

August 11, 2023

To,

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

Sub: - Fourth 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 4th Integrated Annual Report and 33rd Annual Accounts of the Company for the financial year 2022-23. 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 4th Integrated Annual Report for FY 2022-23 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.

Our assurance engagement was performed in accordance with the International Standard on Assurance Engagements ('ISAE') 3000 issued by the International Federation of Accountants ('IFAC') and third version of AA1000 Assurance Standard ('AA1000AS v3') issued by Accountability, a body recognized as a 'Framework Developer' by World Economic Forum's ESG Ecosystem Map.

The Reasonable Assurance covers the key parameters for the period 1st April 2022 to 31st March 2023 such as:

- 20,399 Active Transacting Vakrangee Kendras
- 6,324 Vakrangee White Label ATMs
- 234 Master Franchisees
- 5.1 crore - No. of White Label ATMs Transactions
- 7.1 crore - No. of Banking Transactions

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, 2023 is also available on the Company's website at the below mentioned link:

https://vakrangee.in/annual_general_meetings.html

Thanking you,

Yours faithfully,

For Vakrangee Limited

Sachin Khandekar
Company Secretary
ACS:50577

Driving Performance through Entrepreneurship:

Accelerating Growth through the Entrepreneurial Spirit of Master Franchisees and the Franchisees Network



INTEGRATED
ANNUAL REPORT
2022-23



Driving Performance through Entrepreneurship

Accelerating Growth through the Entrepreneurial Spirit of Master Franchisees and the Franchisees Network

In today's fast-paced and dynamic business environment, fostering an entrepreneurial spirit is crucial for driving performance and accelerating growth. Vakrangee Limited, recognizing the immense potential of harnessing entrepreneurial energy, has adopted a strategic approach that emphasizes empowering master franchisees and Kendra franchisees to create a robust and successful phygital network.

By implementing an exclusive district-level master franchisee model, Vakrangee nurtures a culture of entrepreneurship and innovation at the grassroots level. Local entrepreneurs, as master franchisees, are given the opportunity to manage and grow their respective district-level Kendra networks, leveraging their unique insights, passion, and commitment to drive business growth within their territories. This customer-centric approach ensures that our services effectively address consumers' diverse needs while fostering socio-economic development in the communities we serve.

The entrepreneurial spirit of our master franchisees and Kendra franchisees is further fuelled by solid performance incentives and commissions, which encourage them to strive for excellence and continually raise the bar. Master franchisees play a pivotal role in end-to-end monitoring and ensuring operational compliance for their respective franchisees while providing on-ground active support to the existing franchisee outlets and driving new franchisee acquisition. We plan to achieve 100% district coverage through the master franchisee network by the end of this fiscal year. This strategy will help us scale much faster and achieve our long-term targets well ahead of the targeted timelines. This performance-driven culture has a ripple effect throughout the entire organization, promoting innovation, efficiency, and, ultimately, accelerated growth.



In addition to empowering master franchisees and franchisees, Vakrangee continues to invest in cutting-edge technology and infrastructure to support their efforts. By providing the necessary tools and resources, we enable our network of entrepreneurs to deliver exceptional service, create seamless consumer experiences, and solidify Vakrangee's position as a leader in the phygital market.

As we continue to drive performance through invigorated entrepreneurship, we remain committed to accelerating growth and unlocking greater value in our core activities. By embracing the entrepreneurial spirit of our master franchisees and franchisees network, we are poised to capitalize on new opportunities, enhance consumer connectivity, and create lasting value for all stakeholders.

“

“VAKRANGEE’S COMMITMENT TO NURTURING INNOVATION AND EMBRACING THE ENTREPRENEURIAL SPIRIT WITHIN OUR EXCLUSIVE MASTER FRANCHISEES AND FRANCHISEES NETWORK DRIVES PERFORMANCE, ACCELERATES GROWTH, AND CREATES ENDURING VALUE FOR ALL STAKEHOLDERS.”

-MR. DINESH NANDWANA, MANAGING DIRECTOR & GROUP CEO

About the report

This Integrated Annual Report of ('Report') for FY 2022-23 highlights Vakrangee Limited's ('Vakrangee') strategic approach towards empowering master franchisees and Kendra franchisees to create a robust and successful phygital network for immersive customer experience while driving growth and success.

The purpose of this report is to provide a complete overview of how the company has created financial and non-financial value for our stakeholders in terms of six capitals.

Scope

The Report covers the period from 1st April 2022 to 31st March 2023, unless otherwise stated. This report has been prepared in reference with the Integrated Reporting <IR> framework developed by the International Integrated Reporting Council (IIRC). The report showcases a complete overview of how we have created overall financial and non-financial value for our stakeholders in relation to six capitals of <IR>. These six capitals are financial, manufactured, natural, human, intellectual, and social and relationship capital. Our aim is to adopt an inclusive and strategic approach that considers the economic, social, and environmental impacts of the organization, while also empowering all our franchisees to create a robust business operation and long-term growth. This report also details out our engagement methods with identified key stakeholders and consultation on material topics with them. It highlights information on our corporate governance, risk management framework, and strategies for mitigating risks.

Reporting Framework

This Report is our fourth Integrated Annual Report and follows the Integrated Reporting Framework

provided by the International Integrated Reporting Council (IIRC). The non-financial disclosures mentioned in this report have been prepared in reference with the Global Reporting Initiative (GRI) Standards. The financial and statutory information presented in the report are aligned with leading frameworks. This report also adheres to the reporting requirements specified under the Companies Act, 2013, and the rules established thereunder, as well as the regulations outlined by the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements), Indian Accounting Standards (IndAS). In line with our commitment to sustainable development, this report is aligned with United Nations Sustainable Development Goals (UNSDGs) and considers the guidelines set forth by the outlined by the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) for the Business Responsibility and Sustainability Report (BRSR). By considering these various frameworks, this report strives to provide a comprehensive and holistic view of our organization's performance and its commitment to responsible and sustainable business practices.

Reporting Boundary

This report encompasses a comprehensive range of data pertaining to the company's operations and their role in delivering value to our stakeholders. Thus, this report showcases our corporate and regional offices, guest house and warehouse along with limited data points on Active Transacting Vakrangee Kendras and Master Franchisees which serves as franchisee outlets that facilitate the delivery of company's services. All the Active Transacting Vakrangee Kendras reported are operational for a minimum period of one year, as of the reporting date.

Reporting Period

This Report covers information from the period of 1st April 2022 to 31st March 2023.

Reporting Statement

The contents of this report have been thoroughly reviewed by the top management of our company under the guidance of the Board. Subsequently, the report has undergone a rigorous assurance process to ensure its integrity, accuracy, and completeness.

Independent Assurance

This report shows the performance on non-financial parameters across six capitals in terms of Key Performance Indicators (KPIs). Grant Thornton Bharat LLP has provided a reasonable assurance on selected KPIs for FY 2022-23. They are mentioned in the assurance statement, which also forms part of the Report.

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Overview of our Integrated Report

A Rich History of Transparent Reporting

The emergence of Integrated Reporting and Integrated thinking has brought about a change in the way businesses convey information and generate value. In 2020, we published our first integrated report in accordance with the IR framework guidelines established by the International Integrated Reporting Council (IIRC). Our Annual Integrated Report provides a comprehensive overview of our company, including detailed information about our financial and non-financial performance, as well as the impact we have on various capitals. We have also released several reports that present factual data and cater to specific audiences.



Sustainalytics recognized us as an ESG Global 50 Top Rated company in 2022.



Sustainalytics identified us as a leading performer in ESG criteria among over 4,000 companies that they cover globally.



We proudly announce our nomination in the 'Top 100 Franchisee Opportunities for the Year 2022' by Franchise India Magazine.

We have been bagging this award for the past 2 years and this is the third consecutive year of the 'Top 100 Franchise Opportunities Award'.



We are pleased to announce that we have received the 'BEST EMPLOYEE ENGAGEMENT STRATEGIES AWARD' at the HR Tech Summit & Awards 2022 held at the ITC Maratha, Mumbai.



Adding one more feather to the cap is the E-governance award at the Rajasthan DigiFest for our significant contribution to the successful implementation of the E-Mitra project in the state. We thank The Government of Rajasthan and the Department for Information Technology and Communication for appreciating our efforts!



We have received an award for outstanding performance and Pan India 1st Ranking for maximum CASA balances in the Accounts Opened & Pan India 2nd Ranking for per BC average payout in the year 2021-22!



We are happy to announce that we received an 'ESG Performance Award in Financial Services' at the 2nd Annual ESG Summit & Awards 2022 held on 18th November 2022 at Radisson, Mumbai.



Assurance statement for Integrated Report 2022-23
It includes assurance on non-financial data presented in Integrated Annual Report for the financial year 2022-23.



Human Rights: Due-Diligence & Impact Assessment
It showcases our commitment to protecting human rights, along with their due diligence procedures and assessing the impact of our business activities.



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

It evaluates the potential risks and opportunities related to climate change and examines our strategy for addressing climate-related issues.



We achieved 100% Green Consumer Certification Through Tata Power.



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

It showcases our approach for integrating SDGs into our operations and highlights our specific targets and performance in relation to these SDG targets.

Achievements on Global ESG Ratings

We have consistently upheld our commitment to ethical practices and social accountability. Through harnessing entrepreneurial drive and innovation, we are actively fostering progress and propelling growth by promoting financial and digital literacy among marginalized communities at the base of the socioeconomic hierarchy.

We have demonstrated our effectiveness in evaluating our performance based on sector-specific ESG standards, which are essential for enhancing business sustainability and financial significance for the company's success. Our commitment to improving corporate governance and transparency is evident in our extensive recognition from various forums. We have received global recognition for our exceptional ESG performance and long-term business sustainability.



Sustainalytics ESG Risk Rating

Sustainalytics is a prominent and globally recognized company that specializes in providing ESG research, ratings, and analytics. Sustainalytics, as the Rating partner to the National Stock Exchange (NSE), holds a significant position. We take great pride in being recognized as one of the top-ranked firms in the Software and Services category among 1074 global companies. Furthermore, we have achieved the 22nd global ranking out of 14051 companies (Global Univers). This accomplishment reflects our commitment to establishing a robust governance framework and a proactive approach to identifying primary risks associated with ESG criteria. The favorable score not only motivates us to continue our efforts in ESG risk management but also helps us in identifying areas where further improvement is possible in the future.

Sustainability Yearbook Award-S&P Global

We have been recognized and featured in the Sustainability Yearbook 2022, which is published by S&P Global. We have achieved the "S&P Global Bronze Class" designation in the yearbook and obtained a commendable score of 77 on the ESG Score in the Corporate Sustainability Assessment (CSA) survey. This achievement signifies our strong dedication to corporate responsibility and our continuous efforts to uphold ethical business practices. It further showcases our commitment to promoting sustainability across all aspects of our company's operations.



Leadership Award from ESG Risk AI

We are honoured to receive the India Leadership award in the “Leadership in Data Privacy and Security” category from ESG Risk AI. We are extremely pleased that our dedication to Data Privacy & Security has been acknowledged. Our organization has implemented a Robust Data security program that spans across all levels, ensuring the safety and compliance of data and a proprietary VKMS platform for our franchisees which addresses the security and compliance requirements associated with all our stakeholders. In addition, we have established a robust privacy governance model and implemented a Data privacy program with the support of senior management, business/process owners, and other key stakeholders.

Participant and Member of UNGC

The United Nations Global Compact (UNGC) is a non-binding United Nations pact to get businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. It urges businesses to integrate universal principles encompassing human rights, labour, environmental protection, and anti-corruption practices into their strategies and operations. As a UNGC Participant and signatory member, we fully adhere to the ESG Framework. Our active involvement and membership further reinforce our dedication to adopting and executing policies that prioritize ecological sustainability and social responsibility.

United Nations Women Empowerment principles (UNWEP)

The United Nations Women's Empowerment Principles (UNWEPs) are a set of guidelines for businesses to promote gender equality and the empowerment of women in the workplace, marketplace, and community. The WEPs were developed by the UN Global Compact and UN Women guided by international labour and human rights standards. They operate on the fundamental belief that companies have a responsibility for gender equality and contribute to the empowerment of women. By becoming a Signatory member of UNWEPs, we demonstrate our commitment to gender equality, recognizing that treating men and women equally is not only morally right but also beneficial for business. Implementing the seven steps outlined in the WEPs will enable us to seize these opportunities and foster a more inclusive environment.

Highlights of Value Creation in FY 2022-23

Progressing forward towards universal access to essential services



Total Income

**INR 19,870.48
lakhs**

PAT

**INR 100.48
lakhs**

EBITDA

**INR 1,970.91
lakhs**

Total active
transacting
Vakrangee Kendras

20,399

Presence in States
and Union Territories -
covering

**29 States & UTs
5,159 Postal Codes**

Vakrangee Kendras
in LWE, Tribal &
Aspirational Districts

4,607

Vakrangee Outlets
in Tier IV, V & Tier VI

79%

Vakrangee Kendras
owned by Women

2,665

Total employees

252

Kendras with ATM

5,182

Kendras without ATM

14,076

Suppliers assessed
on ESG impact

3

Only ATM model

1,141

Instances of Data
Breach

0

Solar Energy
Generated

51,909 kWh

GHG Emission avoided
through use of
Renewable Energy
and Green Energy

272.81 tCO₂e

Paper saved through
ATM and Banking

34.02 million

CSR Expenditure

**INR 124.89
lakhs**

Rewards and Recognition

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



In 2022 we have been recognized by Sustainalytics as an ESG Global 50 Top Rated company. 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 received an 'ESG Performance Award in Financial Services' at the 2nd Annual ESG Summit & Awards 2022 held on 18th November, 2022 at Radisson, Mumbai.



We have received the 'BEST EMPLOYEE ENGAGEMENT STRATEGIES AWARD' at the HR Tech Summit & Awards 2022 held at the ITC Maratha, Mumbai.



We proudly announce our nomination in the 'Top 100 Franchise Opportunities for the Year 2022' by Franchise India Magazine. We have been bagging this award for the past 2 years and this is the third consecutive year of the 'Top 100 Franchise Opportunities Award'.



We have received an award for outstanding performance and Pan India 1st Ranking for maximum CASA balances in the Accounts Opened & Pan India 2nd Ranking for per BC average payout in the year 2021-22!

We have received an E-governance award at Rajasthan DigiFest for successful implementation of E-Mitra project.

ASSOCIATION AFFILIATIONS

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 (UNGC)



Member of BCFI



Member of NPCI

Message from the Chairman

Navigating the New Normal for sustained Growth



Dear Stakeholders,

It gives me immense pleasure to welcome you to our Annual Report FY2023. This year has been an emblematic testament to Vakrangee's resilience, innovation, and steadfast dedication to our entrepreneurial principles. Despite unprecedented circumstances, we not only upheld our operational efficiency but also seized upon new opportunities, driving performance through the entrepreneurial spirit of our Master Franchisees and Franchisee Network.

Seizing Opportunities: Vakrangee and the Indian Fintech Revolution

Reflecting on the previous year, the Indian economy has demonstrated

exceptional resilience. The sector's growth trajectory suggests a staggering valuation of USD 2.1 trillion by 2030, presenting immense opportunities for those poised to seize them. Vakrangee, with its strategic positioning and expansive network, is well-equipped to ride the fintech wave and unlock unprecedented value for its stakeholders. The economic growth is not just an outcome of strategic government policies, but also a testament to the entrepreneurial spirit of the Indian fintech landscape.

As a leading player in India's fintech revolution, Vakrangee is perfectly positioned to leverage this growth, creating substantial value for its stakeholders. Our unique 'one-stop-shop' model for financial services and extensive rural reach align perfectly with the current fintech growth trends. Furthermore, as we strive to build one of India's largest last-mile distribution platforms, we are establishing ourselves as a physical plus digital ecosystem with a pan-India presence. This strategic initiative ensures that we remain at the forefront of industry developments and cater to the evolving needs of our customers.

As part of our vision to drive innovation, we are actively working towards transitioning into a Neo Bank, capitalising on the advancements in digital banking. Through our

BharatEasy Mobile super app platform, we are set to launch Neo Banking services. This will allow us to offer a seamless O2O (Online to Offline) experience, providing our customers with the convenience of digital banking while also offering in-person assistance through our physical Kendra network. By combining the strengths of digital banking with the human touch, we are creating a unique and holistic banking experience.

Vakrangee is committed to creating unprecedented value for its stakeholders and contributing significantly to India's economic resurgence by harnessing the opportunities arising from this fintech revolution. As a key participant in this transformative journey, we are excited about the potential to further our mission of empowering the underserved and unbanked, thereby amplifying our positive societal impact.

Charting New Territories: The Strategic Demerger

In an important and value-accretive development for our company and shareholders, we are privileged to announce that the Hon'ble National Company Law Tribunal (NCLT) has approved the demerger of Vakrangee's E-Governance & IT Solutions Business. This judgment, dated May 19, 2023, paves the way

towards the creation of two separate listed entities: Vakrangee Limited, our present listed entity, and VL E-Governance & IT Solutions Limited, which will debut as a separate entity on the stock exchanges.

This demerger marks a significant strategic milestone and brings clarity, focus, and independent growth paths to both business entities. With the demerger, Vakrangee Limited will continue to focus on our core business: the network of Vakrangee Kendra physical outlets and our innovative Digital platform, the BharatEasy Mobile Super app. These retail-centric and consumer-facing businesses, promising an asset-light, high-return model that's resilient and sustainable.

Social Impact: Unleashing the Power of Inclusion

Our journey at Vakrangee is marked by our financial accomplishments and our enduring dedication to serving and uplifting the communities in which we operate. The Vakrangee brand stands as a testament to community growth, fostering local entrepreneurship, and amplifying the concept of financial, digital, and social inclusion.

By harnessing the power of our extensive last-mile retail outlet network, we strive to fuel local



THE DEMERGER APPROVED BY NCLT REPRESENTS A MOMENTOUS OPPORTUNITY FOR OUR INVESTORS TO DISCOVER THE TRUE VALUE OF THEIR INVESTMENT IN VAKRANGEE LIMITED AND VL E-GOVERNANCE & IT SOLUTIONS LIMITED. WE'RE COMMITTED TO DRIVING PERFORMANCE THROUGH ENTREPRENEURSHIP, FOSTERING GROWTH, AND MAXIMISING SHAREHOLDER WEALTH.

economies, enhance the quality of life for individuals, and minimise poverty. The essence of our business strategy is deeply intertwined with our dedication to capacity building and job generation. In this regard, we ensure that we equip individuals with critical competencies through certifications for Banking and Insurance Services. This not only improves their employability but also boosts their capacity to influence positive changes within their respective communities.

Vakrangee's role is integral to government initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and Pradhan Mantri Mudra Yojana (PMMY). Our active engagement in these initiatives showcases how we align our business practices with the Government of India's vision of holistic social security.



OUR GROWTH IS CENTRED AROUND MASTER FRANCHISEES, WHO BRING FORTH THEIR ZEAL, DEDICATION, AND A CULTURE OF INNOVATION THAT SERVES AS THE DRIVING FORCE PROPELLING US TOWARDS SUCCESS.

The impact of our work extends beyond the direct beneficiaries of our services. By driving financial, digital, and social inclusion, we are empowering individuals to contribute to their local economies. Consequently, this promotes sustainable community development and national growth, fortifying Vakrangee's position as an active participant in India's social and economic evolution. Ultimately, our commitment is to creating an inclusive society where no one is left behind, affirming the immense power of Vakrangee's social impact.

Expanding our Presence: Leveraging Entrepreneurial Spirit for Accelerated Growth

At the heart of our growth and success is the entrepreneurial spirit that infuses our exclusive district-level master franchisees and franchisees network. Their zeal, dedication, and the culture of innovation they foster are the driving forces propelling us forward. As a result, we are poised to scale at an accelerated pace and expand our presence across India.

As we gear up for another year of challenges and opportunities, we remain committed to driving performance through entrepreneurship and accelerating growth through our Master Franchisees and Franchisees

Network. We will continue building a brighter, inclusive, and prosperous future for all our stakeholders.

We also believe that the core of our success lies in the hands of our greatest asset - our people. By nurturing an entrepreneurial environment, we inspire our employees to claim ownership, engage in innovative problem-solving, and bravely encounter challenges. The success story of Vakrangee is written by the collective effort and passionate pursuit of our dedicated workforce.

Committed to Sustainability

Our steadfast commitment to Sustainability remains unwavering, reflecting our enduring dedication to responsible corporate citizenship since our company's inception. We firmly believe that Sustainability is not only the right course of action, but also a critical business imperative. The health and well-being of the people and communities we serve directly impact our own success. In line with Vakrangee's sustainability vision, we have embraced global best practices to fuel aspirations and foster long-term value creation for all stakeholders. As one of India's largest network of last-mile retail outlets catering to underserved markets, we have a distinct opportunity to make a positive impact within the communities we proudly operate.

Driven by our unwavering commitment to establishing the highest standards of environmental, social, and governance (ESG) practices, our company has successfully benchmarked its performance across a comprehensive range of industry-specific criteria. Our global recognition reflects Vakrangee's dedication to continually enhancing corporate governance and transparency standards. Through our extensive network of Kendra outlets, we are actively promoting financial and digital literacy, reaching the socio-economic base of the pyramid. By ensuring our products are accessible and affordable to all segments of society, we strive to facilitate economic inclusivity and bridge the urban-rural divide.

I am delighted to share that our company has received significant global recognition on various platforms for its exceptional ESG performance and long-term business sustainability. Notably, Vakrangee Limited has been honoured to be included in this year's esteemed Sustainability Yearbook 2022, published by S&P Global. We have earned the distinguished "S&P Global Bronze Class" position in the Corporate Sustainability Assessment (CSA) survey. This annual ranking showcases the sustainability achievements of the

world's largest companies in each industry, as evaluated by their CSA scores. Additionally, I am pleased to announce that Vakrangee has been accepted as a signatory member of the United Nations Global Compact, aligning our sustainability initiatives with the United Nations Sustainable Development Goals.

A Word of Thanks

Finally, we would like to express our sincere gratitude to all our stakeholders - shareholders, employees, franchisees, partners, and customers - for their unwavering trust and support. Your belief in our mission fuels our commitment to fostering an inclusive future.

As we continue to harness the power of entrepreneurship, we are excited about the journey ahead. Let us continue to "navigate the course" and write the Vakrangee story together.

Best Regards,

Ramesh Joshi

Non-Executive Chairman

Vakrangee Limited

Message from the Managing Director & Group CEO

Charting a New Course: Embracing the Entrepreneurial Spirit



OUR SUCCESS IS DRIVEN BY THE PASSION AND ENTREPRENEURIAL SPIRIT OF OUR MASTER FRANCHISEES AND FRANCHISEES. THEY MANAGE AND GROW THEIR KENDRA NETWORKS, FUELLING OUR COLLECTIVE GROWTH AND SUCCESS.

Dear Stakeholders,

As we close the curtains on an exciting and transformative fiscal year, I am thrilled to present this report, an emblem of Vakrangee Limited's unyielding commitment to innovation and entrepreneurship. A blend of resilience, dedication, and entrepreneurial zeal led to FY2023 being a landmark year for us. We navigated new challenges and seized opportunities, resulting in a significant acceleration of our growth trajectory.

Fuelling Success with Entrepreneurial Passion: Our Master Franchisees & Franchisees

The success of any extraordinary venture invariably bears the distinct mark of passionate entrepreneurship, and Vakrangee is no different. Our

theme, "Driving Performance through Entrepreneurship: Accelerating Growth through the Entrepreneurial Spirit of Master Franchisees and the Franchisee Network," is a testament to this belief. We recognise and harness the transformative power of entrepreneurship that propels our collective advancement.

Our strategic approach of empowering local entrepreneurs as master franchisees has been a game-changer. Through our unique district-level master franchisee model, we've stimulated a culture of entrepreneurship and innovation right from the grassroots. Local entrepreneurs are given the opportunity to manage and grow their respective district-level Kendra networks, fostering a sense of ownership and commitment. Attractive incentives and performance commissions serve as catalysts, stimulating their entrepreneurial drive. These master franchisees also play a pivotal role in our operational ecosystem, overseeing regulatory compliance, providing on-ground support, driving new franchisee acquisition, and maintaining overall network quality. Their contributions are central to our strategic expansion plan.

As we look forward, our goal for the end of this fiscal year is to achieve 100% district coverage through our master franchisee network. By empowering local entrepreneurs, we're not just fuelling our growth but actively contributing to local economic development and creating pathways for entrepreneurial success.

This is the how, the why, and the 'so what' of our approach – fostering local entrepreneurship to drive outlier success.

Progress in Figures: Scaling Performance, Expanding Horizons

An essential milestone in our journey was the final approval granted by the Hon'ble National Company Law Tribunal (NCLT) for the demerger of Vakrangee's E-Governance & IT Solutions Business. This strategic move has allowed us to streamline our operations, refine our focus, and unlock greater value for our core activities.

We take immense pride in presenting our audited Financial Results (Post Demerger) for the fiscal year 2022-23, entering a year of transformative growth, strategic accomplishments, and unwavering dedication to creating value for our stakeholders. Our annual financial performance reflects our resilience, operational strength, and commitment to delivering exceptional long-term results.

The Total Income for the fiscal year amounted to Rs. 198.70 crore indicating a modest increase of 0.70% compared to the previous year and Profit After Tax (PAT) reached 1.00 crore for FY2023. Our profitability has been influenced by our strategic decision to reinvest our operational cash flows in enhancing Franchisee incentives and establishing a comprehensive Pan India district-level Master Franchisee network. These investments are aimed at

strengthening our operations and positioning us for long-term success.

Looking at Q1FY24 numbers now in the public domain, we are delighted to highlight that our total income has grown to Rs. 55.90 crore, representing a robust 14.7% year-on-year increase. Likewise, our Profit After Tax (PAT) now stands at Rs. 0.49 crore, demonstrating a solid 716.7% rise compared to the same period last year. For the same period, we're proud to report that our Quarterly Gross Transaction Value (GTV) exceeded Rs. 14,920.7 crore, and the total number of transactions during the quarter crossed an impressive 3.32 crore. What genuinely excites us is the evident year-on-year improvement in our profitability, as well as the uplift in our operating margins. We believe these positive trends are clear indicators of our robust growth trajectory, and we anticipate these improvements in our margins and profitability to continue as our network expands and operating leverage comes into play.

At present, our focus is centred on amplifying our reach by cultivating our Master Franchisee network, aiming to solidify our position as a trailblazer in the market. We are diligently building a Pan India District level Master Franchisee network. This strategic move is designed to strengthen our on-ground operational management, which we expect to deliver enhanced scalability in the future.

We are delighted to announce the appointment of Master Franchisees in 234 Districts across 27 States

(as on 29th May, 2023), marking a significant milestone in expanding our network coverage nationwide. These capable individuals are instrumental in providing on-ground operational support to our existing franchisee outlets and driving the acquisition of new franchisees. This expansion positions us well to achieve our target of comprehensive district coverage, reaching 100% by March 2024.

For FY2023, we established a strong and expansive presence with a total of 20,399 outlets across the country. This widespread coverage spans 29 States/Union Territories, ensuring that our services are accessible to a broad customer base. Moreover, we have successfully established a presence in 566 districts, further strengthening our network. Notably, our commitment to serving underserved markets is evident as 79% of our outlets are located in Tier 4-6 cities.

For FY2023, our platform facilitated a remarkable total of 12.23 crore transactions, highlighting our customers' elevated level of engagement and trust. Additionally, the Gross Transaction Value (GTV) reached an impressive amount of Rs. 51,164.3 crore, reflecting the significant financial activity and value generated on our platform.

By the end of the fiscal period, we operated a network of 6,324 ATMs, providing convenient access to financial services for our customers. These ATMs have facilitated 5.1 crores transactions, demonstrating the popularity and usage of this service. The GTV for ATM transactions

reached Rs. 12,415.0 crores. Similar to our overall presence, our coverage in Tier 4-6 cities for ATM services accounts for 77% of our network, ensuring access for customers in underserved areas.

Our commitment to financial inclusion is exemplified through the successful opening of 17+ lakh accounts during FY2023. Moreover, we have sold 11+ lakh insurance and pension schemes, showcasing our dedication to providing comprehensive financial solutions. The total number of transactions for banking services amounted to 7.1 crore, indicating a significant level of engagement. The GTV for banking services reached Rs. 38,730.3 crore.

Our commitment to expanding our reach and strengthening our first-mover advantage has been realised through the appointment of Master Franchisees in 234 Districts across 27 States throughout the country. These Master Franchisees play a pivotal role in driving operational support for existing franchisee outlets and facilitating the acquisition of new franchises. By March 2024, our ambitious goal is to achieve 100%



THE HONOURABLE INDIAN PRIME MINISTER MR. NARENDRA MODI ONCE SAID, "FINANCIAL INCLUSION IS NOT JUST ABOUT OPENING A BANK ACCOUNT. IT IS ABOUT OPENING THE WINDOWS TO DEVELOPMENT." WE COULDN'T AGREE MORE.

district coverage, solidifying our presence as India's largest last-mile rural distribution platform.

While pursuing these growth initiatives, we remain committed to reinvesting our operational cash flows to enhance Franchisee incentives and build a robust Pan India district-level Master Franchisee network. This forward-looking approach ensures our business model's scalability and long-term Sustainability, enabling us to unlock unprecedented opportunities and deliver superior value to our stakeholders.

Beyond Numbers: Creating Ripples of Social Impact

At Vakrangee, we believe in harnessing the power of business to create shared value and catalyse community development. Our network of last-mile retail outlets serves as an engine for local entrepreneurship, promoting financial inclusion, social security, and economic growth. Through our efforts, we empower individuals from diverse backgrounds with the necessary skill sets to drive results, contributing to local economic growth and poverty eradication.

We align our commitment with the Government of India's vision of a universal social security system. Offering platforms for various schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and Pradhan Mantri Mudra Yojana (PMMY), we stand committed to bringing financial aid and insurance services to the underprivileged and workers in the unorganised sector.

Journey towards 2030: Embracing an Inclusive, Sustainable Future

The Honourable Indian Prime Minister Mr. Narendra Modi once said, "Financial inclusion is not just about opening a bank account. It is about opening the windows to development." We couldn't agree more. Our vision aligns seamlessly with this belief. We see ourselves as more than a business. We are a catalyst, paving the way for holistic and sustainable development through financial inclusion. Our Vision 2030 document serves as our roadmap to a future of inclusive growth and sustainable impact. It outlines our strategy to achieve Pan India Presence, targeting 100% of the country's population, thereby aiming to achieve US\$ 1 Billion in Revenue and US\$ 150 Billion in Gross Transaction value (GTV). Through this, we aim to maximise Shareholder Value while leaving a lasting impact on the society and communities we serve. Our expansion plan is ambitious yet grounded in our core capabilities. We aim to establish a total of 300,000 outlets across India by 2030, enhancing our GTV to > US\$ 150 Bn.

We are also aware of our environmental responsibility and commitment to a sustainable future. Our sustainability strategy outlines our commitment to achieve net zero emissions by 2035 and reduce absolute scope 1 and 2 GHG emissions from our operations by 25% compared to a 2020 baseline, by 2025.

Our Dedication to Sustainability

In line with Vakrangee's unwavering sustainability vision, our company



AT VAKRANGEE, WE LEVERAGE BUSINESS FOR SOCIAL IMPACT. OUR LAST-MILE RETAIL OUTLETS PROMOTE FINANCIAL INCLUSION AND ECONOMIC GROWTH, EMPOWERING INDIVIDUALS AND PROVIDING ACCESS TO FINANCIAL AID AND INSURANCE SERVICES.

has embarked on a transformative sustainability journey. We have embraced global best practices to fuel aspirations and drive long-term value creation for all stakeholders involved. As India's leading network of last-mile retail outlets catering to unserved and underserved markets, Vakrangee has a unique opportunity to enact positive change within the communities we proudly serve. We hold a profound sense of responsibility and understand the importance of maximising this opportunity. Our sustainability efforts are deeply rooted in our core belief of responsible corporate citizenship, a principle that has guided us since the earliest days of our company's establishment. Moreover, we recognise Sustainability as not only the right thing to do but also a vital business imperative. The health and vitality of our company are inherently intertwined with the well-being of the people and communities we strive to uplift.

It is with great pride that we share our company's significant achievements in the realm of Sustainability. Vakrangee has been ranked as the number one company in the Software and Services industry segment in the prestigious Sustainalytics ESG Risk rating rankings. We are honoured to be recognised as one of the top-rated

companies globally in the ESG Global 50 by Sustainalytics, among more than 4,000 comprehensive companies covered by their assessment.

Additionally, our commitment to Sustainability has been acknowledged by S&P Global, as evidenced by our impressive ESG Score of 78 in the Corporate Sustainability Assessment (CSA) survey. This recognition underscores our dedication to continuously enhancing corporate governance and transparency standards. Furthermore, we proudly announce that Vakrangee has been accepted as a Signatory of the United Nations Global Compact, a testament to our alignment with the United Nations Sustainable Development Goals.

These global accolades reflect our company's unwavering commitment to further elevate corporate governance, transparency, and sustainability practices. We take great pride in the recognition we have received for our outstanding ESG performance and our unwavering commitment to long-term business sustainability. As we continue on our sustainability journey, we remain steadfast in our dedication to making a positive impact, advancing sustainable practices, and creating lasting value for all stakeholders involved.

Thank You, Our Esteemed Stakeholders

Our journey of growth and impact reflects our deep commitment to cultivating the entrepreneurial spirit within our expansive network of Master Franchisees and Franchisees. As we look back on our performance over the past year, we do so with immense pride, not just for the progress we've

made, but for the partnerships we've cultivated, and the communities we've empowered along the way.

We owe our progress to each of you. Our stakeholders – from our dedicated team members to our resilient franchisees, our loyal customers to our trusted partners – have all played a pivotal role in our growth story. Your trust fuels our commitment to innovate, grow, and contribute towards an inclusive future.

Charting the Path Ahead

As we take bold steps into the future, we are driven by our commitment to accelerating growth, fostering entrepreneurship, and delivering unparalleled value to our stakeholders. Our focus remains steadfast on nurturing innovation and harnessing the entrepreneurial spirit within our exclusive master franchisees and franchisees network.

