,657.46	100%
<b>Total</b>	<u><b>2,692.91</b></u>	<u><b>100%</b></u>	<u><b>2,657.46</b></u>	<u><b>100%</b></u>

**Note 9 - Other Financial Assets  
(Non - Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Deposits with bank		
- with maturity period of more than 12 months *	75.50	77.64
Other Deposits		
Security Deposit	19.08	41.08
Earnest Money Deposit	41.00	41.00
	<u>60.08</u>	<u>82.08</u>
<b>TOTAL</b>	<u><b>135.58</b></u>	<u><b>159.72</b></u>
	<u><b>75.50</b></u>	<u><b>77.09</b></u>

\* Amount held as margin money or security against borrowings, guarantee, other commitments

**Note 10 - Deferred Tax Assets (net)**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>		
(i) On account of difference in depreciation on Property, Plant and Equipment	-	-
(ii) Provision for Employees' obligations	80.89	59.85
(iii) On account of Expected Credit Losses	183.47	150.37
<b>( A )</b>	<b>264.36</b>	<b>210.22</b>
<b>Liabilities</b>		
(i) On account of difference in depreciation on Property, Plant and Equipment	338.39	268.32
<b>( B )</b>	<b>338.39</b>	<b>268.32</b>
<b>Balance carried to Balance Sheet (A - B)</b>	<b>(74.03)</b>	<b>(58.10)</b>

**(a) Movement in deferred tax account during the year is as follows:**

Particulars	(₹ in lakhs)			
	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance
<b>For the year ended March 31, 2022 :</b>				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	(268.32)	(70.07)	-	(338.39)
Expenses provided but allowable in Income Tax on payment	59.85	21.79	(0.75)	80.89
Allowance for expected credit losses	150.37	33.10	-	183.47
	(58.10)	(15.18)	(0.75)	(74.03)
Others	-	-	-	-
<b>TOTAL</b>	<b>(58.10)</b>	<b>(15.18)</b>	<b>(0.75)</b>	<b>(74.03)</b>
<b>For the year ended March 31, 2021 :</b>				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	(126.58)	(141.74)	-	(268.32)
Expenses provided but allowable in Income Tax on payment	85.03	4.84	(30.01)	59.85
Allowance for expected credit losses	134.07	16.30	-	150.37
	92.52	(120.60)	(30.01)	(58.10)
Others	-	-	-	-
<b>TOTAL</b>	<b>92.52</b>	<b>(120.60)</b>	<b>(30.01)</b>	<b>(58.10)</b>

## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

The analysis of Deferred Tax Assets is as follows:

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Deferred Tax Assets to be recovered after more than 12 months	-	-
Deferred Tax Assets to be recovered within 12 months	(74.03)	(58.10)
	<b>(74.03)</b>	<b>(58.10)</b>

**(b) Explanation of changes in the applicable tax rate(s) compared to the previous accounting period**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Applicable Tax rate considered for deferred tax asset or liability	25.168%	25.168%

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.

**Note 11 - Other Non-Current Assets  
(Non - Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Capital Advances	59,001.30	59,595.90
Prepaid Expenses	5.52	2.18
Balances with statutory / revenue authorities		
- Income Tax (net of provision for taxation)	20.06	12.09
- Sales Tax	-	23.66
	20.06	35.75
<b>TOTAL</b>	<b>59,026.88</b>	<b>59,633.83</b>

**Note 12 - Inventories**

(a) Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Stock-in-Trade	394.10	485.31
Consumables	11.41	4.04
Stores & Spares	4.95	7.87
	<b>410.46</b>	<b>497.22</b>

**(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)

(₹ in lakhs)		
(a) Particulars	As at 31 March 2022	As at March 31, 2021
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	91,775.65	106,344.61
Trade Receivable which have significant increase in Credit Risk	22.46	1,485.80
Trade Receivable - credit impaired	-	-
	<b>91,798.11</b>	<b>107,830.41</b>
Less: Allowance for credit Losses	311.43	215.92
<b>TOTAL</b>	<b>91,486.68</b>	<b>107,614.49</b>

### (b) Debts due from related parties

(₹ in lakhs)		
Particulars	As at 31 March 2022	As at March 31, 2021
(i) Subsidiaries	50.50	0.90
<b>TOTAL</b>	<b>50.50</b>	<b>0.90</b>

### (c) Detailed note on disclosure as required by Schdeule III for ageing

Refer Note 48 for ageing of Trade Receivables

### Note 14 - Cash and Cash equivalents and Other Bank Balances

(₹ in lakhs)		
Particulars	As at 31 March 2022	As at 31 March 2021
<b>(A) Cash and Cash Equivalents</b>		
(i) Balances with Banks :		
- Current Accounts	4,141.83	532.26
- Deposit Accounts	-	-
(ii) Cash-in-hand	53.25	51.75
	<b>4,195.08</b>	<b>584.01</b>
<b>(B) Bank Balances other than above</b>		
(i) Earmarked balances in unclaimed dividend account	85.50	92.44
(ii) Fixed Deposits with maturity period of more than 3 months but less than 12 months **	528.71	912.31
<b>TOTAL</b>	<b>614.21</b>	<b>1,004.75</b>
** Amount held as margin money or security against borrowings, guarantee, other commitments	522.30	894.07



## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## (b) For the purpose of cash flow statement

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>(A) Cash &amp; Cash Equivalents</b>		
(i) Balances with Banks :		
- Current Accounts	4,141.83	532.26
- Deposit Accounts	-	-
(ii) Cash-in-hand	53.25	51.75
	4,195.08	584.01
Less : Cash Credit	-	-
<b>TOTAL</b>	<b>4,195.08</b>	<b>584.01</b>

## Note 15 - Loans

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(i) Loans Receivable considered good (Secured)	-	-
(ii) Loans Receivable considered good (Unsecured)		
(a) Loan to Others		
Staff Advances	3.26	2.43
	3.26	2.43
(iii) Loans Receivable which have significant increase in Credit Risk	-	-
(iv) Loans Receivable - credit impaired	-	-
<b>TOTAL</b>	<b>3.26</b>	<b>2.43</b>

## Note 16 - Other Financial Assets

## (Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Insurance claim Receivable	1.76	0.47
Security Deposit	22.87	7.71
Accrued Interest on FD	1.28	0.29
Receivable against sale of property	170.36	-
CC Settlement Receivable	2.44	-
ATM Settlement Receivable	406.76	1,824.47
	605.47	1,832.94
<b>TOTAL</b>	<b>605.47</b>	<b>1,832.94</b>

**Note 17 - Current Tax Assets (Net)**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Income Tax (net of provision for taxation)	-	511.53
<b>TOTAL</b>	<b>-</b>	<b>511.53</b>

**Note 18 - Other Current Assets**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at March 31, 2021
Advances to Vendors	93,496.88	77,386.88
Prepaid Expenses	51.05	72.35
Other Receivable		
- Accrued Revenue	16,283.54	10,919.48
Balances with statutory / revenue authorities		
- Goods & Service Tax	1,114.11	1,377.82
<b>TOTAL</b>	<b>110,945.58</b>	<b>89,756.53</b>

**Note 19 - Equity Share Capital****Equity share capital****(i) Authorised share capital**

Particulars	(₹ in lakhs)	
	Number of shares (in lakhs)	Amount
<b>As at March 31, 2021</b>	<b>12,500.00</b>	<b>12,500.00</b>
Increase during the year	-	-
<b>As at March 31, 2022</b>	<b>12,500.00</b>	<b>12,500.00</b>

**(ii) Paid up Equity share capital**

Particulars	(₹ in lakhs)	
	Number of shares (in lakhs)	Amount
<b>As at March 31, 2020</b>	<b>10,594.06</b>	<b>10,594.06</b>
Exercise of options	-	-
<b>As at March 31, 2021</b>	<b>10,594.06</b>	<b>10,594.06</b>
Exercise of options	0.94	0.94
<b>As at March 31, 2022</b>	<b>10,595.00</b>	<b>10,595.00</b>

**(iii) Details of shareholders holding more than 5% shares in the Company**

## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
Vakrangee Holdings Private Limited	2,509.50	23.69%	2,509.50	23.69%
NJD Capital Private Limited	1,311.00	12.37%	1,311.00	12.37%
Life Insurance Corporation of India	658.65	6.22%	659.15	6.22%
Dinesh Nandwana	691.07	6.52%	691.07	6.52%

## (iv) Disclosure of shareholders holding of Promoters

## Shares held by promoters as at March 31, 2022

	Number of shares (in lakhs)	% of Total shares	% Change during the year
Vakrangee Holdings Private Limited	2,509.50	23.69%	0.00%
NJD Capital Private Limited	1,311.00	12.37%	0.00%
Dinesh Nandwana	691.07	6.52%	0.00%
Dinesh Nandwana HUF	1.96	0.02%	0.00%

## (v) 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, 2022, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 0.10/- per share of ₹ 1/- each for the year ended March 31, 2021.

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.

## (vi) Aggregate details for five immediately previous reporting periods for each class of shares

Particulars	(No. of shares in lakhs)	
	As at 31 March 2022	As at 31 March 2021
- 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.	8.66	8.08

## (vii) 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 :

Particulars	(₹ in lakhs)	
	As at March 31	
	2022	2021
Net debt	-	-
Total equity	270,297.38	262,988.76
<b>Net debt to equity ratio</b>	-	-

## Note 20 - Other Equity

### (i) Reserves and surplus

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Securities Premium	42,804.29	42,746.84
Share Options Outstanding Account	399.80	3,347.37
Deferred Employee Compensation Expense	(190.01)	(1,509.04)
General Reserve	18,268.05	18,268.05
Surplus in Statement of Profit and Loss	201,517.62	192,641.07
<b>Total (A)</b>	<b>262,799.75</b>	<b>255,494.29</b>

### (a) Securities Premium

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>42,746.84</b>	<b>42,746.84</b>
Add:- On share issued during the year	23.80	-
Add:- Transfer from shares options outstanding account	33.65	-
<b>Closing balance</b>	<b>42,804.29</b>	<b>42,746.84</b>

## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## (b) Share Options Outstanding Account

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>3,347.37</b>	<b>5,950.10</b>
Add:- On further grant of options	150.90	-
Less:- Reversal due to Lapsation of option	(3,064.82)	(2,602.73)
Less: Transfer to Securities premium account	(33.65)	-
<b>Closing balance</b>	<b>399.80</b>	<b>3,347.37</b>

## (c) Deferred Employee Compensation Expense

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>(1,509.04)</b>	<b>(3,070.18)</b>
Add:- On further grant of options	(150.90)	-
Less:- Reversal due to Lapsation of option	1,368.68	1,269.49
Less:- Amortised during the year	101.25	291.65
<b>Closing balance</b>	<b>(190.01)</b>	<b>(1,509.04)</b>

## (d) General Reserve

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>18,268.05</b>	<b>18,268.05</b>
Add:- Transfer from Profit and Loss account	-	-
<b>Closing balance</b>	<b>18,268.05</b>	<b>18,268.05</b>

## (e) Surplus in Statement of Profit and Loss

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>192,641.07</b>	<b>190,153.46</b>
Add:- Profit for the year	9,935.96	5,136.12
Less:- Transfer to General Reserve	-	-
Less:- Dividend declared and paid	(1,059.41)	(2,648.51)
Less:- Dividend distribution tax	-	-
<b>Closing balance</b>	<b>201,517.62</b>	<b>192,641.07</b>

**(ii) Other Comprehensive Income**

		(₹ in lakhs)	
Particulars		As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>		<b>(3,099.59)</b>	<b>(3,188.83)</b>
Remeasurement of net defined benefit obligations (net of taxes)		2.22	89.24
<b>Closing balance</b>	<b>Total (B)</b>	<b>(3,097.37)</b>	<b>(3,099.59)</b>
	<b>Total (A+B)</b>	<b>259,702.38</b>	<b>252,394.70</b>

**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 21 - Trade Payables  
(Non - Current)**

		(₹ in lakhs)			
Particulars		As at 31 March 2022		As at 31 March 2021	
		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		-	-	-	-
		-	-	-	-
<b>Total Dues of micro enterprises and small enterprises</b>			-		-
- Dues of Creditors other than micro enterprises and small enterprises			12.04		14.34
	<b>TOTAL</b>		<b>12.04</b>		<b>14.34</b>

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.

**Detailed note on disclosure as required by Schdeule III for ageing**

Refer Note 49 for ageing of Trade Payable

## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

**Note 22 - Other Financial Liabilities  
(Non - Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Security Deposit	41.28	40.39
<b>TOTAL</b>	<b>41.28</b>	<b>40.39</b>

**Note 23 - Employee Benefit Obligations  
(Non - Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Provision for Employees' benefits	307.92	331.00
<b>TOTAL</b>	<b>307.92</b>	<b>331.00</b>

**Note 24 - Borrowings  
(Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Secured Loans</b>		
Loan Repayable on Demand		
- From Bank	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

The Company has working capital facility (sanctioned limit of ₹ 45 Crores) & additional facility (sanctioned limit of ₹ 13.36 Crores) from Union Bank of India. The facilities are secured by First charge (Primary) of hypothecation of Book Debts and present & future current assets of Company.

Collateral Security - Registered Equitable Mortgage of Immovable Property situated at Vakrangee Corporate House, Plot No. 93, Road No 16, MIDC, Marol, Near Hotel Suncity Residency, Andheri East, Mumbai-400093 with total built up area of entire building is 21050 Sq ft in the name of M/S Vakrangee Limited.

## Note 25 - Trade Payables (Current)

Particulars	(₹ in lakhs)			
	As at 31 March 2022		As at 31 March 2021	
	Principal	Interest	Principal	Interest
Trade Payables				
- Dues of micro enterprises and small enterprises				
Amount due to vendor	102.35	-	38.76	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	102.35	-	38.76	-
<b>Total Dues of micro enterprises and small enterprises</b>		102.35		38.76
- Dues of Creditors other than micro enterprises and small enterprises		3,130.36		2,622.47
<b>TOTAL</b>		<b>3,232.71</b>		<b>2,661.23</b>

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.