On behalf of everyone at Vakrangee, I extend my heartfelt gratitude to our dedicated team, loyal customers, and valued partners. Your continuous support and trust inspire us to strive for excellence. We're excited about the journey ahead and thankful for your continued trust and support. Let's continue to navigate this course, and together, let's write the next chapter in Vakrangee's success story. Here's to another year of innovation, growth, and shared success.

Sincerely,

Dinesh Nandwana

Managing Director & Group CEO
Vakrangee Limited

About Vakrangee



Incorporated in 1990, we have 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 rural, semi-urban and urban markets and enabling 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. The Assisted Digital Convenience stores (Physical Outlets) are called as "Vakrangee Kendra" which acts as the "One-stop shop" for availing various services and products and Digital platform is called as BharatEasy Mobile Super app.



Our Vision

We aim to be the most trustworthy Physical as well as Online Convenience Store across India. We will keep expanding this network, until we are in close proximity to the last excluded person within the country.



Our Mission

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



Our Brand Promise

We aim 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 fairly 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, our aim is to integrate our brand principles into every facet of our business operations. We firmly believe that these principles serve as the foundation, enabling us to operate efficiently and ethically while delivering an exceptional customer experience that sets us apart from the competition.



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

For over three decades, we have been committed to the mission of providing essential services to every individual in India. In 2018, we introduced our revolutionary Next-Generation Kendra digital assistance outlets, which have since expanded nationwide. Our company has undergone a transformation, transitioning from an e-Governance systems integrator to a retail-led franchisee model that is unparalleled in excellence. Additionally, we have further enhanced our offerings by launching the BharatEasy Mobile Super App, creating a comprehensive digital ecosystem. Furthermore, in 2022, we introduced the master franchisee program, a pivotal addition to our operations. This program plays a crucial role in overseeing and ensuring compliance for all franchisees, providing active on-ground support to existing outlets, and driving the acquisition of new franchisees. This initiative reinforces our commitment to maintaining end-to-end monitoring and operational efficiency within our franchisee network.

1990-2011

EMERGED LEADER IN E-GOVERNANCE BUSINESS

- » Vakrangee Ltd: Incorporated as a System Integrator for E Governance Projects
- » Worked on Key Mission Mode projects of the Government such as:
 - » Central Election Commission
 - » MCA-21 for Ministry of Corporate Affairs
 - » Rashtriya Swasthya Bima Yojna (RSBY)
 - » Digitization of Land and Revenue records
- » Worked on Project Passport SevaKendra (PSK)
- » Won UID Enrolment Project for enrolling Aadhaar

2012-2018

BUILDING KENDRA BUSINESS ALONG WITH E-GOVERNANCE

- » We ventured into G2C & B2C services through Common Service Centres
- » Received the BC Banking mandate and started BC Point Banking services through these Centres
- » Non-Exclusive Store in Store Format outlets
- » Emerged National Business Correspondent partner to major PSU banks
- » Executed projects such as PMJDY –Financial Inclusion and UIDAI Aadhaar Enrolment services through these Outlets
- » Received RBI license for White Label ATMs
- » Added Various B2C services such as Assisted e-commerce, Bus ticket booking, mobile and DTH recharge



2019-2022

NEXTGEN VAKRANGEE KENDRA BUSINESS

- » Planned as an exclusive store model with Standardized Consumer & Service experience
- » Launched NextGen Kendra with standard branding, Exclusive store layout as well as signage
- » Multi-line of services –Banking, E-Governance, Insurance, E-Commerce, Total Healthcare & optional ATM service
- » Tie-up for Banking Business Correspondent with Private Banks such as SBM Bank (India) Ltd. & NSDL Payments Bank Ltd.
- » Launch of Digital Platform: Bharat Easy Super Mobile App

2023

NEXTGEN VAKRANGEE KENDRA & DIGITAL APP BUSINESS

- » Demerger to unlock the potential of the Core Vakrangee Kendra and Digital App Business
- » Kendra Business is Retail centric Consumer facing business. It is an Asset Light Franchisee led business model
- » Appointing Exclusive District Level Master Franchisees across the country. Plan to achieve 100% District coverage by March 2024
- » Clear Focus on expanding and Building India's Largest Last Mile Rural distribution platform

About Vakrangee

Our Offerings

We offer our customers a wide range of services that promote 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 recognize the importance of fostering an entrepreneurial spirit in today’s fast-paced business environment to drive performance and accelerate growth. To tap into this energy, we have embraced a master franchisee model, which, along with Kendra franchisees, forms a resilient and thriving phygital network.

Our Vakrangee Kendras, also known as assisted digital convenience stores, serve as one-stop solutions offering a wide range of services. These Kendras provide real-time banking, ATM, insurance, e-commerce, healthcare, travel, telecom, bill payment, and e-governance services. By catering to both urban and rural areas, we act as a social equalizer, ensuring equal access to products and services for all segments of society. To further expand our reach, we have launched the BharatEasy App, a Mobile Super App specifically targeting rural India. This platform aims to provide online shopping, healthcare, demat account opening, credit score rating, and PAN card application services. The unique advantage of this digital platform is its integration with our extensive physical store network, which offers on-ground assistance in semi-urban and rural areas.

Our entrepreneurial approach extends to the district-level master franchisee model, which fosters innovation and growth. Local entrepreneurs are empowered to manage and expand their Kendra networks, leveraging their insights and dedication to drive business growth within their territories. Performance incentives and commissions motivate master franchisees and franchisees to excel and contribute to the overall success of the organization. The goal is to achieve 100% district coverage through our master franchisee network, enabling us to achieve long-term targets ahead of schedule.

To support the efforts of master franchisees and franchisees, we invest in advanced technology and infrastructure. By providing the necessary tools and resources, we ensure that our entrepreneurial network delivers exceptional service,

creates seamless consumer experiences, and solidifies our position as a leader in the phygital market.

Overall, our strategic focus on entrepreneurship and innovation, combined with our commitment to technological advancements, drives performance and accelerates growth, making us a prominent player in the ever-evolving business landscape.

Our Service Offerings: Comprehensive solutions for all

BFSI & ATM SERVICES

Banking	Account Opening Cash Withdrawal/ Deposit Services Other Banking services
Financial Services	Opening of Online Demat & Trading Account Domestic Money Transfer (DMT) Lead Generations of Personal / Business Loans Pan Card Service CIBIL Score service
ATM	Financial Transactions Non-Financial Transactions
Insurance	Life Insurance General Insurance Health Insurance

E-COMMERCE SERVICES

Online Shopping	Online Shopping of goods
Total Healthcare Services	Telemedicine services Online Shopping of Medicines
Recharge and bill payment	Mobile/DTH Recharge Bill Payments E-Mitra services in Rajasthan
Assisted Online Travel Services	Bus Ticket Booking Flight/Hotel Ticket Booking
Online Agriculture Product & Services	Online Agriculture Product & Services

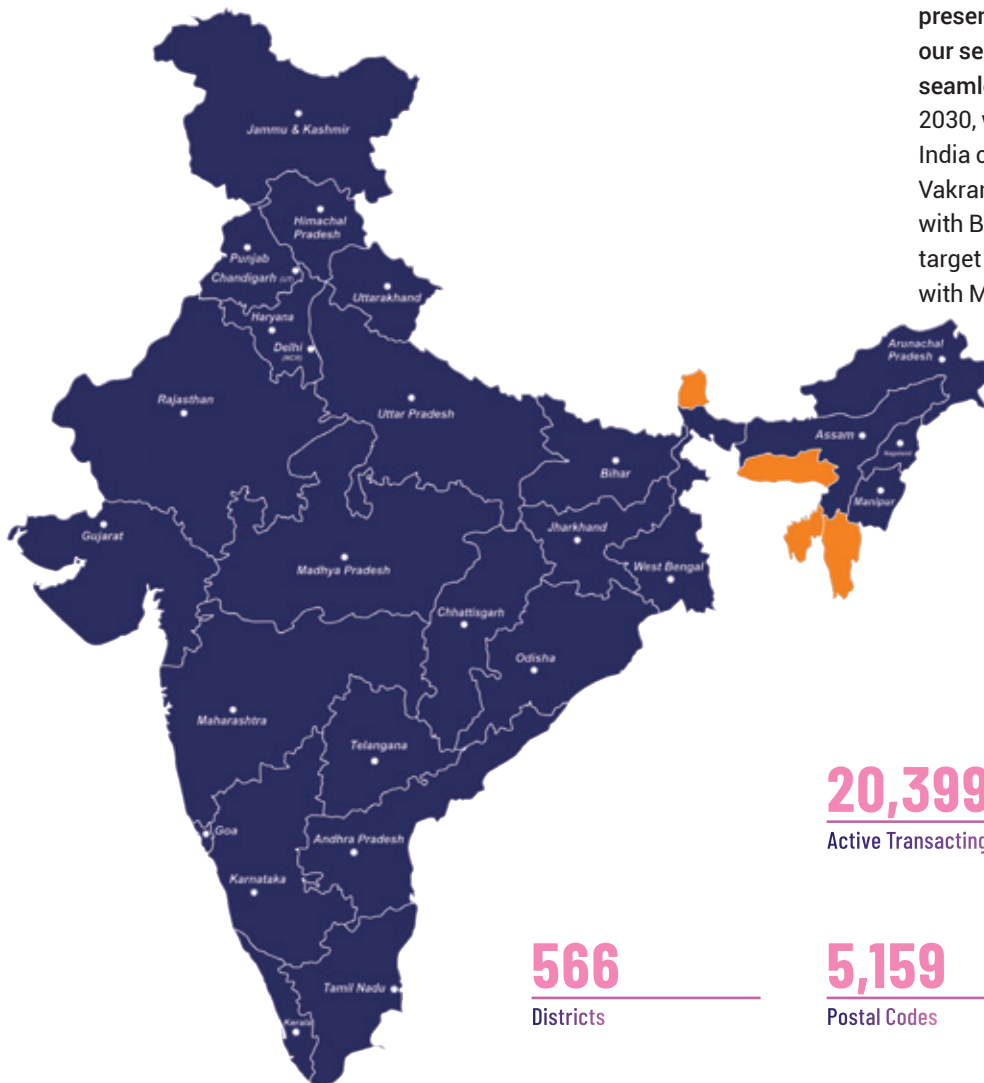
Our Presence

We take immense pride in our extensive presence across the length and breadth of India. We are committed to reaching every corner of the country, bringing digital financial and social inclusion to the unserved and underserved populations. Our mission is to empower individuals with access to essential services and promote digital literacy, ultimately fostering socio-economic development.

With our innovative model of master franchisees, we have witnessed remarkable growth and expansion. This model has been instrumental in driving entrepreneurship and innovation at the grassroots level. By empowering local entrepreneurs as master franchisees, we have been able to extend our reach and impact, creating a wide network of Kendras that cater to the unique needs of each community.

We deliver assisted digital services across 29 states & union territories, 566 districts, and 5,159 postal codes, with a strong presence in Tier IV and VI districts. We're continuously growing and expanding our network. We currently operate a network of 20,399 active transacting Kendras, with over 79% of our services being delivered in the rural areas (Tier IV, V, and VI) of the country.

Our overall objective is to deepen our presence in India and keep enhancing our service portfolio to create a seamless customer Experience. By 2030, we plan to achieve 100% Pan India coverage through our Physical Vakrangee Kendra outlet network along with BharatEasy Digital Mobile App. Our target is to reach 3 lakh + outlets along with Minimum 15,000+ ATMs.



20,399

Active Transacting Kendras

29

States and Union Territories

566

Districts

5,159

Postal Codes

79%

Presence of Tier IV, V and VI cities

About Vakrangep

Our Esteemed Alliances

In addition to collaborating with industry leaders, we facilitate our partners' access to the untapped markets of India. Through strategic partnerships across various industries, we provide our customers with an extensive array of products and services. These offerings encompass banking, ATM, insurance, logistics, online shopping, total healthcare services, travel, telecom, bill payment, and e-governance services. Moreover, we actively support our partners in expanding their reach to the underserved and unserved markets of India.

<h4>Our Banking Service Partners</h4>        <p>Other PSUs</p>	<h4>Our Insurance Service Partners</h4>        	<h4>Our Telecom and Bill Payment Service Partners</h4>   
<h4>Our Financial Service Partners</h4>        	<h4>Our ATM Service Partners</h4>  	<h4>Our Assisted Online Healthcare Service Partners</h4>  <h4>Our Assisted Online Travel Service Partners</h4>   <h4>Our Assisted Online Shopping Service Partners</h4>   <p>(Available only on BharatEasy Mobile Super App)</p> <h4>Our Logistics Service Partners</h4> 



BharatEasy Mobile Super App

We launched an upgraded Beta Trial Version of the "BharatEasy" Mobile Super App. 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. This cutting-edge business platform brings together a wide array of consumer products and services under one convenient umbrella. With its seamless, integrated, and contextualized experience, our app aims to become an indispensable part of consumers' daily lives.

The BharatEasy Mobile Super App offers a multitude of services, catering

to diverse needs and preferences. From essential utilities to lifestyle offerings, users can access a range of products and services with utmost ease and efficiency. Our platform is designed to provide a comprehensive and user-friendly experience, ensuring that consumers have everything they need at their fingertips. By combining multiple services into a single app, we simplify the user journey and eliminate the need for multiple applications. This integrated approach saves time, streamlines processes, and enhances overall convenience. Whether it's financial transactions, e-commerce, travel bookings, or other essential tasks, our Mobile Super App seamlessly connects users to the services they require, all in one place.

As we continue to refine and enhance our platform, we remain committed to delivering an exceptional user experience. Our goal is to offer a personalized, intuitive, and efficient app that caters to the evolving needs of our valued users. With the BharatEasy Mobile Super App, we are dedicated to providing a seamless and convenient solution that enhances everyday life.

26,357

Number of downloads

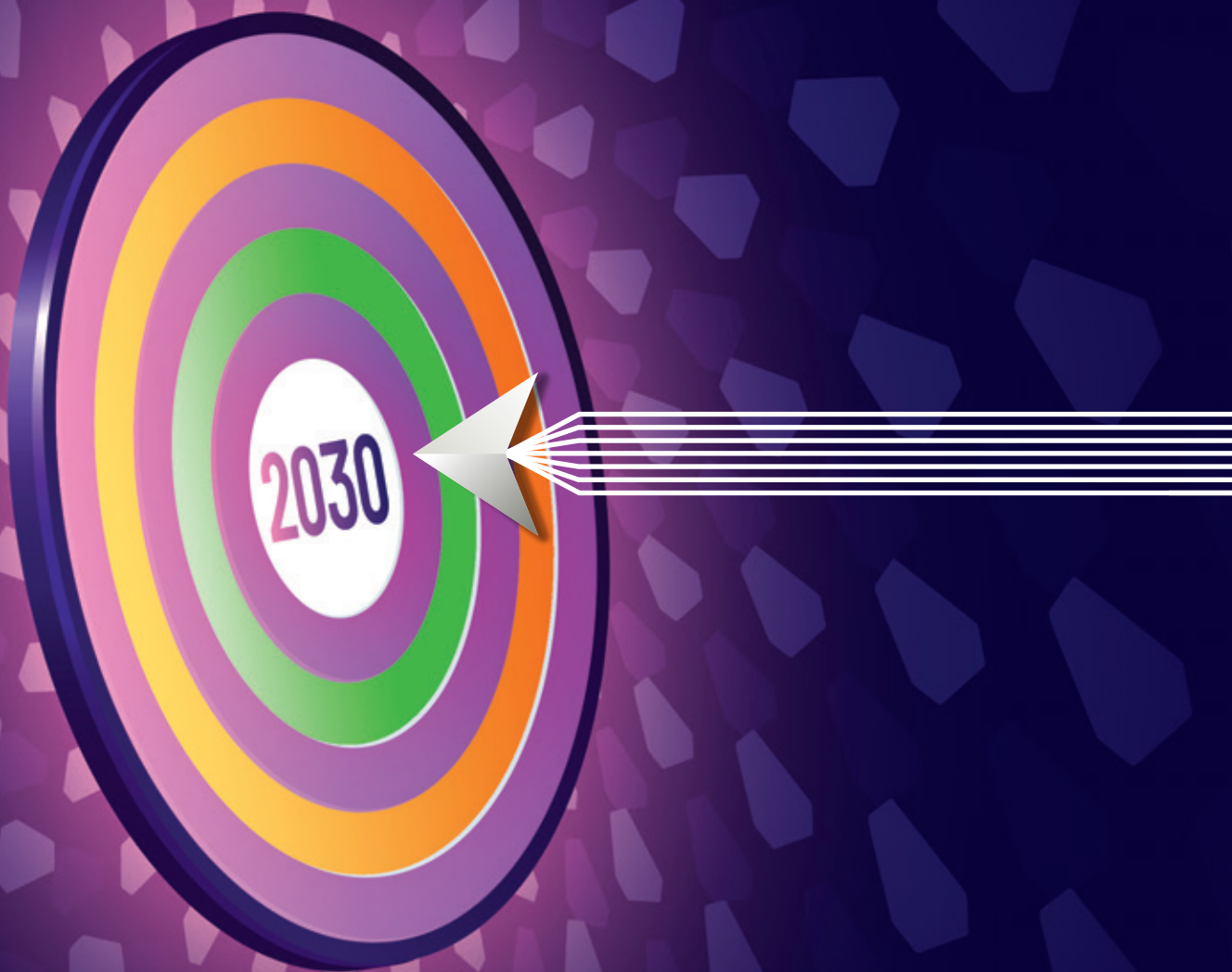
16,220

No. of Monthly Active Users
Transacting Users



Vision 2030

Vakrangee has emerged as One of the India's Largest Last Mile Rural Distribution Platform with a Physical as well as Digital Eco-system in place with a PAN INDIA Presence. Vakrangee is delivering real-time Banking & Financial Services, ATM, Insurance, e-governance, e-commerce and Total Healthcare services to the unserved & underserved rural, semi-urban and urban markets and enabling Indians to benefit from financial, social and digital inclusion.





VAKRANGEE AIMS TO BE THE MOST TRUSTWORTHY PHYSICAL AS WELL AS DIGITAL CONVENIENCE STORE ACROSS INDIA. WE WILL KEEP EXPANDING THIS NETWORK UNTIL WE ARE IN CLOSE PROXIMITY TO THE LAST EXCLUDED PERSON WITHIN THE COUNTRY.

764

Number of Exclusive District Level Master Franchisees

3,00,000

Vakrangee Kendras

15,000

Number of ATMs

US\$ 1 BN

Revenue from Operations

US\$ 150 BN

Gross Transaction Value (GTV)

Building Digital Platform

BharatEasy Mobile Super App

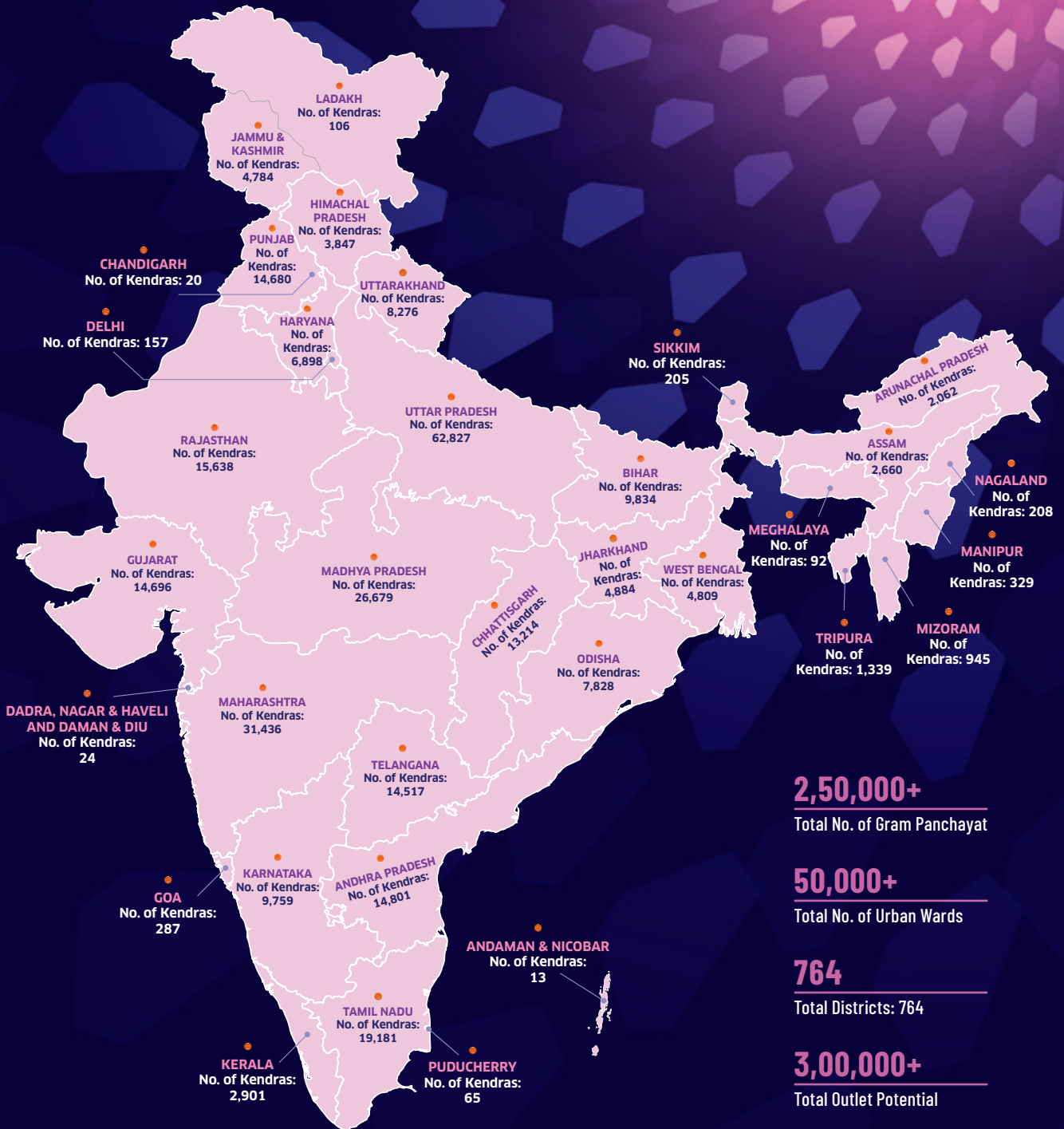
100% Population to be covered

PAN India coverage through Last Mile Physical Vakrangee Kendra Outlets along with Digital BharatEasy Mobile Super App Platform

Vision 2030

Huge Untapped Market: Overall Market Potential

No. of Vakrangee Kendra outlets: State-wise targets



Vision 2030 : Growth Targets

Sr. No.	Particular	FY 2022-23	FY 2029-30 (E)
1	Number of Exclusive District Level Master Franchisees	158	764
2	Number of Active Transacting Outlets	20,399	3,00,000
3	Number of ATMs	6,324	15,000
4	Presence in Number of Districts / Postal Codes	Districts: 566 Postal Codes: 5159	PAN India Coverage

Detailed Expansion Plan

Sr. No.	Particular	As on March 31, 2023	FY 2023-24 (E)	FY 2024-25 (E)	FY 2025-26 (E)	FY 2026-27 (E)	FY 2027-28 (E)	FY 2028-29 (E)	FY 2029-30 (E)
1	Master Franchisee (Exclusive District Level Business Partner)	158	764	764	764	764	764	764	764
2	Vakrangee Kendra Outlets (Exclusive Standardized Outlet) : Same Look & Feel	20,399	27,000	37,000	57,000	85,000	1,30,000	2,10,000	3,00,000
3	No. of White Label ATMs	6,324	7,300	9,000	11,000	13,000	15,000	15,000	15,000


Vision 2030 : Financial Growth Plan

FY 2022-23		FY 2029-30 (E)	
Revenue	₹197.3 CR	Revenue	US\$ 1 BN (~ ₹8,200 CR)
EBITDA Margin	~10.0%	EBITDA Margin (Range)	~15.0% - 16.0%
PAT Margin	~0.5%	PAT Margin (Range)	~10.0% - 12.0%
Gross Transaction Value (GTV)	~US\$ 6.2 BN (₹51,164 CR)	Gross Transaction Value (GTV)	~US\$ 150 BN (₹12,30,000 CR)

*1 USD = ₹ 82/-

Vision 2030

Vakrangee Kendra Per Store Economics
(Outlet on Maturity Basis – Semi Urban/Rural Outlet)



Vakrangee Kendra with ATM

Sr. No.	Service	Monthly Amount (In ₹)
1	Banking & Financial Services Revenue	15,000
2	ATM Revenue	15,000
3	E-commerce & Other Services Revenue	10,000
	Total Revenue	40,000



Vakrangee Kendra without ATM

Sr. No.	Service	Monthly Amount (In ₹)
1	Banking & Financial Services Revenue	15,000
3	E-commerce & Other Services Revenue	10,000
	Total Revenue	25,000

Note: Mature outlet considered is 12-18 Months old outlet.

Sustainability Impact & ESG

We have mapped our sustainability initiatives with the United Nation's Sustainable Development Goals. 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.

Environment

Vakrangee is committed to preserving the planet. To this end, we have taken the responsibility to conserve environment for creating a better world for today and for the future. Our focus areas are reducing carbon footprints, using disruptive technology and responsible consumption and production.

Vakrangee has been an early adopter of Paperless banking & ATM Services within our network of Vakrangee Kendra outlets. We have expanded the policy to other services and envisage an ecosystem which would eliminate use of products harming the environment. We promote the use of alternate energy and continue to explore ways to efficiently widen their usage.

Social

At Vakrangee, we believe in our ethos of giving back to society and empowering the underprivileged communities. We aspire to contribute towards the growth of our economy, thereby doing our part in making the world a better place to live.

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.

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.

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.

Global Leader In Sustainability (ESG)



ESG Global 50 Top Rated company by Sustainalytics in 2022.



Globally ranked No.1 in the Sustainalytics ESG Risk rating rankings assessed in the Software and Services industry across worldwide.



- » Vakrangee Limited has been honored to be included in Sustainability Yearbook 2022, published by S&P Global.
- » Vakrangee has earned a "S&P Global Bronze Class" spot in the yearbook.
- » Vakrangee has score 78 ESG Score (S&P Global Scores) in the Corporate Sustainability Assessment (CSA) survey.

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.

Vision 2030

Sustainability Impact & ESG



- » We are committed to set science-based emissions reduction targets across all relevant scopes in line with 1.5°C emissions scenarios.
- » We are committed to reach net-zero value chain emissions by 2035.
- » 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.
- » Currently, we are targeting 25% reduction in absolute Scope 1 and 2 GHG emissions from our operations, compared to a 2020 baseline, by 2025.
- » 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.



- » Our Integrated Report is guided by the principles of the Framework of the International Integrated Reporting Council (IIRC) and is in complete alignment with Global Reporting Initiative (GRI) standards.
- » 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.



- » Vakrangee has always been a Responsible and Socially conscious company. Gender Equality is fundamental to our philosophy and core DNA of being a social equalizer. We strive to build a workplace culture with gender Diversity and believe it is core to the success and growth of our company.
- » We have designed our targets to reach a 1:1 ratio of male and female across the organisation by 2025.
- » We consider gender equality as an integral part of our non-discrimination commitment.
- » 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.

Vakrangee Business Model: Long Term Sustainable & Profitable

With the development of the Digital Economy, India is fastly moving towards Digital Payment Mechanisms and Emerging as a Cashless Society.

With the fast pace of digital payment penetration, Cash transactions such as ATM & Banking transactions are expected to witness slow down. Therefore, there would be profitability & viability challenges for standalone business models such as only White Label ATMs, only Banking (AEPS) provider, only Money Transfer providers which are dependent on cash transactions.

Vakrangee is future ready with a clear focus on building long term sustainable & profitable business model.

- » Non-Cash based Banking Offering such as Account Opening, Loan Product, Insurance Services, Fixed Deposits & NPA Recovery
- » No dependency on single line of product or services such as ATM or Banking Services
- » Wide portfolio of product & services such as Online Shopping, Total Healthcare Services, Bill Payments, Online Travel Services, Mobile Recharges, CIBIL Score services, Pan Card Services, Online Opening of Demat & Trading Account Opening Services and many more
- » Highest commission in the industry

Benefits of Vakrangee Over other Players

Sr. No.	Particular	Vakrangee	Only WLA Peers	Only DMT & AEPS Peers
1	Multiple Line of Product & Services	✓	✗	✗
1.1	Non-Cash based Banking Offering	✓	✗	✗
1.2	Online Shopping & Other E-Commerce Services	✓	✗	✗
2	Highest Commission in the industry	✓	✗	✗

Vision 2030

Technology Strategy

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. We have our business evidently moving towards our new age India with opportunities to leverage digitization for improved comfort and refined consumer experience.



Customer Experience

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 mein".

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, Artificial Intelligence led Conversational Generative AI and Chatbot capabilities in our application for our customers and stakeholders.

Our last mile services working to improve the quality of life and customer satisfaction is growing exponentially geographically and offering service diversity. We strive to bring in innovation through diversification of services and technology, for catering to the needs of the ever changing and adapting society.

We strive to create a customer centric company by ensuring that our offerings and operations are driven by what is best for the customer and which ultimately would be best for the company. A consistent and high quality service delivery would be ensured for best customer experience at Vakrangee kendras.



OUR BUSINESS STRATEGY IS HEAVILY FOCUSED ON TECHNOLOGICAL INNOVATIONS. WE BELIEVE IN THE POWER OF TECHNOLOGICAL BREAKTHROUGH AND HAVE TAKEN VARIOUS KEY INITIATIVES.

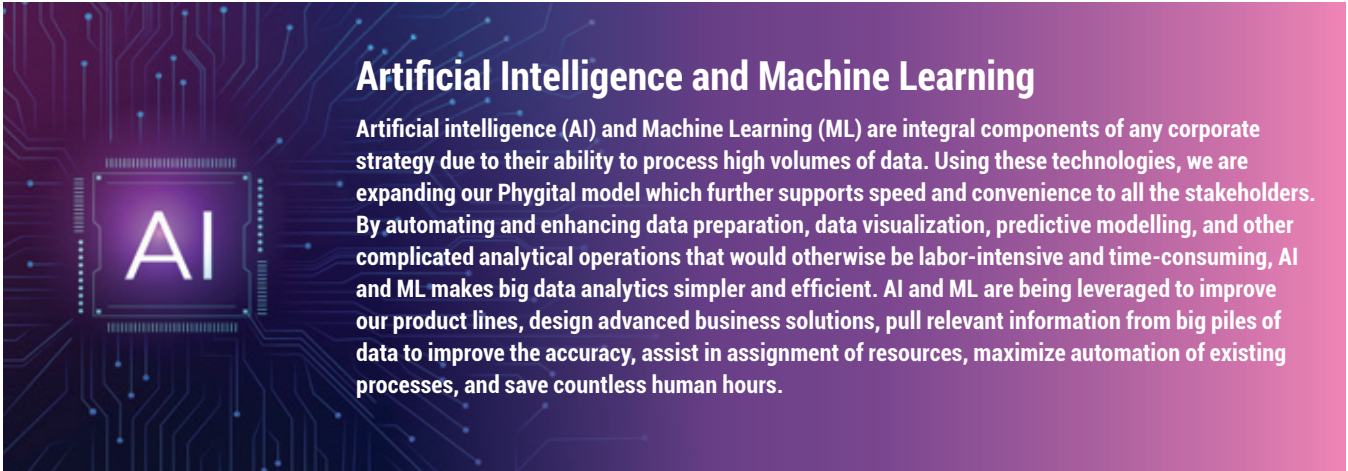
Cloud Migration

We have embarked on our journey to Cloud platform. Our BharatEasy mobile Super app has been developed on cloud to ensure that we scale and be agile to changing market environment.

We would continue to build applications on cloud and automate the development journey using DEVOPS philosophy. Design by cloud would be fundamental design principle of our technology strategy. We are also in process to migrate our in-house Vakrangee Kendra Management System (VKMS) portal to cloud platform for better efficiency, productivity and availability

Big Data and Predictive Analytics

We are in process to manage ETL Data warehouse and Create Big Data Lake which would be single source of truth for structured, unstructured and semi structured data. We would run Services for Business Intelligence (BI) reporting and predictive analytics. We are building customer data platform on which we can run analytics to understand customer behavior, buying pattern and transaction to provide personalized customer experience and recommendation.



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. Using these technologies, we are expanding our Phygital model which further supports speed and convenience to all the stakeholders. By automating and enhancing data preparation, data visualization, predictive modelling, and other complicated analytical operations that would otherwise be labor-intensive and time-consuming, AI and ML makes big data analytics simpler 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 the accuracy, assist in assignment of resources, maximize automation of existing processes, and save countless human hours.

Conversational Generative AI and Chatbot

Generative AI like ChatGPT have disrupted the market with their capability to have intelligent conversation. Generative AI refers to a subset of artificial intelligence techniques and algorithms that focus on generating new content, that resembles or mimics human-generated content. It involves training machine learning models to learn patterns and generate new data based on the patterns it has learnt.

Chat bots identify the context in the text chat by the customer and stakeholder and respond to it in the most appropriate way. With this, our stakeholders will be able to get answers to their questions and develop better understanding to the aspects. We are planning to leverage ChatGPT capabilities to be integrated with Chatbot for customer servicing, Franchisee acquisition, helpdesk management for franchisee operations and internal users.

Internet of Things (IoT)

Internet of Things (IoT) is a disruptive technology that connects multiple devices. These smart devices can relate to one another, incase if an intrusion is detected, the security team can quickly take other appropriate measures.

We are adopting this technology in improving process efficiency, utilization of assets and productivity. IoT would enable us to monitor ATMs, electric surveillance, and logistics in the most efficient manner.

ONDC

We are in the process to design and launch our Buyer Application on ONDC platform to provide ecommerce shopping experience to franchisee and customers in rural market. We can replicate the model on our Bharat Easy Super App to provide ONDC experience directly to customer. We will also be registering as Seller on Seller App of ONDC to sell our services which are available on BharatEasy Mobile Super App. We will be developing a dedicated seller app

which can provide a streamlined and optimized experience for local sellers near our Vakrangee Kendras. This will improve our reach and discoverability across multiple platforms.

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 help us in retention and growth of our business. The advantage of this technology is that the customer can experience the product or services before buying and without its physical availability. Our phygital model fuses both the real 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.

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. We are 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, Interconnected 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 since our 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 our Company to a new orbit of growth. Astute and dynamic leadership qualities back his vast experience. Under his vision, we have 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. He has been associated with the company since 1994. Renowned in the field of microchip designing, Dr. Nishikant has developed a voice recognition system, which is widely used in various applications like Tele Banking Tele Gas Booking, amongst others. He has also designed and developed 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 Keyboard (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 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 and also hold a Bachelor degree in law (L.L.B) which adds to her professional acumen. She has 35 years of rich experience across various industries and geographies. Presently in full time practice as a Company Secretary and Insolvency Professional. She is an Independent Director at 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 had also served as an Independent Director on the Board of Directors of Chandigarh Smart City Ltd, (for one year), 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*

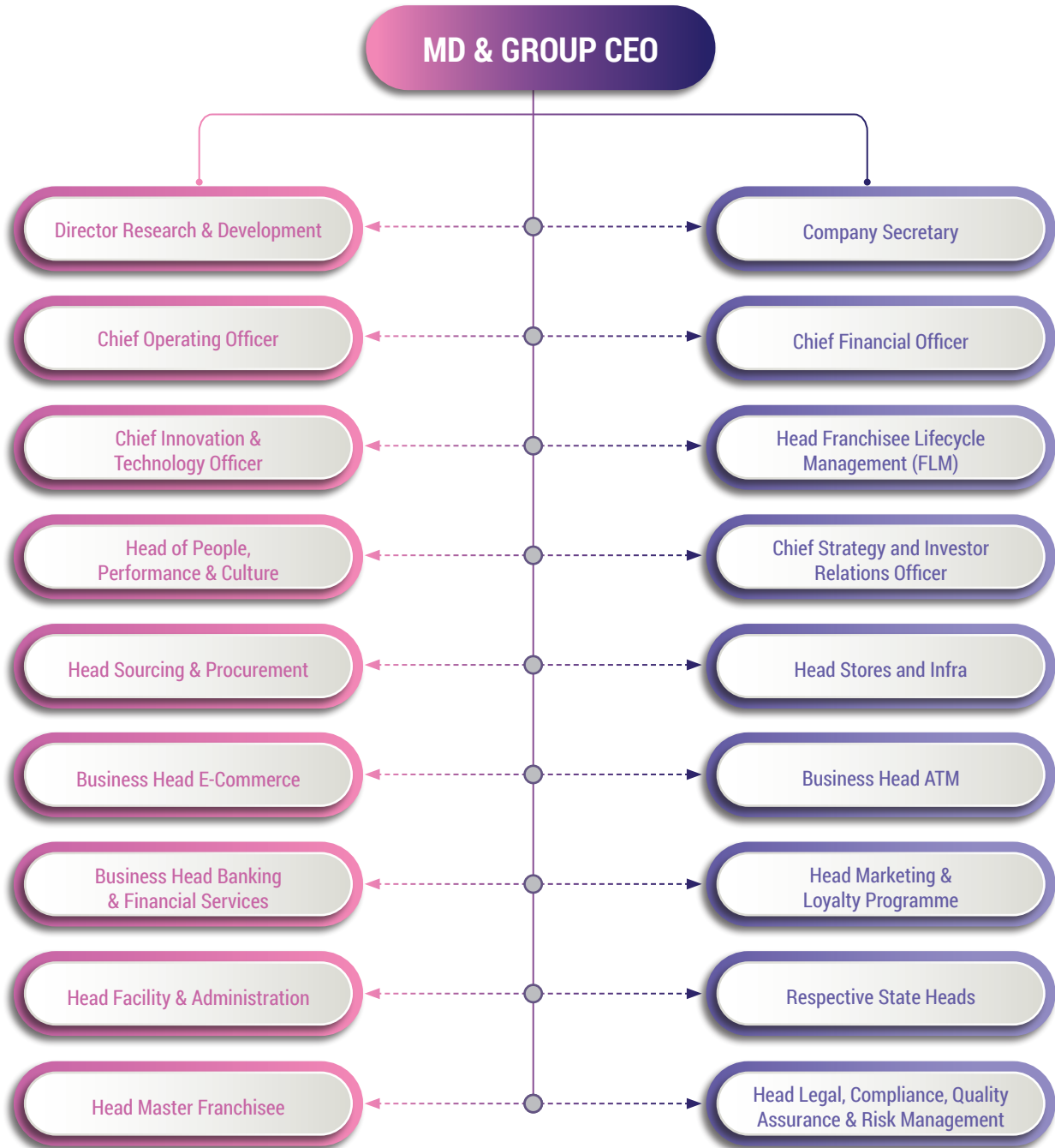
B. L. Meena has rich experience of having worked in different Government departments in the field of audit and accounting, including being FNCO (Financial Controller) of Indian Railway Traffic Service where he served for 28 years. He has vast experience in the field of audit and accounting and is the guiding force to our Company specially in the areas of audit and accounting. He also helped us 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 32 years of business experience, Mr Dinesh Nandwana has driven and overseen the overall business 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 our Company 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 our company to a new growth orbit.

As a front-runner of our 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

Our corporate governance philosophy is built upon a longstanding heritage of upholding fair, ethical, and transparent practices. We firmly believe that strong corporate governance is instrumental in transforming an organization, as it fosters a culture of ethics, accountability, and transparency, ultimately creating value for all stakeholders involved.

We believe that strong governance practices are essential for the effective and ethical management. The importance of corporate governance lies in its ability to promote integrity, trust, and responsible decision-making. It provides guidelines for ethical behavior, risk management, and compliance with laws and regulations. By adhering to these principles, we protect the interests of our shareholders, employees, customers, and other stakeholders. It provides a framework for establishing and maintaining a system of control, accountability, and transparency, ensuring that the interests of stakeholders are safeguarded. We prioritize and uphold strong governance practices to ensure the sustainable growth and success of our organization.

Under our Corporate Governance framework, the Board and its committees diligently fulfill their fiduciary responsibilities towards all stakeholders. Their focus is on ensuring transparency, fairness, and independence in decision-making processes. Aligned with our corporate governance policy, we prioritize the protection and promotion of stakeholder interests.

We demonstrate our commitment to stakeholders and responsible business practices through various initiatives. This includes delivering shareholder returns, maintaining

favorable credit ratings, actively engaging in Corporate Social Responsibility endeavors, as well as accounting for and verifying greenhouse gas emissions. These efforts showcase our dedication to fostering sustainable and accountable operations.

Our Board of Directors plays a crucial role in overseeing the company's affairs while aligning with the best interests of our shareholders. They provide essential guidance and strategic vision to navigate the corporate landscape effectively. In accordance with Section 173 of the Companies Act, 2013, and Regulation 17 of SEBI LODR 2015, the Board convenes at least four times a year, ensuring timely decision-making and accountability.

We also abide by the SEBI (Prohibition of Insider Trading) Regulations, 2015 that prohibits Insider Trading. We have a Code of Conduct for Prevention of Insider Trading ('VL Code') in the shares of our Company.

To ensure the effective functioning of our company, we have identified the following essential skills and competencies:

- » Comprehensive Knowledge: Our team members possess a deep understanding of our business, policies, and culture. They are well-versed in identifying major risks,

threats, and potential opportunities, allowing them to make informed decisions.

- » Behavioral Skills: We value attributes and competencies that enable our employees to effectively utilize their knowledge and skills, contributing to the growth and success of the company. These skills include strong business acumen, strategic thinking, sales and marketing expertise, corporate governance proficiency, forex management administration, and effective decision-making abilities.
- » Technical/Professional Skills: Our employees also possess specialized knowledge and technical expertise specific to our business. This includes understanding the intricacies of our industry, staying updated on relevant regulations, and utilizing their professional skills to drive the company forward.

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

Our 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 our 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

To address specific issues that demand in-depth knowledge and specialized expertise, the Board and other executive committees have been established. These internal committees play a crucial role in ensuring the smooth functioning of our business.

Audit Committee	B.L. Meena - <i>Chairman</i>
	Ramesh Joshi
	Avinash Vyas
Nomination and Remuneration and Compensation Committee	Avinash Vyas - <i>Chairman</i>
	Sunil Agarwal
	Hari Chand Mittal
Stakeholder Relationship Committee	Ramesh Joshi - <i>Chairman</i>
	B.L. Meena
	Dr. Nishikant Hayatnagarkar
Corporate Social Responsibility Committee	Dinesh Nandwana - <i>Chairman</i>
	Ramesh Joshi
	Sunil Agarwal
Risk Management Committee	Sujata Chattopadhyay - <i>Chairperson</i>
	Dinesh Nandwana
	Dr. Nishikant Hayatnagarkar
	Kshitija Tambave
Board ESG Committee	Avinash Vyas
	Ramesh Joshi
	Sujata Chattopadhyay

Anti-Fraud Committee	Dinesh Nandwana
	Avinash Vyas
	Ammeet Sabarwal
	Ajay Jangid
GHG Reduction Strategy Committee	Ammeet Sabarwal
	Ajay Jangid
POSH Committee	Akshata Mali
	Divya Nandwana
	Deepak Ambre
	Kshitija Tambave
	Viral Majumdar
	Veena Shetty
Information Security Committee	Dr. Nishikant Hayatnagarkar
	Divya Nandwana
	Samir Oza
	Ashish Pradhan

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 2022-23	5
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

Corporate Information

Board of Directors

Ramesh Joshi

Non-Executive Chairman

Dinesh Nandwana

Managing Director & Group CEO

Dr. Nishikant Hayatnagarkar

Whole Time Director

Sunil Agarwal

Non-Executive Independent Director

Avinash Vyas

Non-Executive Independent Director

Hari Chand Mittal

Non-Executive Independent Director

B. L. Meena

Non-Executive Independent Director

Sujata Chattopadhyay

Non-Executive Independent Director

Ranbir Datt

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

IDBI Bank Limited

SBM Bank (India) Limited

Yes Bank

IndusInd Bank Limited

Chief Financial Officer

Ajay Jangid

Company Secretary & Compliance Officer

Sachin Khandekar

Statutory Auditor

M/s. S. K. Patodia & Associates.

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

Website: 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





STRATEGY AND PERFORMANCE

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Stakeholder Engagement and Materiality

Stakeholder Engagement

Stakeholder engagement is vital in triggering transformation by providing access to diverse views and expertise. At Vakrangee, we value establishing honest and personal connections with our stakeholders to understand their expectations. Our approach involves identifying stakeholders based on their impact, influence, interest, legitimacy, urgency, and diversity of perspective, considering both our core business and emerging societal issues.

We gain invaluable knowledge through interactions with employees, investors, suppliers, consumers, peer firms, policymakers, industry associations, NGOs, sector experts and others. These engagements contribute to our collective intelligence, helping us prioritize essential topics and uncover new opportunities and threats.

As stakeholder needs evolve, we adapt our engagement mechanisms to remain pertinent to our sector. We periodically update and revise our strategies, creating platforms that effectively interact with stakeholders and address their thoughts and concerns. Our diverse communication and engagement channels, as outlined in our stakeholder engagement structure, provide us with valuable feedback that directly influences our business decisions.



Stakeholder	Engagement Method	Key topics highlighted
Master Franchisee	To support and enhance effective franchisee management, this year, we have introduced dedicated exclusive district level Master Franchisees for every district. To maintain Franchisee and customer satisfaction, we conduct regular store surveys. Our Master Franchisee remains actively engaged on the ground with all the franchisees in the prevailing district, and we organize webinars with Business Service Heads to provide guidance and support. Additionally, we hold state or district-level franchisee meetings where Senior Management, including the MD/CEO, State Heads & Business Heads, actively participate.	<ol style="list-style-type: none"> 1. Marketing Support & Strategy 2. Training, guidance and support 3. Franchisee Satisfaction 4. Grievance redressal

Stakeholder	Engagement Method	Key topics highlighted
Franchisee	We ensure effective franchisee management through the presence of dedicated Relationship Managers for each franchisee cluster. To maintain Franchisee and customer satisfaction, we conduct regular store surveys. Our field team remains actively engaged on the ground, and we organize webinars with Business Service Heads to provide guidance and support. Additionally, we hold state or district-level franchisee meetings where Senior Management, including the MD/CEO, State Heads & Business Heads actively participate. In recognition of outstanding performance, we have implemented rewards and recognition schemes.	<ol style="list-style-type: none"> 1. Marketing Support & Strategy 2. Training, guidance and support 3. Franchisee Satisfaction 4. Grievance redressal
Employees	We prioritize training and effective communication strategies. Our annual employee survey help us gauge employee satisfaction and gather feedback. We foster professional growth and a sense of belonging through mentorship programs and employee affinity groups. Additionally, we have implemented rewards and recognition schemes to acknowledge outstanding performance.	<ol style="list-style-type: none"> 1. Human Rights issues 2. Employee Engagement & Feedback 3. Operational aspects 4. Performance review 5. Talent development Training, skill development 6. Code of conduct and Business conduct processes and policies 7. Company business initiatives and strategies 8. Franchisee and Customer behaviour and response towards Company's Business model
Business Partners	We maintain regular and timely interactions with our Business Service Partners through quarterly meetings and ad hoc discussions based on specific needs. We conduct webinars and provide training opportunities to promote knowledge-sharing and team collaboration.	<ol style="list-style-type: none"> 1. Service availability in remote locations 2. Service Manual and Training Guidelines 3. Customer reach and business sales targets strategy 4. Business risks and their mitigation strategies 5. IT-related Integration; Data privacy and security
Shareholders and Investors	We engage with our shareholders and investors through various channels, such as quarterly conference calls, press releases, analysts' meetings, one-on-one meetings, board presentations, annual general meetings, reports, and investor presentations quarterly. We also conduct domestic and international roadshows, organize site visits, and prioritize ESG audits and ratings to ensure effective communication and transparency.	<ol style="list-style-type: none"> 1. Environment, Social and Governance Strategy 2. Key company-level Strategy and developments 3. Company Business Performance 4. Technological innovations 5. Shareholder voting rights
Customers	Customer satisfaction is ensured through regular store surveys. Chatbots and Virtual Assistants are employed for efficient customer service. SMS and WhatsApp campaigns inform customers about offers and new services.	<ol style="list-style-type: none"> 1. New services and offerings 2. Customer Grievance address and Satisfaction 3. Customer Queries 4. Data Privacy and Security
Community	Community interventions, CSR programs, and the recruitment of franchisee owners are monitored.	<ol style="list-style-type: none"> 1. Livelihood generation 2. Social Infrastructure development for local rural communities 3. Financial, social and Digital Inclusion 4. Easy access to basic services like Universal Banking, Insurance and social security benefits through DBT (Direct benefit transfer)
Suppliers and Vendors	Suppliers and vendors undergo monitoring and review processes, including regular meetings with the Contract Manager for progress reviews, technical assessments, and long-term evaluations. Supplier code of conduct is implemented and undertaken by the suppliers and vendors. Supplier audits are also carried out.	<ol style="list-style-type: none"> 1. Product and service requirement 2. Quality Check and Pilot testing 3. ESG Compliance on the product (EPEAT certification) and of supplier and vendor Code of Conduct for Suppliers 4. Performance review and audit survey review on supply chain monitoring 5. Performance review on product and service as per the requirement 6. Feedback on support and maintenance of the respective product or service 7. Grievance Address 8. Product Customization (Example ATM made Divyang friendly and paperless ATM customization done as per our discussion with Supplier OEMs.)

Stakeholder Engagement and Materiality Analysis

Stakeholder	Engagement Method	Key topics highlighted
Industry bodies (Confederation of ATM Industry, CATMi)	We engage with industry bodies, such as the Confederation of ATM Industry (CATMi), and participate in trade events, conferences, newsletters, and publications. We maintain ongoing interactions with regulatory bodies through industry body memberships like CATMi for ATMs, BCFI, National Payment Corporation of India (NPCI) meetings, and Reserve Bank of India (RBI) meetings.	<ol style="list-style-type: none"> 1. ATM growth 2. Advocacy for best industry practices 3. Technological innovations in the ATM industry 4. Education and training 5. White Label ATM (WLA) initiatives and Financial Inclusion initiatives 6. Financial and social inclusion initiatives in Rural India. 7. Industry feedback and expectation management on White label ATM business and Business correspondent banking services in India. 8. Industry representation to the Reserve Bank of India (RBI) and DFS (Department of Financial Services) 9. Prevention of any unethical practices, if any and corrective strategy being implemented 10. Digital India, RuPay cards and ATM expansion initiatives
NGO, NPO and civil societies	We engage with NGOs, NPOs, and civil societies to monitor community interventions and CSR programs.	<ol style="list-style-type: none"> 1. Healthcare Access 2. Promoting education 3. Youth Employment 4. Environmental sustainability
Government and Regulatory bodies	We actively participate in periodic meetings with government and regulatory bodies and collaborate with various organizations to ensure representation and engagement.	<ol style="list-style-type: none"> 1. Promotion of financial, social and digital inclusion 2. Industry feedback and expectation management on White label ATM business and Business correspondent banking services in India. 3. Industry representation to the Reserve Bank of India (RBI) and DFS (Department of Financial Services) 4. Review discussion with the National Payments Corporation of India (NPCI) 5. WLA License renewal and periodic Audit performed by RBI

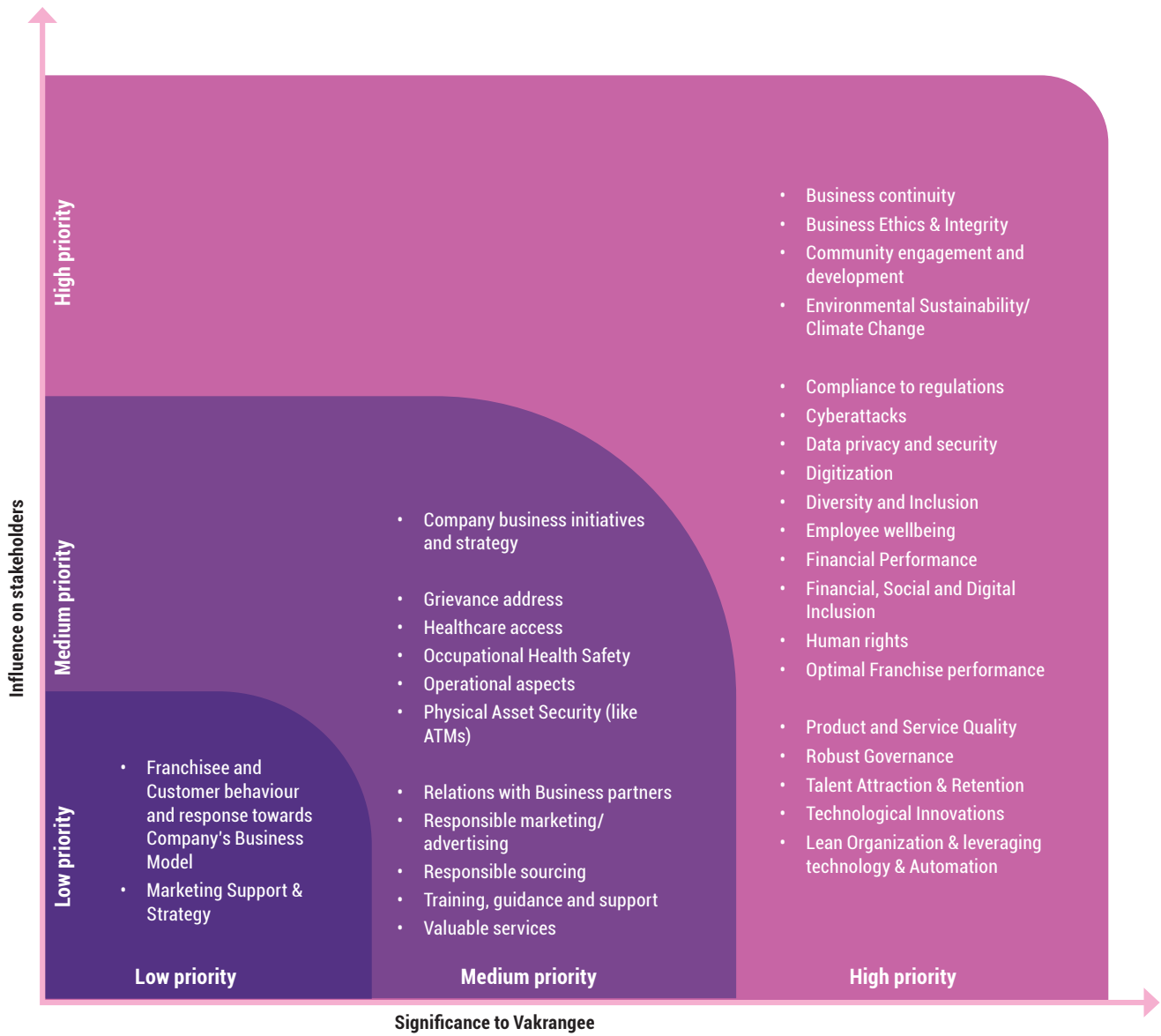
Materiality

Our business operates within a complex and multi-layered universe of material concerns that shape the value we aim to create. These concerns fall under environmental, social, and governance (E, S, and G), and we continuously define and address the most crucial issues within these realms. Through assessing the impact and stakeholder concerns, we prioritize the material topics that are most significant to our business and integrate them into our policies and programs. Our focus lies on the high and medium-priority zones, and we evaluate our plans and developments based on how effectively they address these identified issues. The materiality mapping process involves stakeholders collaborating to gain strategic insights and make informed decisions. We begin with complex stakeholder engagement and follow it with a comprehensive materiality analysis. Our report presents our

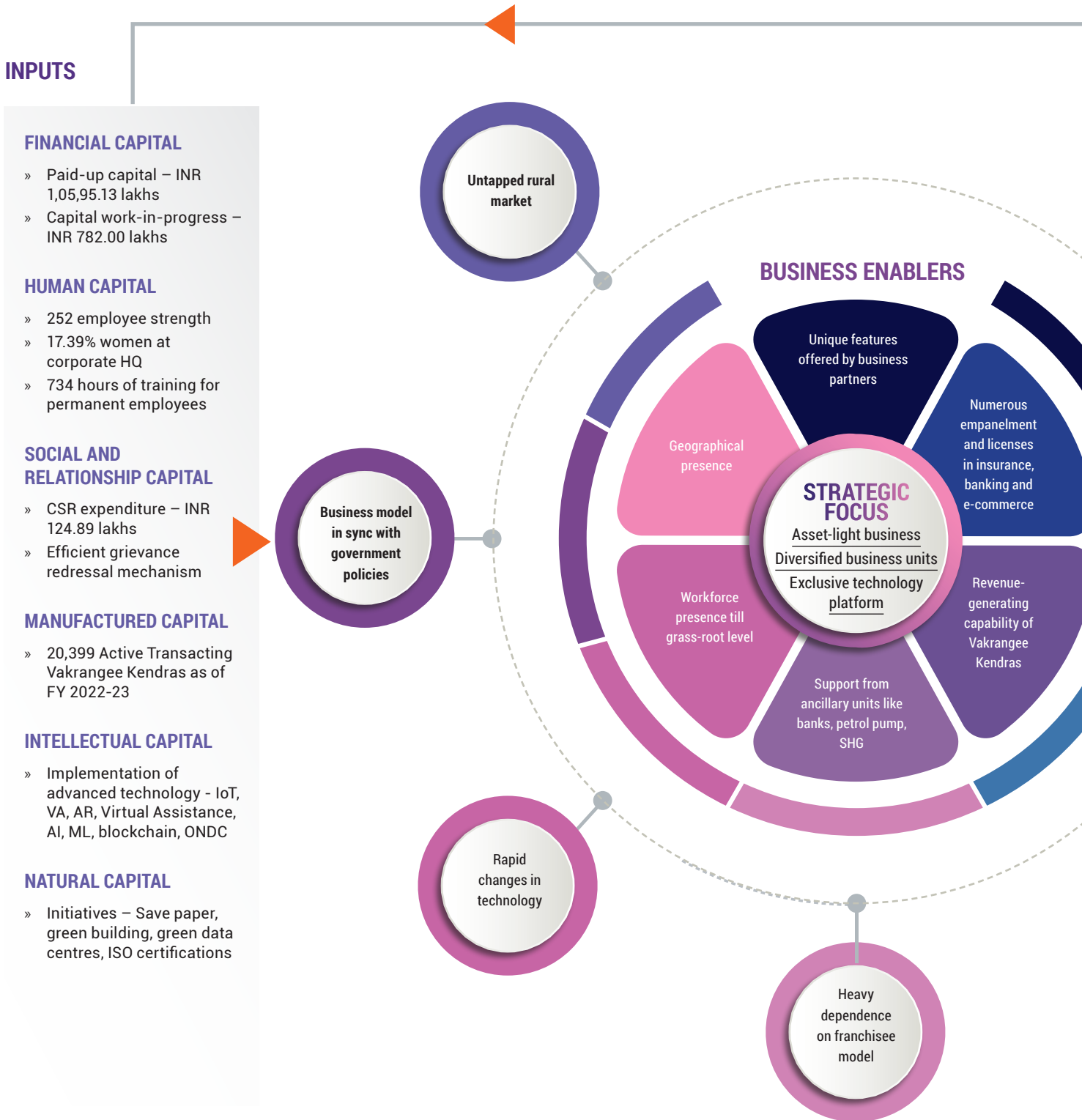
approaches and progress concerning the key material areas showcased in the materiality matrix.

- » **Compliance with regulations:** Ensuring compliance with relevant laws, regulations, and industry standards.
- » **Cyberattacks:** Implementing measures to protect against cyberattacks and ensuring data security.
- » **Data privacy and security:** Safeguarding the privacy and security of customer and stakeholder data.
- » **Digitization:** Embracing digital technologies and leveraging their potential for business growth and efficiency.
- » **Diversity and Inclusion:** Promoting diversity and inclusion within the organization and the broader community.

- » **Employee wellbeing:** Prioritizing the health, safety, and well-being of employees.
- » **Financial Performance:** Achieving strong financial performance and sustainable growth.
- » **Financial, Social, and Digital Inclusion:** Promoting financial inclusion and social equity through digital means.
- » **Human rights:** Respecting and upholding human rights within the company's operations and supply chain.
- » **Optimal Franchise performance:** Supporting and enhancing the performance of franchisees for mutual success.
- » **Environmental sustainability/ Climate Change:** Monitoring and reducing our environmental impacts through strategic initiatives.



Value-Creation Model



INPUTS

FINANCIAL CAPITAL

- » Paid-up capital – INR 1,05,95.13 lakhs
- » Capital work-in-progress – INR 782.00 lakhs

HUMAN CAPITAL

- » 252 employee strength
- » 17.39% women at corporate HQ
- » 734 hours of training for permanent employees

SOCIAL AND RELATIONSHIP CAPITAL

- » CSR expenditure – INR 124.89 lakhs
- » Efficient grievance redressal mechanism

MANUFACTURED CAPITAL

- » 20,399 Active Transacting Vakrangee Kendras as of FY 2022-23

INTELLECTUAL CAPITAL

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

NATURAL CAPITAL

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

Untapped rural market

Business model in sync with government policies

Rapid changes in technology

Heavy dependence on franchisee model

BUSINESS ENABLERS

Unique features offered by business partners

Numerous empanelment and licenses in insurance, banking and e-commerce

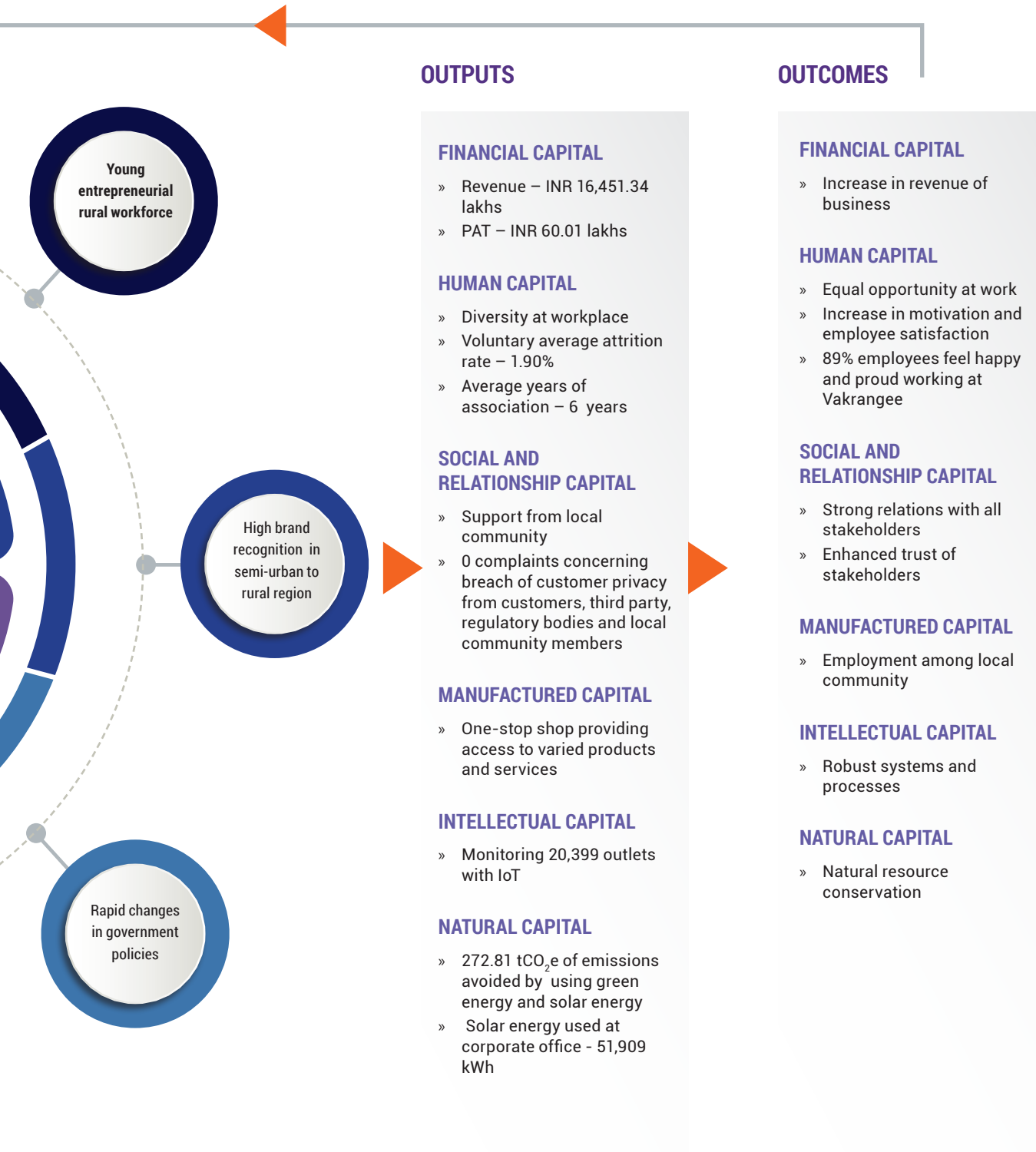
STRATEGIC FOCUS
Asset-light business
Diversified business units
Exclusive technology platform

Revenue-generating capability of Vakrangee Kendras

Support from ancillary units like banks, petrol pump, SHG

Workforce presence till grass-root level

Geographical presence



OUTPUTS

FINANCIAL CAPITAL

- » Revenue – INR 16,451.34 lakhs
- » PAT – INR 60.01 lakhs

HUMAN CAPITAL

- » Diversity at workplace
- » Voluntary average attrition rate – 1.90%
- » Average years of association – 6 years

SOCIAL AND RELATIONSHIP CAPITAL

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

MANUFACTURED CAPITAL

- » One-stop shop providing access to varied products and services

INTELLECTUAL CAPITAL

- » Monitoring 20,399 outlets with IoT

NATURAL CAPITAL

- » 272.81 tCO₂e of emissions avoided by using green energy and solar energy
- » Solar energy used at corporate office - 51,909 kWh

OUTCOMES

FINANCIAL CAPITAL

- » Increase in revenue of business

HUMAN CAPITAL

- » Equal opportunity at work
- » Increase in motivation and employee satisfaction
- » 89% employees feel happy and proud working at Vakrangee

SOCIAL AND RELATIONSHIP CAPITAL

- » Strong relations with all stakeholders
- » Enhanced trust of stakeholders

MANUFACTURED CAPITAL

- » Employment among local community

INTELLECTUAL CAPITAL

- » Robust systems and processes

NATURAL CAPITAL

- » Natural resource conservation

Business Risks and Opportunities



In today's rapidly evolving business landscape, organizations face a myriad of risks and opportunities that can significantly impact their long-term sustainability and profitability. We, a forward-thinking company operating in the digital economy of India, understand the importance of effectively managing risks while capitalizing on emerging opportunities. This chapter will give you a brief on our aims to explore the key business risks and opportunities faced by our Company, highlighting our proactive approach to risk management and its strategic positioning to leverage the evolving digital landscape. Detailed out information on the key risks and mitigation strategies, has been showcased in our Management Discussion and Analysis chapter.

As a company, we are aware of the various risks that can impact our operations and profitability. One significant risk we face is the potential changes in government policies concerning financial inclusion in semi-urban and rural areas of India. These policy modifications can have a profound effect on our business operations.

Moreover, as a financial technology company, we understand the importance of staying ahead of disruptive innovations within the industry. Technological advancements such as the Internet of Things (IoT) and biometric identification have the potential to significantly impact our profit margins. We continuously monitor the industry landscape to anticipate and adapt to these disruptive changes.

While our franchisee model allows for rapid expansion, we acknowledge the associated risks. Incidents involving our franchisees can damage our brand name and reputation. Additionally, franchisees often operate with narrower profit margins, and legal issues can pose challenges to our otherwise efficient operations. We prioritize effective communication, training, and support to mitigate these risks and maintain a strong franchise network.