### Detailed note on disclosure as required by Schdeule III for ageing

Refer Note 49 for ageing of Trade Payable

## Note 26 - Other Financial Liabilities

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Payable to Franchisee	5,331.59	6,648.26
Payable for acquisition of Property, Plant & Equipments	627.39	695.96
Payable towards CSR Expenses	650.05	650.05
Unpaid Dividend	85.50	92.23
<b>TOTAL</b>	<b>6,694.53</b>	<b>8,086.50</b>

## Note 27 - Other Current Liabilities

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Statutory dues	1,101.77	294.11
Advance from customers	63.51	3,970.75
Kendra money received pending allotment	1,459.73	1,932.08
Franchisee Wallet Balance	143.33	286.84
Staff Emoluments Payable	644.94	752.31
<b>TOTAL</b>	<b>3,413.28</b>	<b>7,236.09</b>



## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## Note 28 - Provisions

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Provision for Expenses for Goods & services	1,160.55	1,092.08
<b>TOTAL</b>	<b>1,160.55</b>	<b>1,092.08</b>

Note 29 - Employee Benefit Obligations  
(Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Provision for Employees' benefits	16.45	26.05
<b>TOTAL</b>	<b>16.45</b>	<b>26.05</b>

## Note 30 - Current Tax Liabilities (Net)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Income Tax (net of provision for taxation)	2,389.09	705.90
<b>TOTAL</b>	<b>2,389.09</b>	<b>705.90</b>

## Note 31 - Revenue from Operations

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Revenue from vakrangee kendra, including e-governance activities	56,993.12	15,901.94
<b>(b) Revenue from Sale of Products</b>		
- Computer consumables & peripherals	900.93	1,324.01
	900.93	1,324.01
<b>(c) Revenue from Sale of Services</b>		
- Information Technology-enabled Services (ITeS)	10,611.89	4,910.94
- Other	495.00	360.00
	11,106.89	5,270.94
<b>(d) Other Operating Revenues</b>		
- Kit Transportation charge	196.03	233.31
- Scrap Sales	32.18	13.47
	228.21	246.78
<b>TOTAL</b>	<b>69,229.15</b>	<b>22,743.67</b>

Note:- The amount of revenues are exclusive of indirect taxes i.e. Goods and Service Tax

## Note 32 - Other Income

Particulars			(₹ in lakhs)	
	For the year ended March 31, 2022		For the year ended March 31, 2021	
<b>(i) Interest Income</b>				
(a) Interest Income on the financial assets at amortized cost				
- Bank Deposits	30.52		195.94	
(b) Other Interest Income	59.81	90.33	6,601.57	6,797.51
(ii) Dividend income		1.50		-
(iii) Other non-operating income				
- Rent Received	2.03		3.12	
- Gain on Sale of Asset	0.44		-	
- Gain on Foreign Exchange Fluctuation	35.51		0.01	
- Fair value gain on financial instrument at fair value through Profit and loss*	101.72		14.54	
- Miscellaneous Income	0.21		0.07	
		139.91		17.74
<b>TOTAL</b>		<b>231.74</b>		<b>6,815.25</b>

\*Total Fair value gain on financial instrument at fair value through profit and loss includes ₹ NIL (previous year ₹ 2.63 lakhs) as 'Net Gain on sale of Investments'

## Note 33 - Operating Expenses

Particulars			(₹ in lakhs)	
	For the year ended March 31, 2022		For the year ended March 31, 2021	
<b>Project Delivery Cost</b>				
- Opening Stock	11.92		14.93	
- Add : Purchase of goods and services	41,378.37		5,106.89	
- Less : Closing Stock	16.36		11.92	
		41,373.93		5,109.90
Project Expenses		1,036.20		1,035.74
Commission Expenses		7,892.01		7,710.14
Communication Costs		0.92		0.70
Conveyance & Travelling Expenses		2.59		6.15
Penalty *		100.00		-
Transportation, Octroi and Loading / Unloading Charges		188.75		113.70
Rent, Rates and Taxes		95.50		220.61
<b>TOTAL</b>		<b>50,689.90</b>		<b>14,196.94</b>

\*RBI has imposed a penalty for non deployment of minimum number of ATMs required to be deployed, which is contravention of the nature referred to in Section 26 (6) of the Payment and Settlement Systems Act, 2007

## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## Note 34 - Changes in Inventories

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(a) At the beginning of the period</b>		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	485.31	766.44
Less : Stock converted into Fixed Assets	-	-
	<u>485.31</u>	<u>766.44</u>
<b>Less : at the end of the period</b>		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	394.10	485.31
	<u>394.10</u>	<u>485.31</u>
<b>TOTAL</b>	<b><u>91.21</u></b>	<b><u>281.13</u></b>

## Note 35 - Employee Benefits Expenses

(a) Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Salaries & Wages	2,453.40	3,857.44
(ii) Directors' Remuneration	283.87	287.77
(iii) Contribution to Provident & Other Funds	79.31	187.94
(iv) Share-based Payment Expenses	(1,594.90)	(1,041.58)
(v) Directors' Sitting Fees	34.35	19.10
(vi) Staff Welfare Expenses	66.79	36.66
	<u>1,322.82</u>	<u>3,347.33</u>
<b>TOTAL</b>	<b><u>1,322.82</u></b>	<b><u>3,347.33</u></b>

## (b) Detailed note on disclosure as required by Ind AS-19

For details, refer Note No. 43.

## Note 36 - Other Expenses

Particulars			(₹ in lakhs)	
	For the year ended March 31, 2022		For the year ended March 31, 2021	
<b>Repairs &amp; Maintenance :</b>				
- Building	23.69		4.85	
- Vehicle	1.90		2.81	
- Others	54.73	80.32	64.27	71.93
Advertisement and Publicity		237.47		205.81
Business Promotion		19.42		18.10
Rates & Taxes		118.87		235.26
Insurance		60.06		151.57
Electricity Charges		48.59		54.04
Printing and Stationery		7.36		11.43
Communication Costs		62.01		119.50
Fees & Subscriptions		17.06		21.10
Listing, Registrar & Share Issue/Transfer Charges		58.53		41.04
Loss on Foreign Exchange Fluctuation		0.03		67.09
Legal & Professional Fees - Other than payments to Auditor:				
- Legal & Professional	805.73		435.33	
- Filing, Stamp Duty and Franking Charges	27.34	833.07	27.91	463.24
Payments to Auditors :				
- Audit fees (including limited review)	65.00		65.00	
- Tax Audit fees	10.00		10.00	
- For Other Services	-		-	
- For Reimbursement of Expenses	1.65	76.65	1.98	76.98
Conveyance & Travelling		30.23		23.57
Vehicle Expenses		10.57		10.34
Corporate Social Responsibility Expenditure (Refer Note 40)		135.74		745.04
Office & General Expenses		43.25		77.71
Allowance for credit losses				
- Opening Allowances	(597.47)		(532.69)	
- Less : Closing Allowances	(729.00)	131.53	(597.47)	64.78
Miscellaneous Expenses		57.39		109.02
<b>TOTAL</b>		<b>2,028.15</b>		<b>2,567.55</b>

## Note 37 - Exceptional Item

Particulars			(₹ in lakhs)	
	For the year ended March 31, 2022		For the year ended March 31, 2021	
- Net Loss on disposal of Property plant and equipment		(168.66)		-
<b>TOTAL</b>		<b>(168.66)</b>		<b>-</b>

Exceptional item consists of loss on sale of office premises (an item of PPE).

**STANDALONE FINANCIAL STATEMENTS**
**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

for the year ended March 31, 2022 (continued)

**Note 38 - Earnings Per Equity Share**

		(₹ in lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	
<b>(a)</b> Net profit after tax attributable to equity shareholders for Basic EPS	9,935.96	5,136.12	
Add/Less: Adjustment relating to potential equity shares	-	-	
Net profit after tax attributable to equity shareholders for Diluted EPS	9,935.96	5,136.12	
<b>(b)</b> Weighted average no. of equity shares (in lakhs) outstanding during the year			
For Basic EPS	10,594.12	10,594.06	
For Diluted EPS	10,596.87	10,605.24	
<b>(c)</b> Face Value per Equity Share (₹)	1.00	1.00	
Basic EPS (₹)	0.94	0.48	
Diluted EPS (₹)	0.94	0.48	
<b>(d) Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS</b>			
No. of shares used for calculating Basic EPS	10,594.12	10,594.06	
Add: Potential equity shares	2.75	11.18	
<b>No. of shares used for calculating Diluted EPS</b>	<b>10,596.87</b>	<b>10,605.24</b>	

**Note 39 - Contingent Liabilities and Commitments (to the extent not provided for)**

		(₹ in lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	
<b>(A) Contingent Liabilities</b>			
(i) Claims against the company not acknowledged as debts	-	-	
(ii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts	178.00	170.57	
(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	
<b>(A)</b>	<b>303.00</b>	<b>495.57</b>	
<b>(B) Commitments</b>			
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	59,001.30	59,595.90	
<b>(B)</b>	<b>59,001.30</b>	<b>59,595.90</b>	
<b>TOTAL (A + B)</b>	<b>59,304.30</b>	<b>60,091.47</b>	

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 40 - 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.

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross Amount required to be spent by the company during the year	135.74	745.04
b) Amount of expenditure incurred on:		
(i). Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	135.74	94.99
c) Shortfall at the end of the year	-	650.05
d) Total of previous years' short fall	650.05	-
e) Reason for short fall	Pertains to ongoing projects	Pertains to ongoing projects
f) The nature of CSR activities undertaken by the Company	Eradication of hunger and malnutrition, promoting education, healthcare	Eradication of hunger and malnutrition, promoting education, healthcare

### Note 41 - Segment Reporting

The Company's activities predominantly comprise providing various services through Vakrangee Kendra. Considering the nature of the Company's business and operations, there is only one reportable operating segment (business and / or geographical) i.e. Vakrangee Kendra in accordance with the requirements of the Indian Accounting Standard 108 – "Operating Segments".

### Note 42 - Related Party Details

(a) Key Management Personnel and Directors	
Mr. Ramesh Mulchand Joshi	Non-Executive Chairman
Mr. Dinesh Nandwana	Managing Director & Group CEO
Mr. Anil Khanna	Director (upto September 11, 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. Hari Chand Mittal	Director (w.e.f. July 31, 2020)
Mr. Subhash Singhania	Chief Financial Officer (upto December 20 2020)
Mr. Mehul Rawal	Company Secretary and Compliance Officer (upto December 20 2020)
Mr. Ajay Jangid	Chief Financial Officer (w.e.f. December 21, 2020)
Mr. Jay Bhansali	Company Secretary and Compliance Officer (upto September 24, 2021)
Mr. Sachin Khandekar	Company Secretary and Compliance Officer (w.e.f. September 25, 2021)

## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

(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

- 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, 2022	March 31, 2021
Vakrangee e-Solutions Inc.	Phillipines	100%	100%
Vakrangee Finserve Limited	India	100%	100%
VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited)	India	100%	100%
Vakrangee Digital Ventures Limited	India	100%	100%

**Related Party Transactions**

- In relation to (a)

(₹ in lakhs)

Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Remuneration to Key Managerial Personnel</b>		
- Dinesh Nandwana	240.00	240.00
- Dr. Nishikant Hayatnagarkar	56.55	47.77
- Subhash Singhanian	-	37.20
- Mehul Rawal	2.94	16.09
- Ajay Jangid	26.63	-
- Jay Bhansali	3.60	-
- Sachin Khandekar	4.36	-
<b>Post-employment benefits to Key Managerial Personnel</b>		
- Dinesh Nandwana	18.69	17.72
- Dr. Nishikant Hayatnagarkar	20.00	20.00
- Ajay Jangid	0.65	-
- Jay Bhansali	-	-
- Sachin Khandekar	0.21	-
<b>Directors Sitting Fees</b>		
- Ramesh Mulchand Joshi	4.95	2.95
- Sunil Agarwal	5.00	2.75
- Babulal Meena	4.95	2.70
- Sujata Chattopadhyay	4.50	2.50
- Avinash Chandra Vyas	5.45	3.20
- Ranbir Datt	4.50	2.75
- Hari Chand Mittal	5.00	2.25
<b>Balance outstanding as on March 31 : (Expenses and Salaries Payable)</b>		
- Dinesh Nandwana	12.48	12.48
- Dr. Nishikant Hayatnagarkar	3.43	3.18
- Subhash Singhanian	-	4.63
- Ajay Jangid	1.86	1.80
- Sachin Khandekar	0.68	-
- Jay Bhansali	-	0.40

**- In relation to (b)**

Nature of Transactions	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Reimbursement of Expenses Paid</b>		
- Vedant Nandwana	1.95	-
<b>Employee Benefit Expenses</b>		
- Divya Nandwana	16.68	15.42
- Vedant Nandwana	6.95	6.43
<b>Balance outstanding as on March 31 : (Expenses and Salaries Payable)</b>		
- Divya Nandwana	-	1.15
- Vedant Nandwana	-	0.50

**- In relation to (c)**

Nature of Transactions	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sales of Support Services</b>		
- Vakrangee Finserve Limited	496.15	360.37
- Vakrangee Digital Venture Limited	43.34	-
<b>Purchase of Support Services</b>		
- VL E-Governance & IT Solutions Limited	18.50	-
- Vakrangee Digital Venture Limited	34.37	-
<b>Margin Money against Guarantee issued by Bank</b>		
- Vakrangee Finserve Limited	125.00	325.00
<b>Balance Outstanding as on March 31 :</b>		
- Vakrangee Finserve Limited (Trade Receivable)	50.50	0.90
- Vakrangee Digital Venture Limited (Trade Payable)	22.71	-
- Vakrangee e-Solutions Inc. (Loans Receivable, including foreign exchange fluctuation as at year end)	2,692.91	2,657.46

**Note 43 - Employee Benefit Obligations****(i) Leave obligations**

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 169.36 lakhs (March 31, 2021 - ₹ 262.92 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



## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

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 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 ₹ 57.35 lakhs (March 31, 2021 - ₹ 138.94 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:

Particulars	(₹ in lakhs)		
	Present value of obligation	Fair value of Plan assets	Net amount
<b>1-Apr-20</b>	<b>486.64</b>	<b>(400.24)</b>	<b>86.40</b>
Current Service cost	131.10	-	131.10
Past Service Cost	-	-	-
Interest expense/(income)	31.35	(29.95)	1.40
<b>Total amount recognised in profit and loss</b>	<b>162.45</b>	<b>(29.95)</b>	<b>132.50</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
(Gain)/loss from change in financial assumptions	(132.11)	-	(132.11)
Experience (gains)/losses	1.10	11.75	12.86
<b>Total amount recognised in other comprehensive income</b>	<b>(131.01)</b>	<b>11.75</b>	<b>(119.25)</b>
Employer contributions	-	(5.49)	(5.49)
Benefit payments	(109.99)	109.99	-
<b>31-Mar-21</b>	<b>408.09</b>	<b>(313.95)</b>	<b>94.14</b>

Particulars	(₹ in lakhs)		
	Present value of obligation	Fair value of Plan assets	Net amount
<b>1-Apr-21</b>	<b>408.09</b>	<b>(313.95)</b>	<b>94.14</b>
Current Service cost	80.25	-	80.25
Past Service Cost	-	-	-
Interest expense/(income)	25.58	(21.98)	3.60
<b>Total amount recognised in profit and loss</b>	<b>105.83</b>	<b>(21.98)</b>	<b>83.85</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	(0.01)	(0.01)
(Gain)/loss from change in financial assumptions	(0.00)	-	(0.00)
Experience (gains)/losses	(13.90)	10.93	(2.97)
<b>Total amount recognised in other comprehensive income</b>	<b>(13.90)</b>	<b>10.92</b>	<b>(2.98)</b>
Employer contributions	-	(20.00)	(20.00)
Benefit payments	(204.96)	204.96	-
<b>31-Mar-22</b>	<b>295.06</b>	<b>(140.05)</b>	<b>155.01</b>

The net liability disclosed above relates to funded plans are as follows

Particulars	(₹ in lakhs)	
	31-Mar-22	31-Mar-21
Present value of funded obligations	295.06	408.09
Fair value of plan assets	(140.05)	(313.95)
<b>Deficit/(Surplus) of gratuity plan</b>	<b>155.01</b>	<b>94.14</b>

#### Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

Particulars	(₹ in lakhs)	
	31-Mar-22	31-Mar-21
Discount rate	7.24%	6.67%
Salary growth rate (per annum)	<b>5.00%</b>	5.00%
Mortality Table	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate

## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## 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-22	31-Mar-21	31-Mar-22	31-Mar-21
Discount rate	1%	1%	Decrease by 7%	8%
Salary growth rate	1%	1%	Increase by 7%	9%

Particulars	Change in assumption		Impact on defined benefit obligation	
			Decrease in assumption	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Discount rate	1%	1%	Increase by 9%	10%
Salary growth rate	1%	1%	Decrease by 6%	8%

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 :

Particulars	In Percentage %	
	31-Mar-22	31-Mar-21
<b>Equity instruments</b>	<b>9.68</b>	<b>9.68</b>
<b>Debt instruments</b>	<b>86.30</b>	<b>86.30</b>
Government bonds	67.56	67.56
Corporate bonds/debentures	18.74	18.74
<b>Asset backed securities</b>	-	-
Cash and cash equivalents	4.02	4.02
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

\*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 44 - 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 on the basis of market price of the scrip of the company (on the highest traded Stock Exchange) as decided by the Nomination and Remuneration and Compensation Committee. During the year the committee has decided to grant options at closing price on previous day of grant of options.

During the year ended March 31, 2022, the Company has lapsed / cancelled 2699625 options granted under Company's "ESOP Scheme 2014", to its eligible employees as these options have gone underwater and were rendered un-attractive to employees due to decrease in market price of shares. In order to benefit the employees, the Company has cancelled these options and granted new options to eligible employees at prevalent market price. Due to this there is reversal of ₹ 1696.15 Lakhs in Employee stock compensation expenses resulting in decline of Employee Benefit Expenses. the Company has granted 1115300 new options during the year to the eligible employees. Further during the year the Company has allotted 94150 equity shares on conversion of ESOPs.

## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-22		31-Mar-21	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	79.48	3,213,675	70.46	6,458,800
Granted during the year	42.70	1,115,300	-	-
Exercised during the year	26.27	94,150	-	-
Lapsed / cancelled during the year	113.53	2,699,625	61.42	3,245,125
<b>Closing Balance</b>	<b>42.20</b>	<b>1,535,200</b>	<b>79.48</b>	<b>3,213,675</b>
Vested and exercisable	50.61	341,800	86.85	1,731,025

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2022 was ₹ 30.70 (March 31, 2021 : ₹ 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	
			31-Mar-22	31-Mar-21
26-11-2014	26-11-2023	32.35	32,225	32,475
11-03-2016	10-03-2025	56.54	272,325	593,900
26-07-2017	25-07-2026	109.40	-	1,305,600
26-10-2017	25-10-2026	137.33	-	216,800
09-01-2018	08-01-2027	202.28	-	64,000
13-04-2018	12-04-2027	69.85	-	301,300
10-07-2018	09-07-2027	25.93	53,500	137,200
05-10-2018	04-10-2027	14.38	21,700	154,200
03-01-2019	02-01-2028	18.03	12,150	71,700
15-04-2019	14-04-2028	32.95	2,400	118,400
10-07-2019	09-07-2028	17.95	18,175	40,200
09-10-2019	08-10-2028	14.18	39,825	177,900
11-01-2022	10-01-2030	42.70	1,082,900	-
<b>Total</b>			<b>1,535,200</b>	<b>3,213,675</b>

**Fair value of options granted**

The fair value at grant date of options granted during the year ended March 31, 2022 was ₹ 13.53. 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 company has not granted any option during the year ended March 31, 2021.

The model inputs for options granted during the year ended March 31, 2022 included:

- a) Options are granted for consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of four years after vesting.

Particulars	Year ended March 31, 2022
b) Exercise price	42.70
c) Grant date	11-01-2022
d) Expiry date	10-01-2030
e) Share price at grant date (₹)	42.30
f) Expected price volatility of the company's shares	51.55%
g) Expected dividend yield	0.25%
h) Risk free interest rate	6.57%
i) Fair value (₹)	13.53

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:

	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Employee Stock Option Plan	(1,594.90)	(1,041.58)

## Note 45 - 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, 2022 were as follows:-

## STANDALONE FINANCIAL STATEMENTS

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for the year ended March 31, 2022 (continued)

(₹ in lakhs)						
Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	2,692.91	-	-	2,692.91	-	-
Trade Receivables	91,486.68	-	-	91,486.68	-	-
Cash & Cash equivalents	4,195.08	-	-	4,195.08	-	-
Other Bank Balances	614.21	-	-	614.21	-	-
Short Term Loans	3.26	-	-	3.26	-	-
Other Financial Assets	741.05	-	-	741.05	-	-
Investments*	-	240.57	-	240.57	-	240.57
<b>TOTAL</b>	<b>99,733.19</b>	<b>240.57</b>	<b>-</b>	<b>99,973.76</b>	<b>-</b>	<b>240.57</b>

(₹ in lakhs)						
Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	3,244.75	-	-	3,244.75	-	-
Other Financial Liabilities	6,735.81	-	-	6,735.81	-	-
<b>TOTAL</b>	<b>9,980.56</b>	<b>-</b>	<b>-</b>	<b>9,980.56</b>	<b>-</b>	<b>-</b>

The carrying value and fair value by each classification as at March 31, 2021 were as follows:

(₹ in lakhs)						
Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
<b>Financial Assets</b>						
Long Term Loans	2,657.46	-	-	2,657.46	-	-
Trade Receivables	107,614.49	-	-	107,614.49	-	-
Cash & Cash equivalents	584.01	-	-	584.01	-	-
Other Bank Balances	1,004.75	-	-	1,004.75	-	-
Short term Loans	2.43	-	-	2.43	-	-
Other financial assets	1,992.66	-	-	1,992.66	-	-
Investments*	-	138.85	-	138.85	-	138.85
<b>TOTAL</b>	<b>113,855.80</b>	<b>138.85</b>	<b>-</b>	<b>113,994.65</b>	<b>-</b>	<b>138.85</b>

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	2,675.57	-	-	2,675.57	-	-
Other Financial Liabilities	8,126.90	-	-	8,126.90	-	-
<b>TOTAL</b>	<b>10,802.47</b>	<b>-</b>	<b>-</b>	<b>10,802.47</b>	<b>-</b>	<b>-</b>

\*excluding Investments in Subsidiary Companies (₹ 2,797.00 lakhs (March 31, 2021 : ₹ 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)	
	March 31, 2022	March 31, 2021
Age of receivables		
Within the credit period	91,775.65	106,344.61
1-90 days past due	6.76	834.15
91-180 days past due	14.51	3.56
181-270 days past due	0.51	0.82
More than 270 days past due	418.25	1,028.82
<b>Total</b>	<b>92,215.68</b>	<b>108,211.96</b>
Movement in the expected credit loss allowance		
Balance at beginning of the year	597.47	532.69
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	131.53	64.78
<b>Total</b>	<b>729.00</b>	<b>597.47</b>



## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

**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, 2022	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-
As on March 31, 2021	< 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:

Currency	(₹ in lakhs)			
	Liabilities		Assets	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
US Dollar (USD)	-	-	2,692.91	2,657.46

**Foreign Currency Exposure**

Particulars	USD in Lakhs	
	March 31, 2022	March 31, 2021
Trade Receivables	-	-
Loans Receivable	36.14	36.14
<b>TOTAL</b>	<b>36.14</b>	<b>36.14</b>

**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, 2022		For year ended March 31, 2021	
	1% increase	1% decrease	1% increase	1% decrease
US Dollar (USD)	26.93	(26.93)	26.57	(26.57)

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 46 - 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, 2022	As at March 31, 2021
- Vakrangee e-Solutions Inc. (Purpose of loan is to provide financial assistance to the subsidiary company)	2,692.91	2,657.46
	<b>2,692.91</b>	<b>2,657.46</b>

**(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	15,000,000	100%
VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited)	12,000,000	100%
Vakrangee Digital Ventures Limited	100,000	100%

**Note 47 - Income Taxes**

**STANDALONE FINANCIAL STATEMENTS**
**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

for the year ended March 31, 2022 (continued)

- (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 year ended March 31, 2022	For year ended March 31, 2021
Profit before income taxes	12,789.15	6,738.59
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	3,218.77	1,695.97
Effect of non-deductible expenses	(395.58)	(242.18)
Others	-	-
<b>Income Tax expense of current year</b>	<b>2,823.19</b>	<b>1,453.79</b>
Earlier year tax expenses	14.81	28.08
<b>Current Income Tax expense</b>	<b>2,838.01</b>	<b>1,481.87</b>

- (b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2022 and March 31, 2021 :

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Current Income Tax Liabilities	2,389.09	705.90
Income Tax Assets	20.05	523.62
<b>Net current income tax liabilities / (assets) at the end</b>	<b>2,369.04</b>	<b>182.28</b>

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2022 and March 31, 2021 is as follows:

(₹ in lakhs)		
Particulars	For year ended March 31, 2022	For year ended March 31, 2021
<b>Net current income tax liability / (asset) at the beginning</b>	<b>182.28</b>	<b>(927.01)</b>
Income Tax paid	(651.24)	(372.58)
Current Income Tax expense	2,838.01	1,481.87
<b>Net current income tax liability / (asset) at the end</b>	<b>2,369.04</b>	<b>182.28</b>

- (c) The gross movement in the deferred income tax account for the year ended March 31, 2022 and March 31, 2021, are as follows:

(₹ in lakhs)		
Particulars	For year ended March 31, 2022	For year ended March 31, 2021
Net deferred income tax liability at the beginning	58.10	(92.52)
Movements relating to temporary differences	15.18	120.60
Temporary differences on other comprehensive income	0.75	30.01
Net deferred income tax liability at the end	74.03	58.10

## Note 48 - Ageing of Trade Receivable

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Outstanding for the following period from invoice date					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,549.42	13.72	2,446.40	87,766.11	-	<b>91,775.65</b>
	251.47	2,446.73	103,646.41	-	-	1,06,344.61
Undisputed Trade receivables – which have significant increase in Credit Risk	21.27	1.19	-	-	-	<b>22.46</b>
	837.51	2.64	645.57	0.08	-	1,485.80
Undisputed Trade receivables – credit impaired	-	-	1.58	35.47	380.52	<b>417.57</b>
	-	-	-	171.83	209.72	381.55
Disputed Trade receivables – considered good	-	-	-	-	-	-
	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-
Total Trade Receivables	1,570.69	14.91	2,447.98	87,801.58	380.52	<b>92,215.68</b>
	1,088.98	2,449.38	104,291.97	171.91	209.72	1,08,211.96
Less: Allowance for credit loss						<b>729.00</b>
						597.47
Net Trade Receivables						<b>91,486.68</b>
						1,07,614.49

## Note 49 - Ageing of Trade Payable

Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Outstanding for the following period from invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues to MSME	114.39	-	-	-	114.39
	53.10	-	-	-	53.10
Others	2,948.69	118.27	13.97	49.44	3,130.36
	2,589.36	10.98	4.36	17.78	2,622.47
Total trade payables	3,063.08	118.27	13.97	49.44	3,244.75
	2,642.46	10.98	4.36	17.78	2,675.57

## Note 50 - Details of Benami Properties Held

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988.

## Note 51 - Borrowings secured against current assets

Quarterly returns or statements of current assets filed by the company with the bank are in agreement with the books of accounts.

## STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## Note 52 - Relationship with Struck-off Companies

(₹ in lakhs)

Name of Struck off Company	Nature of Transaction	Balance outstanding at the end of the year as at March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
SNG CAPITAL TRUST PRIVATE LIMITED	Shares held by struck off company	0.030	Shareholder
YES EQUITIES PRIVATE LIMITED	Shares held by struck off company	0.004	Shareholder

## Note 53 - Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance
Current Ratio	Total Current assets	Total Current liabilities	12.32	10.19	20.91%
Debt-Equity Ratio	"Total Debt (including borrowings & lease liabilities)"	Total Equity	-	-	0.00%
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	-	-	0.00%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.94	0.48	93.44%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	0.70	0.19	267.62%
Trade payables turnover ratio	Total Purchases	Average Trade Payable	14.26	1.31	987.44%
Net capital turnover ratio	Revenue	Working Capital	0.36	0.12	189.50%
Net profit ratio	Net Profit	Revenue	0.14	0.23	-36.45%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.05	0.03	83.57%
Return on Investment(ROI)	Income generated from investments	Average invested fund	-	-	0.00%

### Note 54 - Utilisation of Borrowed funds and share premium

- a. The company has not advanced or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- b. The company has not received any funds from any person(s) or entity(ies), including foreign entities (funding parties) with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (the ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

### Note 55 - 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

For and on behalf of the Board of Directors

**Anil Agarwal**

Partner

Membership No.: 041396

**Ramesh Joshi**

Chairman

DIN : 00002683

**Dinesh Nandwana**

MD & Group CEO

DIN : 00062532

**Dr. Nishikant Hayatnagarkar**

Whole-time Director

DIN : 00062638

Place : Mumbai

Date : May 13, 2022

**Ajay Jangid**

Chief Financial Officer

**Sachin Khandekar**

Company Secretary

## CONSOLIDATED FINANCIAL STATEMENTS

# 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, 2022, 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 and based on the consolidation of reports of other auditors of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") 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, 2022, the consolidated profit, consolidated total comprehensive income, consolidated statement of 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 Act. 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. Expected Credit Loss

As described in Note 2 (B) (xi) (d) of the consolidated financial statements for the year ended March 31, 2022. The Group management has determined the allowance for credit losses based on historical loss experience adjusted to reflect the impact of the economic conditions. The allowance for credit loss model requires consideration of the effect of COVID-19 pandemic event on the customers' business operations/ability to pay dues. Based on such analysis the Company has recorded an allowance aggregating to ` 931.82 lacs as at March 31, 2022, considered in Note 7 & 13 of the consolidated financial statements. We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.

### Principal Audit Procedure

We have performed the following procedures:

- i. Evaluated the design and implementation including the operating effectiveness of the controls over:
  - Basis of consideration of the impact of the economic conditions
  - Completeness and accuracy of the data used in estimation of probability of default
  - Computation of the expected credit loss allowance
- ii. Carried out inquiries with the management to understand the impact of COVID-19 in terms of identification of distressed customers and evaluation of recoverability of dues, extension in contractual terms for collections.
- iii. Tested the completeness and accuracy of the ageing of accounts receivable data.
- iv. Further in addition to the above process, a forward-looking expected loss impairment model as prescribed in IND AS 109 "Financial Instruments" was also applied by the Company. This involves judgment as the expected credit losses must reflect information about past events, current conditions, and forecasts of future conditions.
- v. Selected a sample of the customers, and
  - Verified publicly available credit reports and other information relating to the Company's customers to test if the management had correctly considered the adjustments to credit risk.
  - Obtained and verified the details of credit period extension granted to the customers and developed an expectation of similar extensions across other customers of the Company.
- vi. Recomputed the expected credit loss allowance considering the above determined input data and compared the amounts so recomputed with the amounts recorded by the management to determine if there were any material differences individually or in the aggregate.



## CONSOLIDATED FINANCIAL STATEMENTS

### Information Other than the Consolidated Financial Statements and Our Report Thereon

The Holding Company's Management and Board of Directors are 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. The Annual report is expected to be made available to us after the date of this report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the balance part of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as applicable under the relevant laws and regulations.

### Management's and Those Charged with Governance responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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, which have been used for the purpose of preparation of consolidated financial statements by the Management and Directors of the Holding company as aforesaid.

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 Group 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 Act, we are also responsible for expressing our opinion on whether the Holding 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 and Board of Director 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.

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 Matters

- We did not audit the financial statements of three subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets of 11,475.81 Lakhs as at March 31, 2022, total revenues of 9,336.88 Lakhs and net cash flows amounting to 306.33 Lakhs for the year ended on that date, as considered in preparation of 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.

## CONSOLIDATED FINANCIAL STATEMENTS

- 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 by the holding company so far as it appears from our examination of those books and report of the other auditors.
  - 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, 2022 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, 2022 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 managerial remuneration for the year ended March 31, 2022, has been paid / provided by the group to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- 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 40 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, 2022.
- 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, 2022.
- iv. A. The respective Management of the Holding Company and its subsidiaries whose financial statements have been audited under the Act has represented to us and the other auditors of such subsidiaries that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective holding company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- B. The respective managements of the holding company and its subsidiaries whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the respective holding company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- C. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (A) and (B) above, contain any material misstatement.
- v. The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India are in compliance with section 123 of the Act.
2. With respect to the matters specified in paragraph 3(xxii) and 4 of the Companies (Auditor's report) Order, 2020 ("the Order"/CARO) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For A. P. Sanzgiri & Co.**  
**Chartered Accountants**  
**FRN: 116293W**

**Anil Agrawal**  
**Partner**  
**Membership No: 041396**  
**UDIN: 22041396AIYHSU5650**

**Place: Mumbai**  
**Date: May 13, 2022**

## CONSOLIDATED FINANCIAL STATEMENTS

**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 Holding Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of VAKRANGEE LIMITED (hereinafter referred to as "Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective management and Board of Directors of the Holding 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 Holding 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 Act, 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 with reference to Consolidated Financial Statements**

The Company's internal financial controls over financial reporting with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to consolidated financial statements 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 with reference to financial statements and such internal financial controls over financial reporting with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting with reference to financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

### **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: 22041396AIYHSU5650**

**Place: Mumbai  
Date: May 13, 2022**

CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED BALANCE SHEET

as at 31 March 2022

Particulars	Note No.	(₹ in lakhs)	
		As at 31 March 2022	As at 31 March 2021
<b>I ASSETS</b>			
<b>1 Non - Current Assets</b>			
Property Plant and Equipment	4	13,853.39	15,564.27
Capital Work-in-Progress	4	197.45	140.25
Other Intangible Assets	5	-	-
Intangible Assets under development	5	434.79	346.43
Financial Assets			
(i) Investments	6	240.57	138.85
(ii) Trade Receivables	7	-	-
(iii) Loans	8	-	-
(iv) Other Financial Assets	9	483.94	472.88
Deferred Tax Assets (net)	10	0.28	0.38
Other Non - Current Assets	11	59,074.80	59,687.18
<b>Total Non-current Assets</b>		<b>74,285.22</b>	<b>76,350.24</b>
<b>2 Current Assets</b>			
Inventories	12	410.46	497.22
Financial Assets			
(i) Trade Receivables	13	95,543.08	112,031.21
(ii) Cash and Cash equivalents	14	4,746.74	818.59
(iii) Bank Balances other than (ii) above	14	925.53	1,309.63
(iv) Loans	15	1,244.23	1,146.46
(v) Other Financial Assets	16	664.43	1,871.68
Current Tax Assets (Net)	17	48.54	516.81
Other Current Assets	18	115,728.26	93,021.52
<b>Total Current Assets</b>		<b>219,311.27</b>	<b>211,213.12</b>
<b>TOTAL</b>		<b>293,596.49</b>	<b>287,563.36</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
Equity Share Capital	19	10,595.00	10,594.06
Other Equity	20	264,176.89	255,813.98
<b>Total Equity</b>		<b>274,771.89</b>	<b>266,408.04</b>
<b>2 Liabilities</b>			
<b>(i) Non - Current Liabilities</b>			
Financial Liabilities			
(i) Trade Payables	21	-	-
- Dues of micro enterprises and small enterprises		-	-
- Dues of Creditors other than micro enterprises and small enterprises		12.04	14.34
(ii) Other Financial Liabilities	22	41.28	53.32
Deferred Tax Liabilities (net)	23	74.03	40.39
Employee Benefit Obligations	24	307.92	331.00
<b>Total Non-Current Liabilities</b>		<b>435.27</b>	<b>443.83</b>
<b>(ii) Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	25	-	-
(ii) Trade Payables	26	-	-
- Dues of micro enterprises and small enterprises		102.35	38.76
- Dues of Creditors other than micro enterprises and small enterprises		3,547.42	3,375.05
(iii) Other Financial Liabilities	27	6,694.53	10,344.30
Other Current Liabilities	28	3,804.27	7,236.09
Provisions	29	1,780.89	1,134.72
Employee Benefit Obligations	30	24.70	26.05
Current Tax Liabilities	31	2,435.17	814.32
<b>Total Current Liabilities</b>		<b>18,389.33</b>	<b>20,711.49</b>
<b>Total Liabilities (i +ii)</b>		<b>18,824.60</b>	<b>21,155.32</b>
<b>TOTAL</b>		<b>293,596.49</b>	<b>287,563.36</b>
<b>Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements</b>	1-56		

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 : May 13, 2022

For and on behalf of the Board of Directors

**Ramesh Joshi**

Chairman

DIN : 00002683

**Ajay Jangid**

Chief Financial Officer

**Dinesh Nandwana**

MD & Group CEO

DIN : 00062532

**Dr. Nishikant Hayatnagarkar**

Whole-time Director

DIN : 00062638

**Sachin Khandekar**

Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

Particulars	Note No.	(₹ in lakhs)	
		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I Income</b>			
Revenue from Operations	32	77,869.23	31,429.14
Other Income	33	391.29	6,965.99
<b>Total Income</b>		<b>78,260.52</b>	<b>38,395.13</b>
<b>II Expenses</b>			
Operating Expenses	34	57,780.32	21,262.93
Purchase of Stock-in-Trade		825.43	949.03
Changes in Inventories	35	91.21	281.13
Employee Benefits Expense	36	1,473.98	3,441.90
Finance Costs		-	-
Depreciation and Amortization Expense	4,5	1,545.78	1,480.51
Other Expenses	37	2,220.38	2,697.82
<b>Total Expenses</b>		<b>63,937.10</b>	<b>30,113.32</b>
<b>III Profit Before Tax and exceptional Items</b>		<b>14,323.42</b>	<b>8,281.81</b>
IV Exceptional Items	38	(168.66)	-
<b>V Profit Before Tax</b>		<b>14,154.76</b>	<b>8,281.81</b>
VI Tax Expense:			
(a) Current Tax		3,187.01	1,882.34
(b) Deferred Tax		15.28	120.34
		<b>3,202.29</b>	<b>2,002.68</b>
<b>VII Profit for the year</b>		<b>10,952.47</b>	<b>6,279.13</b>
<b>VIII Other Comprehensive Income</b>			
<b>Items that will be reclassified subsequently to profit or loss</b>			
Exchange difference on translation of foreign operations		38.70	(0.74)
<b>Items that will not be reclassified subsequently to profit or loss</b>			
i) Fair value gain on financial instrument at fair value through OCI		-	-
ii) Remeasurement of net defined benefit obligations (net of taxes)		2.22	89.24
<b>Other Comprehensive Income (net of tax)</b>		<b>40.92</b>	<b>88.50</b>
<b>Total Comprehensive Income for the period</b>		<b>10,993.39</b>	<b>6,367.63</b>
<b>IX Weighted Average No. of equity shares for computing EPS (in lakhs)</b>	39		
(1) Basic		10,594.12	10,594.06
(2) Diluted		10,596.87	10,605.24
<b>X Earnings Per Equity Share (Face Value ₹ 1/- Per Share):</b>	39		
(1) Basic (₹)		1.03	0.59
(2) Diluted (₹)		1.03	0.59
<b>Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements</b>	1-56		

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

**Anil Agarwal**

Partner

Membership No.: 041396

**Ramesh Joshi**

Chairman

DIN : 00002683

**Dinesh Nandwana**

MD & Group CEO

DIN : 00062532

**Dr. Nishikant Hayatnagarkar**

Whole-time Director

DIN : 00062638

Place : Mumbai

Date : May 13, 2022

**Ajay Jangid**

Chief Financial Officer

**Sachin Khandekar**

Company Secretary



## CONSOLIDATED FINANCIAL STATEMENTS

**CONSOLIDATED CASH FLOW STATEMENT**

for the year ended March 31, 2022

S. Particulars No	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I Cash flow from operating activities</b>		
Profit before tax from continuing operations	14,154.76	8,281.81
<b>Profit before tax</b>	<b>14,154.76</b>	<b>8,281.81</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
<b>Depreciation of property, plant and equipment</b>	1,545.78	1,480.51
<b>Depreciation of investment properties</b>	-	-
Employee share based payment expenses	(1,594.90)	(1,041.58)
Net foreign exchange differences	0.06	(0.04)
Allowance for credit losses	131.53	64.78
Fair value gain on financial instrument at fair value through Profit and loss	(101.72)	(14.54)
Remeasurement of defined benefit obligations	2.97	119.25
Gain on disposal of property, plant and equipment	168.22	-
Interest income	(229.71)	(6,948.25)
Dividend income	(1.50)	-
<b>Operating profit before working capital changes</b>	<b>14,075.49</b>	<b>1,941.94</b>
Movements in assets and liabilities :		
Decrease / (increase) in inventories	86.76	284.16
Decrease / (increase) in trade receivables	16,356.61	24,788.22
Decrease / (increase) in loans and other financial assets	1,482.53	13,565.22
Decrease / (increase) in other current assets	(22,706.74)	(48,442.00)
Decrease / (increase) in other non-current assets	617.45	2,365.94
Increase / (decrease) in trade payables	233.68	(3,771.18)
Increase / (decrease) in employee benefit obligations	(24.44)	(5.40)
Increase / (decrease) in provisions	646.17	436.21
Increase / (decrease) in other financial liabilities	(1,391.08)	4,648.03
Increase / (decrease) in other current liabilities	(3,431.82)	1,516.39
<b>Cash generated from operations</b>	<b>5,944.61</b>	<b>(2,672.47)</b>
Income taxes paid (net of refunds)	(1,102.95)	(390.27)
<b>Net cash flow from operating activities (A)</b>	<b>4,841.66</b>	<b>(3,062.74)</b>
<b>II Cash flow from investing activities</b>		
Purchase of property, plant and equipment, including CWIP	(756.60)	(2,132.97)
Proceeds from sale of property, plant and equipment	607.91	0.22
Proceeds from sale of investments	-	209.53
Decrease in foreign currency translation reserve	38.70	(0.74)
Interest received	229.71	6,948.25
Dividends received	1.50	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>121.22</b>	<b>5,024.29</b>

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2022

S. Particulars No	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>III Cash flow from financing activities</b>		
Proceeds from issue of shares	0.94	-
Proceeds towards securities premium on issue of shares	23.80	-
Dividends paid to company's shareholders	(1,059.41)	(2,648.51)
<b>Net cash flow (used in) in financing activities (C)</b>	<b>(1,034.67)</b>	<b>(2,648.51)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>3,928.21</b>	<b>(686.96)</b>
Effects of exchange rate changes on cash and cash equivalents	(0.06)	0.05
Cash and cash equivalents at the beginning of the year	818.59	1,505.50
<b>Cash and cash equivalents at the end of the year</b>	<b>4,746.74</b>	<b>818.59</b>

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1-56

For and on behalf of the Board of Directors

For A. P. Sanzgiri & Co.