Compliance with laws and regulations is paramount for our organization. We understand that any non-compliance or violation can expose us to legal risks. Therefore, we have established robust compliance frameworks to ensure adherence to the applicable laws and regulations.

The dynamic nature of regulations governing accounting, corporate governance, and public disclosure presents another challenge. New

rules and guidelines may lack precise clarity, leading to varying interpretations. As regulatory bodies issue updated guidelines, we strive to stay informed and adapt our practices accordingly. However, the evolving nature of these regulations can create ongoing ambiguity, resulting in increased expenses associated with compliance efforts.

We are fully aware of the risks associated with corporate accounting fraud and data privacy breaches. We have implemented strict internal controls and security measures to safeguard against these risks. Regular audits and monitoring processes help us detect and prevent any fraudulent activities or breaches of data privacy. Furthermore, ensuring the security and safety of our franchisees and our stores is of utmost importance to us. We recognize that risks such as theft, physical burglary, or damage can result in losses to the franchisees. To mitigate these risks, we provide comprehensive training on security protocols and continuously assess and improve security measures to protect our franchisees and their assets.

Managing these risks effectively is crucial for our success and long-term sustainability. We remain committed to proactive risk management,



Vakrangee is committed to proactive risk management, staying informed of industry trends and regulatory changes, and implementing robust strategies to mitigate potential risks that could impact the business.

staying informed of industry trends and regulatory changes, and implementing robust strategies to mitigate potential risks that could impact our business.

We recognize that risks are inherent in all business activities, both internally and externally. Consequently, we adopt formal and systematic methodologies for risk management, viewing it as a continuous responsibility shared by every member of our organization. Comprehensive risk assessments are conducted to identify and analyze potential threats, vulnerabilities, and hazards that may pose harm to our organization. By doing so, we can proactively mitigate risks, ensuring the long-term value creation and addressing potential issues related to development and stakeholders.

We understand the significance of embracing opportunities arising from a dynamic environment. As the digital economy in India continues to expand, there is a noticeable shift towards a cashless society driven by the rapid adoption of digital payment mechanisms. This transition poses challenges for business models solely reliant on cash transactions, such as standalone White Label ATMs or providers focused solely on banking services.

We have strategically positioned ourselves to build a sustainable and profitable business model that aligns with the evolving digital landscape. Recognizing the importance of diversification, we have expanded our product and service portfolio beyond a single line of offerings, such as ATM or banking services. This diversification includes a wide range of non-cash-based banking services, such as account opening, loan products, insurance services, fixed deposits, and NPA recovery.

Furthermore, we have introduced a mobile super app-based business



platform called BharatEasy App, referred to as India ka Super App. This platform leverages our extensive physical store network to provide physical assistance, especially in semi-urban and rural remote areas. This unique “phygital” proposition allows us to rapidly scale up its digital channel while reducing costs associated with customer acquisition, physical assistance, order fulfillment, and return management.

By combining digital and physical presence, we strengthen customer interaction, brand recall, service experience, and customer trust. Our strong brand recall, access to an existing customer base, and a well-established network of 20,000+ outlets further support our digital ventures and strengthen our competitive advantage in the market.

Through a comprehensive analysis, we aim to provide insights into how we navigate the challenges while leveraging emerging opportunities, ultimately positioning ourselves for sustained growth and success in the digital era.





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Financial Capital

An Asset Light approach to create outstanding value

Integrating Robust Financial Growth with Contributions to Financial Inclusion

Financial strength plays a vital role in the banking sector and is equally crucial for us in supporting our sustained expansion and development. It provides us with a comprehensive perspective on the value we create over time. As an organization, we recognize that maintaining financial stability is essential for nurturing our entrepreneurial spirit and fuelling the growth of our entrepreneurial drive.



We have adopted a strategic approach that emphasizes on empowering master franchisees and Kendra franchisees to create a robust and successful phygital network i.e. taking the most favourable aspects of the physical customer experience into the digital domain, and conversely, bringing the advantages of the digital world into physical interactions. With the help of this approach, we have established 20,399 outlets in FY 2022-23 along with 234 master franchisees (as on 29th May, 2023). We have given opportunity to local entrepreneurs to manage and grow their respective district-level Kendra networks, leveraging their unique insights, passion, and commitment to drive business growth within their territories. Our customer-centric approach ensures that our services are tailored to effectively meet diverse needs of our customers while fostering socio-economic development in the communities we serve. For instance, our presence in remote areas (Tier IV, V, and VI) allows us to bridge the digital divide by providing access to essential services, such as banking, insurance, e-commerce, and government services. This access to vital services empowers individuals and businesses, enabling them to participate more actively in economic activities and enhancing their socio-economic prospects. Additionally, our

commitment to financial inclusion plays a significant role in driving socio-economic change. We strive to extend financial services to the unbanked and underprivileged segments of society, equipping them with the necessary tools and resources to create a better future. By providing real-time BFSI (Banking, Financial Services, and Insurance), ATM, e-commerce, and logistics services, our outlets cater to the underserved rural, semi-urban, and urban markets, aligning with government policies on financial inclusion. Our entrepreneurial spirit has helped us to grow our business and provide better customer service.

Government of India has implemented various initiatives such as Pradhan Mantri Jan Dhan Yojana (PMJDY), the issuance of RuPay cards, and Direct Benefit Transfer to promote financial inclusion among rural populations. These initiatives have helped us achieve our goal of ensuring financial inclusion leveraging government policies. We have consistently focused on enhancing customer satisfaction and delivering well-defined service levels through our standardized and highly recognizable Next-Generation Vakrangee Kendras.

During this reporting year, we have significantly enhanced our business engagement and service levels. We

are embracing entrepreneurship and developing strong relationships with our customers and shareholders to create a more promising future. This approach has helped us to engage new customers and fulfil their needs on time.

Our vision 2030 is to expand our outlet network to 3,00,000 locations. This may have a short-term impact on our profitability, as we are reinvesting our cash flow into improving franchisee incentives and marketing. We have recently introduced additional incentive schemes for franchisees, which although temporary, will result in quick payback for them and generate strong new franchisee interest.

The implementation of effective word-of-mouth marketing, referral incentives, and PAN India marketing have resulted in a substantial increase in leads for Franchisee acquisition.

In addition, we have launched new pricing for all our Kendra models and a Master Franchisee Scheme. Under this scheme, the master franchisee typically has the responsibility of recruiting and training new franchisees, providing ongoing support and guidance, and ensuring the successful operation of the franchisee units within their territory. This scheme helps in empowering master franchisees and Kendra franchisees to create an effective phygital network. These measures will enable us to expand at a faster rate and achieve our long-term goals within the targeted timeline. We believe that these strategic initiatives will lead to substantial profitability growth in the future.

Quantifying Financial Performance

While prioritizing access to financial, social, and digital inclusion for the rural population in India, we have made significant strides in various areas during this reporting period. Our company has demonstrated progress in several aspects, including expanding our reach and impact. We have diligently worked towards improving our financial standing and implementing strategies for sustainable growth. Furthermore, our performance this year has shown positive advancements, reflecting our commitment to continuous improvement and success.

(in INR lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	16,451.34	10,740.60	19,723.20	19,380.68
Other Income	102.64	196.28	140.25	354.26
Profit / Loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	1,930.44	826.56	1,970.91	2,174.46
Less: Depreciation/ Amortisation/ Impairment	1,551.36	1,545.57	1,551	1,545.57
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	379.08	(719.01)	419.55	628.89
Less: Finance Costs	151.53	--	151.53	-
Profit /Loss before Exceptional items and Tax Expense	227.55	(719.01)	268.02	628.89
Add/(Less): Exceptional Expense	--	(168.66)	--	(168.66)
Profit /Loss before Tax Expense	227.55	(887.67)	268.02	460.22
Less: Tax Expense (Current & Deferred)	167.54	110.79	167.54	459.80
Profit /Loss for the year (1)	60.01	(998.46)	100.48	0.42
Total Comprehensive Income/ Loss (2)	8.57	(996.24)	63.87	7.45
Total (1+2)	68.58	(1,994.70)	164.35	7.87
Balance of profit /loss for earlier years	6,512.48	1,92,641.07	10,606.48	1,95,441.61
Less: Transfer to Reserves	-	-	--	--
Less: Dividend paid on Equity Shares	(529.75)	(1,059.41)	(529.75)	(1,059.41)
Less: Dividend Distribution Tax	-	-	-	-
Add: Derecognition of subsidiary	-	-	-	294.59
Less: Transfer on Demerge r	-	(1,84,070.72)	-	(1,84,070.72)
Balance carried forward	6,042.75	6,512.48	10,177.23	10,606.48

Total Income

Our total income stood at INR 19,870.48 lakhs for FY 2022-23. Our revenue growth has been significant as a result of our improved services and introduction of our master franchise network model. This has helped us in expansion and management of our outlets in multiple locations. As a result, there has also been a significant increase in income of our employees by INR 864.20 lakhs in FY 2022-23 as compared to previous reporting period.

PAT

We have witnessed a rise in profit after tax compared to the previous FY which stood at INR 100.48 lakhs. This enhancement in profitability can be attributed to the strategic utilization of technology and process automation initiatives. These efforts have led to increased profitability, consequently resulting in improved profit margins.

EBITDA

INR 1,970.91 lakhs.

Return on net worth

0.81%

EPS

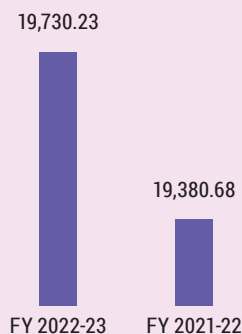
Earnings per share (EPS) for FY 2022-23 stood at 0.01.



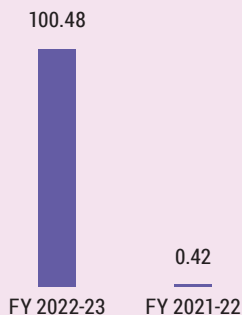
We have consistently focused on enhancing customer satisfaction and delivering well defined service levels through our standardized and highly recognizable Next-Generation Vakrangee Kendras.



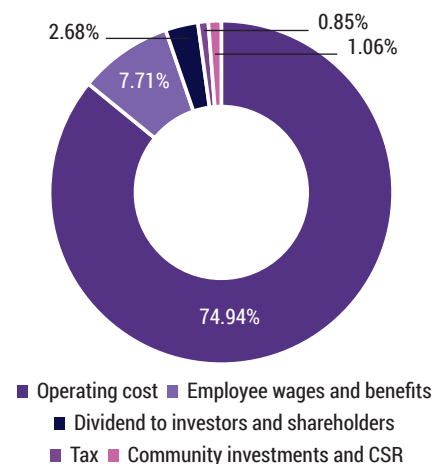
Revenue from operations (INR)



PAT (INR)



Revenues distributed in percentage in FY 2022-23



Our company is operating with an asset light model, which emphasizes relatively lower ownership of capital assets. This allows us to maintain profitability and deliver returns to shareholders, thereby benefiting other stakeholders in maintaining an optimal capital structure to minimize the cost of capital as a going concern. Notably, our total net borrowings of cash and cash equivalents currently stand at zero, indicating that our company is debt-free and not obligated to pay any interest.

In the specified reporting period, our achieved a debtor's turnover of 0.20, indicating the frequency at which we collected our payments from customers. Additionally, the inventory turnover ratio was 0.01, reflecting the company's efficiency in managing and selling its inventory. The interest coverage ratio is 0.08. The current

ratio, standing at 1.05, highlights our ability to meet short-term obligations. Moreover, the debt equity ratio of 0.47 signifies the proportion of debt relative to equity in our capital structure. The operating profit margin of 74.94% indicates our profitability from our core operations, while the net profit margin of 0.51% represents our overall profitability after accounting for all expenses and taxes.

Given our strong emphasis on empowering master franchisees and Kendra franchisees this year, it is incumbent upon us to meet the demands of franchisee employees and demonstrate our appreciation for their contributions. Consequently, it is worth highlighting that we ensured all our franchisees' employees are paid in compliance with the labour laws applicable in their respective states.

Standalone:

Our company has witnessed a significant increase in total income during FY 2022-23, reaching INR 16,553.98 lakhs compared to the previous year's total income of INR 10,936.88 lakhs. Furthermore, the Profit after Tax for the current reporting period amounted to INR 60.01 lakhs.

Consolidated:

In the reporting period, our company achieved a total income of INR 19,870.48 lakhs, compared to the previous financial year's total income of INR 19,734.95 lakhs. The profit after tax (PAT) for the fiscal year 2022-2023 amounted to INR 100.48 lakhs. As of March 31st, 2023, our paid-up equity share capital stands at INR 10,595.13 lakhs.

Manufactured Capital

Entrepreneurship-driven digitalization is driving enhanced performance across the banking sector, empowering customers to leverage innovative financial services and seamlessly adapt to the evolving landscape. The global pandemic has acted as a catalyst for digital transformation, revolutionizing the architecture of numerous industries, including banking services. This paradigm shift has unleashed a myriad of benefits for customers and amplified their reliance on new-age digital banking.



We have achieved a remarkable feat through our 'Phygital' model i.e to bring the in-person customer experience into the digital realm, and vice versa. Vakrangee Kendras (Active Transacting Outlets) established in financial year 2022-23 stood at 20,399. This strategic expansion has not only enabled us to reach a larger population but has also fulfilled their

health and financial needs. Embracing the digital era, we have taken a step further in our entrepreneurial pursuit by introducing the BharatEasy Mobile Super App. This all-encompassing application serves as a digital ecosystem, providing convenient access to diverse services such as banking, insurance, online shopping, total healthcare services, demat and trading account services, online travel and seamless money transfers. Our entrepreneurial spirit has fueled our performance, amplifying customer experiences and propelling us to new heights of success. Our focus on quality management and monitoring has enabled us to ensure a unified consumer and service experience at every Vakrangee Kendra and franchisee.

By embracing the entrepreneurial spirit, we have propelled growth and fostered a dynamic environment for progress.

We have a proper quality management and monitoring mechanism and ensuring unified Consumer and service experience at each of our Vakrangee Kendra and franchisee via:

Standardised and Exclusive Format of Store for Unified Consumer & Service Experience

As part of our continuous transformation, we have evolved from non-exclusive stores with limited services to, standardized exclusive assisted digital convenience stores.

Unique Features and Advantage of Vakrangee Kendra

Store exclusivity and consistent branding



- » Exclusive Banking BC Point outlet
- » Exclusive outlet for ATM and all other service
- » Standardized customer experience with same service level experience
- » 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

CCTV monitoring system



- » CCTV monitoring 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 devices



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

These outlets offer a diverse range of services and maintain a consistent look and feel, ensuring a uniform customer experience across all locations.

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

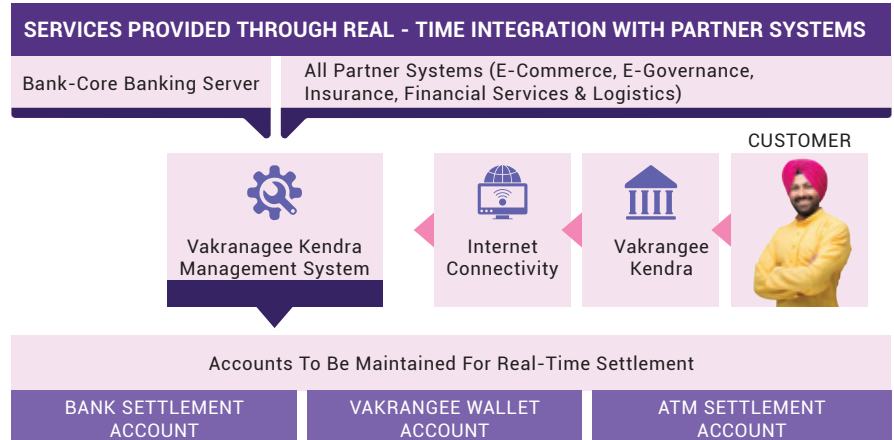
We have implemented a well-defined organizational structure that includes key roles such as State Head and District level Master Franchisee Partners to oversee and manage daily operations. Our ambitious plan is to achieve complete district coverage across all 764 districts in the country. To accomplish this, we have appointed District-level Master Franchisees who play a crucial role in providing on-ground operational and marketing support to our franchisees. These Master Franchisees are responsible for assisting franchisees with their day-to-day activities and promptly resolving any issues they encounter.

To ensure consistent and effective training for our franchisees, we have introduced a centralized Master Franchisee & Franchisee training and induction program. This program is conducted on an ongoing basis, with sessions held five days a week (Monday to Friday). Each day includes two sessions, each lasting three hours and conducted in both English and Hindi languages. This comprehensive training program equips our franchisees with the necessary skills and knowledge to succeed in their roles and serve our customers effectively.

Robust infrastructure of technology systems in place¹

To enhance our service offerings, we have developed a cutting-edge technology platform called VKMS

Our Proprietary Technology Platform



(Vakrangee Kendra Management System) and the BharatEasy Mobile Super App. These platforms enable us to seamlessly integrate with our partner systems in real-time, ensuring efficient and secure service delivery. With the support of our skilled team of professionals, we are able to provide continuous technical and quality assistance to our valued franchisees, ensuring them smooth operations.

To prioritize security, we have implemented a comprehensive user policy that mandates user authentication for every individual accessing our server. This stringent measure ensures that all transactions conducted through our platforms are safe and secure. By adhering to these protocols, we provide a trustworthy environment for our customers and franchisees, fostering confidence and reliability in our services.

Real Time daily transactions monitoring & reports availability

We thrive on technology and innovation, and as a tech-driven company, we have developed our proprietary systems: Vakrangee Kendra Management System (VKMS) and the BharatEasy Mobile Super App. These cutting-edge platforms

provide real-time updates on transaction status, ATM cash levels at denomination levels, wallet account balances and more. By leveraging these systems, we empower our stakeholders with instant access to critical information, enabling them to make informed decisions efficiently.

To facilitate effective monitoring of our services and outlets, our systems generate real-time dashboards and daily reports. These comprehensive insights allow our master franchisees and business teams to closely monitor operations, identify areas for improvement and ensure seamless service delivery across our network. By leveraging the power of our technology, we enhance our operational efficiency and deliver an exceptional experience to our customers and franchisees alike.

Video conference and webinar facility with the master franchisees & franchisees

We leverage video conferences and webinars as a means of fostering effective communication and collaboration with our master franchisees & franchisees. These virtual platforms serve as valuable tools for regular monitoring and

¹We have robust infrastructure technology platform as described in technology page of our Company website Link: <https://vakrangee.in/technology.html>



Master Franchisees play a pivotal role in overseeing and ensuring operational compliance for the franchisees within their assigned districts. They take on the responsibility of monitoring the entire process from start to finish, maintaining a keen focus on operational standards and adherence to our established guidelines.

provide real-time resolutions to any queries or concerns raised by our master franchisees & franchisees. By utilizing these digital communication channels, we ensure timely and efficient support, enabling us to address master franchisees & franchisee needs promptly and foster a strong working relationship.

Exclusive District Level Master Franchisees for each District

With the introduction of Master Franchisees, we ensure that each district-level Franchisee is connected to their respective District-level Master Franchisee. Master Franchisees play a pivotal role in overseeing and ensuring operational compliance for the franchisees within their assigned districts. They take on the responsibility of monitoring the entire process from start to finish, maintaining a keen focus on operational standards and adherence to our established guidelines. This interconnected structure allows for effective supervision and support, ensuring that our franchisees operate in alignment with our organizational objectives and deliver high-quality services to our valued customers.

Launch of Vakrangee Connect Mobile App for ATM Monitoring

To revolutionize the way to access and manage banking needs on the

go, we have introduced the Vakrangee Connect ATM mobile app, making financial transactions simpler, faster and more convenient than ever before.

- » Better maintenance and ATM availability as the franchisee get real time ATM working status through mobile App on the Go.
- » Proactively monitor the cash availability and load the ATM with cash before it goes out of cash.
- » Franchisee can track transactions and other operational aspects easily through the App.

Vakrangee Kendra Franchisee Technical Support Desk Process and Customer Support Process

The Franchisee Technical Support Desk (TSD)² is an important communication link between the franchisees and us. It serves as a central point of contact for information and support with regards to 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 higher workforce present in day shift to address the Franchisee queries.
- » Work shifts of 8 hours
- » 12 hours a day operation
- » Three shifts of operation on working days
 - First Shift 8:00 a.m. – 5:00 p.m.
 - General Shift 9.00 a.m. to 6.00 p.m.
 - Second Shift 11:00 p.m. – 8.00 p.m.
 - One Shift on non-working days- 9 .00 a.m. to 6.00 p.m.

²Link to Detailed Document - <https://vakrangee.in/pdf/Policies-PDF/TECHNICAL%20SUPPORT%20DESK%20PROCESS%20AND%20CUSTOMER%20SUPPORT%20PROCESS%20.pdf>

Data Quality³

We maintain accurate, complete, consistent, timely and relevant personal information for the purposes identified in the notice. Data Quality operating model and processes is defined and made operational. Data is profiled, analyzed and described for Data Quality against the dimensions, in enterprise repositories and golden sources. The data owners document data quality rules based on the characteristics of the data from profiling. The data controllers along with the senior management ensure that data elements are extended and enriched, based on the context. The data delivery services ensure adequate abstract environment requirements and data transfer requirements are met. The data quality function ensures that adequate integrity controls are in place to maintain the data while data privacy and information security ensures that modification of data is performed by designated roles. The data quality assessment and monitoring are performed based on the nature of the data operation and the lifecycle stage. Further, the Key Control Indicator (KCIs) are continuously monitored by data controllers and data owners in the Control scorecard. Any errors in the data handled by the data remediation function with adequate root cause analysis is documented.

Focus on Quality Procurement through Sustainable Sourcing in Place⁴

We are committed to Sustainable procurement, thereby we prefer and prioritize to work with and procure products from those supplier / vendor partners who are focused on the following parameters and have clear goals for the below mentioned parameters:

- » Reduce Consumption of Water

- » Reduce Consumption of Energy
- » Make Efforts to keep the Environment Green
- » Encourage diversity of talent
- » Encourage Compliances with Human Rights Conventions
- » Adhere to all Applicable laws of the land
- » Provide clear, accurate, and appropriate reporting to us on all matters of relevance including the above on request.

As part of our Green IT strategy, we refer to the Electronic Product Environment Assessment Tool (EPEAT) program for the IT hardware and Electronics procurement and have been consistently adhering to the framework. All of our RFPs (Requests for Proposal) mandate the suppliers to quote only Electronic Product Environment Assessment Tool (EPEAT)certified models. Our green IT procurement strategy aligns with our larger sustainability ethos that believe in creating deep and meaningful impact for our communities. Environmental sustainability is a big priority for organizations today and every small and big step taken in the right direction can offer far-reaching benefits when it is focused on creating value for the company, its stakeholders and the society at large.

ISO Certifications⁵

ISO 9001:2015 Quality Management Systems QMS) policy

ISO 9001:2015 is an international standard dedicated to Quality Management Systems (QMS). The QMS is the aggregate of all the processes, resources, assets and cultural values that support the goal of customer satisfaction and organizational efficiency. QMS

outlines a framework for improving quality and a vocabulary of understanding for any organization.



We are an ISO 9001 certified QMS (Quality Management System) company since 1998, and we always put an effort to prove to our customers that we want to be the best at what we do and are committed to their needs.

The standard ISO 9001:2015 is used by us to demonstrate our ability to consistently provide products and services that meet customer and regulatory requirements and to demonstrate continuous improvement.

As a company with an ISO certification, it sets us apart from the rest, bringing great value to our business. This standard focuses more on risk-based thinking, which helps us to address organizational risks and opportunities using a systematic approach. It puts a greater emphasis on leadership engagement within the organization and aims to address supply chain management more effectively.

³ <https://vakrangee.in/pdf/Policies-PDF/Data%20Privacy%20Program.pdf>

⁴ <https://www.vakrangee.in/pdf/Policies-PDF/Green%20Procurement%20Policy.pdf>

⁵ <https://vakrangee.in/pdf/Policies-PDF/Vakrangee%20ISO%20Flag.pdf>

We have an established Software Development Lifecycle adopted 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:

Our product security practices are measured using industry standard and methodologies security models. Our approach to feature delivery is rooted in Agile methodologies, with a particular emphasis on utilizing Scrum for the implementation of new features. The Secure Software Development Life Cycle (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 provides a clear guideline to the team and to the stakeholders around exactly what needs to be done for each Story, Sprint, Release, and Task to ensure a consistent and sustainable quality of deliverables. It ensures transparency and quality fit for the purpose of the product and organization.

B. Code Security:

Our Product code is stored in a secure system hosted by most secure data center facilities. We adopt a strict, low access privileges principle for providing access to the code. Commits to production code are strictly reviewed, and approval is restricted to a team of empowered group of people.

C. Record Retention and Data Destruction Policy⁶

Our responsibility is to protect the integrity and confidentiality of personal data held by us about our clients, employees and partners.

Individual employees also have an obligation to protect the integrity and confidentiality of personal data and to prevent unauthorized disclosure of data whether it is oral, printed, hand-written or computer based. As per policy, data shall not be kept for longer than it is necessary for that purpose. 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 no longer required shall be shredded or placed in the designated confidential waste bins provided in the offices.

ISO 20400:2017 Sustainable Procurement Management System

ISO 20400 is the world's first International Standard for sustainable procurement and aims to assist organisations in meeting their sustainability responsibilities by providing guidance as to the effective implementation of sustainable purchasing practices and policies. Responsible procurement serves as a potent tool for organizations aiming to act responsibly and promote sustainable development. It plays a pivotal role in the shift toward a more sustainable economy by enabling organizations to integrate sustainability considerations into their purchasing decisions. When organizations prioritize sustainability in their procurement processes, they effectively leverage their influence to drive responsible practices throughout their supply chains.

We are an ISO 20400 certified company. This standard helps us recognize the importance of sustainable procurement and provides a framework for its practical implementation. It does not contain requirements for suppliers and is not a tool to assess the sustainability performance of suppliers. Rather, it describes how organizations can

integrate sustainability into the procurement process. The purpose of ISO 20400 is to assist organisation of any kind and size with the development and implementation of a responsible sourcing strategy. The standard offers both an overview of the general principles of sustainable procurement as well as guidance on the implementation process. It helps us to:

- » Meet the demands of customers and other stakeholders to assume responsibility for its supply chain
- » Identify legal, financial and moral risks associated with sustainability in the supply chain
- » Monitor and improve the sustainability performance of suppliers
- » Build supplier relationships that create long-term, sustainable value

STRATEGIES ABOUT THE SET-UP OF NEW KENDRAS

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 result into 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 Activation⁷.

We are setting up exclusive district level master franchisee whereby master franchisee will be responsible to provide on-ground operational support to the existing franchisees outlets as well as drive new franchisee acquisition. This would help us scale at a faster pace and expand on a pan India basis.

⁶ <https://vakrangee.in/pdf/Policies-PDF/Information%20Security%20&%20Management%20Policy%20v3.pdf>

⁷ <https://www.bseindia.com/xml-data/corpfiling/AttachHis/a893a2ce-c3d1-4e05-9038-6033ceb7e712.pdf>

MASTER FRANCHISEE DISTRICT LEVEL OFFICES



District: Balaghat
State: Madhya Pradesh



District: Surguja
State: Chattisgarh



District: Muzaffarpur
State: Bihar

These initiatives have significantly reduced franchisee on-boarding costs, enhanced field team efficiency and productivity leading to higher scalability for the franchisee model and enhanced profitability.

We have also initiated digital marketing on Pan India basis which has resulted into higher lead funnel for Franchisee acquisition process.

Our centralized 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 helps in training and resolving queries of the franchisees.

We have a clear Focus on Market Expansion & to strengthen our First Mover Advantage, we are planning to cover entire 764 districts which is 100% of District coverage across the country through appointment of our District level Master Franchisees.

Our long-term Vision is to reach 3,00,000 Active Transacting Vakrangee Kendras by 2030. Further, our target is to have a Vakrangee outlet in each Gram panchayat level in Rural India and in each Urban ward in Urban India.

OUR LAST MILE INFRASTRUCTURE

Our Business model is a 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 can benefit from financial, digital and social inclusion and has access to the global marketplace. Our business model is led by innovation and strong last mile Infrastructure built across the country in deep rural locations. We leverage our in-house proprietary built technology platform to provide a one-stop solution and real-time access to over 100 million products and 1,000 services under a single roof, thereby creating last mile infrastructure for distribution of various 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

- » Total Healthcare - Telemedicine health services – Including Unlimited Tele & Video Consultation with expert doctors & Home Blood test facility
- » Online Demat & Trading Account Services
- » Assisted E-Commerce - Online shopping of products
- » Online Pharmacy
- » Travel Ticket Booking & Utility Bill Payment services

20,399

Active Transacting Vakrangee Kendras

29

Covering States & UTs

566

Districts

5,159

Postal Codes

3,00,000

Vakrangee Kendras Target by 2030

We have integrated our business strategy and mapped our sustainability initiatives with the United Nation's Sustainable Development Goals⁸. 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, financial inclusion, social inequality, climate, environmental degradation, economic growth & prosperity and peace and justice.

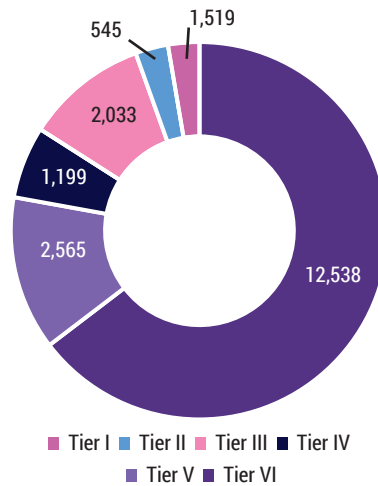
Our Kendras, across various states, caters to the rural customers by meeting their day-to-day needs. At Vakrangee, our objective is to establish our outlets as a pivotal platform, enabling seamless access to financial inclusion, social integration, digital empowerment, skill development, employment generation, government initiatives, and comprehensive availability of essential goods and services. This strategic step aims to bridge the urban-rural divide, bringing urban convenience to the doorsteps of rural communities.

We are continuously expanding our bouquet of services and making readily available all type of services to the citizens. Further, we are providing Last Mile Support through State level field teams as well as district level master franchisees partners for the Franchisees. We are also providing marketing support in terms of advertisement, leaflets, posters to the franchisees and investing in the IT investment for the upgradation of the inhouse portal of VKMS.

We take immense pride in our commitment to delivering essential services across various tiers of the country. The graph showcases our substantial efforts to deliver our services to the unserved markets of India.

Our active operating Kendras as on 31st March, 2023 stand at 20,399 Kendras along with 234 Master Franchises.

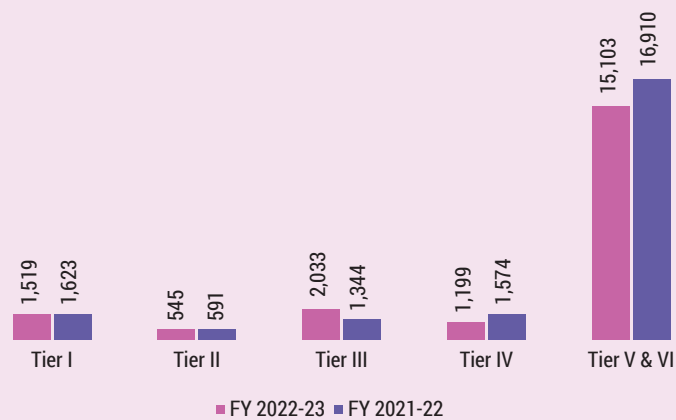
Number of Kendras in FY 23 across tiers



With a remarkable 62% of our 20,399 kendras operating in remote areas, we showcase our strong rural presence. Our efforts reach unserved markets, delivering essential services to rural India.

The graph is the representation of our work towards providing essential services to the different tiers of the country. More than 79% of our services is done in the remote parts (Tier IV, V and VI) of the country through our 20,399 Kendras.

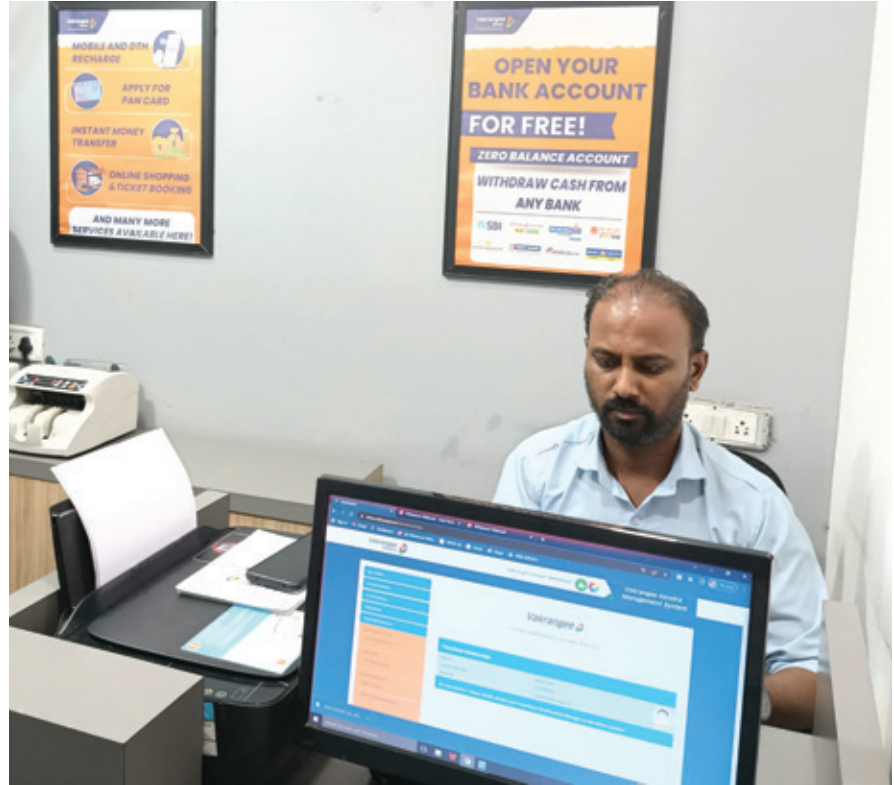
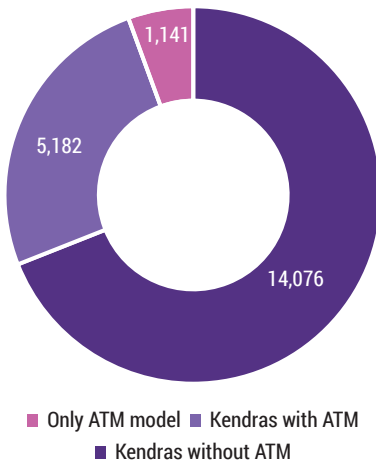
Comparison of Kendras across Tiers: FY 2022-23 vs FY 2021-22



Please note that this year's reported number of Kendras is 20,399, which reflects a decrease compared to the previous year's reported figure of 22,042. However, it is important to highlight that this year's data only includes active transacting Kendras, whereas the numbers reported last year encompassed both operational and non-operational Kendras. This adjustment in reporting methodology accounts for the decrease in the number of Kendras reported this year. We will continue to strive to increase our reach further to the rural India and target every corner of rural India.

The Kendras vary in terms of financial investment, outlet area, and the number of counters, while maintaining consistent services offered and overall outlet appearance. To cater to specific location and population needs, we have categorized our Kendras into different operating models, that are Kendras including ATM, only ATM, and Kendras without ATM. The following data illustrates the total count in each operating model category.

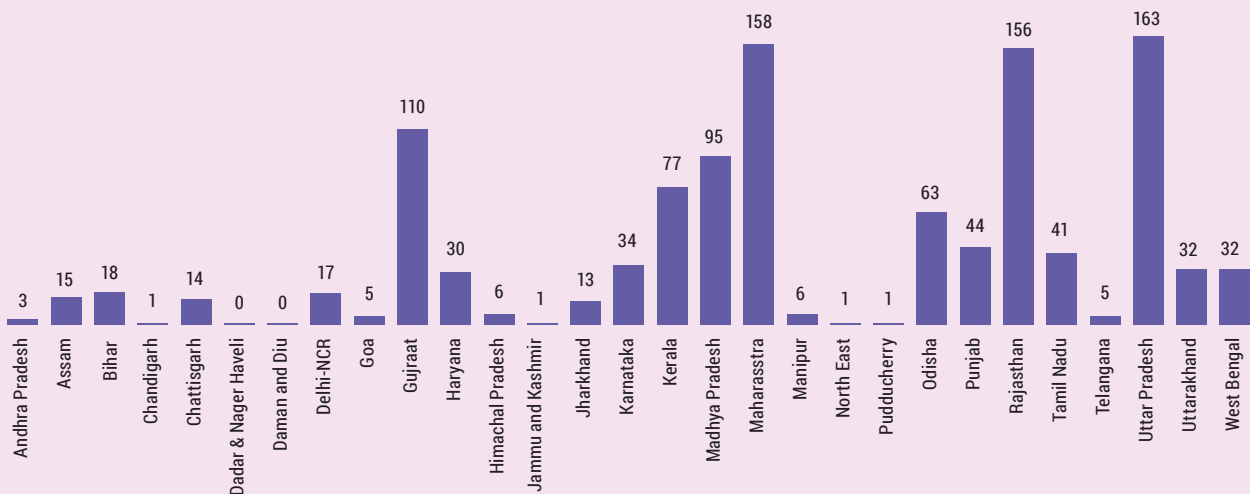
Distribution of Kendra Operating Models



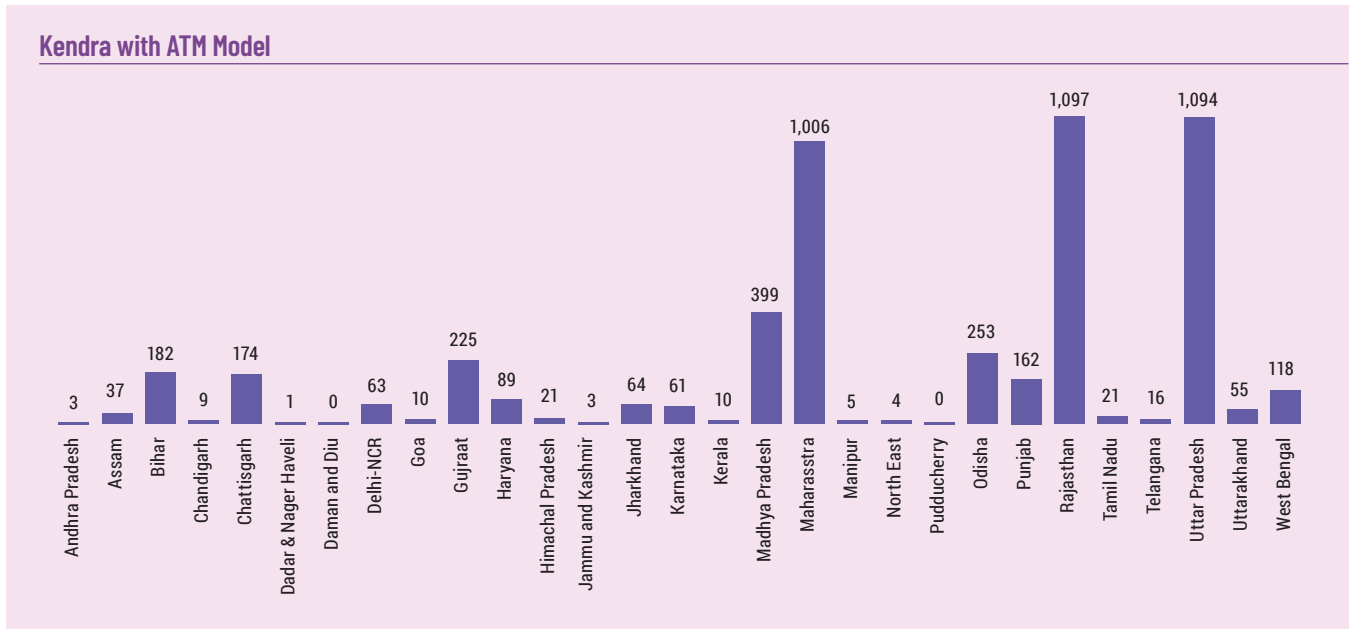
Out of 20,399 Kendras, we have 1,141 Only ATM models (5.60%), 5,182 Kendras with ATM models (25.40%), and 14,076 Kendras without ATM models (69.00%).

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

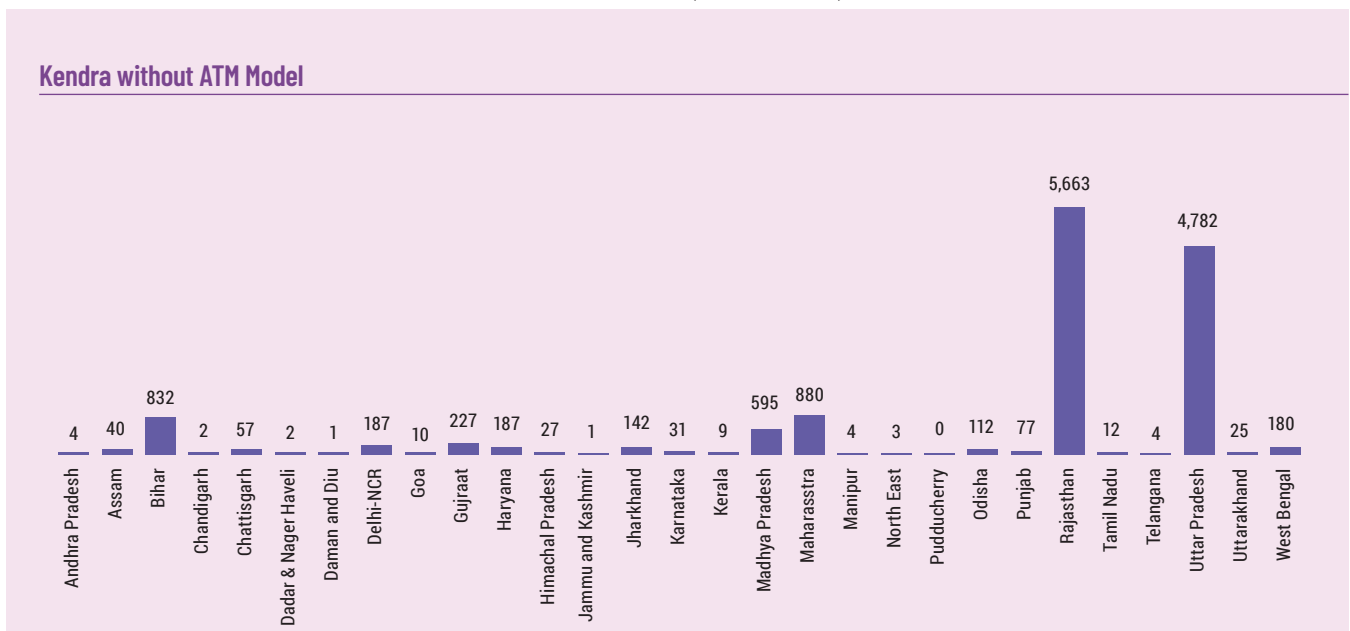
ATM Only Model



The graph below illustrates the geographic distribution of the ATM only model across different states and Union Territories in India. Gujarat, Maharashtra, Rajasthan, and Uttar Pradesh are the states with the highest concentration of ATM only models, accounting for 51.4% (587 models) out of the total 1,141 models.



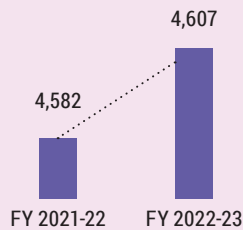
The graph represents the geographical distribution of Kendra with ATM models across various states and Union Territories in India. Maharashtra, Rajasthan, and Uttar Pradesh are the states with the largest number of Kendra with ATM models. Out of the total 5,182 Kendra with ATM models, more than 61% (3,197 models) are located in these three states.



The graph illustrates the distribution of Kendra without ATM models across different states and Union Territories in India. Rajasthan and Uttar Pradesh stand out as the states with the highest number of Kendra without ATM models. Out of the total 14,076 Kendra without ATM models, approximately 74.2% (10,445 models) are located in these two states.

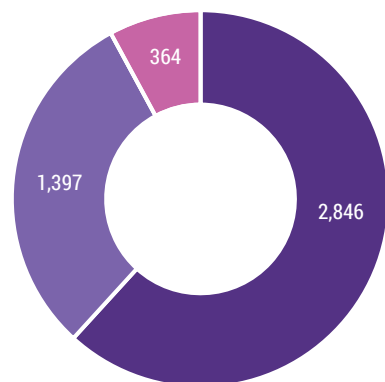
Our presence also extends to various Left-Wing Extremist (LWE), Tribal, and Aspirational districts, enabling us to deliver high-quality services to underserved areas of the country. Within these districts, we have successfully established a network of 4,607 outlets, as depicted in the illustration below.

Comparison of Outlet Presence in LWE, Tribal, and Aspirational Districts: Previous Year vs. Current Year



The data highlights the positive trend of our presence in Left-Wing Extremist (LWE), Tribal, and Aspirational districts. In FY 2022-23, we witnessed a slight increase, with the number of outlets growing from 4,582 in the previous year to 4,607. However, it is important to highlight that this year's data only includes active transacting Kendras, whereas the numbers reported last year encompassed both operational and non-operational Kendras. This expansion signifies our ongoing commitment to delivering quality services and catering to the underserved parts of the nation. By establishing a stronger presence in these districts, we aim to contribute to their development and empower the communities residing in these areas.

Presence in LWE, Tribal, and Aspirational Districts



■ Only ATM model ■ Kendras with ATM Model
■ Kendras without ATM Model

The graph above illustrates the distribution of our presence in Left-Wing Extremist (LWE), Tribal, and Aspirational districts across different models.

The "Only ATM model" represents approximately 7.9% of our presence in these districts, indicating that a significant portion of our outlets in these areas solely focuses on providing ATM services.

The "Kendra with ATM model" accounts for around 30.32% of our presence, indicating that a considerable number of outlets in these districts offer both Kendra services and ATM facilities.

The "Kendra without ATM model" represents approximately 61.78% of our presence, signifying outlets in these districts that provide Kendra services but do not have ATM facilities.

This distribution showcases our efforts to cater to the specific needs and requirements of the communities in LWE, Tribal, and Aspirational districts, offering a range of outlet models to ensure accessibility and convenience in these underserved areas.

Creating Shared Value

Our business activities focus on involving communities and creating shared value for both our company and society. By building an extensive network of last-mile retail outlets, we empower local entrepreneurs to drive their own performance and contribute to the growth of their communities. We prioritize skill development and job creation in rural areas, enabling individuals to enhance their abilities and contribute to economic growth. Through our participation in the Financial Inclusion Initiative, we promote financial inclusion and social security, benefiting the underprivileged and workers in the unorganized sector. These inclusive efforts have resulted

in business growth, improved financial performance, and increased customer loyalty, positioning us as a trusted provider of financial services and digital solutions.

"Enhancing communities: Positive impacts of infrastructure investments and supported services"

We are dedicated to building an extensive network of last-mile retail outlets across India, empowering entrepreneurs in every postal code to become agents of financial, digital, and social inclusion. By providing them with the necessary resources, training and support, we enable aspiring entrepreneurs to drive their own performance and contribute to the growth of their local communities. Our mission is to ensure that every Indian, regardless of their geographical location, has access to the benefits of financial services, digital technologies and social connectivity. By empowering entrepreneurs at the grassroots level, we enable them to serve as catalysts for change, bridging the gap between rural and urban areas and promoting economic development.

Financial inclusion is achieved through the promotion of Government's financial and social inclusion initiatives such as Pradhan Mantri Jan Dhan Yojana (PMJDY) and social security insurance schemes. Through our Kendras, we provide universal access to banking, insurance and pension schemes as well as Direct Benefit Transfer of subsidies.

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 communities 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 operate on a franchisee-based model where the franchisee is a member of the local community. Our efforts are directed towards empowering rural entrepreneurship, generating employment, and facilitating skill development to bring urban convenience to the doorsteps of rural dwellers.

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.

Skill development and job creation at rural level

Our business model facilitates skill enhancement. We take individuals from diverse backgrounds and empower them with skill sets that enable them to achieve extraordinary results. Additionally, a basic certification is needed for rendering Banking and Insurance Services which helps these individuals to enhance their technical skills. This further supports in the economic growth of the local community and eradicates poverty.

Our franchisees create local work opportunities by hiring resources and undertaking skill development, with certification for banking and IRDA (Insurance Regulatory and Development Authority of India) certification for Insurance services. Our goal is to alleviate poverty by encouraging individuals to contribute to India's economic growth.

Financial inclusion and social security

Through 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 Pradhan Mantri Jan Dhan Yojana (PMJDY) has provided a platform for the three social security schemes of the Government of India viz. Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and Pradhan Mantri Mudra Yojana (PMMY).

Through our extensive network of outlets, we help individuals to easily access and enroll in schemes such as Atal Pension Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, and Pradhan Mantri Suraksha Bima Yojana, thereby promoting financial inclusion and ensuring that the benefits of these schemes reach the intended target audience.

- 1. 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.
- 2. 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.436, with a risk coverage of Rs.2,00,000.

3. 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. 20 only.

Through these Social Security schemes, our business goals and strategy have been clearly mapped to the Social Inclusion Initiatives. At Vakrangee, we believe in our ethos of giving back to society and empowering the underprivileged communities. We aspire to contribute towards the growth of our economy, thereby doing our part in making the world a better place to live.

Our assisted online shopping platform provides our customers with access to multiple product options from daily staples, fashion items, to electronics. Our business model acts as a Social Equalizer as we provide the same products at affordable prices in the remotest parts of the country. We also offer the convenience of getting the products delivered to our Kendra whereby the customers can pick up.

Our Assisted E-Commerce model for online shopping offers a reliable, secure, and convenient solution for customers in rural areas without access to comprehensive services. Through our Vakrangee Kendra



outlets, our trained store personnel assist customers in exploring a vast range of products, helping them select the most suitable item, placing orders, and facilitating secure payments, all at competitive prices.

We offer Total Health package through our network of Kendras across the country at the most affordable prices with a focus on unserved and under-served communities in Rural India. Our assisted online healthcare platform provides our customers with access to telemedicine and pharmacy services.

Our unwavering commitment lies in fostering a vibrant ecosystem of master franchisees and franchisees, driven by the entrepreneurial spirit, to accelerate growth and bring about significant transformations. Our

core focus is on facilitating financial inclusion, social inclusion and digital inclusion within communities. By nurturing the entrepreneurial zeal of our partners, we amplify our reach and impact, creating opportunities for individuals and communities to access essential financial services, embrace social connectivity and harness the power of digital technologies. Through this dynamic network, we ignite economic empowerment, nurture innovation and pave the way for a more inclusive and prosperous future.

Human Capital

Elevating Performance through Entrepreneurial Mindsets

At Vakrangee, we firmly believe in driving performance through entrepreneurship. It is the cornerstone of our organization, as we recognize that fostering an entrepreneurial mindset among our employees is a catalyst for accelerated growth and success.



Through our phygital ecosystem, we offer our customers the flexibility of accessing our services both online and offline. To ensure that we consistently exceed customer expectations, our dedicated employees, who embody an entrepreneurial spirit, have undergone extensive training, empowering them to deliver exceptional service and support in this digital era.

By nurturing a dynamic and inclusive internal culture, we provide our human capital with the tools, resources, and autonomy to take ownership, innovate, and drive performance in their respective roles. We encourage our employees to think creatively, embrace challenges, and seize opportunities, all while aligning their actions with our overarching business goals. This approach not only ensures business efficiency but also empowers our employees to contribute to our collective success and thrive in the ever-evolving business landscape.

Within our organization, we prioritize talent and equal opportunity, recognizing that diverse perspectives and experiences fuel innovation and drive sustainable growth. We actively promote diversity and inclusion, creating a workplace that celebrates individuality and embraces the entrepreneurial spirit. We firmly believe that our people are our greatest asset, and we strive to provide them with a supportive and empowering environment where their talents can flourish. By valuing

diversity and inclusion, we not only harness the power of different perspectives and experiences but also create a workplace that celebrates uniqueness and encourages innovation.

This section of the report discusses our culture of continuous learning and innovation, and the measures we take to create a positive environment where everyone feels valued and can thrive. We encourage employees to think outside the box, explore new ideas, and contribute to innovative solutions that drive business growth.

Our organization lives a culture that values inclusivity, continuous improvement, and equal opportunities for all employees. The organizational culture fosters a qualitative environment that promotes collaboration and teamwork, encouraging employees to work together, leverage their strengths, and drive innovation. We believe in nurturing an entrepreneurial spirit by nurturing creativity, embracing new ideas, and providing employees with the tools and resources they need to excel. To ensure our employees stay ahead, we offer a wide range of qualitative training programs that enable them to upgrade their skills and stay updated with industry trends. We also prioritize open communication, creating a culture of trust and mutual respect where employees feel comfortable expressing their ideas and concerns. Additionally, we have established a



robust system of quantitative metrics, including performance measurement and employee satisfaction surveys, to objectively track progress and gather feedback. We closely monitor retention rates and recognize the importance of creating an inclusive workplace that supports and empowers our employees to thrive, contributing to our collective success.

Organizational Culture

By cultivating an environment that values and rewards high performance, we encourage our employees to push boundaries, think creatively, and continuously strive for excellence. To foster an entrepreneurial mindset, we motivate our employees to take ownership of their roles, think creatively and embrace challenges as opportunities. We provide them with the autonomy to explore new ideas, make decisions, and take calculated risks. Additionally, we actively engage and collaborate with our value chain partners, inspiring them to adopt an entrepreneurial spirit, aligning their goals with our own. We strive to cultivate an environment where our employees are encouraged to embrace a growth mindset and assume responsibility

for their own professional growth. We provide robust training and development programs that empower individuals to enhance their skills, expand their knowledge, and take on new challenges. By investing in our employees' growth and supporting their career aspirations, we nurture a motivated workforce that is equipped to drive innovation and fuel our organizational success.

Our Employee Code of Conduct

All employees, regardless of their position or rank, are obligated to adhere to the code of conduct. Furthermore, as part of our onboarding process, each employee receives a comprehensive joining pack that includes the code of conduct. This ensures that everyone understands and follows the ethical and professional standards expected within our organization. We have established a comprehensive code of conduct to ensure a harmonious work environment and a positive employer-employee relationship. This code encompasses various guidelines, such as maintaining a workplace free from alcohol and drugs, prioritizing the health and safety of all employees and the organization, upholding integrity, demonstrating respect

towards individuals, safeguarding company property, and exhibiting professionalism both within the office and while representing the company externally. For further details, please refer to the employee code of conduct section on our website.

Our culture is focused on performance and drives us to innovate, be efficient, and grow quickly. It empowers our employees, drives collaboration, and enables us to deliver outstanding customer experiences. As we continue to embrace this culture, we are confident in our ability to achieve our goals, surpass expectations, and maintain our position as a leader in our industry.

Fostering a Feedback Culture for Inclusive Growth and Collaboration

Irrespective of job titles or hierarchical positions, every employee can offer constructive feedback to their peers. This approach not only encourages a supportive work environment but also ensures that every employee's voice is heard and valued. By breaking down barriers and promoting a culture of open feedback, we nurture personal and professional growth.



Upholding Ethical Excellence is a foundational aspect of our organization, and we are deeply committed to conducting business with fairness, honesty, integrity, and respect.

We take our internal and external feedback seriously. If, at any point, an employee feels mistreated, he/she can report to humanresource@vakrangee.in or on (022) 67765130. We have instilled an open-door policy wherein employees are free to approach any superior or peers at our organisation.

Upholding Ethical Excellence: Our Commitment to Fairness, Integrity, and Transparency

At our organization, conducting business with fairness, honesty, integrity, and respect is at the core of our values and principles. We have zero tolerance for bribery and corruption in any shape or form. It is our steadfast commitment to maintain the highest ethical standards and ensure that our employees and franchisees adhere to these principles.

Our certification in Anti-bribery Management System reflects our strong commitment to ethical business practices and compliance. This standard provides practical

guidance for preventing, establishing, implementing, and maintaining effective anti-bribery management systems. It also emphasizes the importance of detecting and improving these systems to combat bribery effectively. Through this certification, we demonstrate our dedication to conducting business with integrity and upholding high ethical standards.



As a testament to our commitment to ethical practices, we are proud to report that in the fiscal year 2022-2023, no incidents of corruption have been recorded within our organization. This exemplifies our rigorous control measures, comprehensive training programs, and vigilant oversight in place to prevent and detect any misconduct.

Fostering a Connected Workforce: Empowering Communication within the Organization

In the realm of Human Capital, we employ several initiatives to foster effective communication and ensure employees are well-informed about the Company's policies and processes. Our Induction Program serves as a comprehensive introduction to familiarize new joiners with the Company's policies, processes, and expected conduct. Additionally, our Human Resource Management System provides a dedicated portal where employees can access updated policies, circulars, and notices. To facilitate regular communication, we have established group email IDs, enabling the efficient dissemination of important information, such as circulars, notices, and updates on behavioural norms and processes.

To further enhance communication channels, we maintain a Human Resource manual that encompasses the Company's policies, values, standards, and norms, which is regularly updated. This manual is readily accessible to all employees through the internal server, and physical copies are also available with the HR department and respective Department Heads. Additionally, we utilize a WhatsApp group to promptly broadcast updates regarding Company policies and processes.

Furthermore, our IT platform, known as Vakrangee Kendra Management System (VKMS), plays a crucial role in facilitating communication and keeping employees informed about the Company and its values. Through these various initiatives, we strive to maintain effective communication channels within the organization, ensuring that employees are well-informed and aligned with the Company's objectives.

Human Rights

Our Human Rights Policy is aimed at fostering socio-economic empowerment through inclusive growth. We recognize the valuable role that business can play in the longer-term protection of human rights of all the employees. We are committed to respect the human rights of our workforce, communities and those affected by our operations wherever we do business.

Corporate Human Resources is responsible for reviewing and updating standards on social policies, and for providing guidance and support to all concerned.

Our goal is to foster an inclusive workforce and prevent any form of discriminatory practices. Our Human Rights Policy can be accessed at https://vakrangee.in/pdf/Policies-PDF/Human_Rights_Policy.pdf

The SA 8000 code of practice for companies comprises below clauses:

Child Labour: We have comprehensive policies and procedures in place to ensure that no child labour is employed within our organization and throughout our supply chain. We conduct assessments to monitor compliance and take immediate action if any violations are identified.

Forced and Compulsory Labour: We maintain a zero-tolerance approach towards any form of forced labour, ensuring that all our employees and partners engage in work voluntarily and without coercion. We uphold fair and ethical employment practices, which are reflected in our recruitment processes, contracts, and ongoing monitoring mechanisms.

Health and Safety: The health and safety of our employees and stakeholders are of paramount importance. We have robust health and safety policy and procedures in place to provide a safe working environment. We conduct regular risk assessments, implement appropriate safety measures, and provide necessary training and protective equipment to mitigate risks.

Freedom of Association and Right to Collective Bargaining: We fully support the freedom of association and the right to collective bargaining. We have established channels for open and constructive dialogue, allowing employees to voice their concerns, provide feedback, and negotiate terms and conditions of employment.

Discrimination: We are committed to providing equal opportunities and eliminating discrimination in all forms. We have implemented policies and practices to ensure fair and inclusive treatment of all employees, regardless of their race, gender, age, religion, or any other protected characteristic. We promote diversity, equality and inclusion in our workforce, fostering a culture that respects and values individual differences.

Disciplinary Practices: Our policies clearly outline acceptable conduct and disciplinary procedures, ensuring that disciplinary actions are taken with fairness, consistency and due process. We strive to foster a positive work environment that promotes constructive feedback, coaching and development rather than punitive measures.

Working Hours: We comply with applicable laws and regulations regarding working hours. We ensure that our employees' working hours are reasonable and aligned with industry standards. We monitor and manage working hours to prevent excessive overtime, ensuring a healthy work-life balance for our employees.

Remuneration: We believe in providing fair and competitive remuneration to our employees. We adhere to applicable wage laws and regulations, ensuring that our employees receive timely payment of wages and benefits that meet or exceed legal requirements. We review and adjust our compensation structures regularly to maintain internal equity and market competitiveness.

Management Systems: Vakrangee has established robust management systems to ensure effective implementation of the SA 8000 code of practice. We monitor compliance, conduct regular audits, and driving continuous improvement. Our management systems focus on employee engagement, training, and accountability to uphold ethical standards and promote responsible business practices throughout our organization and value chain.

Initiatives that align with our commitment to human rights include:

Compliance with labour laws

We prioritize employee welfare and adhere to all relevant labour laws in India, ensuring compliance with regulations regarding wages, work

hours, benefits, and employment classification.

We ensure compliance with all applicable labour laws in India, pertaining to various aspects such as wages, work hours, overtime, benefits, pay practices, and employment classification based on job level and status. Our commitment to employee welfare extends to benefits such as leave entitlements, social security and other statutory allowances. We meticulously follow the provisions laid out in labour laws to provide our employees with the rightful benefits they deserve. We classify our employees based on their job level and status in accordance with the prescribed criteria, ensuring transparency and fairness in employment practices. Our commitment extends beyond legal requirements as we take extra measures to safeguard the privacy and security of data belonging to our customers, vendors, employees, ex-employees and retirees.

Permanent employees in our organization worked an average of 9 hours per day in the 2022-2023 fiscal year. This includes 30 minutes of breaks. The organization's standard workweek is 6 days (with second and fourth Saturday off), with an exclusion for the Technology Department, who have a 5-day work week. We are

committed to providing a healthy and productive work environment for our employees. We also extend flexibility to work from home on need-based reasons. We believe that a reasonable work-life balance is important for employee morale and productivity.

Continuous engagement

We prioritize raising awareness of human rights among employees across different levels of our operations which is achieved through comprehensive training programs and effective communication channels. In our commitment to an open and inclusive work environment, we actively encourage employees to raise concerns or report any perceived conflicts between our policy and actual practices. We have established multiple channels for employees to voice their concerns, including the Human Resources (HR) department, the legal department and local management. These channels provide employees with accessible and confidential avenues to seek resolution or guidance on human rights-related matters.

Diversity at workplace

At our organization, we hold high regard for the rights of all our stakeholders. Our diversity philosophy embraces shared values, bringing forth joy, happiness, energy, and

enthusiasm within our community. Our focus is on uniting individuals by enhancing their commonalities while respecting and bridging their differences. We are committed to fostering a diverse workforce by employing positive measures that favour socially disadvantaged communities, provided that prospective employees meet merit-based criteria.

Harassment-free workplace

We are dedicated to provide a safe and secure work environment, free from violence, harassment, intimidation, and any other conditions that may compromise safety. A harassment free workplace which prohibits all forms of harmful child labour, forced / trafficked labour including prison labour, indentured labour, bonded labour, military labour, modern forms of slavery and any form of human trafficking. No person below the age of 18 years is engaged by us and by any of our stakeholders at any point, and in the event of discovery of such a case, liabilities for suitable remediation and ensuring well-being of the child would accrue to the defaulting party. During the reporting year, we are pleased to report zero complaints regarding incidents of child labour, forced labour, or sexual harassment.

Support and Respect for internationally proclaimed Human Rights

In line with our commitment to the United Nations Global Compact, we take responsibility for upholding human rights within our organization and the broader scope of our influence. To fulfil this commitment, we establish and maintain a transparent and rights-conscious work environment, fostering this approach across all aspects of our business operations. Additionally, we have implemented an effective mechanism for addressing grievances to report any human rights concerns.



Our diversity philosophy embraces shared values, bringing forth joy, happiness, energy, and enthusiasm within our community. Our focus is on uniting individuals by enhancing their commonalities while respecting and bridging their differences.

This grievance redressal system guarantees that no employee or stakeholder will face reprisal or retaliation for raising concerns under this policy.

Freedom of association

At our company, we prioritize and uphold the fundamental principle of respecting our employees' right to form, join, or refrain from joining labour unions, ensuring they can exercise this right without fear of reprisal, intimidation, or harassment.

In the realm of the Information Technology (IT) industry, labour unions are generally less common compared to other sectors or industries.

Given the nature of our business, which revolves around digital platforms and remote work, we have adopted video calls as a primary means of communication to effectively address and provide training to our employees dispersed across various locations. This approach allows us to bridge the geographical gaps and maintain an inclusive and cohesive workforce.

Despite our company primarily comprising field employees working across diverse regions of the country, we maintain an unwavering commitment to cultivating a workplace environment that upholds and values employees' freedom of association. While the formation of labour unions may be less prevalent within our organization, we are fully dedicated to empowering our employees by providing comprehensive information about their rights and offering them the autonomy to exercise their choice regarding union affiliation or the absence thereof. We believe in fostering a culture that respects individual preferences and ensures that every employee has the opportunity to make independent decisions regarding their collective representation.



Healthy & safe workplace

We follow health laws and regulations to ensure that we create a healthy and safe workplace that adheres to our internal requirements as well. As part of this commitment, we actively seek input from our employees to identify and address any risks associated with accidents, injuries, and potential health impacts. We firmly believe in fostering a culture where employees feel comfortable highlighting concerns related to health and security hazards. We encourage open communication and value the feedback provided by our employees, as it plays a vital role in our ongoing efforts to maintain a secure and conducive work environment. By involving employees in the process, we aim to collectively address and remedy any identified risks to ensure the well-being and safety of our workforce.

Grievance redressal mechanism

To facilitate transparent and structured discussions where employees can address their concerns related to human rights and decent labour practices, we have implemented an online portal which serves as a dedicated space for open dialogue, allowing employees to express their thoughts, raise issues, and engage in constructive conversations.

To effectively handle incidents of sexual harassment, we have established a POSH Committee. This committee is responsible for promptly addressing and resolving any cases or complaints related to sexual harassment, ensuring a safe and respectful work environment for all employees. The Board of Directors maintains a constant review of our approach to human rights, ensuring that it remains a priority for the organization. They provide oversight and guidance to ensure that our

policies and practices align with our commitment to upholding human rights. As part of our annual review system, we conduct employee surveys to gather feedback and insights. This feedback is then shared with the Nomination and Remuneration, and Compensation Committee. The committee thoroughly reviews the feedback and takes appropriate actions to address any identified issues or areas for improvement.

For more detailed information on our stance and policies regarding human rights, we invite you to visit our Human Rights Policy here - https://vakrangee.in/pdf/Policies-PDF/Human_Rights_Policy.pdf

Diversity & Inclusion

Embracing Diversity, Fostering Inclusion: Fairness, Integrity, and Respect at the Core

We are driven by core principles of fairness, honesty, integrity, and respect. We place a strong emphasis on building a diverse and inclusive workforce, embracing employees from various cultural backgrounds, genders, races, religions, disabilities, and more. Discrimination based on these individualities is strictly prohibited within our organization. Our dedicated Nomination, Remuneration, and Compensation Committee ensures equal opportunities for all employees in areas such as hiring, promotions, talent development, and retention. We cherish the unique qualities our employees bring to the



As we accelerate growth through entrepreneurship in our master franchise and franchisee network, we prioritize diversity and inclusivity. Discrimination based on race, color, religion, disability, gender, national origin, sexual orientation, age, genetic information, or any legally protected status is strictly prohibited. Embracing diversity and fostering an inclusive environment are key to our vision for success

table, including their diverse cultures, genders, races, colours, religions, disabilities, national origins, sexual orientations, and ages. Discrimination based on these individualities is strictly prohibited within our organization.

In the fiscal year 2022-23, we are proud to report that we have reported zero instances of discrimination.

Our commitment to human rights is further exemplified through our Diversity and Inclusion Council. This council is entrusted with designing, implementing, and monitoring initiatives that promote diversity. Its agenda includes fostering a safe workplace, creating inclusive infrastructure and agricultural designs, as well as addressing employees' privacy concerns. The council reports to the sub-committee and can be contacted at diversity@vakrangee.in.