Chartered Accountants

Firm's Registration No. : 116293W

**Anil Agarwal**

Partner

Membership No.: 041396

Place : Mumbai

Date : May 13, 2022

**Ramesh Joshi**

Chairman

DIN : 00002683

**Ajay Jangid**

Chief Financial Officer

**Dinesh Nandwana**

MD & Group CEO

DIN : 00062532

**Dr. Nishikant Hayatnagarkar**

Whole-time Director

DIN : 00062638

**Sachin Khandekar**

Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Other Equity								Total equity attributable to equity holders of the Company
	Equity Share Capital	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	
<b>Balance as at March 31, 2020</b>	10,594.06	42,746.84	191,811.00	18,268.04	2,879.91	-	(3,188.83)	619.48	263,730.50
Increase in share capital on account of conversion of ESOPs	-	-	-	-	-	-	-	-	-
Amount received on shares issued during the year	-	(0.00)	-	-	-	-	-	-	(0.00)
Transferred from Share Options Outstanding Account	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	6,279.13	-	-	-	-	-	6,279.13
Dividends (including corporate dividend tax)	-	-	(2,648.51)	-	-	-	-	-	(2,648.51)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	(1,041.58)	-	-	-	(1,041.58)
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	89.24	-	89.24
Exchange Translations	-	-	-	-	-	-	-	(0.74)	(0.74)
<b>Balance as at March 31, 2021</b>	10,594.06	42,746.84	195,441.62	18,268.04	1,838.33	-	(3,099.59)	618.74	266,408.04
Increase in share capital on account of conversion of ESOPs	0.94	-	-	-	-	-	-	-	0.94
Amount received on shares issued during the year	-	23.80	-	-	-	-	-	-	23.80
Transferred from Share Options Outstanding Account	-	33.65	-	-	(33.65)	-	-	-	-
Profit for the year	-	-	10,952.49	-	-	-	-	-	10,952.49
Dividends (including dividend distribution tax)	-	-	(1,059.41)	-	-	-	-	-	(1,059.41)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	(1,594.90)	-	-	-	(1,594.90)
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	2.22	-	2.22
Exchange Translations	-	-	-	-	-	-	-	38.70	38.70
<b>Balance as at March 31, 2022</b>	10,595.00	42,804.29	205,334.70	18,268.04	209.78	-	(3,097.37)	657.44	274,771.89

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1-56

For and on behalf of the Board of Directors

For **A. P. Sanzgiri & Co.**  
Chartered Accountants  
Firm's Registration No. : 116293W

**Anil Agarwal**  
Partner  
Membership No.: 041396

**Ramesh Joshi**  
Chairman  
DIN : 00002683

**Dinesh Nandwana**  
MD & Group CEO  
DIN : 00062532

**Dr. Nishikant Hayatnagar**  
Whole-time Director  
DIN : 00062638

Place : Mumbai  
Date : May 13, 2022

**Ajay Jangid**  
Chief Financial Officer

**Sachin Khandekar**  
Company Secretary

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 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 VL E-Governance & IT Solutions 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 May 13, 2022.

## 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

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

- 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

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

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 re-classified 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:



## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

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 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.

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

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.

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

#### **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.

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

#### **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 equity 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



## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

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 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 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.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 4 – Property, Plant and Equipment

(a) Description	(₹ in lakhs)										
	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
<b>Cost or Valuation</b>											
<b>At March 31, 2020</b>	1,758.58	10,627.96	566.11	146.77	496.69	1,896.33	3,185.24	1,063.38	19,741.05	461.82	20,202.87
Additions	10.13	2,251.00	5.80	-	1.78	19.08	-	9.68	2,297.46	2,051.52	4,348.98
Disposals/Transfers	-	-	-	-	0.41	-	-	-	0.41	2,373.09	2,373.51
<b>At March 31, 2021</b>	1,768.71	12,878.95	571.91	146.77	498.06	1,915.41	3,185.24	1,073.05	22,038.10	140.25	22,178.35
Additions	-	588.04	-	45.86	6.07	15.94	-	-	655.92	645.25	1,301.16
Disposals/Transfers	852.90	1,052.00	-	-	100.94	2.38	-	-	2,008.21	588.04	2,596.26
<b>At March 31, 2022</b>	915.82	12,414.99	571.91	192.63	403.19	1,928.97	3,185.24	1,073.05	20,685.80	197.45	20,883.26
<b>Depreciation and Impairment</b>											
<b>At March 31, 2020</b>	89.15	2,288.47	335.81	71.35	209.17	1,449.37	123.54	239.12	4,805.99	-	4,805.99
Depreciation charged for the year	22.41	1,129.18	6.23	16.56	16.82	111.59	59.34	116.54	1,478.68	-	1,478.68
Depreciation for the year transfer to CWIP	6.70	-	29.24	-	58.45	94.96	-	-	189.35	-	189.35
Disposals/Transfers	-	-	-	-	0.18	-	-	-	0.18	-	0.18
<b>At March 31, 2021</b>	118.26	3,417.65	371.28	87.91	284.27	1,655.92	182.89	355.65	6,473.83	-	6,473.83
Depreciation for the year charged to P&L	25.12	1,164.28	22.02	19.75	61.33	76.74	59.34	117.21	1,545.78	-	1,545.78
Depreciation for the year transfer to CWIP	1.69	-	6.93	-	14.41	21.85	-	-	44.88	-	44.88
Disposals/Transfers	76.77	1,052.00	-	-	100.94	2.37	-	-	1,232.09	-	1,232.09
<b>At March 31, 2022</b>	68.30	3,529.93	400.22	107.66	259.07	1,752.13	242.22	472.86	6,832.40	-	6,832.40
<b>Net Book Value</b>											
<b>At March 31, 2022</b>	847.52	8,885.06	171.69	84.97	144.12	1,768.84	2,943.02	600.19	13,853.39	197.45	14,050.85
<b>At March 31, 2021</b>	1,650.45	9,461.30	200.63	58.86	213.79	259.49	3,002.36	717.39	15,564.27	140.25	15,704.52

(b) Immovable Property situated at Vakrangee Corporate House, Plot No. 93, Road No 16, MIDC, Marol, Near Hotel Suncity Residency, Andheri East, Mumbai-400093 with total built up area of entire building is 21050 Sq ft has been mortgaged as collateral security against borrowings from Union Bank of India.

(c) Title deeds of all the Immovable Property are held in name of the company.

(d) The company has not revalued its Property, Plant and Equipment during the year.

(e) CWIP ageing schedule

CWIP	Amount in CWIP for a period of			(₹ in lakhs)
	Less than 1 year	1-2 years	2-3 years	
Project in Progress	154.94	42.51	-	197.45
Project temporarily suspended	-	-	-	-
<b>Total</b>				<b>197.45</b>

(f) 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	As at
	31 March 2022	31 March 2021
Leasehold Land & Building	2,943.02	3,002.36

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 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

		(₹ in lakhs)
(a)	Description	Amount
	<b>Logistics Portal Software</b>	
	<b>Gross Block</b>	
	<b>At March 31, 2020</b>	<b>5.50</b>
	Additions	-
	Disposal	-
	<b>At March 31, 2021</b>	<b>5.50</b>
	Additions	-
	Disposal	-
	<b>At March 31, 2022</b>	<b>5.50</b>
	<b>Depreciation and Impairment</b>	
	<b>At March 31, 2020</b>	<b>3.67</b>
	Depreciation Charged for the year	1.83
	Impairment during the year	-
	Disposal	-
	<b>At March 31, 2021</b>	<b>5.50</b>
	Depreciation Charged for the year	-
	Impairment during the year	-
	Disposal	-
	<b>At March 31, 2022</b>	<b>5.50</b>
	<b>Net Book Value</b>	
	At March 31, 2022	-
	At March 31, 2021	-

### (b) Intangible Assets under development

		(₹ in lakhs)
	Description	Amount
	<b>Gross Block</b>	
	<b>At March 31, 2020</b>	-
	Additions	346.43
	Disposal	-
	<b>At March 31, 2021</b>	<b>346.43</b>
	Additions	88.36
	Disposal	-
	<b>At March 31, 2022</b>	<b>434.79</b>
	<b>Depreciation and Impairment</b>	
	<b>At March 31, 2020</b>	-
	Depreciation Charged for the year	-
	Impairment during the year	-
	Disposal	-
	<b>At March 31, 2021</b>	-
	<b>Depreciation Charged for the year</b>	-
	Impairment during the year	-
	Disposal	-
	<b>At March 31, 2022</b>	-
	<b>Net Book Value</b>	
	At March 31, 2022	434.79
	At March 31, 2021	346.43

## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## (c) Intangible Assets under Development ageing schedule

Intangible Assets under Development	Amount in Intangible Assets under Development for a period of				Total
	(₹ in lakhs)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	88.36	346.43	-	-	434.79
Project temporarily suspended	-	-	-	-	-

### Note 6 - Investments (Non - Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Investment carried at Fair value through Profit and Loss (FVTPL)</b>		
- In Equity Shares		
2,500 Equity Shares of CSC e-Governance Services India Limited of ₹ 1000/- each fully paid up (March 31, 2021 : 2,500 Equity shares)	240.57	138.85
<b>( A )</b>	<b>240.57</b>	<b>138.85</b>
<b>TOTAL (A + B)</b>	<b>240.57</b>	<b>138.85</b>
<b>Aggregate amount of unquoted investments</b>	240.57	138.85

Investment at fair value through profit and loss reflect investment in unquoted equity securities.

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.

### Note 7 - Trade Receivables (Non Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>(a)</b> Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	-	-
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivable - credit impaired	417.57	381.55
	<b>417.57</b>	<b>381.55</b>
Less: Allowance for credit losses	417.57	381.55
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>(b)</b> Detailed note on disclosure as required by Schdeule III for ageing Refer Note 48 for ageing of Trade Receivables		

## Note 8 - Loans (Non - Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(i) Loans Receivable considered good (Secured)	-	-
(ii) Loans Receivable considered good (Unsecured)	-	-
(a) Loan to Others		
(b) Loan to Related Parties		
Dues from subsidiaries	-	-
(iii) Loans Receivable which have significant increase in Credit Risk	-	-
(iv) Loans Receivable - credit impaired	-	-

## Note 9 - Other Financial Assets (Non - Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Deposits with bank		
- With maturity period of more than 12 months	397.71	364.65
Other Deposits		
Security Deposit	20.23	42.23
Earnest Money Deposit	66.00	66.00
	86.23	108.23
	<b>483.94</b>	<b>472.88</b>
* Amount held as margin money or security against borrowings, guarantee, other commitments	<b>397.71</b>	<b>364.11</b>

## Note 10 - Deferred Tax Assets (net)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>		
(i) On account of difference in depreciation on Property, Plant and Equipment	0.28	0.38
(ii) Provision for Employees' obligations	-	-
(iii) Temporary differences on Tax Provisions	-	-
(iv) On account of Expected Credit Loss	-	-
(v) Unused tax credits	-	-
(A)	<b>0.28</b>	<b>0.38</b>
<b>Liabilities</b>		
(i) On account of difference in depreciation on Property, Plant and Equipment	-	-
(B)	-	-
<b>Balance carried to Balance Sheet (A - B)</b>	<b>0.28</b>	<b>0.38</b>

**CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended March 31, 2022 (continued)

**(a) Movement in deferred tax account during the year is as follows:**

Particulars	(₹ in lakhs)			
	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance
<b>For the year ended March 31, 2022 :</b>				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	0.38	(0.10)	-	0.28
Expenses provided but allowable in Income Tax on payment	-	-	-	-
Allowance for expected credit losses	-	-	-	-
Unused tax credits	-	-	-	-
	<u>0.38</u>	<u>(0.10)</u>	<u>-</u>	<u>0.28</u>
Others	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<b>0.38</b>	<b>(0.10)</b>	<b>-</b>	<b>0.28</b>
<b>For the year ended March 31, 2021 :</b>				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	0.12	0.26	-	0.38
Expenses provided but allowable in Income Tax on payment	-	-	-	-
Allowance for expected credit losses	-	-	-	-
Unused tax credits	-	-	-	-
	<u>0.12</u>	<u>0.26</u>	<u>-</u>	<u>0.38</u>
Others	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<b>0.12</b>	<b>0.26</b>	<b>-</b>	<b>0.38</b>

The analysis of Deferred Tax Assets is as follows:

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Deferred Tax Assets to be recovered after more than 12 months	-	-
Deferred Tax Assets to be recovered within 12 months	0.28	0.38
	<u>0.28</u>	<u>0.38</u>

**(b) Explanation of changes in the applicable tax rate(s) compared to the previous accounting period**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Applicable Tax rate considered for deferred tax asset or liability	25.168%	25.168%

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.