Diversity Audits

We firmly believe that diversity is a source of strength. We have implemented numerous initiatives to foster diversity and inclusion within our workplace. To ensure effective oversight, we have established a dedicated Diversity and Inclusion Council. This council plays a vital role in monitoring and regularly collecting data on diversity within our organization. The Diversity and Inclusion Council reports directly to the Nomination, Remuneration, and Compensation Committee, which oversees our diversity efforts. As part of our commitment to transparency, the council prepares a quarterly report on workplace diversity and inclusion, providing comprehensive insights and updates. We have an independent third party auditing us annually.

The committee presents the further

01

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

02

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

03

Numbers of hours of training of employees on diversity parameters

04

Mentors assigned to relevant employees and are provided guidance

deeply analysed report to the Board of Directors.

- » Initiatives implemented in the organisation
- » Outcome of the initiative
- » Outcome of the targets set by the Nomination and Remuneration and Compensation Committee
- » Complaints of unlawful discrimination made by employees, partners and third-party personnel,

in relation to our business and take appropriate action after thorough investigation

At our organization, we strongly emphasize the significance of diversity in the workplace. We believe that fostering a diverse and inclusive environment leads to greater innovation, creativity, and overall success. Recognizing the unique perspectives, backgrounds, and talents that each individual brings, we strive to create a work culture

that values and respects diversity. By actively promoting inclusivity and providing equal opportunities for all, we aim to harness the power of diverse perspectives and experiences to drive our organization's growth and achieve our collective goals.

Despite having 0 permanent divyaang employees in the company in FY2022-23, we remain committed to providing equal opportunities for all employees regardless of their abilities.

Employee diversity as per age and gender	Below the age of 30				Age of 30-50				Above the age of 50			
	Male		Female		Male		Female		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Employees at corporate headquarter	13	7.07	6	3.26	122	66.30	23	12.50	17	9.24	3	1.63
Employees at state office	1	2.38	1	2.38	33	78.57	2	4.76	5	11.91	0	0.00
Employees as field staff	1	3.85	0	0.00	25	96.15	0	0.00	0	0.00	0	0.00
Total	15	5.95	7	2.78	180	71.43	25	9.92	22	8.73	3	1.19

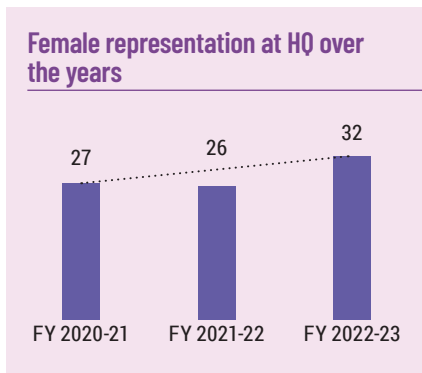
Management Council	Number
Male	15
Female	10
Total	25

Sr. No.	KPI	FY 2020-21	FY 2021-22	FY 2022-23
1	Number of males at corporate HQ	169	136	152
2	Number of females at corporate HQ	27	26	32
3	Male/Female ratio at corporate headquarter	6.26:1	5.23:1	4.75:1
4	Percentage of females at corporate HQ	13.77%	16.05%	17.39%
5	Number of women representing the Company's management council	4	9	10
6	Percentage of women representing the Company's management council	5.28%	35.00%	40.00%

New employee hires

Year	Total New Hires	Gender - wise				Age – wise		
		Male	%	Female	%	Less than 30 years	30-50 years	Over 50 years
FY 2020-21	31	28	90.32	3	9.68	18	11	2
FY 2021-22	61	47	77.05	14	22.95	16	42	3
FY 2022-23	63	44	69.84	19	30.16	22	40	1

We aim to build a workplace that is truly diverse. The graph here depicts our efforts in increasing women representation over the years. A percentage increase of approximately 18% of women representation from FY 2020-21 to FY 2022-23 can be seen here in this graph.



In addition to our outstanding team of 252 employees, our organization also relies on the essential support of 25 highly skilled contractual workers, whose specialized expertise enhances our operations, and a dedicated group of 7 security staff, who play a crucial role in protecting our establishment. Together, they are an integral part of our esteemed workforce, working collaboratively to ensure the smooth functioning and continuous success of our organization.

Gender Equality

We have always been a Responsible and Socially conscious company. Gender Equality is fundamental to our philosophy and core DNA of being

a social equalizer. We strive to build a workplace culture with gender Diversity and believe it is core to the success and growth of our company. We have designed our targets to reach a 1:1 ratio of male and female across the organisation by 2025. We consider gender equality as an integral part of our non-discrimination commitment.

We are fully committed to gender equality and non-discrimination in our organization. Our remuneration and recruitment policy are based solely on merit and skills, without any consideration of gender identity. To ensure gender pay equality, we have a dedicated committee called the Pay Equity Committee. This committee, composed of the Head of Human Resources, Head of Strategy, Chief Operating Officer, and Chief Finance Officer, is responsible for designing, implementing, monitoring, and reviewing programs that promote fair and equal pay for all employees. We prioritize transparency and accountability in our efforts to achieve non-discriminatory compensation practices.

We demonstrate our dedication to gender equality by conducting independent audits of our gender pay equality measures. These audits are carried out by external firms, which assess and provide recommendations on any compensation gaps identified. The Nomination, Remuneration, and Compensation Committee is responsible for ensuring that

all these recommendations and findings are presented to the Board of Directors. Any necessary actions to address the identified gaps are promptly and satisfactorily taken by the organization. We prioritize transparency and accountability in our commitment to closing any gender-based pay disparities.

To foster gender equity within our organization, we have established various initiatives:

Pay equity committee: We strive to cultivate a workplace culture where rewards, pay, and recognition are bestowed upon employees without any bias based on gender. Our aim is to create an inclusive environment where merit and performance are the sole determinants of rewards and recognition, fostering a sense of belonging and equal opportunities for all individuals within our organization.

Encouraging salary negotiations by showing salary ranges: In order to address the issue of gender disparities in salary negotiation, we have taken proactive measures. We promote transparency by openly communicating the salary range associated with each position during the recruitment process. This helps prospective applicants, including women, to have a clear understanding of the expected compensation for the role.

Including multiple women in shortlists for recruitment and promotions: In our diligent assessment and preparation of the shortlist, we make it a priority to promote inclusivity by ensuring the inclusion of more than one-woman candidate who meets the qualifications. By actively seeking a diverse pool of candidates, we aim to counter any potential biases and foster equal representation throughout our selection process. This approach reinforces our commitment to promoting gender diversity and provides women

with increased opportunities to be considered for positions within our organization.

Fair reward system: When it comes to pay increases and bonuses, we establish a fair threshold that ensures equity and is solely determined by merit, without any consideration of gender identity. Our commitment to merit-based compensation reinforces our dedication to gender equality in the workplace.

Promote and disclose pay transparency: We disclose band-wise and designation-wise payment to males and female employees, on an annual basis.

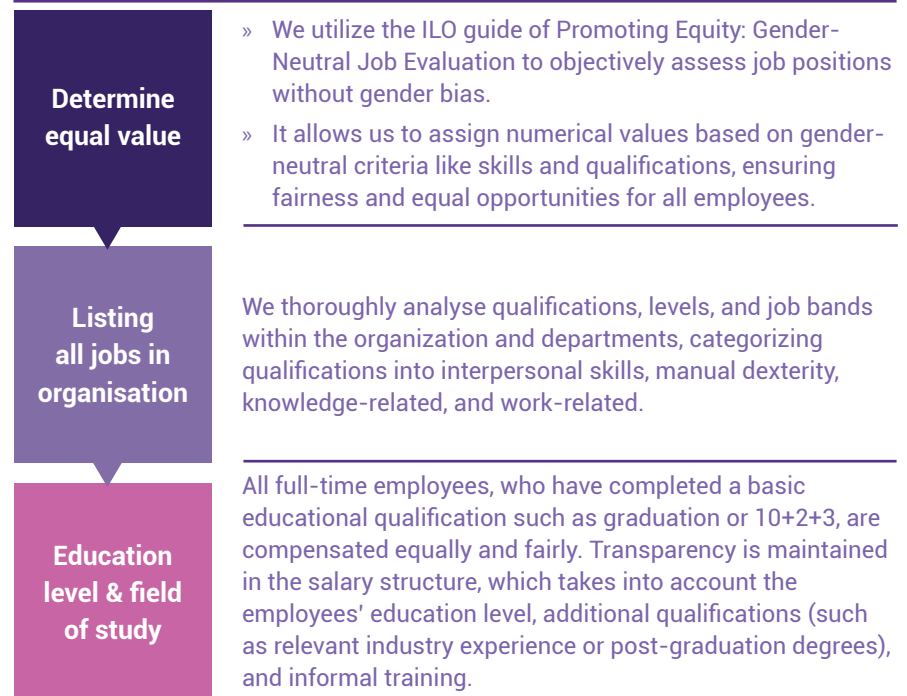
Salary & bonus: We strive to achieve equality by ensuring that regular basic salaries for both female and male-dominated roles are on par. Additionally, we uphold a fair and unbiased approach in evaluating and determining rewards and bonuses for all employees, irrespective of their gender. We have implemented consistent criteria that apply to everyone within the organization, thus eliminating any gender-based disparities in the process. Our commitment lies in creating a workplace environment where gender does not play a role in salary and reward differentials, fostering a culture of fairness and equality for all employees.

Promote & support flexibility: We organize workshops aimed at providing education and training to our supervisory staff on effective management of flexible work schedules, striking a balance between their professional and family responsibilities, and promoting equal opportunities for both men and women. Through these workshops, we empower our supervisors with the knowledge and skills necessary to support and accommodate diverse work-life needs, and thus ensuring a level playing field for all employees

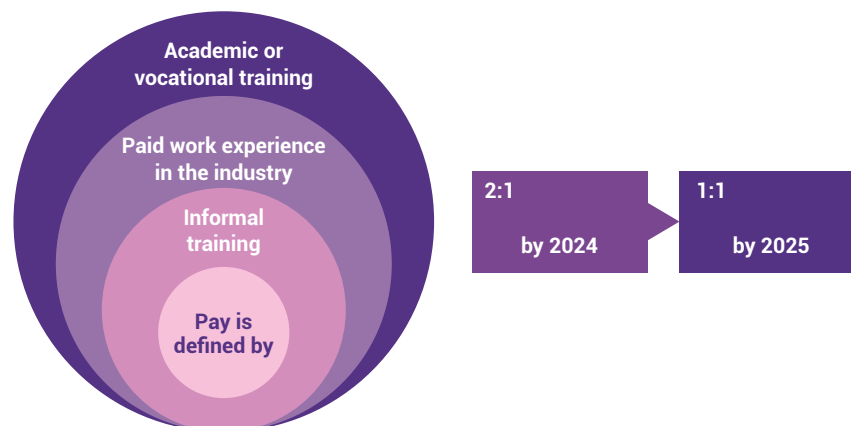
regardless of gender. Our objective is to cultivate an inclusive work environment that embraces work-life integration and equal opportunities for everyone.

Average increment of women employees: We analyse the average salary increments of employees within our organization and compare them to the overall average increment. This helps us identify any potential gaps in the skill sets of our female employees. To empower them and enhance their performance, we organize extra workshops and training sessions specifically designed for women. These initiatives aim to provide them with the necessary skills and knowledge to excel in their roles and bridge any skill-related disparities. By offering targeted support and development opportunities, we strive empower and help grow our female employees within the organization.

Few KPIs to measure gender pay equality programme



At the beginning of each financial year, the Nomination and Remuneration and Compensation Committee establishes goals for achieving gender pay equality. Our targets are designed to achieve a 1:1 ratio of male to female throughout the organization by 2025.





Our remuneration and recruitment policy prioritises and focuses only on the merit and skill of the individual regardless of their gender identity.

Male-to-female salary ratios for different designations within the organization

Sr. No.	Male: Female ratio detail	FY 2020-21	FY 2021-22	FY 2022-23
1	Average salary across organisation	1.01:1	1.53:1	1.75:1
2	Median salary across organisation	0.85:1	0.89:1	1.001:1
3	Median salary male/ female and ratio at corporate headquarter*	1.21:1	0.94:1	1.112:1
4	Average salary of Assistant Manager	0.97:1	1.08:1	1.165:1
5	Average salary of Manager	0.86:1	1.18:1	1.052:1
6	Average salary of Deputy General Manager	1.19:1	1.24:1	1.417:1
7	Average salary of General Manager	0.95:1	0.91:1	1.048:1
8	Average salary of Associate Vice President	0.92:1	NA	NA (as there are no female employees under this designation)
9	Average salary of Vice President	NA (as there are no female employees under this designation)	2.04:1	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.

Targeted Recruitment

We aim to be India's most sustainable ecosystem for universal financial and digital inclusion. Our inclusive recruitment parameters consider aptitude, competency mapping, skill set benchmarking, and abilities to diversify our workplace and provide equal employment opportunities for talented individuals.

Internal Job Posting

We offer internal departmental switches through our job posting portal, allowing employees to expand their experience. Cash rewards are given for successful internal referrals, and the portal facilitates internal career progression within our organization.

External Recruitment

- » We prioritize generating local employment in rural India for our Kendras.
- » We actively encourage applications from minority groups, both in rural India and at our corporate office.
- » Our hierarchical structure includes divisional managers and state heads, and we hire state staff from local communities, including minority groups, to support rural employment.
- » By providing employment opportunities to rural individuals, we help improve their living conditions.
- » As of FY 2022-23, our state office team consists of 42 employees.
- » We promote gender diversity by involving multiple women in the hiring process and currently have 17.39% women in our corporate headquarters.
- » We believe that having a diverse workforce enhances team innovation, participation, and decision-making.
- » We actively recruit retired military professionals through the Armed Forces Recruitment Board and the Indian Army Recruitment Board to further strengthen diversity.
- » We encourage the recruitment of divyang (differently-abled) staff and have facilitated special features such as ramps and Braille access points in our corporate office.
- » As of FY 2022-23, we do not have any permanent divyang individuals employed.

Mentorship

Understanding our organizational culture and equipping new hires with a clear understanding of their roles and responsibilities is paramount. This belief underscores the importance we place on mentorship, as it serves as a valuable means to provide guidance, support, and skill enhancement for new employees, ensuring their seamless assimilation into their respective positions.

Newly hired employees receive training and attend seminars conducted by the core team. Additionally, they are assigned a mentor from the same work profile to facilitate their smooth integration into their roles. The mentor provides guidance on their responsibilities, helps them understand the organizational culture, and supports their skill improvement. Existing employees who wish to become mentors have the opportunity to participate in mentorship training programs twice a year.

Minority group program

Our mentorship program is specifically designed to cater to employees from minority groups, many of whom are located in rural India. Through the guidance and support of their mentors, these employees not only develop a strong sense of belongingness within the workplace but also excel in their professional endeavors and advance in their careers.

<p>Specially abled mentorship program</p>	<p>Various mentors have been appointed to help our divyaang staff effectively fulfil their roles and responsibilities. Wherever there are mentors with similar job profiles and activities, they can help in guiding their mentees.</p>
<p>Mentor and buddy program</p>	<p>Our mentorship program supports newly appointed State Heads, also called Buddies, in understanding the firm's operations within their states. A senior State Head with extensive experience is assigned as a mentor to provide guidance and share knowledge. The Mentor State Head plays a crucial role in helping Buddies achieve their targets and ensuring a smooth way for successful performance.</p>
<p>Women mentorship program</p>	<p>Our organization has a mentorship program for our 100% women employees. They are paired with senior women mentors who provide guidance on professional development and personal matters like childcare. Each mentor has a maximum of three mentees, ensuring individualized support and an effective mentorship experience. This program aims to enhance the professional growth and success of our women employees.</p> <p>This allows the mentor to focus attentively on each mentee, providing individualized support and guidance. By maintaining this structure, we aim to optimize the mentorship experience and facilitate the professional growth and success of our women employees.</p>
<p>Military mentorship program</p>	<p>The program aims to support former military professionals and their spouses in transitioning smoothly from military to corporate life. It is specifically designed to help these individuals develop the necessary skills required for success in corporate roles. The mentors play a crucial role in guiding ex-military professionals through this transition, offering valuable insights and support to help them navigate the corporate environment effectively.</p>
<p>New-joiner program</p>	<p>A mentor is mapped to all employees joining the organization who helps the new-joiner to understand the corporate culture and take up their role more effectively.</p>

Employee Affinity Group or Networking Group

In order to foster inclusivity and enhance the sense of value among our employees, we encourage the

formation of 'Affinity Groups' or 'Networking Groups'. These groups provide a platform for employees to come together based on shared backgrounds, interests, or experiences. By allowing these groups to form, we aim to retain our current employees while also attracting new talent. These groups offer valuable perspectives and insights into specific techniques and strategies targeted towards the group's focus. Additionally, they help in increasing the representation of women and minorities within our organization, creating a more diverse and inclusive workforce.



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.

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 13% 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	Also known as the "Working Parents Support Group", 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	They represent employees from minority groups in our country, fostering friendships and promoting shared values that enhance inclusivity and talent retention within the organization. It also attracts talent from underserved and unserved districts, contributing to diversity. The group addresses any potential discrimination concerns, creating a safer and more appreciative environment for employees. A designated Coordinator communicates the group's perspectives and 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 various educational institutes, and we have an affinity group dedicated to welcoming them and helping them adjust to the work environment. This group takes initiatives to provide necessary training and support for their skill development and career path. These employees have been with the organization for less than 500 days. This approach also helps us attract more young talent from their institutes.

Training & Development

We conduct regular seminars and knowledge-sharing training for employees at all levels of the organization, including tactical, strategic, and leadership levels. These trainings focus on improving employees' knowledge base and also include soft-skills training to enhance communication skills. The Nomination and Remuneration and Compensation Committee sets a target for training hours, ensuring that each employee attends at least two training workshops annually.

Type of Training	Training Name	No. of Employees	Duration	Total Training hours
Mandatory Trainings	HR Induction	63	4 hrs	252
	POSH	63	3 hrs	189
Refresher Trainings	PF Training	24	2 hrs	48
	ESIC Training	10	2 hrs	20
	POSH	55	3 hrs	165
	Awareness on Taxation on Salary	30	2 hrs	60



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At on-boarding of Franchisee training on the Code of Conduct and best business practices is given to create awareness about the Company and its core value system.

In the previous fiscal year, we conducted 734 hours of training for permanent employees, covering various topics such as health and safety, skill upgradation, cyber security, energy efficiency, anti-corruption policy, human rights policy, and waste disposal. This training was provided to all employees, including 35 female employees, emphasizing our commitment to comprehensive employee development.

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. A total of 28 hours of training was given to our security staff.

The 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.

Wellness program: Implementing a workplace wellness program.

Trainings are also provided to our franchisees on the following:

- » At on-boarding of Franchisee training on the Code of Conduct and best business practices is given 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.

Over the past couple of years, businesses have witnessed a significant shift towards embracing technological advancements and digital solutions. As a result, virtual communication (VC) channels have been established, enabling franchisees to log in regularly and participate in online training sessions tailored to their specific services. These sessions also facilitate live, two-way communication between franchisees, direct business teams, and centralized relationship managers at the head office. This immediate interaction allows for the prompt resolution of queries and concerns in real-time. Moreover, a calendar for these sessions is integrated with the VKMS Portal, and the schedule is shared via email and WhatsApp, ensuring convenient access and keeping everyone updated.

Talent Retention

Talent retention involves strategic actions aimed at keeping employees motivated and focused, leading to increased productivity for the organization. We believe that talent retention is crucial for achieving long-term growth in our company. Our measures to retain talent include assigning challenging tasks, setting achievable cross-functional targets, and providing various benefits such as wellness programs, parental support, and mobility opportunities.

We offer our employees the chance to explore new positions and departments, which not only helps them expand their networks but also exposes them to fresh challenges. This is made possible through our

internal job posting system, where employees can apply for open positions within the organization at no cost. Internal job postings play a vital role in continuous skill development and provide a fair opportunity for employees to advance their careers.

Furthermore, our internal referral program rewards employees who refer candidates for open positions, offering them attractive cash rewards based on the position and level of the referral. This program not only supports internal recruitment but also encourages employees to actively participate in the growth of our organization.

We have offered fresh grant to 57 employees for Employee Stock Ownership Plan (ESOPs) in the 2022-2023 fiscal year. Further, during the FY2022-23 162 employees vested their ESOPs, and 12 employees exercised their ESOPs. An ESOP is a type of retirement plan that gives employees ownership of shares in the company they work for. ESOPs can be a valuable way for employees to save for retirement and build wealth. Our ESOP program is designed to provide employees with the opportunity to share in the company's success. The program is also designed to motivate employees and encourage them to stay with the company. We are committed to providing its employees with a variety of benefits, including retirement plans. We believe that a comprehensive benefits package is important for attracting and retaining top talent.

Below is the list of benefits that are given to employees:

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
Wellness Programmes	» Employee assistance program, health and fitness initiatives, well being and cessation programs, further education programme
Career Break Policy	» Medical emergency, higher education

Supporting our new hires

To support the smooth transition and integration of new employees, our Early Interventions team conducts regular meetings at specific intervals (45 days, 90 days, 125 days, and 180 days) to assess their orientation process and ensure their alignment with their respective departments. These periodic meetings help us identify any gaps and address any issues or concerns they may have.

Building a Lasting Workforce

Our employees, on average, have been associated with our company for six years, with an average age of 38. This suggests that we have been able to create an environment that fosters long-term commitment and loyalty among our workforce.

For years, employees have been associated with our Company and in FY2022-23, we recorded a voluntary average attrition rate of permanent employees at 1.9%.

Year	Employees Resigned	Gender - wise				Age - wise		
		Male	%	Female	%	Less than 30 years	30-50 years	Over 50 years
FY 2020-21	593	557	93.93	36	6.07	355	229	9
FY 2021-22	614	586	95.44	28	4.56	167	428	19
FY 2022-23	58	46	79.31	12	20.69	12	44	2

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.

Encouring growth

At our company, we firmly believe in the power of annual appraisals to drive growth, foster development, and recognize the valuable contributions of our employees.

Category	FY 2022-23		
	Total (A)	No. (B)	% (B/A)
Male	217	8	3.69
Female	35	2	5.71
Total	252	10	3.97

Employee Satisfaction

We have always placed a high value on our employees, recognizing that their well-being and productivity are key to our success. This commitment to our human resources aligns seamlessly with our theme of fostering an entrepreneurial culture of work-life balance. Therefore, we have established guidelines that prioritize both output and the well-being of our workforce. Our employees typically work around 9 hours a day, with flexible timing arrangements that cater to individual needs. If an employee works more than 8 hours, we ensure fair compensation for their dedication and extra effort.

The leave policy in the organization runs month-wise and every month 1.75 days of leave gets credited to employees account. We provide generous benefits such as 21 days of annual leave and 9 days of public holidays. Furthermore, we allow up to 30 days of annual leave to be carried forward to the next year, enabling employees to plan their time off effectively. Additionally, any pending leaves over 30 days are encashed to provide our employees with financial security. We go the extra mile in ensuring that our employees have ample time for personal

commitments and have designated the 2nd and 4th Saturday of each month as holidays for all employees. 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. In FY 2022-23, 2 female employees availed parental leaves and both of them returned to work after their parental leaves.

To encourage a sense of ownership and participation, we have implemented an Employee Stock Options (ESOPs) program. This program extends to 100% of our employees. Through ESOPs, our employees have the opportunity to become stakeholders in our company's success, aligning their interests with the long-term growth and prosperity of the organization.

We sign a Non-Disclosure Agreement (NDA) with employees for maintaining confidentiality of their information, including information related to health. NDA also restricts employees to furnish any detail about the Company to any individual, organisation or group. Our HR department safeguards the signed copy of NDA, along with other employee details. If at any point we come to know that confidential information has been compromised, we will initiate disciplinary action against those responsible.

Employee Engagement Program

We acknowledge that employees have a deeper connection and involvement with their work and the organization beyond just receiving a paycheck. Employee engagement is based on trust, integrity, two way commitment and communication between us and our employees. It is an approach that increases

the chances of business success, contributing to organisational and individual performance, productivity and well-being. Our commitment to fostering employee engagement aligns seamlessly with our theme of nurturing an entrepreneurial work atmosphere. Through effective communication, training and development, recognition programs, collaboration, and work-life balance initiatives, we create an environment where employees feel connected, valued, and motivated. By nurturing employee engagement, we unlock their full potential, fueling our organization's growth and prosperity.

To keep our employees engaged and foster a vibrant and positive work environment, we implement the following activities:

- » Zumba classes twice a week

- » International Women's day celebrations
- » Inter-departmental activities
- » Happiness sessions
- » Independence Day and Republic Day activities
- » Navratri celebration
- » Mother's day event

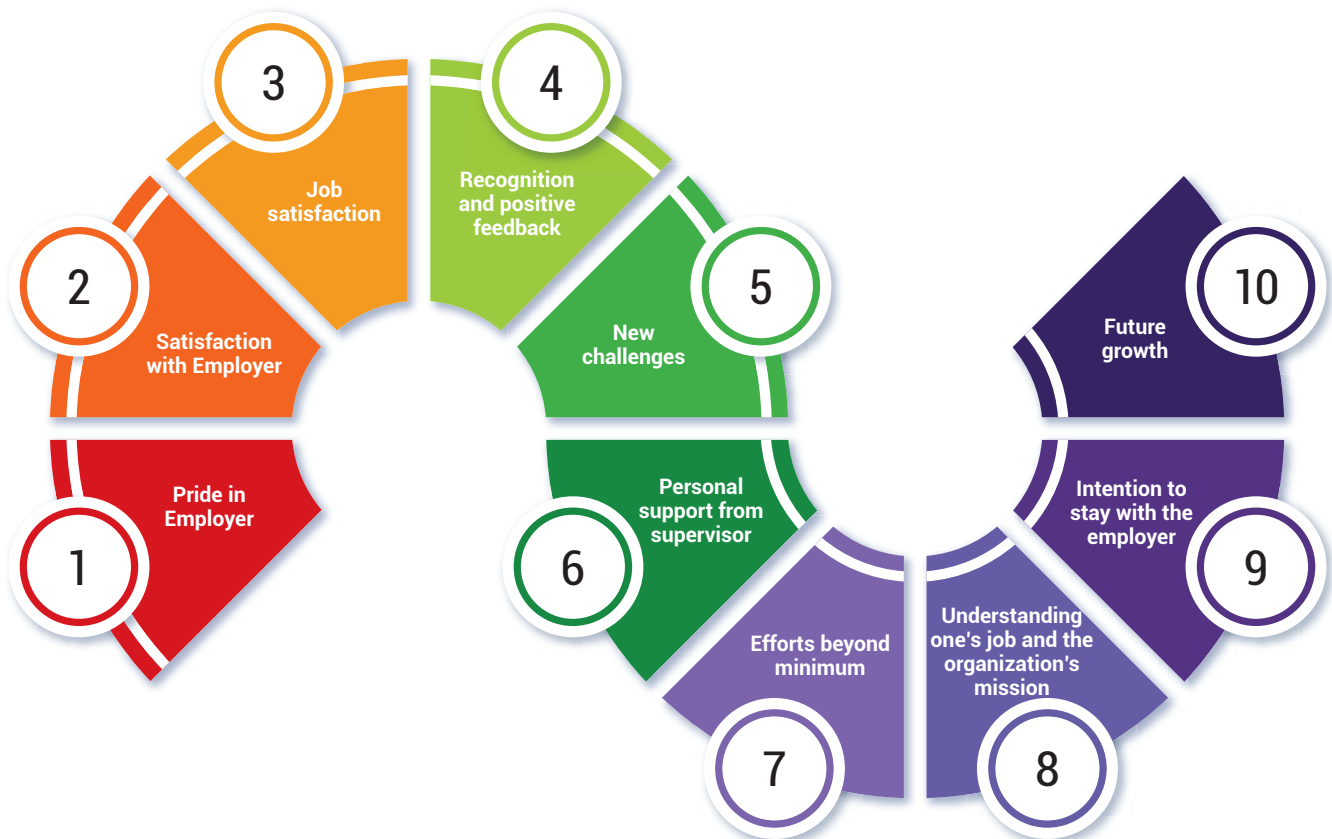
Employee engagement survey

We strongly believe in the power of employee engagement and its profound impact on organizational success which resonates perfectly with our theme of fostering an entrepreneurial work atmosphere that drives sustainable growth.

The below ten common themes are measured which are related to Employee Engagement Survey.



We strongly believe in the power of employee engagement and its profound impact on organizational Success.



Careers Goals, Growth & Development

A significant portion of employees at our Company, comprising 89%, express satisfaction with their job responsibilities. This satisfaction is reflected in the ratio of 166 male employees to 29 female employees who feel content in their roles. Additionally, both male and female employees, with a ratio of 165 males to 29 females, take pride in working for our Company.

Furthermore, 88% of employees believe that they can fully utilize their skillset and expertise in our organization. This sentiment is shared by 162 male employees and 30 female employees.

Moreover, 86% of employees have a clear understanding of their career goals within our Company. Among them, 158 male employees and 31 female employees feel confident about their career trajectories in the company.

Teamwork & Collaboration

A significant majority of employees, amounting to 90%, feel that their managers encourage collaboration within their teams. This encouragement is evident in the ratio of 169 male employees to 29 female employees who perceive their managers as supportive of collaboration. Additionally, employees feel that they can rely on their peers for help, with a ratio of 167 males to 31 females expressing this sentiment.

Moreover, 89% of employees feel inspired and connected with their co-workers. This feeling of connection is shared by 164 male employees and 30 female employees. Furthermore, employees are encouraged to come up with new ideas and approaches in their work, with a ratio of 169 males to 26 females feeling supported in this aspect.

Compensation and Benefits

Regarding compensation and benefits, two questions were asked, and 73% of employees expressed satisfaction with the offered compensation for their job roles. They also believe that the provided benefits align with industry standards. This sentiment is reflected in the ratio of 136 male employees to 23 female employees who feel content with their compensation and benefits package.

Managerial Effectiveness

Approximately 91% of employees believe that their managers at our Company are dedicated to achieving good quality results. This dedication is evident in the ratio of 168 male employees to 32 female employees who perceive their managers as committed to delivering high-quality outcomes. Furthermore, employees feel that their managers provide guidance and motivation whenever necessary, with a ratio of 169 males to 30 females expressing this sentiment.

Additionally, 90% of employees feel that their managers assign challenging assignments or projects to them. This perception is shared by 171 male employees and 27 female employees. Moreover, employees believe that their managers are supportive and actively involve them in team discussions and decision-making. This is reflected in the ratio of 169 males to 28 females who feel included and supported by their managers in these aspects.

Work Life Balance

A significant percentage of employees, approximately 85%, feel that they are permitted to take regular breaks during their work. This sentiment is shared by 158 male employees and 28 female employees.

Moreover, 83% of employees believe that the work environment at our Company enables them to maintain a proper balance between their professional and personal lives. This feeling of balance is experienced by 155 male employees and 26 female employees. Additionally, employees feel that they have the flexibility to take personal leaves whenever necessary. This flexibility is appreciated by 152 male employees and 29 female employees.

Performance, Rewards & Recognition

A significant majority of employees, around 89%, feel that they are acknowledged and rewarded for their performance, receiving recognition from their managers for their exceptional efforts. This recognition extends to 164 male employees and 31 female employees.

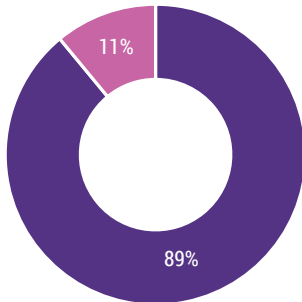
Furthermore, 88% of employees receive appreciation from both their managers and peers for a job well done. This appreciation is received by 161 male employees and 31 female employees.

However, in terms of career path and promotion plans, the satisfaction rating is lower. Approximately 71% of employees express contentment with their career path and promotion plans. This sentiment is shared by 132 male employees and 23 female employees.

Company Recommendation

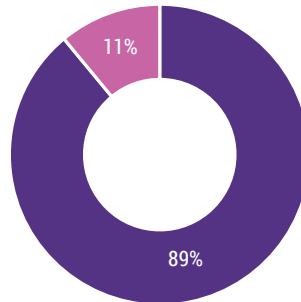
On average, 83% of employees at our Company express their willingness to recommend the company to their friends and family. This positive recommendation is shared by 155 male employees and 24 female employees. Additionally, employees express happiness and satisfaction with their work at our Company. This sentiment is experienced by 160 male employees and 26 female employees.

Career Goals, Growth and Development - Employees satisfied with their job responsibilities



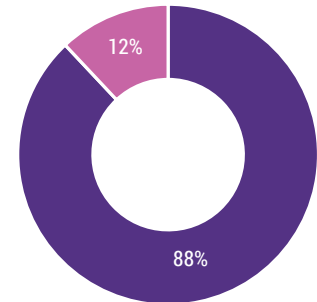
- Agree and strongly agree
- Neutral and disagree

Career Goals, Growth & Development - employees proud to work for Vakrangee Limited



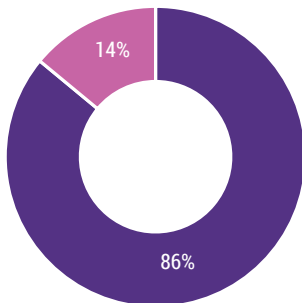
- Agree and strongly agree
- Neutral or undecided

Career Goals, Growth & Development - Employees can reach to their full potential in this organization by using their skillset and expertise



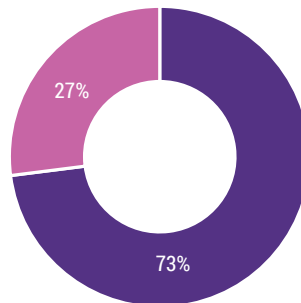
- Agree and strongly agree
- Neutral or undecided, strongly disagree and disagree

Career Goals, Growth & Development - Employees have clear understanding of their career goals in Vakrangee Limited.



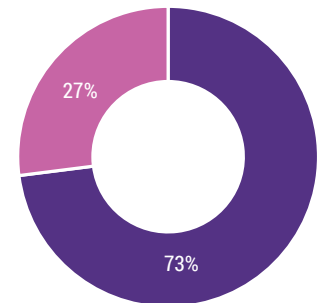
- Agree and strongly agree
- Neutral or undecided, strongly disagree and disagree

Compensation & Benefits - Employees are satisfied with the compensation that is offered to them for their job role



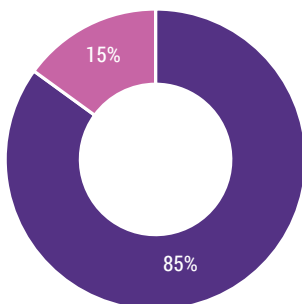
- Agree and strongly agree
- Neutral or undecided, strongly disagree and disagree

Compensation & Benefits - The benefits that are provided to employees are commensurate with industry standards



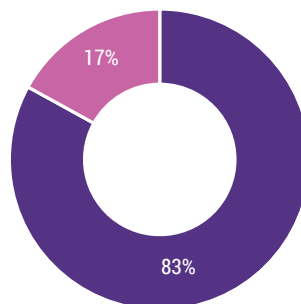
- Agree and strongly agree
- Neutral or undecided, strongly disagree and disagree

Work Life Balance - Employees are allowed to take regular breaks in between their work



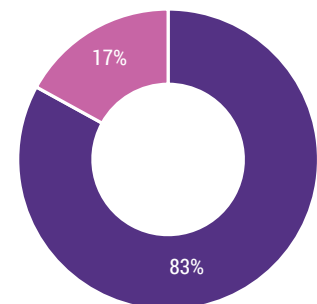
- Agree and strongly agree
- Neutral or undecided, strongly disagree and disagree

Work Life Balance - Employees have flexibility to take personal leaves whenever required



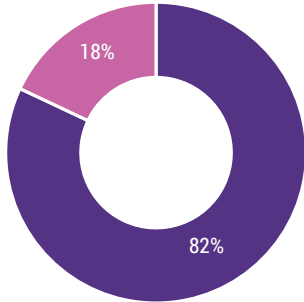
- Agree and strongly agree
- Neutral or undecided, strongly disagree and disagree

Work Life Balance - The work environment helps employees strike the right balance between their Professional Life and Personal life



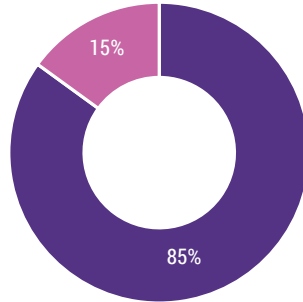
- Agree and strongly agree
- Neutral or undecided, strongly disagree and disagree

Company Recommendation - Employees will recommend the company to their friends and family



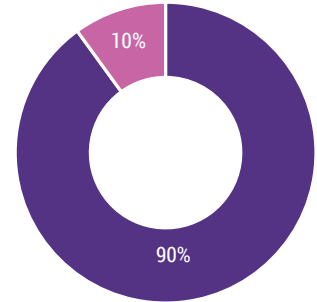
- Agree and strongly agree
- Neutral or undecided, strongly disagree and disagree

Company Recommendation - Employees are happy and satisfied working at Vakrangee Limited



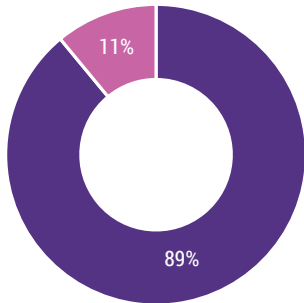
- Agree and strongly agree
- Neutral or undecided, strongly disagree and disagree

% of Employees Who Feel Their Manager Encourages Collaboration in the Team



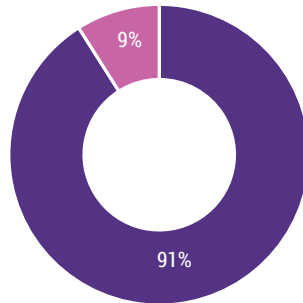
- Agree, Strongly agree
- Neutral disagree, Strongly disagree

% of Employees Who Feel Inspired and Connected with Co Workers



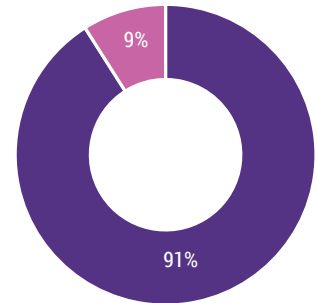
- Agree, Strongly agree
- Neutral disagree, Strongly disagree

% of Employees Who Feel Their Manager is Committed to Deliver Good Quality Results



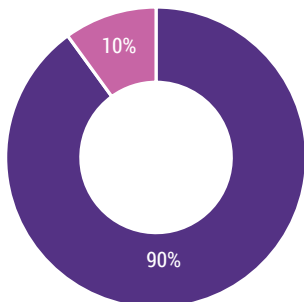
- Agree, Strongly agree
- Neutral disagree, Strongly disagree

% of Employees Who Feel Their Manager Provides Guidance and Motivation Whenever Required



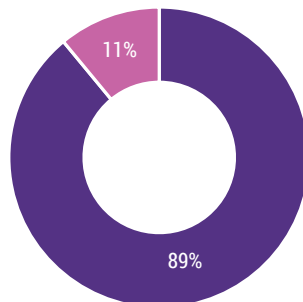
- Agree, Strongly agree
- Neutral disagree, Strongly disagree

% of Employees Who feel that their Manager allocates challenging assignments / projects



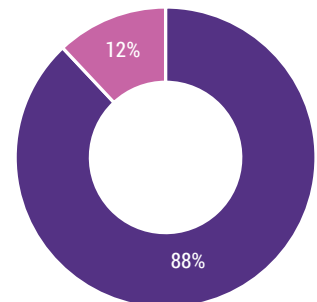
- Agree, Strongly agree
- Neutral disagree, Strongly disagree

% of Employees who feel that they are rewarded for their performance and receive recognition from their managers for extraordinary work



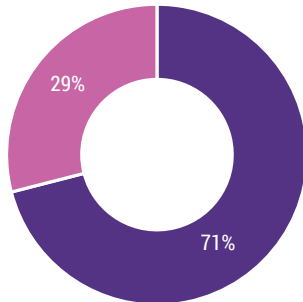
- Agree, Strongly agree
- Neutral disagree, Strongly disagree

% of Employees who feel that they receive recognition from their managers for good job



- Agree and strongly agree
- Neutral or undecided, strongly disagree and disagree

% of Employees who feel that they are happy with their Career path and Promotion plan



- Agree and strongly agree
- Neutral or undecided, strongly disagree and disagree

Employee Rewards & recognition

We understand that fair compensation is just one aspect of creating a fulfilling work environment.

Employees also seek fair treatment and appreciation for their efforts. To address this, we have developed an employee incentives and recognition program that ensures both intrinsic and extrinsic rewards, fueling productivity and engagement throughout the organization.

We recognise employees especially for:

- » Ability to manage and champion change
- » Innovation
- » Systems improvement
- » Customer or client retention
- » Significant personal development
- » Perform actions that embody the core values of the organisation

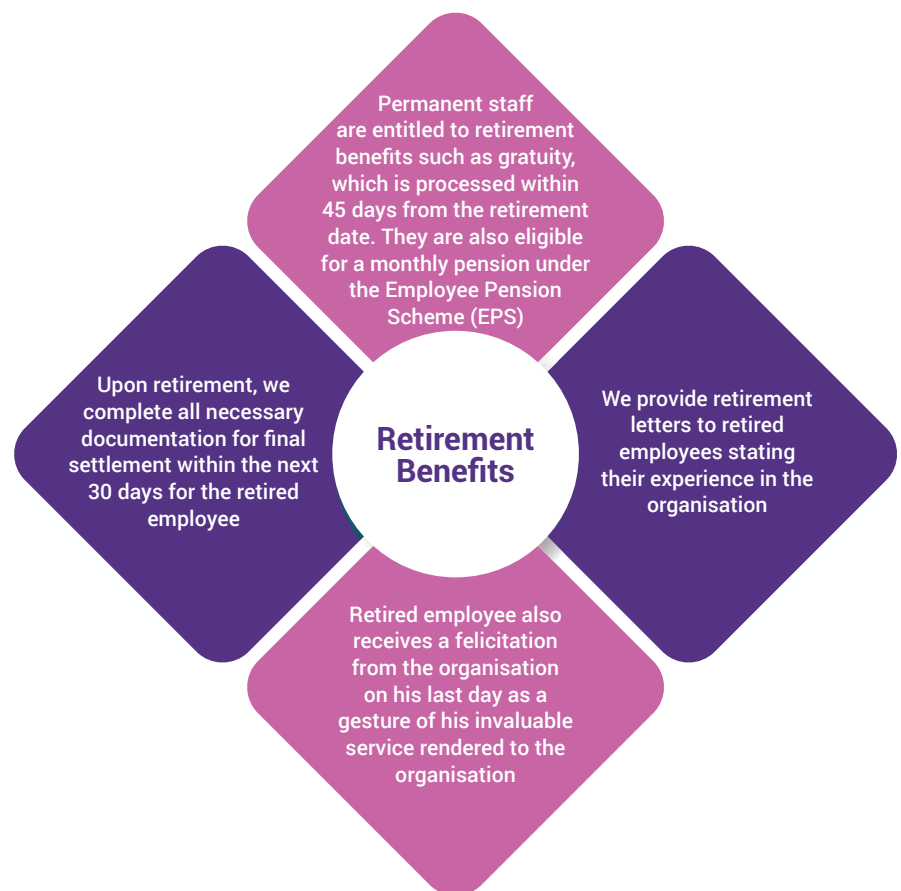
We reward employees for their exemplary performance in the following ways:

- » Star Performer Awards
- » Long Service Award
- » Incentive Awards for the entire ecosystem in Vakrangee

We honor our tenured talent who have dedicated their time and expertise to our organization. We present awards to employees who have completed significant milestones of 5, 8, 10, 12, and 15 years, acknowledging their loyalty and commitment to our company.

Retirement Policy

Our retirement policy is in effect for all permanent employees employed with us. Employees are typically required to retire at the age 60. However, the management reserves the right to extend an employee's retirement on a year-to-year basis, taking into consideration their medical condition and performance in the previous year. The HR department will provide employees with notification regarding any retirement extensions at least 30 days before their scheduled retirement date.



Human Capital Risk Assessment

Within our organization, the risk management committee conducts regular human capital risk assessments. Acknowledging the significance of cohesive teamwork in organizational operations, the collective efforts of each employee play a crucial role in accomplishing our overarching objectives.

Human capital risk assessment plays a crucial role in identifying factors that could potentially have a detrimental impact on both personnel and organizational activities.

To effectively manage human capital risks, our Head of People, Performance, and Culture develops a comprehensive action plan that includes the following information:

- » Identification of human capital risks
- » Classification of human capital risks
- » Description of losses induced by human capital risks
- » Human capital risk management strategy
- » Sequence of actions for implementation
- » Timing of implementation
- » Officials responsible for implementation



Safety of our employees by implementing robust safety measures and protocols. Our proactive approach ensures that safety tools and processes are consistently in place to mitigate any potential accidents.

Our detailed action plan, which

Parameters for measuring effectiveness of activities of the plan

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

includes roles, responsibilities and timelines is further assessed and approved by the Risk Management Committee of the Board. This ensures a thorough evaluation and oversight of our human capital risk management initiatives. To facilitate effective implementation, we develop an annual activity calendar that outlines all the planned activities related to mitigating risks associated with our human capital. This calendar serves as a roadmap, guiding us through the year

and enabling us to proactively address and mitigate any potential risks that may arise.

Health & Safety

We deeply understand that creating a safe and secure work environment is not only vital for safeguarding our workforce but also a catalyst for improved performance. With unwavering commitment, we prioritize the health and safety of our employees by implementing robust

safety measures and protocols. Our proactive approach ensures that safety tools and processes are consistently in place to mitigate any potential accidents. Furthermore, we foster a culture of employee engagement, actively involving our workforce in the development, implementation, and evaluation of our occupational health and safety policies, management systems, and programs. By nurturing a collaborative environment, we empower our

employees to take ownership and responsibility, actively contributing to the cultivation of a secure and protected workspace.



With the ISO 45001:2018 certification for Occupational Health and Safety Management System, we prioritize the well-being of our employees and businesses. Our aim is to identify and mitigate any potential factors that could cause harm. This certification addresses both physical and mental well-being, leading to improved employee satisfaction, retention, health, productivity, and reduced absenteeism.

We go beyond mere compliance by offering healthcare services and voluntary health promotion programs, such as assisting employees in improving their diet or quitting smoking. Our commitment to health and safety not only demonstrates our dedication to our employees' well-being but also yields tangible benefits. By safeguarding their health

and ensuring their safety, we enhance employee satisfaction and retention, leading to increased productivity and reduced absenteeism. We understand that a safe atmosphere, free from accidents and injuries, is essential for creating a conducive work environment where employees can thrive and perform at their best. We recognize that workplace health and safety are vital for the long-term success of our business and the overall welfare of our personnel. By prioritizing the well-being of our workforce, we create a mutually beneficial relationship in which both the business and its employees thrive.

The occurrence of work-related hazards can vary significantly depending on the location and specific business lines. To effectively manage these incidents, we have categorized them based on geographical areas and business divisions. Furthermore, we have identified potential hazards that pose a high risk of injury. Specifically, we classify high consequence work related injury as the one which could result in fatality or the employee is not able to fully recover from his status within 4 months.

In order to prioritize employee safety, we strongly advocate that relevant field staff, Block Officers, and Divisional Operating Managers utilize four-wheelers or book taxi rides for any business-related travel. We are in ATM business and have nodal ATM machines in our Vakrangee Kendras. There is a potential for hazard or theft while loading cash in the ATM machine which could lead to a fatal incident. 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. 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. 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 2022-23, we recorded zero fatalities for work-related ill health. When an employee resumes back to work for any ill health, first medical certificate is made mandatory to submit, which ensures that the employee is fit and can perform work well. Secondly, we have an in-house resident doctor who is available 24x7 for the employees. We firmly believe that it is essential to utilize all available resources to educate these individuals on their responsibilities regarding employee safety and how to handle risky situations. By doing so, we can ensure the well-being of our employees and effectively manage potential hazards.

At our organization, we prioritize the well-being of our employees by embracing the belief that "Health is Wealth." As a result, we undertake a range of initiatives to support their physical fitness and promote a stress-free environment. These endeavours are executed and monitored by our dedicated HR department, which ensures the effective implementation of our fitness programs. The benefits given at our organisation is elaborated in the following section:





Our aim is to assist employees in achieving a harmonious balance between their professional obligations and personal matters, enabling them to stay focused on their jobs.

Employee Assistance Program (EAP): We have established an Employee Assistance Program (EAP) that offers valuable psychological support to individuals dealing with personal and professional challenges. Through our dedicated counselling sessions, we provide assistance and guidance to help employees navigate through various issues they may be facing.

Furthermore, our EAP focuses on empowering employees to make informed decisions regarding their health. We provide training and resources that enable them to make smarter choices in areas such as exercise, nutrition, weight management, and tobacco cessation. By offering these services, we aim to support our employees in leading healthier lifestyles and achieving overall well-being.

Practical well-being support: In certain circumstances, employees may encounter challenges that hinder

their ability to perform at their best in the workplace. Responsibilities related to family, relocation, household duties, and legal or financial matters can serve as distractions or even lead to absences from work. In recognition of this, we offer work-life consultation services along with personalized research and resources. Our aim is to assist employees in achieving a harmonious balance between their professional obligations and personal matters, enabling them to 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: Periodic smoking cessation programs are conducted to aid employees who wish to quit smoking. These programs entail the development of personalized “quit plans” by trained professionals who offer live

chat coaching and text messaging support. Our goal is to provide the necessary guidance and assistance to individuals seeking to overcome their smoking habit and embrace a healthier lifestyle.

Healthy workplace: To foster a healthy and safe workplace environment, we have implemented a policy that strictly prohibits the consumption of drugs, alcohol, tobacco, guthka, or any other substances. This policy applies to all employees within our organization. We emphasize the importance of adhering to this policy to ensure the well-being of both individuals and their colleagues. Any employee discovered in violation of this policy, thereby endangering the lives of others as well as their own, will be subject to rigorous 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.

Parental support & creche 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 & emergency drill: Mock drills and fire-fighting evacuations related to health and safety is conducted for certain set of employees. To ensure the proper use and availability of fire extinguishers during emergencies, we have implemented fireboxes on every floor. These fireboxes are specially designed enclosures that securely house the fire extinguishers, preventing them from being misused or tampered with. By placing the fire extinguishers in fireboxes, we can maintain their functionality and

readiness at all times, enabling our employees to effectively respond to workplace fires. This precautionary measure helps us create a safer work environment and enhances our emergency preparedness efforts.

First-aid box: Accidents can occur unexpectedly and being prepared can alleviate panic and provide essential assistance. As part of our proactive approach, we regularly monitor our inventory on a monthly basis to ensure the readiness of our First Aid Kit for unforeseen circumstances. The First Aid Kit is equipped with various essentials such as gauze, cotton, spirit, scissors, adhesive plaster, bandages, as well as medications for anti-inflammatory, antipyretic, anti-emetic, and anti-allergic purposes. This comprehensive collection of items enables us to promptly address injuries or illnesses and provide necessary care when needed.

Self-defence training: We prioritize the overall well-being of our employees





We organize self-defence training sessions to empower our employees with the knowledge and skills necessary to protect themselves against potential harm or physical attacks.

and recognize the importance of investing in our collective future as a company. We understand the immense value, both in the short-term and long-term, of equipping our employees with life-saving skills. Self-defence training plays a crucial role in preventing workplace violence proactively. Periodically, we organize self-defence training sessions to empower our employees with the knowledge and skills necessary to protect themselves against potential harm or physical attacks. By being self-equipped, employees gain a heightened sense of confidence, which positively impacts their performance and leadership potential. Additionally, self-defence training fosters the development of assertiveness while simultaneously reducing aggressiveness, creating a more harmonious and secure work environment.

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 Mediclaim 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 both hospitalisation as well as 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, tuberculosis or any other life-threatening disease. We believe in the saying, "Health is Wealth"; therefore, we conduct various initiatives to help employees stay physically fit and stress-free.

Our Safety Record

We devote all the necessary energy and attention to protecting the safety and well-being of everyone involved with our company, from employees and contractors to suppliers, franchisees, customers, and the public. This commitment is evident in the fact that there were 0 fatalities and 0 cases of recordable work-related ill-health in our organization in the 2022-2023 fiscal year.

Grievance Redressal

Building a safe workspace

We have a firm stance against sexual harassment, considering it an unacceptable conduct and a serious social offense. Our organization maintains a policy of zero tolerance towards any form of sexual harassment. To ensure the prompt resolution of such incidents, we have established two committees: the "POSH Committee" and an Internal Complaints Committee.

We have dedicated professionals who responsibly handle the grievances of both our permanent employees and franchisees. Additionally, we have implemented a query management system that allows employees to document their grievances, which are then directly reported to the HR Head at our corporate office. Both our Internal Complaints Committee and POSH Committee address the concerns raised by our permanent employees, thereby providing a comprehensive mechanism to address and resolve issues related to sexual harassment.

We also ensure that we do not employ any child labour or forced labour.

Zero Tolerance for Corruption

There were no confirmed incidents of corruption in FY2022-23. No employees were dismissed or disciplined for corruption, and no contracts with business partners were terminated due to corruption violations. 100% of governance body members, permanent employees, contractual employees, franchisees, and business partners were made aware of the organization's anti-corruption policies.

This is a positive sign, as it indicates that we are committed to preventing corruption. We will continue to monitor our operations for signs of corruption and take steps to prevent it from happening. This includes training

employees on the organization's anti-corruption policies, conducting regular audits, and implementing whistleblowing procedures.

We recorded 0 cases of discrimination on the grounds and as a result no cases were pending for review in the 2022-2023 fiscal year.



100% of governance body members, permanent employees, contractual employees, franchisees, master franchisees, and business partners were made aware of the organization's anticorruption policies.



Intellectual Capital

At the heart of our business model lies a firm commitment to fostering entrepreneurship and creating an environment conducive to success. Through our unique district-level master franchisee approach, we have embraced the concept of “driven performance through entrepreneurship,” placing our trust and support in the hands of local entrepreneurs.



As we continue investing in cutting-edge technologies, we remain dedicated to providing unwavering assistance to new and existing franchisees, propelling their performance to new heights. Our focus on innovation serves as a driving force behind our mission to enhance the accessibility of online services. By leveraging our extensive network of last-mile retail points, we aim to make these services readily available to individuals nationwide.

Furthermore, our vision extends beyond mere business growth. We aspire to cultivate a thriving

entrepreneurial ecosystem in India, empowering a wider pool of talented individuals through our enlightened approach to Master Franchisees and Kendra franchisees. We strive to create a more vibrant and prosperous entrepreneurial landscape by promoting awareness, self-reliance and opportunity.

Together, we embark on a journey of empowerment where entrepreneurship thrives, accessibility is expanded and dreams are transformed into reality.

Pioneering Technology-driven Solutions for Business Growth

In today’s fast-paced business landscape, the demand for technology that delivers speed and security is paramount. To meet this need, we have harnessed our technical expertise, tools, and talent to develop a highly efficient system in alignment with the ISO standards. Our commitment to efficiency is matched by our dedication to safeguarding sensitive information and services. Through rigorous risk assessment software and strategic approaches, we ensure a smooth and secure flow of operations. Focusing on innovation and protection, we offer businesses a reliable and secure platform to meet their needs. Together, we navigate the changing times with reliability and confidence, using technology to drive success while keeping everything secure.



Our unique approach to digital convenience stores is revolutionising access to essential services in underserved markets throughout India. Our comprehensive range of offerings includes bill payment and recharges, online shopping, travel arrangements, courier services, and more. By bringing these services to the doorstep of those who have been traditionally overlooked, we strive to foster progress and ignite the entrepreneurial spirit. Our innovative platform bridges the gap between underserved markets and the wider world, offering newfound opportunities and convenience. By expanding access to crucial services, we are transforming lives and creating a more inclusive and prosperous society.

Our valued customers, who play a pivotal role in driving our progress, receive a comprehensive range of services, including last-mile assistance and personalised support. We prioritize meeting their needs and enhancing their experience, recognising their vital role in our continued growth. By providing last-mile and assisted services, we ensure that our customers receive the utmost care and convenience in their interactions with us.

For instance, through adopting an Aadhar-enabled Payment System (AePS) model, an assisted banking mode is made available to our customers whereby they can carry out financial transactions at no extra cost with the help of their Aadhar cards and biometrics only. We currently have 20,399 operational Vakrangee Kendras covering 5,159 postal codes, with more than 79% of our outlets spread across tier IV, tier V and tier VI cities. Till the financial year 2023, we have recorded over 12.2 crore

total transactions and as on 29th May, 2023 we have appointed Master Franchisees in 234 Districts across 27 states of the country, emerging as India's "Go to Market Platform".

Our intellectual capital is built upon our core principles of Trust, Perseverance, Unyielding Rigour, Entrepreneurial Spirit, and Prudence. We implement standardised policies and procedures to embody these principles, leverage relevant tools and software, employ risk management strategies, and invest in Research and Development (R&D) activities. Any system introduced is driven by enabling a more customer, employee and franchisee-friendly business enterprise.



Till the financial year 2023, we have recorded over 12.2 crore total transactions and have appointed Master Franchisees in 234 Districts across 27 states of the country.

SOME OF OUR LAST-MILE SERVICES



We aim to provide customers with convenient online bill payment services, eliminating the need for extensive travel and enabling seamless transactions.



We have partnered with DocOnline where citizens can avail the Total Healthcare services at affordable prices and access to pharmacy products at discounted prices.



We provide customers with localised and convenient travel ticket booking services, offering flexible payment options to enhance their experience.



We provide our customers with access to millions of products at competitive prices.

Our Impact

Input

- » District-level Master Franchisee Scheme
- » Virtual assistance
- » Cloud Migration
- » Digital Payment Solutions
- » Internet of Things
- » Big Data and Predictive Analytics
- » Artificial Intelligence (AI) and Machine Learning (ML)
- » Blockchain
- » Conversational Interface in the form of Chatbots
- » Virtual Assistance – Voice-based services
- » Text-to-Speech ATMs for Divyang (Specially-abled) Customers
- » Technical Support Desk (TSD) viz. VKID for Franchisees

Output

- » Master Franchisees appointed in 234 Districts across 27 States
- » Presence across 29 States and 566 Districts
- » Currently, 20,399 Active Transacting Vakrangee Kendras covering 5159 postal codes, with 79% outlets across Tier IV and Tier VI cities

Outcome

- » Services provided to under-served and lesser-served markets of India
- » Prevalence of essential services like banking, e-commerce, insurance, Healthcare, online Demat & trading Account Services, assisted online education and online agricultural products and services in remote areas
- » Hassle-free services save time and increase the productivity of customers and franchisees
- » Improved inclusivity as services like biometric-enabled banking assist illiterate citizens with availing banking services conveniently
- » Interoperable banking reduces the requirement of customers to travel long distances
- » Enhanced accessibility for specially-abled customers

Impact

- » Push to entrepreneurship through the Master Franchisee model
- » Access to financial products all over India through last-mile services
- » Access to digital services (e-commerce, Demat and trading account, total Healthcare, etc.) for personal and business needs in maximum regions of India
- » Equal access to all services
- » Ease of use and nurturing the trust of stakeholders

Data Quality and Privacy

Our business needs to ensure that our services are up to the standards. We have established a data quality operating model that includes services for delivering data, assessing its quality, and managing its integrity.

Our data owners are responsible for documenting quality rules based on the characteristics identified from data profiling. In contrast, the Company's data controllers and senior management are responsible for extending and enriching data elements based on the context. A Control scorecard is maintained whereby data controllers and owners continuously track Key Performance Indicators (KPIs).

Data quality assessment and monitoring play a crucial role in the data operation and lifecycle stages to ensure adherence to required standards. In case of any error, a dedicated remediation function promptly addresses them and conducts a thorough root-cause analysis for future reference. Our data monitoring methods are designed to maintain high accuracy and consistency in our information repository. These efforts are vital for upholding data quality and ensuring its reliability throughout our systems.

Maintaining data privacy and ensuring high-quality data is an extremely significant part of our data management process. As an organisation dealing with extensive data sets, we are custodians to a significant amount of customers' personal information, and therefore ensuring its safety and integrity is of utmost importance to us. To address this, we have established a robust Data Privacy Program. This program is designed to develop effective strategies for managing data privacy, with a strong emphasis on safeguarding against data breaches, leaks, and other cybersecurity threats related to privacy. Our commitment

to data privacy is unwavering, and we continuously strive to enhance our measures to protect the sensitive information entrusted to us.

To uphold protection, privacy, and compliance standards, our Data Privacy Program utilises a comprehensive categorisation framework encompassing four fundamental pillars: sensitivity/confidentiality, criticality/availability, identifiability/privacy, and compliance. This systematic approach enables us to efficiently manage and safeguard data security and privacy, all while ensuring alignment with relevant regulatory guidelines. By employing this robust framework, we prioritise the holistic management of data, ensuring it remains secure, confidential, and compliant with applicable privacy regulations.

Our data protection strategy is guided by a logical and systematic approach, which includes conducting a Privacy Impact Assessment. We place significant importance on clearly defining what qualifies as sensitive data and continuously strive to understand its entire lifecycle, from creation to destruction, to effectively enforce relevant policies for its protection. Ensuring the secure data storage is paramount to safeguard its integrity and confidentiality. Through the program, risks are continuously assessed and efforts are made to ensure that awareness is generated. We strive to ensure robust data security through a comprehensive approach encompassing operational control design, implementation, management, and enhancement. This process considers allocating resources, including skilled personnel and advanced technologies, as well as timely responses to compliance requirements and incidents. To foster a culture of collective responsibility, we emphasise effective communication to garner support from senior management and the user community. Our Data Privacy Program is crucial in managing compliance,

enhancing data governance, and safeguarding new data by establishing classification levels for comprehensive protection.

Efficient governance of data is of utmost importance to us. To align our operations with our core values, we have established a Vakrangee Information Security Committee responsible for defining and improving our Information Security Management System (ISMS). This team is headed by the Chief Information Security Officer, who is responsible for drafting and reviewing policy, publishing and communicating the same within the organisation. Moreover, as an added accountability measure, the executive-level management ensures that policies undergo a thorough approval process before implementation. Furthermore, the Information Security Committee diligently reviews and assesses the standards to maintain their relevance and effectiveness.

We have established a dedicated Corporate Security and Compliance

(CSC) Team of skilled professionals. Their primary role is identifying and addressing security and compliance issues, acting as the initial line of defence to enhance our overall security posture. Reporting directly to the Chief Technology Officer, the team comprises individuals with policy, products, legal cross-regulation, and IT expertise. They are committed to upholding the five trust principles of confidentiality, integrity, availability, privacy, and security, ensuring compliance with data protection laws and industry standards.

We engage in annual risk assessment exercises facilitated by our second line of defence to proactively address emerging risks. These assessments help us identify and evaluate potential risks, gauge their impact, and determine their likelihood of occurrence through assigned risk scores.

Furthermore, the Governance of Information Security and Data Privacy



Organizational Structure includes a key role held by a representative from our esteemed Board of Directors. This ensures robust governance practices aligned with our strategic objectives and reinforces our dedication to information security and data privacy. Through various workshops, we educate our workforce on recognising and reporting risks, fostering effective communication, and promptly raising any suspicions. Our organisation and outlets have maintained a flawless record with no data breaches as a testament to our dedication.



Policies and Standards

Today's Businesses are not safe from data leaks and cyber security breaches. To safeguard our stakeholders' interests, a robust system has been implemented and adhered to for data protection. We ensure that our privacy systems protect not only us but our value chain partners as well.

Our organisation's data privacy is governed by several policies such as Acceptable Use Policy, Risk Management Policy, Data Privacy Policy, Fraud Prevention Policy, Intellectual Property Rights and Ownership Policy, Information Security and Management Policies, ISO Policy, IT Governance Risk and Compliance Policy, and Data Request Management Policy.

We are also certified and compliant with ISO/IEC 27001:2013 Information Security Management System, ISO 20000-1:2011 Information Technology Service Management System, ISO 27701 – Privacy Information Management System, and ISO 22301-Business Continuity Management System to continually improve our data management practices.

Acceptable Use Policy

An Access Policy, also known as an acceptable use policy (AUP), establishes guidelines and rules governing computer system or

network usage. Our AUP outlines how the system or network site can be utilised and helps ensure information systems' security and proper utilisation. As an organisation entrusted with handling significant amounts of personal data, we prioritise protecting sensitive information. To ensure the secure handling and usage of data, we have implemented an Access Policy, which mandates that all new joiners sign an acceptable use policy (AUP) before being granted access to our information systems. This proactive measure helps safeguard the privacy and security of personal data and promotes responsible and compliant practices within our organisation.

Risk Management Policy

Risk management encompasses the crucial process of recognising, evaluating, and prioritising risks. It involves efficiently allocating resources to mitigate, monitor, and control uncertain events' probability and impact while capitalising on potential opportunities. Organisations can proactively address risks by adopting a coordinated and cost-effective approach, ensuring stability and maximising positive outcomes.

Our Risk management policy is designed to effectively identify, assess, and prioritise risks while ensuring the coordinated allocation of resources to minimise their impact.

Data Privacy Policy

Our organisation deeply values the fundamental right to privacy and recognises the significance of protecting personal data as essential to maintaining informational privacy. Our Data Privacy Policy is a comprehensive and legally binding document articulating our approach to gathering, utilising, and managing the personal information of our customers and our business partners, franchisee partners, and suppliers.

Fraud Prevention Policy

Our fraud prevention policy addresses the increasing vulnerability to fraud risk in today's business environment. It encompasses three key elements: fostering a culture of honesty and ethics, identifying and mitigating fraud risks through processes and controls, and implementing an oversight process. The policy ensures that management is aware of their fraud detection and prevention responsibilities, provides clear guidance to employees on prohibited activities and reporting procedures, and safeguards whistleblowers from harassment or dismissal.

Intellectual Property Rights and Ownership Policy

Our Intellectual Property Policy aims to uphold the rights and obligations concerning intellectual property (IP) for both employees and the organisation. It ensures clarity on ownership, rights, and liabilities related to various types of IP, including trademarks, patents, copyrights, trade secrets, domain names, and design rights. The policy provides guidelines for managing IP, resolving disputes, and addressing misappropriation.

Information Security and Management Policy

Our Information Security & Management Policy is dedicated to safeguarding our information assets' confidentiality, integrity, and

availability. We have implemented an Information Security Management System (ISMS) that follows the Plan Do Check Act approach. Compliance with this Information Security policy is mandatory for all individuals, including workforce members, employees, customers, and third parties who utilise our information processing facilities.

Data Request Management Policy

Our Data Request Management Policy focuses on safeguarding your data and ensuring your rights regarding its processing. It outlines our procedures for addressing requests related to customer data. Additionally, our Data Privacy Policy and Security Policy govern the collection, usage, and disclosure of personal information following legal requirements. This policy empowers individuals to request access to their stored personal data, rectify any inaccuracies, or request its deletion if collected or processed unlawfully.

ISO/IEC 27001:2013 Information Security Management System

Being a data-driven company, we have consistently focused on improving our data management systems and adapting to the evolving needs of the industry. In line with this commitment, we recognise the significance of certifications like ISO 27001:2013. The ISO 27001 framework is vital for implementing information security controls and effectively managing security risks. The primary objective of this standard is to equip organisations with a comprehensive framework for implementing an Information Security Management System (ISMS) to manage data effectively.

Its purpose is to establish, operate, maintain, monitor, review, and improve information security practices. This framework is essential for ensuring data availability, integrity, and confidentiality. We can maintain a

robust data management system and effectively carry out security risk assessment and mitigation processes through its implementation.



Independent third-party audits are instrumental in promoting, adopting and consistently implementing industry-leading data management practices. These audits serve as a critical evaluation and validation of our adherence to standards and certifications, reaffirming the effectiveness and strength of our security management practices.

The ISO 27001:2013 certification has helped us demonstrate our data security efforts, enhancing our ability to identify and address any existing or potential security gaps, thereby minimising the risk of breaches.