## Note 11 - Other Non-Current Assets

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Capital Advances	59,001.30	59,595.90
Prepaid Expenses	5.52	4.64
Balances with statutory / revenue authorities		
- Income Tax (net of provision for taxation)	66.34	61.26
- Sales Tax	1.64	25.38
	67.98	86.64
<b>TOTAL</b>	<b>59,074.80</b>	<b>59,687.18</b>

## Note 12 - Inventories

(a) Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(i) Stock-in-Trade	394.10	485.31
(ii) Consumables	11.41	4.04
(iii) Stores & Spares	4.95	7.87
<b>TOTAL</b>	<b>410.46</b>	<b>497.22</b>

### (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)

(a) Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at March 31, 2021
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	95,832.05	110,761.33
Trade Receivable which have significant increase in Credit Risk	225.28	1,688.62
Trade Receivable - credit impaired	-	-
	<b>96,057.33</b>	<b>112,449.95</b>
Less: Allowance for credit Losses	514.25	418.74
<b>TOTAL</b>	<b>95,543.08</b>	<b>112,031.21</b>

### (b) Debts due from related parties

### (c) Detailed note on disclosure as required by Schdeule III for ageing

Refer Note 48 for ageing of Trade Receivables



## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## Note 14 - Cash &amp; Cash equivalents

(a)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>(A) Cash &amp; Cash Equivalents</b>		
(i) Balances with Banks :		
- Current Accounts	4,693.39	763.46
- Deposit Accounts	-	-
(ii) Cash-in-hand	53.35	55.13
	<b>4,746.74</b>	<b>818.59</b>
<b>(B) Bank Balances other than above</b>		
(i) Earmarked balances in unclaimed dividend account	85.50	92.44
(ii) Fixed Deposits with maturity period of more than 3 months but less than 12 months **	840.03	1,217.19
<b>TOTAL</b>	<b>925.53</b>	<b>1,309.63</b>
** Amount held as margin money or security against borrowings, guarantee, other commitments	829.59	1,145.89

(b) For the purpose of cash flow statement

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>(A) Cash &amp; Cash Equivalents</b>		
(i) Balances with Banks :		
- Current Accounts	4,693.39	763.46
- Deposit Accounts	-	-
(ii) Cash-in-hand	53.35	55.13
	4,746.74	818.59
Less : - Cash Credit	-	-
<b>TOTAL</b>	<b>4,746.74</b>	<b>818.59</b>

## Note 15 - Loans

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(i) Loans Receivable considered good (Secured)	-	-
(ii) Loans Receivable considered good (Unsecured)	-	-
(a) Loan to Others		
Staff Advances	3.26	2.43
Inter Corporate Deposits	1,240.97	1,144.03
	1,244.23	1,146.46
(iii) Loans Receivable which have significant increase in Credit Risk	-	-
(iv) Loans Receivable - credit impaired	-	-
<b>TOTAL</b>	<b>1,244.23</b>	<b>1,146.46</b>

### Note 16 - Other Financial Assets (Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(i) Others		
Advance for Outlets	3.56	19.84
Advance to BCAs	55.40	18.66
Insurance claim Receivable	1.76	0.47
Security Deposit	22.87	7.71
Accrued Interest on FD	1.28	0.53
Receivable against sale of property	170.36	
CC Settlement Receivable	2.44	
ATM Settlement Receivable	406.76	1,824.47
COD Receivables	20.09	20.09
Less : - Allowance for credit losses	(20.09)	(20.09)
	-	-
<b>TOTAL</b>	<b>664.43</b>	<b>1,871.68</b>

### Note 17 - Current Tax Assets (Net)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Income Tax (net of provision for taxation)	48.54	516.81
<b>TOTAL</b>	<b>48.54</b>	<b>516.81</b>

### Note 18 - Other Current Assets

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at March 31, 2021
Advances to Vendors	98,113.23	80,591.63
Prepaid Expenses	51.05	72.35
Other Receivable		
- Accrued Revenue	16,283.54	10,919.48
Balances with statutory / revenue authorities		
- Goods & Service Tax	1,280.44	1,438.06
<b>TOTAL</b>	<b>115,728.26</b>	<b>93,021.52</b>

## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## Note 19 - Equity Share Capital

## Equity share capital

## (i) Authorised share capital

Particulars	(₹ in lakhs)	
	Number of shares (in lakhs)	Amount
As at March 31, 2021	12,500.00	12,500.00
Increase during the year	-	-
As at March 31, 2022	12,500.00	12,500.00

## (ii) Paid up Equity share capital

Particulars	(₹ in lakhs)	
	Number of shares (in lakhs)	Amount
As at March 31, 2020	10,594.06	10,594.06
Exercise of options	-	-
As at March 31, 2021	10,594.06	10,594.06
Exercise of options	0.94	0.94
As at March 31, 2022	10,595.00	10,595.00

## (iii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
Vakrangee Holdings Private Limited	2,509.50	23.69%	2,509.50	23.69%
NJD Capital Private Limited	1,311.00	12.37%	1,311.00	12.37%
Life Insurance Corporation of India	658.65	6.22%	659.15	6.22%
Dinesh Nandwana	691.07	6.52%	691.07	6.52%

## (iv) Disclosure of shareholders holding of Promoters

## Shares held by promoters as at March 31, 2022

	Number of shares (in lakhs)	% of Total shares	% Change during the year
Vakrangee Holdings Private Limited	2,509.50	23.69%	0.00%
NJD Capital Private Limited	1,311.00	12.37%	0.00%
Dinesh Nandwana	691.07	6.52%	0.00%
Dinesh Nandwana HUF	1.96	0.02%	0.00%

**(v) 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, 2022, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 0.10/- per share of ₹ 1/- each for the year ended March 31, 2021.

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.

**(vi) Aggregate details for five immediately previous reporting periods for each class of shares**

Particulars	(No. of shares in lakhs)	
	As at 31 March 2022	As at 31 March 2021
- 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.	8.66	8.08

**(vii) 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 :

Particulars	(₹ in lakhs)	
	As at March 31	
	2022	2021
Net debt	-	-
Total equity	274,771.89	266,408.04
<b>Net debt to equity ratio</b>	-	-

## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## Note 20 - Other Equity

## (i) Reserves and surplus

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Securities Premium Reserve	42,804.29	42,746.84
Share Options Outstanding Account	399.80	3,347.37
Deferred Employee Compensation Expense	(190.01)	(1,509.04)
General Reserve	18,268.04	18,268.04
Surplus in Statement of Profit & Loss	205,334.70	195,441.62
<b>Total (A)</b>	<b>266,616.82</b>	<b>258,294.83</b>

## (a) Securities Premium Reserve

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>42,746.84</b>	<b>42,746.84</b>
Add:- On share issued during the year	23.80	-
Add:- Transfer from shares options outstanding account	33.65	-
<b>Closing balance</b>	<b>42,804.29</b>	<b>42,746.84</b>

## (b) Share Options Outstanding Account

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>3,347.37</b>	<b>5,950.10</b>
Add:- On further grant of options	150.90	-
Less:- Reversal due to Lapsation of option	(3,064.82)	(2,602.73)
Less: Transfer to Securities premium account	(33.65)	-
<b>Closing balance</b>	<b>399.80</b>	<b>3,347.37</b>

## (c) Deferred Employee Compensation Expense

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>(1,509.04)</b>	<b>(3,070.18)</b>
Add:- On further grant of options	(150.90)	-
Less:- Reversal due to Lapsation of option	1,368.68	1,269.49
Less:- Amortised during the year	101.25	291.65
<b>Closing balance</b>	<b>(190.01)</b>	<b>(1,509.04)</b>

**(d) General Reserve**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>18,268.04</b>	<b>18,268.04</b>
Add:- Transfer from Profit & Loss account	-	-
<b>Closing balance</b>	<b>18,268.04</b>	<b>18,268.04</b>

**(e) Surplus in Statement of Profit & Loss**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>195,441.62</b>	<b>191,811.00</b>
Add:- Profit for the year	10,952.49	6,279.13
Less:- Transfer to General Reserve	-	-
Less:- Dividend declared	(1,059.41)	(2,648.51)
Less:- Dividend distribution tax	-	-
<b>Closing balance</b>	<b>205,334.70</b>	<b>195,441.62</b>

**(ii) Other Comprehensive Income****(a)**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>(3,099.59)</b>	<b>(3,188.83)</b>
Remeasurement of net defined benefit obligations (net of taxes)	2.22	89.24
<b>Closing balance (i)</b>	<b>(3,097.37)</b>	<b>(3,099.59)</b>

**(b) Foreign Currency Translation Reserve**

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Opening balance</b>	<b>618.74</b>	<b>619.48</b>
Translation reserve for the year	38.70	(0.74)
<b>Closing balance (ii)</b>	<b>657.44</b>	<b>618.74</b>
<b>Total (B)</b>	<b>(2,439.93)</b>	<b>(2,480.85)</b>
<b>Total (A+B)</b>	<b>264,176.89</b>	<b>255,813.98</b>

## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

### Note 21 - Trade Payables (Non - Current)

Particulars	(₹ in lakhs)			
	As at 31 March 2022		As at 31 March 2021	
	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	-	-	-	-
<b>Total Dues of micro enterprises and small enterprises</b>		-		-
- Dues of Creditors other than micro enterprises and small enterprises		12.04		14.34
<b>TOTAL</b>		<b>12.04</b>		<b>14.34</b>

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.

#### Detailed note on disclosure as required by Schdeule III for ageing

Refer Note 49 for ageing of Trade Payable

### Note 22 - Other Financial Liabilities (Non - Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Other Payable		
Security Deposit	41.28	40.39
<b>TOTAL</b>	<b>41.28</b>	<b>40.39</b>

## Note 23 - Deferred Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>		
(i) On account of difference in depreciation on Property, Plant and Equipment	-	-
(ii) Provision for Employees' obligations	80.89	59.85
(iii) Temporary differences on Tax Provisions	-	-
(iv) On account of Expected Credit Loss	183.47	150.37
(v) Unused tax credits	-	-
<b>(A)</b>	<b>264.36</b>	<b>210.22</b>
<b>Liabilities</b>		
(i) On account of difference in depreciation on Property, Plant and Equipment	338.39	268.32
<b>(B)</b>	<b>338.39</b>	<b>268.32</b>
<b>Balance carried to Balance Sheet (B - A)</b>	<b>74.03</b>	<b>58.10</b>

### (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
<b>For the year ended March 31, 2022 :</b>				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	268.32	70.07	-	338.39
Expenses provided but allowable in Income Tax on payment	(59.85)	(21.79)	0.75	(80.89)
Allowance for expected credit losses	(150.37)	(33.10)	-	(183.47)
	58.10	15.18	0.75	74.03
Others	-	-	-	-
	-	-	-	-
<b>TOTAL</b>	<b>58.10</b>	<b>15.18</b>	<b>0.75</b>	<b>74.03</b>
<b>For the year ended March 31, 2021 :</b>				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	126.58	141.74	-	268.32
Expenses provided but allowable in Income Tax on payment	(85.03)	(4.84)	30.01	(59.85)
Allowance for expected credit losses	(134.07)	(16.30)	-	(150.37)
	(92.52)	120.60	30.01	58.10
Others	-	-	-	-
	-	-	-	-
<b>TOTAL</b>	<b>(92.52)</b>	<b>120.60</b>	<b>30.01</b>	<b>58.10</b>



## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

The analysis of Deferred Tax Assets is as follows:

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Deferred Tax Assets to be recovered after more than 12 months	-	-
Deferred Tax Assets to be recovered within 12 months	74.03	58.10
	<b>74.03</b>	<b>58.10</b>

#### (b) Explanation of changes in the applicable tax rate(s) compared to the previous accounting period

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Applicable Tax rate considered for deferred tax asset or liability	<b>25.168%</b>	<b>25.168%</b>

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.

#### Note 24 - Employee Benefit Obligations (Non - Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Provision for Employees' benefits	307.92	331.00
<b>TOTAL</b>	<b>307.92</b>	<b>331.00</b>

#### Note 25 - Borrowings (Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Secured Loans</b>		
Loans repayable on demand		
- From Banks	-	-
- From Holding Co. (Unsecured)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

The Company has working capital facility (sanctioned limit of Rs. 45 Crores) & additional facility of ₹ 13.36 Crores (Sanctioned during the year) from Union Bank of India. The facilities are secured by First charge (Primary) of hypothecation of Book Debts and present & future current assets of Company.

Collateral Security - Registered Equitable Mortgage of Immovable Property situated at Vakrangee Corporate House, Plot No. 93, Road No 16, MIDC, Marol, Near Hotel Suncity Residency, Andheri East, Mumbai-400093 with total built up area of entire building is 21050 Sq ft in the name of M/S Vakrangee Limited.

## Note 26 - Trade Payables (Current)

Particulars	(₹ in lakhs)			
	As at 31 March 2022		As at 31 March 2021	
<b>Trade Payables</b>				
- Dues of micro enterprises and small enterprises	Principal	Interest	Principal	Interest
Amount due to vendor	102.35	-	38.76	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	<b>102.35</b>	<b>-</b>	<b>38.76</b>	<b>-</b>
<b>Total Dues of micro enterprises and small enterprises</b>		<b>102.35</b>		<b>38.76</b>
- Dues of Creditors other than micro enterprises and small enterprises		3,547.42		3,375.05
<b>TOTAL</b>		<b>3,649.77</b>		<b>3,413.82</b>

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.

### Detailed note on disclosure as required by Schdeule III for ageing

Refer Note 49 for ageing of Trade Payable

## Note 27 - Other Financial Liabilities

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Payable to Franchisee under WLA	5,331.59	6,648.26
Payables against cash collection	-	-
Payable for acquisition of Property, Plant & Equipments	627.39	695.96
Payable towards CSR Expenses	650.05	650.05
Unpaid Dividend	85.50	92.23
<b>TOTAL</b>	<b>6,694.53</b>	<b>8,086.50</b>

## Note 28 - Other Current Liabilities

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Statutory dues	1,484.92	294.11
Advance from customers	63.51	3,970.75
Kendra money received pending allotment	1,459.73	1,932.08
Franchisee Wallet Balance	143.33	286.84
Staff Emoluments Payable	652.78	752.31
<b>TOTAL</b>	<b>3,804.27</b>	<b>7,236.09</b>

## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## Note 29 - Provisions

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Provision for Expenses for Goods & services	1,780.89	1,134.72
<b>TOTAL</b>	<b>1,780.89</b>	<b>1,134.72</b>

## Note 30 - Employee Benefit Obligations (Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Provision for Employees' benefits	24.70	26.05
<b>TOTAL</b>	<b>24.70</b>	<b>26.05</b>

## Note 31 - Current Tax Liabilities (Net)

Particulars	(₹ in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Income Tax (net of provision for taxation)	2,435.17	814.32
<b>TOTAL</b>	<b>2,435.17</b>	<b>814.32</b>

## Note 32 - Revenue from Operations

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Revenue from vakrangee kendra, including e-governance activities	66,128.20	24,947.41
<b>(b) Revenue from Sale of Products</b>		
- Computer consumables & peripherals	900.93	1,324.01
	900.93	1,324.01
<b>(c) Revenue from Sale of Services</b>		
- Information Technology-enabled Services (ITeS)	10,611.89	4,910.94
- Courier and Delivery Services	-	-
- Others	-	-
	10,611.89	4,910.94
<b>(d) Other Operating Revenues</b>		
- Kit Transportation charge	196.03	177.69
- Scrap Sales	32.18	69.09
	228.21	246.78
<b>TOTAL</b>	<b>77,869.23</b>	<b>31,429.14</b>

Note : The amount of revenues are exclusive of indirect taxes i.e. Goods and Service Tax

### Note 33 - Other Income

Particulars			(₹ in lakhs)	
	For the year ended March 31, 2022		For the year ended March 31, 2021	
<b>(i) Interest Income</b>				
(a) Interest Income on the financial assets at amortized cost				
- Bank Deposits	62.20		226.70	
(b) Other Interest Income	167.51	229.71	6,721.55	6,948.25
(ii) Dividend Income		1.50		-
<b>(ii) Other non-operating income</b>				
- Rent Received	2.03		3.12	
- Gain on Sale of Asset	0.44		-	
- Gain on Foreign Exchange Fluctuation	55.69		0.01	
- Fair value gain on financial instrument at fair value through Profit and loss*	101.72		14.54	
- Miscellaneous Income	0.20		0.07	
		160.08		17.74
<b>TOTAL</b>		<b>391.29</b>		<b>6,965.99</b>

\*Total Fair value gain on financial instrument at fair value through profit and loss includes ₹ NIL (previous year ₹ 2.63 Lakhs) as ' Net Gain on sale of Investments'

### Note 34 - Operating Expenses

Particulars			(₹ in lakhs)	
	For the year ended March 31, 2022		For the year ended March 31, 2021	
<b>Project Delivery Cost</b>				
- Opening Stock	11.92		14.93	
- Add : Purchase of goods and services	41,353.75		5,106.89	
- Less : Closing Stock	16.36		11.92	
		41,349.31		5,109.90
Project Expenses		1,017.70		1,035.74
Commission Expenses		15,025.39		14,775.60
Communication Costs		1.09		1.23
Conveyance & Travelling Expenses		2.59		6.15
Penalty *		100.00		-
Transportation, Octroi and Loading / Unloading Charges		188.74		113.70
Rent, Rates and Taxes		95.50		220.61
<b>TOTAL</b>		<b>57,780.32</b>		<b>21,262.93</b>

\*RBI has imposed a penalty for non deployment of minimum number of ATMs required to be deployed, which is contrivention of the nature referred to in Section 26 (6) of the Payment and Settlement Systems Act, 2007

## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

## Note 35 - Changes in Inventories

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(a) At the beginning of the period</b>		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	485.31	766.44
Less : Stock converted into Fixed Assets	-	-
	485.31	766.44
<b>Less : at the end of the period</b>		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	394.10	485.31
	394.10	485.31
<b>TOTAL</b>	<b>91.21</b>	<b>281.13</b>

## Note 36 - Employee Benefits Expenses

(a) Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Salaries & Wages	2,604.56	3,952.01
(ii) Directors' Remuneration	283.87	287.77
(iii) Contribution to Provident & Other Funds	79.31	187.94
(iv) Share-based Payment Expenses	(1,594.90)	(1,041.58)
(v) Directors' Sitting Fees	34.35	19.10
(vi) Staff Welfare Expenses	66.79	36.66
	1,473.98	3,441.90
<b>TOTAL</b>	<b>1,473.98</b>	<b>3,441.90</b>

## (b) Detailed note on disclosure as required by Ind AS-19

For details, refer Note No. 43

### Note 37 - Other Expenses

Particulars	(₹ in lakhs)			
	For the year ended March 31, 2022		For the year ended March 31, 2021	
<b>Repairs &amp; Maintenance :</b>				
- Building	23.69		4.85	
- Vehicle	1.90		2.81	
- Others	54.73	80.32	64.27	71.93
Advertisement and Publicity		237.47		205.81
Business Promotion		19.42		18.10
Rates & Taxes		119.96		239.95
Insurance		60.06		151.57
Electricity Charges		48.59		54.04
Printing and Stationery		7.36		11.43
Communication Costs		62.01		119.50
Fees & Subscriptions		17.06		21.10
Listing, Registrar & Share Issue/Transfer Charges		58.53		41.04
Loss on Foreign Exchange Fluctuation		0.03		82.38
Legal & Professional Fees - Other than payments to Auditor:				
- Legal & Professional	815.55		442.55	
- Filing Stamp Duty and Franking Charges	28.66		28.29	
- Registration charges	-	844.21	-	470.84
Payments to Auditors :				
- Audit fees (including limited review)	68.70		66.45	
- Tax Audit fees	10.00		10.15	
- For Other Services	1.30		1.30	
- For Reimbursement of Expenses	1.65	81.65	1.98	79.88
Conveyance & Travelling		30.23		43.58
Vehicle Expenses		10.57		10.34
Corporate Social Responsibility Expenditure (Refer Note 41)		135.74		745.04
Office & General Expenses		203.20		152.20
Allowance for credit losses				
Opening Allowances	(820.38)		(755.60)	
Less : Written off during the year	-		-	
Less : Closing Allowances	(951.91)	131.53	(820.38)	64.78
Miscellaneous Expenses		72.44		114.31
<b>TOTAL</b>		<b>2,220.38</b>		<b>2,697.82</b>

### Note 38 - Exceptional Item

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
- Net gain on disposal of Property plant and equipment	(168.66)	-
<b>TOTAL</b>	<b>(168.66)</b>	<b>-</b>

Exceptional item consists of profit on sale of investment property and old office premises (an item of PPE).

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

#### Note 39 - Earnings Per Equity Share

		(₹ in lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	
(a) Net profit after tax attributable to equity shareholders for Basic EPS	10,952.47	6,279.13	
Add/Less: Adjustment relating to potential equity shares	-	-	
Net profit after tax attributable to equity shareholders for Diluted EPS	10,952.47	6,279.13	
(b) Weighted average no. of equity shares (in lakhs) outstanding during the year			
For Basic EPS	10,594.12	10,594.06	
For Diluted EPS	10,596.87	10,605.24	
(c) Face Value per Equity Share (₹)	1.00	1.00	
Basic EPS (₹)	1.03	0.59	
Diluted EPS (₹)	1.03	0.59	
(d) <b>Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS</b>			
No. of shares used for calculating Basic EPS	10,594.12	10,594.06	
Add: Potential equity shares	2.75	11.19	
<b>No. of shares used for calculating Diluted EPS</b>	<b>10,596.87</b>	<b>10,605.24</b>	

#### Note 40 - Contingent Liabilities and Commitments (to the extent not provided for)

		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(A) <b>Contingent Liabilities</b>			
(i) Claims against the company not acknowledged as debts	-	-	
(ii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts	529.00	521.57	
(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	
<b>(A)</b>	<b>654.00</b>	<b>846.57</b>	
(B) <b>Commitments</b>			
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	59,001.30	59,595.90	
<b>(B)</b>	<b>59,001.30</b>	<b>59,595.90</b>	
<b>TOTAL (A + B)</b>	<b>59,655.30</b>	<b>60,442.47</b>	

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 41 - 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.

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross Amount required to be spent by the company during the year	135.74	745.04
b) Amount of expenditure incurred on:		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	94.99
c) Shortfall at the end of the year	135.74	650.05
d) Total of previous years' short fall	650.05	-
e) Reason for short fall	Pertains to ongoing projects	Pertains to ongoing projects
f) The nature of CSR activities undertaken by the Company	Eradication of hunger and malnutrition, promoting education, healthcare	Eradication of hunger and malnutrition, promoting education, healthcare

### Note 42 - Segment Reporting

The Company's activities predominantly comprise providing various services through Vakrangee Kendra. Considering the nature of the Company's business and operations, there is only one reportable operating segment (business and / or geographical) i.e. Vakrangee Kendra in accordance with the requirements of the Indian Accounting Standard 108 – "Operating Segments".

### Note 43 - Related Party Details

#### (a) Key Management Personnel & Directors

Mr. Ramesh Mulchand Joshi	Non-Executive Chairman
Mr. Dinesh Nandwana	Managing Director & Group CEO
Mr. Anil Khanna	Director (upto September 11, 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. Hari Chand Mittal	Director (w.e.f. July 31, 2020)
Mr. Subhash Singhania	Chief Financial Officer (upto December 20 2020)
Mr. Mehul Rawal	Company Secretary and Compliance Officer (upto December 20 2020)
Mr. Ajay Jangid	Chief Financial Officer (w.e.f. December 21, 2020)
Mr. Jay Bhansali	Company Secretary and Compliance Officer (upto September 24, 2021)
Mr. Sachin Khandekar	Company Secretary and Compliance Officer (w.e.f. September 25, 2021)



## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

(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

- Ms. Divya Nandwana                                      Daughter of Director
- Mr. Vedant Nandwana                                      Son of Director

**Related Party Transactions****- In relation to (a)**

Nature of Transactions	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Remuneration to Key Managerial Personnel</b>		
- Dinesh Nandwana	240.00	240.00
- Dr. Nishikant Hayatnagarkar	56.55	47.77
- Subhash Singhania	-	37.20
- Mehul Rawal	2.94	16.09
- Ajay Jangid	26.63	-
- Jay Bhansali	3.60	-
- Sachin Khandekar	4.36	-
<b>Post-employment benefits to Key Managerial Personnel</b>		
- Dinesh Nandwana	18.69	17.72
- Dr. Nishikant Hayatnagarkar	20.00	20.00
- Ajay Jangid	0.65	-
- Jay Bhansali	-	-
- Sachin Khandekar	0.21	-
<b>Directors Sitting Fees</b>		
- Ramesh Mulchand Joshi	4.95	2.95
- Sunil Agarwal	5.00	2.75
- Babulal Meena	4.95	2.70
- Sujata Chattopadhyay	4.50	2.50
- Avinash Chandra Vyas	5.45	3.20
- Ranbir Datt	4.50	2.75
- Hari Chand Mittal	5.00	2.25
<b>Balance outstanding as on March 31 : (Expenses and Salaries Payable)</b>		
- Dinesh Nandwana	12.48	12.48
- Dr. Nishikant Hayatnagarkar	3.43	3.18
- Subhash Singhania	-	4.63
- Ajay Jangid	1.86	1.80
- Sachin Khandekar	0.68	-
- Jay Bhansali	-	0.40

## - In relation to (b)

Nature of Transactions	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Reimbursement of Expenses Paid</b>		
- Vedant Nandwana	1.95	-
<b>Employee Benefit Expenses</b>		
- Divya Nandwana	16.68	15.42
- Vedant Nandwana	6.95	6.43
<b>Balance outstanding as on March 31 : (Expenses and Salaries Payable)</b>		
- Divya Nandwana	-	1.15
- Vedant Nandwana	-	0.50

## Note 44 - Employee Benefit Obligations

### (i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 169.36 lakhs (March 31, 2021 - ₹ 262.92 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 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 ₹ 57.35 lakhs (March 31, 2021 - ₹ 138.94 lakhs).

## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

**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
<b>1-Apr-20</b>	<b>486.64</b>	<b>(400.24)</b>	<b>86.40</b>
Current Service cost	131.10	-	131.10
Past Service Cost	-	-	-
Interest expense/(income)	31.35	(29.95)	1.40
<b>Total amount recognised in profit and loss</b>	<b>162.45</b>	<b>(29.95)</b>	<b>132.50</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
(Gain)/loss from change in financial assumptions	(132.11)	-	(132.11)
Experience (gains)/losses	1.10	11.75	12.86
<b>Total amount recognised in other comprehensive income</b>	<b>(131.01)</b>	<b>11.75</b>	<b>(119.25)</b>
Employer contributions	-	(5.49)	(5.49)
Benefit payments	(109.99)	109.99	-
<b>31-Mar-21</b>	<b>408.09</b>	<b>(313.95)</b>	<b>94.14</b>

(₹ in lakhs)			
Particulars	Present value of obligation	Fair value of Plan assets	Net amount
<b>1-Apr-21</b>	<b>408.09</b>	<b>(313.95)</b>	<b>94.14</b>
Current Service cost	80.25	-	80.25
Past Service Cost	-	-	-
Interest expense/(income)	25.58	(21.98)	3.60
<b>Total amount recognised in profit and loss</b>	<b>105.83</b>	<b>(21.98)</b>	<b>83.85</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	(0.01)	(0.01)
(Gain)/loss from change in financial assumptions	(0.00)	-	(0.00)
Experience (gains)/losses	(13.90)	10.93	(2.97)
<b>Total amount recognised in other comprehensive income</b>	<b>(13.90)</b>	<b>10.92</b>	<b>(2.98)</b>
Employer contributions	-	(20.00)	(20.00)
Benefit payments	(204.96)	204.96	-
<b>31-Mar-22</b>	<b>295.06</b>	<b>(140.05)</b>	<b>155.01</b>

The net liability disclosed above relates to funded plans are as follows

Particulars	(₹ in lakhs)	
	31-Mar-22	31-Mar-21
Present value of funded obligations	295.06	408.09
Fair value of plan assets	(140.05)	(313.95)
<b>Deficit/(Surplus) of gratuity plan</b>	<b>155.01</b>	<b>94.14</b>

### Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

Particulars	31-Mar-22	31-Mar-21
Discount rate	7.24%	6.67%
Salary growth rate (per annum)	5.00%	5.00%
Mortality Table	IALM 2012-14 Ultimate	IALM 2012-14 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-22	31-Mar-21	31-Mar-22	31-Mar-21
Discount rate	1%	1%	Decrease by 7%	8%
Salary growth rate	1%	1%	Increase by 7%	9%

Particulars	Change in assumption		Impact on defined benefit obligation	
	Decrease in assumption			
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Discount rate	1%	1%	Increase by 9%	10%
Salary growth rate	1%	1%	Decrease by 6%	8%

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.

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

#### \*The major categories of plans assets are as follows :

Particulars	In Percentage %	
	31-Mar-22	31-Mar-21
<b>Equity instruments</b>	<b>9.68</b>	<b>9.68</b>
<b>Debt instruments</b>	<b>86.30</b>	<b>86.30</b>
Government bonds	67.56	67.56
Corporate bonds/debentures	18.74	18.74
<b>Asset backed securities</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents	4.02	4.02
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

\*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 45 - 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 on the basis of market price of the scrip of the company (on the highest traded Stock Exchange) as decided by the Nomination and Remuneration and Compensation Committee. During the year the committee has decided to grant options at closing price on previous day of grant of options.

During the year ended March 31, 2022, the Company has lapsed / cancelled 2699625 options granted under Company's "ESOP

Scheme 2014", to its eligible employees as these options have gone underwater and were rendered un-attractive to employees due to decrease in market price of shares. In order to benefit the employees, the Company has cancelled these options and granted new options to eligible employees at prevalent market price. Due to this there is reversal of ₹ 1696.15 Lakhs in Employee stock compensation expenses resulting in decline of Employee Benefit Expenses. the Company has granted 1115300 new options during the year to the eligible employees. Further during the year the Company has allotted 94150 equity shares on conversion of ESOPs.

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-22		31-Mar-21	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	79.48	3,213,675	70.46	6,458,800
Granted during the year	42.70	1,115,300	-	-
Exercised during the year	26.27	94,150	-	-
Lapsed during the year	113.53	2,699,625	61.42	3,245,125
<b>Closing Balance</b>	<b>42.20</b>	<b>1,535,200</b>	<b>79.48</b>	<b>3,213,675</b>
Vested and exercisable	50.61	341,800	86.85	1,731,025

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2022 was ₹ 30.70 (March 31, 2021 : ₹ 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	
			31-Mar-22	31-Mar-21
26-11-2014	26-11-2023	32.35	32,225	32,475
11-03-2016	10-03-2025	56.54	272,325	593,900
26-07-2017	25-07-2026	109.40	-	1,305,600
26-10-2017	25-10-2026	137.33	-	216,800
09-01-2018	08-01-2027	202.28	-	64,000
13-04-2018	12-04-2027	69.85	-	301,300
10-07-2018	09-07-2027	25.93	53,500	137,200
05-10-2018	04-10-2027	14.38	21,700	154,200
03-01-2019	02-01-2028	18.03	12,150	71,700
15-04-2019	14-04-2028	32.95	2,400	118,400
10-07-2019	09-07-2028	17.95	18,175	40,200
09-10-2019	08-10-2028	14.18	39,825	177,900
11-01-2022	10-01-2030	42.70	1,082,900	-
<b>Total</b>			<b>1,535,200</b>	<b>3,213,675</b>

#### Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2022 was ₹ 13.53. The fair value at grant date is

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

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 company has not granted any option during the year ended March 31, 2021.

The model inputs for options granted during the year ended March 31, 2022 included:

- a) Options are granted for consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of four years after vesting.

Particulars	Year ended March 31, 2022
b) Exercise price	42.70
c) Grant date	11-01-2022
d) Expiry date	10-01-2030
e) Share price at grant date (₹)	42.30
f) Expected price volatility of the company's shares	51.55%
g) Expected dividend yield	0.25%
h) Risk free interest rate	6.57%
i) Fair value (₹)	13.53

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:

	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Employee Stock Option Plan	(1,594.90)	(1,041.58)

### Note 46 - 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, 2022 were as follows:-

(₹ in lakhs)						
Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	-	-	-	-	-	-
Trade Receivables	95,543.08	-	-	95,543.08	-	-
Cash & Cash equivalents	4,746.74	-	-	4,746.74	-	-
Other Bank Balances	925.53	-	-	925.53	-	-
Short Term Loans	1,244.23	-	-	1,244.23	-	-
Other Financial Assets	1,148.37	-	-	1,148.37	-	-
Investments	-	240.57	-	240.57	-	240.57
<b>TOTAL</b>	<b>103,607.95</b>	<b>240.57</b>	<b>-</b>	<b>103,848.52</b>	<b>-</b>	<b>240.57</b>

(₹ in lakhs)						
Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	3,661.82	-	-	3,661.82	-	-
Other Financial Liabilities	6,735.81	-	-	6,735.81	-	-
<b>TOTAL</b>	<b>10,397.63</b>	<b>-</b>	<b>-</b>	<b>10,397.63</b>	<b>-</b>	<b>-</b>

The carrying value and fair value by each classification as at March 31, 2021 were as follows:-

(₹ in lakhs)						
Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
<b>Financial Assets</b>						
Long Term Loans	-	-	-	-	-	-
Trade Receivables	112,031.21	-	-	112,031.21	-	-
Cash & Cash equivalents	818.59	-	-	818.59	-	-
Other Bank Balances	1,309.63	-	-	1,309.63	-	-
Short term Loans	1,146.46	-	-	1,146.46	-	-
Other financial assets	2,344.56	-	-	2,344.56	-	-
Investments	-	138.85	-	138.85	-	138.85
<b>TOTAL</b>	<b>117,650.45</b>	<b>138.85</b>	<b>-</b>	<b>117,789.30</b>	<b>-</b>	<b>138.85</b>
Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2



## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	3,428.16	-	-	3,428.16	-	-
Other Financial Liabilities	8,126.89	-	-	8,126.89	-	-
<b>TOTAL</b>	<b>11,555.05</b>	<b>-</b>	<b>-</b>	<b>11,555.05</b>	<b>-</b>	<b>-</b>

**(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:**

Age of receivables	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Within the credit period	95,564.41	110,263.59
1-90 days past due	6.76	871.10
91-180 days past due	14.51	4.87
181-270 days past due	39.39	2.16
More than 270 days past due	849.83	1,689.79
<b>Total</b>	<b>96,474.90</b>	<b>112,831.51</b>

Movement in the expected credit loss allowance	March 31, 2022	March 31, 2021
Balance at beginning of the year	800.29	735.51
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	131.53	64.78
<b>Total</b>	<b>931.82</b>	<b>800.29</b>

## 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, 2022	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-
As on March 31, 2021	< 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:

Currency	(₹ in lakhs)			
	Liabilities		Assets	
	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021
US Dollar (USD)	-	-	-	-

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

#### Foreign Currency Exposure

Particulars	USD in Lakhs	
	As on March 31, 2022	As on March 31, 2021
Trade Receivables	-	-
Loans Receivable	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

#### 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, 2022		For year ended March 31, 2021	
	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 47 - 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 year ended March 31, 2022	For year ended March 31, 2021
Profit before income taxes	14,154.76	8,281.81
Enacted tax rates in India *	25.168%	25.168%
Computed expected tax expense	3,566.84	2,097.60
Effect of non-deductible expenses	(385.98)	(255.50)
Absorption of unabsorbed brought forward losses and depreciation	(4.47)	0.12
Others	(4.20)	12.03
<b>Income Tax expense</b>	<b>3,172.20</b>	<b>1,854.26</b>
Earlier year tax expenses	14.81	28.08
<b>Current Income Tax expense</b>	<b>3,187.01</b>	<b>1,882.34</b>

\*Tax rate on subsidiaries have been considered at 25.168%, 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, 2022 and March 31, 2021 :

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Current Income Tax Liabilities	2,435.17	814.32
Income Tax Assets	114.86	578.07
<b>Net current income tax liabilities / (assets) at the end</b>	<b>2,320.31</b>	<b>236.25</b>

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	(₹ in lakhs)	
	For year ended March 31, 2022	For year ended March 31, 2021
<b>Net current income tax liability / (asset) at the beginning</b>	<b>236.25</b>	<b>(1,255.83)</b>
Income Tax paid	(1,102.95)	(390.27)
Current Income Tax expense	3,187.01	1,882.34
<b>Net current income tax liability / (asset) at the end</b>	<b>2,320.31</b>	<b>236.25</b>

- (c) The gross movement in the deferred income tax account for the year ended March 31, 2022 and March 31, 2021, are as follows:

Particulars	(₹ in lakhs)	
	For year ended March 31, 2022	For year ended March 31, 2021
<b>Net deferred income tax liabilities / (asset) at the beginning</b>	<b>57.72</b>	<b>(92.63)</b>
Movements relating to temporary differences	15.28	120.34
Temporary differences on other comprehensive income	0.75	30.01
Unused Tax Credit	-	-
<b>Net deferred income tax liabilities / (asset) at the end</b>	<b>73.75</b>	<b>57.72</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

#### Note 48 - Ageing of Trade Receivable

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Outstanding for the following period from invoice date					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	2,320.23	52.59	2,675.16	87,766.11	3,017.96	<b>95,832.05</b>
	1,324.13	2,729.94	103,785.59	-	2,921.68	1,10,761.34
Undisputed Trade receivables – which have significant increase in Credit Risk	21.27	1.19	-	-	202.82	<b>225.28</b>
	837.51	2.64	645.57	0.08	202.82	1,688.62
Undisputed Trade receivables – credit impaired	-	-	1.58	35.47	380.52	<b>417.57</b>
	-	-	-	171.83	209.72	381.55
Disputed Trade receivables – considered good	-	-	-	-	-	-
	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-
Total Trade Receivables	2,341.50	53.79	2,676.73	87,801.58	3,601.30	<b>96,474.90</b>
	2,161.64	2,732.58	104,431.15	171.91	3,334.22	1,12,831.51
Less: Allowance for credit loss						931.82
						800.29
Net Trade Receivables						<b>95,543.08</b>
						1,12,031.21

#### Note 49 - Ageing of Trade Payable

Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Outstanding for the following period from invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues to MSME	114.39	-	-	-	<b>114.39</b>
	53.10	-	-	-	53.10
Others	3,358.75	118.27	19.37	51.03	<b>3,547.43</b>
	3,328.89	14.61	12.19	19.37	3,375.06
Total trade payables	<b>3,473.14</b>	<b>118.27</b>	<b>19.37</b>	<b>51.03</b>	<b>3,661.82</b>
	3,381.99	14.61	12.19	19.37	3,428.16

#### Note 50 - Details of Benami Properties Held

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988.

#### Note 51 - Borrowings secured against current assets

Quarterly returns or statements of current assets filed by the company with the bank are in agreement with the books of accounts.

## Note 52 - Relationship with Struck-off Companies

(₹ in lakhs)

Name of Struck off Company	Nature of Transaction	Balance outstanding at the end of the year as at March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
SNG CAPITAL TRUST PRIVATE LIMITED	Shares held by struck off company	0.030	Shareholder
YES EQUITIES PRIVATE LIMITED	Shares held by struck off company	0.004	Shareholder

## Note 53 - Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance
Current Ratio	Total Current assets	Total Current liabilities	11.93	10.20	16.95%
Debt-Equity Ratio	Total Debt (including borrowings & lease liabilities)	Total Equity	-	-	0.00%
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	-	-	0.00%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	1.03	0.59	74.42%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	0.75	0.25	197.11%
Trade payables turnover ratio	Total Purchases	Average Trade Payable	11.90	1.14	944.01%
Net capital turnover ratio	Revenue	Working Capital	0.39	0.16	134.91%
Net profit ratio	Net Profit	Revenue	0.14	0.20	-29.60%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.05	0.03	64.77%
Return on Investment(ROI)	Income generated from investments	Average invested fund	-	-	0.00%

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

#### **Note 54 - Utilisation of Borrowed funds and share premium**

- a. The company has not advanced or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- b. The company has not received any funds from any person(s) or entity(ies), including foreign entities (funding parties) with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (the ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

### Note 55 - Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of the entity	Country of incorporation	% of voting power as at March 31, 2022	% of voting power as at March 31, 2021	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	-	-	96.34%	264,711.55	86.28%	9,449.34	5.43%	2.22	85.97%	9,451.56
Indian Subsidiaries											
Vakrangee Finserve Limited	India	100.00	100.00	2.20%	6,041.85	13.66%	1,495.69	0.00%	-	13.61%	1,495.69
* VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited)*	India	100.00	100.00	0.34%	923.05	-0.01%	(0.85)	0.00%	-	-0.01%	(0.85)
Vakrangee Digital Ventures Limited	India	100.00	-	0.00%	6.37	-0.08%	(8.37)	0.00%	-	-0.08%	(8.37)
Foreign Subsidiary											
Vakrangee e-Solutions Inc.	Philippines	100.00	100.00	1.13%	3,089.08	0.15%	16.68	94.57%	38.70	0.51%	55.38
<b>Total</b>					<b>274,771.89</b>		<b>10,952.48</b>		<b>40.92</b>		<b>10,993.41</b>



## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022 (continued)

**Note 56 - 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

**Anil Agarwal**

Partner

Membership No.: 041396

**Ramesh Joshi**

Chairman

DIN : 00002683

**Dinesh Nandwana**

MD &amp; Group CEO

DIN : 00062532

**Dr. Nishikant Hayatnagarkar**

Whole-time Director

DIN : 00062638

Place : Mumbai

Date : May 13, 2022

**Ajay Jangid**

Chief Financial Officer

**Sachin Khandekar**

Company Secretary

# Office Addresses

## Mumbai (Registered Office)

### Vakrangee Limited

Vakrangee Corporate House,  
Plot No. 93, Road No. 16, M.I.D.C. Marol, Andheri (East),  
Mumbai - 400093 (Maharashtra)

## New Delhi

### Vakrangee Limited

Unit No 230-232, Somdutt Chamber-2, Bhikaji Cama Place,  
New Delhi - 110066 (New Delhi)

## Jaipur

### Vakrangee Limited

3/55, Paras Ram Nagar, Dher Ke Balaji, Sikar Road,  
Jaipur - 302023 (Rajasthan)

## Lucknow

### Vakrangee Limited

413, Aashiyana Colony, Near Aashiyana Thana, Kanpur Road,  
Lucknow - 226012 (Uttar Pradesh)

## Pune

### Vakrangee Limited

Vakrangee Limited, Unit No. 243/244, 2nd Floor,  
Akshay Complex Condominium, Dhole Patil Road,  
Near Regard to Ganpati Mandir,  
Pune - 411001 (Maharashtra)

## Raipur

### Vakrangee Limited

Fifth Floor, Unit 547, Magneto Mall, Condominium Labhandi,  
N.H.- 6, Ward No. 28, Maharishi Valmiki Ward,  
Raipur - 492001 (Chhattisgarh)



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**VAKRANGEE LIMITED**

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