ISO 20000-1:2018 Information Technology Service Management System

The ISO 20000-1:2018 certification signifies the implementation of a robust Service Management System (SMS). This certification plays a pivotal role in enhancing various aspects of our service management, including planning, establishment, implementation, maintenance, operation, monitoring, and review.

By obtaining this certification, we have demonstrated improvement in our IT service management practices aimed at minimising operational errors, IT downtimes, and associated costs. As a direct consequence, we have bolstered customer trust and confidence in our services, cementing our reputation as a reliable and dependable provider.



ISO 27701:2019 – Privacy Information Management System

The ISO 27701:2019 - Privacy Information Management System (PIMS) is an extension of the ISO 27001. Building on the latter, it provides a framework for data privacy. The certification can only be applied to companies that are either already compliant with ISO 27001 or are simultaneously completing the process for both standards. At Vakrangee, we are proud to be compliant with both ISO standards.

By obtaining the PIMS certification, we establish a robust framework for maintaining internal and external compliance. This certification ensures that we adhere to regulations, legal obligations, and ethical standards while effectively managing risks within our organisation. As part of our commitment to data protection,



we have designated a Data Protection Officer who acts as the data controller. His responsibilities include documenting data processing purposes and implementing necessary measures to safeguard the rights and freedoms of data subjects, minimising potential risks.

As an organisation complying with the ISO 27701 standards, we can identify any risks associated with Personally Identifiable Information (PII) and can inspire trust and transparency among



Our “phygital” operations combine physical and digital elements to create a platform for local service providers to offer our services to their communities.

our stakeholders. This certification has enabled us to focus on regulatory compliance and safeguard ourselves against pertinent data threats.

ISO 22301:2019 - Business Continuity Management System

Our compliance with ISO 22301:2019 - Business Continuity Management System demonstrates our commitment to establishing and maintaining a robust management system. Adhering to this standard ensures that the system is designed to safeguard the business against disruptions and, in turn, help to reduce the likelihood of such incidents.

Hence, the certification shows our preparedness to effectively handle, respond to, and recover from business disruptions as they occur. Given the dynamic nature of the business landscape, it is crucial to anticipate and prepare for potential disruptions and other contingency situations. By obtaining this certification, we demonstrate our commitment to proactive planning and resilience in facing unforeseen challenges.



Leveraging Technology to Achieve Efficiency

We are a company that believes in using advanced technology to improve accessibility and promote entrepreneurship. We provide opportunities for aspiring entrepreneurs to establish and grow their businesses by leveraging cutting-edge technological solutions. Our “phygital” operations combine physical and digital elements to create a platform for local service providers to offer our services to their communities. This approach empowers entrepreneurs, stimulates economic growth in both rural and urban areas, and contributes to the digital revolution.

Our technology platform is integrated with various banks' core banking servers, allowing for real-time and interoperable banking access. We have also securely integrated with partners in e-commerce, e-governance, logistics, and insurance. Our biometric authentication system enables seamless “Know Your Customer (KYC)” processes and paperless banking. We prioritise data privacy and information security, unifying the phygital experience for stakeholders. Our Company invests in and upgrades software to keep up with evolving technological trends and employ an adaptive approach strategy to meet the changing requirements of India.

The 'Phygital' Kendra Model

As we discuss the multifarious technologies we have deployed to ensure that services are provided to the furthest corners of the country, it is important to understand the digital accessibility revolution that we aim to bring through our phygital model, i.e., exclusive multi-line digital convenience store model in the form of physical NextGen Franchisee-owned Kendras. The Vakrangee Kendra brings benefits of e-commerce, banking, and financial

services, among many others, in an assisted form to the semi-urban and rural populations unable to access them. It allows for digital inclusion and is responsible for pushing for entrepreneurship throughout the country through the system of franchisee-owned Kendras. With multiple benefits in the form of zero-franchise fees and a zero-inventory model, coupled with attractive Return on Investments (ROI) and last-mile infrastructure and technology support, our business has been able to achieve the dual aims of enhanced coverage and acceleration to entrepreneurship, pushing towards a more digital and self-reliant India.

Cloud Migration

We have embarked on our journey to a Cloud platform, a significant step towards digital transformation. Our BharatEasy Mobile Super App has been developed on cloud to ensure that we scale and be agile to changing market environment. We would continue to build applications on cloud and automate the development journey using DevOps philosophy.

As we move forward, the “design by cloud” approach is a foundational principle in our technology strategy. Our approach focuses on harnessing the power of the cloud to design and construct our systems, resulting in increased flexibility, resilience, and cost-effectiveness. We are dedicated to consistently enhancing our technology infrastructure and delivery processes by embracing the cloud platform and implementing DevOps practices. This ensures that we stay nimble, adaptable, and responsive to the changing demands of our customers and the market environment. We are also in process to migrate our in-house Vakrange Kendra Management System (VKMS) portal to cloud platform for better efficiency, productivity and availability.



Digital Payment Solutions

To support the Digital India initiative and offer our customers a variety of options while making payments, we have adopted and enabled several modes of payment at our Next Gen Vakrangee Kendras. The payment gateway accepts payments from various modes such as debit cards, credit cards, UPI and Internet banking.

We also focus on Pin-pad integration to accept offline RuPay/Debit/Credit card payments.

Internet of Things (IoT)

The Internet of Things (IoT) is a revolutionary technology that connects various devices using sensors, actuators, and other components, such as wearables, enterprise assets, and electronic gadgets. This seamless integration enables our customers to enjoy a smooth and unified phygital experience. Our smart devices can communicate with each other and are managed through our phygital systems. In case of any intrusion, our

security team can swiftly respond with appropriate measures. IoT offers benefits such as fraud detection, enhanced analytics, improved customer service, and the ability to assess customer needs anytime, anywhere. We have embraced IoT to enhance process efficiency, asset utilisation, and productivity.

Big Data and Predictive Analytics

Traditional management systems have been outperformed by big data and in order to be able to handle complex streams of data seamlessly. In our pursuit of operational excellence, we have embraced the power of big data analytics. By leveraging advanced data processing and storage tools, we have gained the flexibility to handle large volumes of data effectively. This enables us to derive valuable insights from the processed and analysed data, providing us with a deeper understanding of customer behaviours and preferences. Armed with these insights, we can conduct our business more clearly and make well-informed decisions.



By building a customer data platform, we can run analytics to understand customer behaviour, buying pattern and transaction to provide more personalised experiences and recommendations.

We are creating Data Lake on AWS, the single source for structured, unstructured and semi-structured data. We aim to run AWS Services for BI reporting and predictive analytics. By building a customer data platform, we can run analytics to understand customer behaviour, buying pattern and transaction to provide more personalised experiences and recommendations. All in all, big data tools and technologies are aiding us to follow a more data-driven approach to customer satisfaction and prepare a more robust data infrastructure.

Artificial Intelligence (AI) and Machine Learning (ML)

Artificial Intelligence (AI) has become an indispensable component of modern businesses. The integration of AI has revolutionised various industries, empowering organisations to leverage advanced algorithms and data analysis to drive innovation, enhance decision-making processes, and achieve operational efficiency.

Similarly, Machine Learning (ML), an AI technique, employs data and

algorithms to enable computers to imitate and learn from data without being explicitly programmed to do so and is being used extensively to manage and comprehend large data sets.

Today, AI and ML have become core components of our business strategy due to their ability to process large volumes of data and we are leveraging the same to improve our product lines, design advanced business solutions, pull relevant information from big piles of data to improve the accuracy. By harnessing the power of AI and ML, we have revolutionised our resource allocation and achieved unprecedented levels of automation in our operations. These cutting-edge technologies have played a crucial role in supporting our Phygital model. From data preparation and visualisation to predictive modelling, our AI and ML systems have seamlessly integrated various processes, empowering us to make informed decisions and optimise efficiency. This synergy between technology and our Phygital model has paved the way for enhanced performance and streamlined operations.

Blockchain

Blockchain is a groundbreaking technology that operates on a decentralised and public digital ledger. It has become instrumental in recording transactions across multiple computers, enabling robust verification and traceability processes. At our organisation, we have harnessed the potential of blockchain across various operations.

By leveraging blockchain technology, we have fortified transaction security, eliminated the need for time-consuming reconciliation processes, and gained real-time visibility into our operations. This empowers us to perform track and trace analysis,

assess risks, and ensure end-to-end data encryption, among other benefits. As a result, we have reduced operating costs and fostered a culture of trust, transparency, and efficiency in our business transactions.

Conversational Interface in the form of Chatbots

Chatbots have revolutionised how we interact with customers and stakeholders by utilising context identification in text chat. The ability of chatbots to simulate human-like responses not only saves time but also significantly improves our efficiency. We have successfully integrated this technology into our operations, focusing on enhancing customer experience, improving engagement, and boosting customer retention.

With the implementation of Natural Language Processing (NLP) in our chatbots, users now receive more accurate and comprehensive answers to their inquiries. This, in turn, facilitates a better understanding of our processes and services. Furthermore, we plan to leverage the advanced capabilities of ChatGPT in conjunction with chatbots for customer servicing and helpdesk management, catering to franchisees and internal users. Through the synergy of chatbot technology and NLP, we aim to deliver seamless customer support and ensure efficient management of helpdesk operations, ultimately contributing to an enhanced overall user experience.

Virtual Assistance – Voice-Based Services

Since our business is essentially centred around providing services in the country's furthest reaches, literacy and language can act as major barriers. To overcome these issues, we have incorporated virtual assistance in the form of voice-based services across all our 20,399 operational franchisees. The

virtual assistant can comprehend natural language voice commands and perform the requisite function. Our Company has adopted Natural Language Processors (NLP), like voice-based services for customers, to make their day-to-day tasks more accessible and convenient.

Text-to-Speech ATMs for Divyang (Specially-abled) Customers

We use voice-based services to enhance our customer experience accessibility. To ensure accessibility, we have introduced Divyang-friendly ATMs or Talking ATMs. We maintain over 6324 ATMs that have been designed specifically for specially-abled persons, inclusive of visually-impaired persons. We have been compliant with the Indian Banks' Association (IBA) norms for our Talking ATMs and provide both braille-friendly keypads and headphones for facilitating the transaction experience at the ATMs. Our franchisees are also requested to install ramps wherever possible to ensure that people who use wheelchairs can visit the kendras hassle-free.

We use the Text-to-Speech (TTS) technology with the facility of lexicon adjustments if in case the words are not pronounced correctly by the TTS engine. Bilingual (English and Hindi) support is available and keypad button orientation is provided so a visually challenged person can easily locate the Cancel, Clear and Enter options. We have also provided a bilingual orientation for visually impaired customers using the ATM for the first time so that they can get an overall idea of using the ATM and can perform the same with much more ease in the future.

Technical Support Desk (TSD) viz. VKID for Franchisees

Our franchise-operated NextGen Kendras are equipped with Technical Support Desks (TSDs) to promptly assist our franchisees with technical

issues. The TSD is a centralised point of contact, offering information and support for franchisees' technical queries.

To ensure efficient management, all calls to the TSD are centrally handled from 8 AM to 8 PM on working days and for 8 hours on non-working days. Franchisees can contact the TSD through a dedicated phone number (022-67765178) or a toll-free number (18002744427). During the call, the franchisee must provide their Vakrangee ID or VKID, which is then verified in the Vakrangee Management System (VKMS). The TSD follows a verification procedure, which includes obtaining the franchisee's PAN, Aadhaar, date of birth, Kendra address, and other relevant details. Once the verification is completed, a ticket is raised by the TSD executive to address the issue. If necessary, the ticket may be escalated following an escalation matrix. Once the ticket is resolved, the franchisee is promptly notified via automated email. This streamlined process ensures effective technical support and timely resolution of issues, enabling our franchisees to operate their Kendras smoothly.

Licenses

At Vakrangee, we drive performance and foster entrepreneurship throughout India. Our Next-Gen Vakrangee Kendras are designed to empower entrepreneurs with low-cost investment opportunities. These Kendras are strategically located in rural areas, often utilising traditional and minimalistic premises.

We have implemented an asset-light model to alleviate financial burdens on our franchisees. We only charge for hardware and software licenses, ensuring that our franchisees can focus on delivering exceptional last-mile services without excessive financial pressures. Our revenue is derived from software licenses and usage, where customers obtain the



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our White Label ATMs’ high degree of usage, the total number of transactions taking place in FY2022-23 accounted to 5,10,63,999.

“right to use.” Revenue from software and licenses is recognised when made available to the customer. Additionally, revenue from licenses, where customers obtain the “right to access,” is recognised over the access period.

In addition to our Kendras, we are proud to hold a license from the Reserve Bank of India (RBI) to establish and manage White Label ATMs. These ATMs enable customers to make real-time cash withdrawals from various banks, further enhancing convenience and accessibility. Due to our White Label ATMs' high degree of usage, the total number of transactions taking place in FY2022-23 accounted to 5,10,63,999.

Our software VKMS (Vakrangee Kendra Management system) offers services through systematic real-time secured integration with our partner systems.

Our Research and Development (R&D)

We focus on driving performance through entrepreneurship by developing and expanding our business model. Our primary objective is to enhance service efficiency and elevate the overall customer experience. To achieve this, we are leveraging cutting-edge technologies such as augmented reality (AR) and virtual reality (VR), the Internet of Things (IoT), and integrated voice-based assistance.

By incorporating AR and VR technologies, we aim to create immersive and interactive experiences for our customers and stakeholders. These advanced technologies allow us to offer engaging and personalised interactions, bringing our services to life in a virtual environment. Additionally, by leveraging IoT, we can ensure seamless connectivity and integration of devices, enabling greater convenience and operational efficiency.

Furthermore, we have implemented integrated voice-based assistance to facilitate virtual interactions. Our conversational interface is designed to communicate with customers in a human-like voice, providing them with a comfortable and user-friendly experience while using our services.

Mobile App: BharatEasy Super App

To stay relevant in today's dynamic landscape and expand our reach, we have introduced the BharatEasy Mobile App. This app is a one-stop solution for our customers, providing them access to a wide range of products and services. By consolidating all offerings in a single platform, we aim to enhance customer experience and satisfaction.

The BharatEasy Mobile App offers a comprehensive selection of consumer products and services, making it convenient for customers to meet their daily needs. The app ensures a smooth and efficient user experience with its seamless integration and contextualised features. Our tailored product and service offerings are designed to be intuitive, visually appealing, and easy to navigate, facilitating enhanced customer interaction.

Through the BharatEasy Mobile App, we strive to provide a multiservice

platform that caters to the diverse requirements of our customers. By delivering a unified, user-friendly, and visually engaging experience, we aim to elevate customer satisfaction and engagement.

Through our Mobile app platform, we provide services such as: -

- » Online Shopping
- » Total Healthcare services (Doctor consultation, Home Blood Test facility, Covid-care packages)
- » 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

Through the launch of the BharatEasy Mobile app, we have evolved into

a unique Online to Offline model whereby assistance is available in the physical form of the Kendra alongside digital online services. As of March 2023, there have been 26,357 downloads of this version of the app alongside a recorded 16,220 monthly active users. Going forward, we have also planned to make more services live through this platform which will be an All-in-one platform for all Customer needs.

Open Network for Digital Commerce (ONDC)

We are in the process to design and launch our Buyer Application on ONDC platform to provide ecommerce shopping experience to franchisee and customers in rural market. We can replicate the model on our Bharat Easy Super App to provide ONDC experience directly to customer. We will also be registering as Seller on Seller App of ONDC to sell our services which are available on BharatEasy Mobile Super App. We will be developing a dedicated seller app which can provide a streamlined and optimized experience for local sellers near our Vakrangee Kendras. This will improve our reach and discoverability across multiple platforms.

Social and Relationship Capital

We recognize the pivotal role played by our dedicated partners in propelling our success. As we embark on this chapter dedicated to social and relationship capital, we explore how our commitment to entrepreneurship fuels our performance and fosters an environment of innovation and growth. By championing entrepreneurship, we aim to unleash the untapped potential within our organization and extend it to our valued stakeholders. Through our strong relationships and collaborative efforts, we create an ecosystem that empowers individuals to thrive, explore new opportunities and drive remarkable outcomes. Together, we cultivate an environment where entrepreneurship serves as a catalyst for accelerated growth and transformative change.

SUSTAINABLE DEVELOPMENT GOALS



As we delve into the intricacies of social and relationship capital, we highlight the unique contributions of our entrepreneurial partners and the significant impact they have on our collective performance. Through their innovative ideas, unwavering commitment, and invaluable insights, we leverage the power of social and relationship capital to forge new paths, unlock untapped markets, and seize emerging opportunities.

Join us on this journey as we delve into the symbiotic relationship between entrepreneurship, social and relationship capital, and driving

performance. Together, we will explore the ways in which our entrepreneurial spirit, fueled by strong partnerships, propels us towards sustainable growth and lasting impact.

We actively engage and collaborate with an array of stakeholders who contribute to our success and help us realize our vision. These stakeholders include shareholders and investors, franchises, business partners, suppliers/vendors, customers, government and regulatory bodies, the local community, industry bodies, employees, and NGOs/NPOs/civil society organizations. Together, we form a diverse network of individuals and entities that share our commitment to driving performance through entrepreneurship. Through their collective involvement, we cultivate a rich tapestry of relationships that fuel our growth, innovation, and societal impact. Our regular engagement with stakeholders enables us to work together in addressing their concerns and needs.

With the help of our stakeholders, we are trying to bring financial and digital literacy to India's unserved and lesser-served markets. Our expanding network of kendras promotes growth in both rural employment and consumption, ensuring that decent



work and economic growth are holistically encouraged. Leveraging 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, creating a long-standing last mile infrastructure for the distribution of various products and services. With the expansion of our kendras across the country, we not only enhance employment opportunities but also work towards a better, more financially inclusive India, offering improved access to services such as banking, insurance and other financial products. Additionally, we facilitate the transfer of subsidies directly into the bank accounts of citizens through the Direct Benefit Transfer (DBT) scheme of the Government of India, contributing to building a more financially resilient and self-reliant nation.

By embracing entrepreneurship, fostering strong relationships, and driving digital inclusion, we pave the way for a brighter future, where innovation, empowerment, and inclusivity thrive. Together, we create a positive impact, ensuring sustainable growth and a more prosperous society.



Our Corporate Social Responsibility (CSR) policy guides us in making meaningful contributions to sustainable community development.

Our Foundational Support: Our Policies and Codes

We demonstrate our unwavering dedication to meaningful stakeholder engagement through the implementation of policies that uphold the highest standards across all our interactions, showcasing our commitment to fostering strong relationships and effective communication with all stakeholders involved. By adhering to various policies, we ensure that our organization and business partners consistently meet the required benchmarks. These policies foster trust, transparency, and accountability, underscoring our commitment to responsible and ethical practices in all our engagements.

Some of the policies have been mentioned as hereunder:

Human Rights Policy

We follow and maintain a robust Human Rights Policy aligned with the UN Guiding Principles (UNGPs), ILO conventions, UN Global Compact (UNGC), and the Indian constitution. The policy serves as a guiding framework for our commitment to human rights. We achieve this through:

- » Strict compliance with labour laws.
- » Fostering continuous engagement and awareness among our employees regarding Human Rights issues.
- » Valuing and promoting diversity within our organisation.
- » Maintaining a workplace that is free from harassment.

- » Supporting and upholding internationally acclaimed human rights principles.
- » Ensuring freedom of association for our employees.
- » Implementing an efficient grievance-redressal mechanism.
- » Providing a safe and healthy workplace overall.

By actively pursuing these measures, we demonstrate our commitment to upholding human rights and cultivating an inclusive and supportive work environment for all.

The policy can be viewed here - https://vakrangee.in/pdf/Policies-PDF/Human_Rights_Policy.pdf

Corporate Social Responsibility Policy

We recognize that the prosperity of our business is intricately linked to the well-being of the society in which we operate. As a result, we consider giving back to society to be an essential component of our core values, aligning our actions with our belief in the importance of social responsibility. Our Corporate Social Responsibility (CSR) policy guides us in making meaningful contributions to sustainable community development. It establishes the principles and guidelines for undertaking socially beneficial and welfare-oriented programs that align with our commitment to making a positive impact on society.

The policy can be viewed here - https://vakrangee.in/pdf/Policies-PDF/Corporate%20Social%20Responsibility_Policy.pdf

Communication of Progress Policy

In alignment with our commitment to the Ten Principles of the United Nations Global Compact (UNGC), we have implemented a Communication of Progress Policy. This policy serves as a declaration of our actions concerning Human Rights, Labour, Environment, and Anti-Corruption. It outlines the specific measures undertaken by our organization to meet global standards in these four areas. Through this policy, we emphasize transparency and accountability in communicating our progress towards upholding these important principles.

The policy can be viewed here - [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)

Whistle-blower Policy

The whistle-blower policy holds great significance in ensuring effective corporate governance within an organization. As part of our commitment to ethical practices and transparency, we have developed a whistle-blower policy, which has also been translated and made accessible in Hindi. This policy aims to reinforce and cultivate ethical conduct throughout the organization, offering a platform for directors, employees, business partners, franchisees, and other third parties to voice concerns regarding any existing or potential misconduct.

The policy can be viewed here - https://vakrangee.in/pdf/Policies-PDF/Whistle%20Blower%20Policy_Final.pdf

Supplier Code of Conduct

At Vakrangee, we uphold high standards not only within our organization but also throughout our value chain. We expect all our suppliers to adhere to environmental, social, and ethical standards while conducting their business. Our Supplier Code of Conduct outlines

these expectations and encourages suppliers to align themselves with these parameters to contribute positively to society and the environment.

The policy can be viewed here - <https://vakrangee.in/pdf/Policies-PDF/Supplier%20Code%20of%20Conduct.pdf>

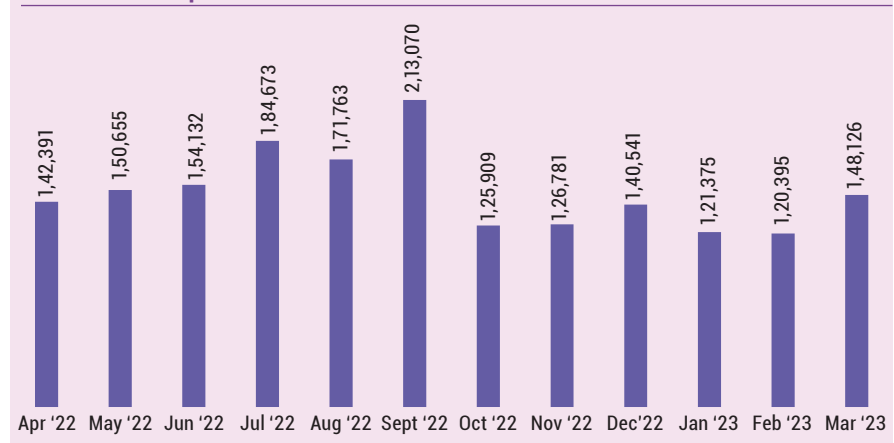
Engaging with our Stakeholders

At Vakrangee, we view stakeholder engagement as a continuous process. We continuously engage with key stakeholders to identify material issues in consultation and collaborate to address them. We acknowledge the importance of adaptability in our approach. We firmly believe that engaging with our stakeholders in forward-thinking and creative ways is key. Through such engagement, we aim to cultivate stronger relationships with them.



At Vakrangee, stakeholder engagement is a continuous process. We collaborate with key stakeholders to identify material issues and address them creatively. Building strong relationships with our stakeholders is our priority for sustainable growth.

Bank accounts opened



Building better relationships with our Customers

At Vakrangee, our Vakrangee Kendras offer a wide range of services in the Banking and financial services industry (BFSI), ATM, e-commerce, and logistics sectors. As one of India's largest last-mile distribution platforms, we have improved accessibility to underserved urban and rural areas through our

comprehensive services. Our "One-stop Shop" model aims to ensure that every Indian has access to financial, digital, and social inclusion.

We are proud to announce that in the fiscal year 2022-23, we have facilitated the opening of over 1.7 million new bank accounts, expanding financial and digital access to underserved communities across India. Furthermore, with the launch

of the BharatEasy Mobile Super App, we have made it even easier for our customers to avail our services. From recharges and bill payments to linking existing SBM Bank accounts opened at Vakrangee Kendras, and even tele/video consultations including dietary and psychological consultations, CIBIL Score services, Online Opening of Demat & Trading Account Services our app provides a convenient solution. Additionally, we are adding features to locate the nearest Vakrangee Kendra, making it effortless for customers to find and visit the nearest Kendra for their needs.

We prioritize the ease of access for our customers, ensuring they can reach out to us effortlessly for any issues or queries they may have. Our website serves as a comprehensive platform that provides detailed information for query resolution. For those interested in partnering with us as franchisees, they can easily contact us through the designated website link and we guarantee a response within 3 days.

In addition to facilitating communication via email for ATM-related complaints, we have also made available on our website the contact details of the nodal officer responsible for handling such matters. Similarly, for SBM-related concerns, we provide customer care details, including the contact number and email address of the designated professional who handles grievances. Our aim is to ensure transparency and accessibility, making it convenient for customers to address their concerns through the appropriate channels available on our website.

No. of active transacting Kendras offering services such as BFSI, e-commerce services and other services: **20,399**

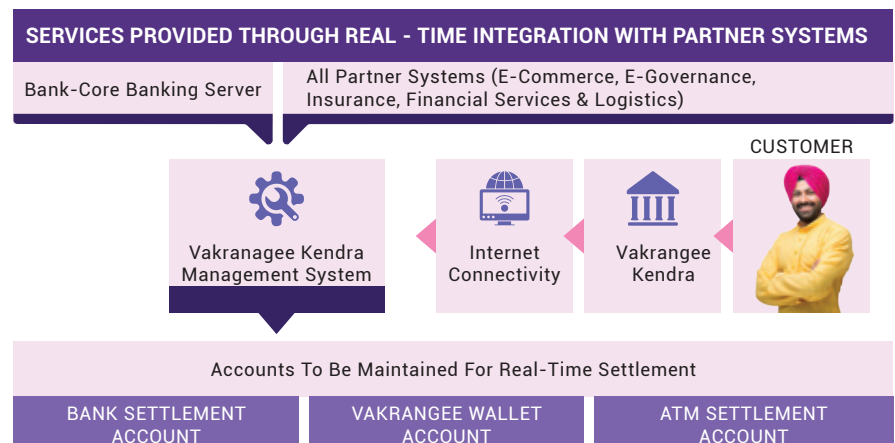
79% of our Kendras are centered in Tier IV, Tier V and Tier VI cities

No. of outlets offering ATM services: **6,324**

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
- » 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
- » Online Pharmacy
- » Travel Ticket Booking & Utility Bill Payment services
- » Movie Tickets / Entertainment
- » Online Education
- » Online Agri Products – Seeds & Pesticides
- » Courier Booking

Our Proprietary Technology Platform



Consistent Commitment to Customer Privacy:

	FY 2022-23	FY 2021-22
Complaints concerning breach of customer privacy	0	0
1. Complaints received from 3rd parties and substantiated by organization		
2. Complaints from regulatory bodies		
3. Complaints received from local community members		
Total number of identified leaks, theft or loss of customer data	Nil	Nil



At Vakrangee, we prioritize the ease of access for our customers. Our website serves as a comprehensive platform providing detailed information for query resolution. For potential franchise partners, we offer a designated website link for easy contact, guaranteeing a response within 3 days.



In our ongoing dedication to safeguarding customer privacy, we are pleased to report that we have received zero complaints concerning breaches of customer privacy in the fiscal year 2022-23. This achievement is a testament to our unwavering efforts to prioritize data protection and maintain the trust of our customers and stakeholders.

Our continuous efforts to uphold the highest standards of customer privacy have yielded exceptional results, reflected in zero complaints for two consecutive fiscal years. We remain committed to maintaining this exemplary track record, continuously improving our privacy protocols, and ensuring the utmost protection of customer data.

By prioritizing transparency, accountability, and ongoing improvement, we aim to provide our customers with the peace of mind they deserve, knowing their privacy is safeguarded at all times.

Strengthening Business Partnerships

Our business partners hold immense importance to us as they play a crucial role in the smooth functioning of our business. We highly value their contributions, as they enable us to operate efficiently. We maintain

regular engagement with them to comprehend their expectations and to effectively communicate our objectives and strategies.

In order to efficiently communicate with our stakeholders, we adopt the following –

- » Engagements focusing on specific service requirements: To address specific service requirements of our business partners, we conduct dedicated interactions where vertical heads may also participate, depending on the situation.
- » Engagements with business service partners of senior management: We organize periodic meetings, such as quarterly gatherings or as needed, to engage with business service partners of senior management.
- » Monthly state team webinars: To foster direct interactions, gather feedback, and facilitate Q&A sessions, we invite our business partners to monthly state team webinars.
- » Engagements related to marketing and strategic initiatives: We conduct interactions to discuss marketing initiatives and strategies for service activation and achieving sales targets.

- » Engagements with the IT team: Interactions with the IT team revolve around data security strategies and service integration.
- » Service training and grievance resolution: We facilitate interactions between business partners and our dedicated centralized FRM team and subject matter experts to provide service training and address grievances effectively.

Keeping true to the motto of “Sab Kaam Ek Dukaan”, we have built robust strategic alliances with our business partners for all our services.

To ensure alignment with our goals and values, we have established a comprehensive Code of Conduct for our business partners. This code serves as a guiding framework, fostering a workplace characterized by honesty, fairness, and objectivity, while adhering to all applicable laws and our internal policies. It offers general guidance on expected behaviours, highlights specific situations that require careful attention, and provides additional resources and communication channels for reference. The Code of Conduct plays a vital role in identifying potential violations of our company ethics and offers clear guidance on appropriate actions to be taken. It applies to all employees and board members, emphasizing their responsibility to comply with the law, comprehend our values, and integrate them into their daily work. Every employee is expected to understand and implement the relevant policies that pertain to their role.

Investor Relations and Engagement

We recognize the importance of maintaining regular and constructive communication with our shareholders and investors. Therefore, we have implemented the Shareholder Engagement Policy, which not only

outlines our approach to engaging with our shareholders but also fosters a culture of active and open dialogue. This policy enables us to engage in meaningful discussions and facilitates the exchange of ideas.

To ensure effective communication with our shareholders, we have established an Investor Relations team. This team serves as the main point of contact for investors and shareholders, providing them with accurate and timely information. We employ various channels to engage with our shareholders, including regular conference calls, analyst meets, press releases for business updates and roadshows to interact with domestic and global investors. Additionally, we arrange one-on-one meetings with shareholders to address their queries and concerns, leaving no question unanswered.

Our Investor Relations department is committed to facilitating transparent and comprehensive communication with our shareholders and investors, ensuring their needs and interests are met.

We conduct quarterly conference calls and investor calls to discuss the company's quarterly results and provide an opportunity for shareholders to engage with senior management. These calls include a question-and-answer session to address any queries or concerns raised by shareholders. It serves as a valuable platform for shareholders to interact directly with the company's leadership. In addition to the quarterly calls, we also hold regular or monthly conference calls with investors to keep them updated on the latest developments and progress of Vakrangee. During our Annual General Meeting, the Board of Directors actively engages with shareholders, addressing their queries and providing direct interaction with the management team.

To ensure effective stakeholder management, we have established a Stakeholder Relationship Committee. This committee is responsible for various tasks including the dematerialization of shares, addressing the grievances of security holders, and reviewing adherence to service standards.

Through these initiatives, we strive to maintain transparent and proactive communication with our shareholders and investors, fostering a strong and collaborative relationship.

We have a detailed shareholders engagement policy which can be accessed at: <https://vakrangee.in/pdf/Policies-PDF/SHAREHOLDER%20ENGAGEMENT%20POLICY.pdf>

Improving engagement with Master Franchisees & Franchisees

Continuous engagement with master franchisees & franchisees is an important aspect of our relationship since they are the drivers of our business all over India. We offer hand-holding support to them, making sure that we are able to consistently provide support to them wherever required and to address the problems of our franchisees.

We have recently launched the District-Level Master Franchisees initiative whereby master franchisees are being appointed at the district level and being made responsible for the franchisees falling within their district's area. Multiple benefits in the form of high returns on minimal investment, exclusive district level rights for setting up Vakrangee Kendra and ATM franchisees, fixed income from franchisees acquired by the master franchisee etc. are being rolled out to support the master franchisees. We have appointed master franchisees in 234 districts across 27 states who provide on-ground operational support to the existing franchisees as well as drive forth new franchisee acquisition.



Our dedicated field team conducts regular visits, providing training, guidance, and ongoing support to ensure the success of our franchisees. We offer periodic trainings, including online banking and insurance training, to equip franchisees with the necessary skills and knowledge.

Our Corporate office, in collaboration with state and field operations teams, works closely with franchisees to oversee and manage operations and sales. To ensure after sales service, a designated Relationship Manager acts as the single point of contact for all the operational aspects assigned to each franchisee. A dedicated field team, operating at the block level, conducts regular visits to our franchisees. During these visits, they engage in a range of activities aimed at expanding the reach of our kendras. Additionally, they offer training, guidance, and ongoing support to our franchisees, ensuring they have the necessary tools and knowledge to succeed.

Trainings are provided periodically to master franchisees and franchisees to ensure that they are equipped to handle the kendras and associated activities in a proper manner. Some of these trainings are:

Indian Institute of Banking and Finance (IIBF): This includes online remote banking training provided by an experienced staff

Insurance Regulatory and Development Authority (IRDA): A 45-hour online training programme with training on insurance products, benefits and

compensation provided to franchisees from time to time.

ATM: An on-site training programme conducted by a specialized technical engineer for loading cash and other associated functions of ATMs.

Trainings on other services: Online trainings conducted by Relationship Managers and on-ground field-level training conducted by respective Field Officer on new tie-ups, products, schemes, promotional offers, events etc.

In addition to the aforementioned training initiatives, we actively support our franchisees by offering technological and back-end assistance. Our Vakrangee Management System (VKMS) serves as a comprehensive platform that seamlessly integrates with our partners and service providers, enabling our franchisees to efficiently operate from a single window. Any issues raised through VKMS are promptly addressed within 24 hours. Moreover, we employ live monitoring through a CCTV system and dashboard, ensuring real-time connectivity with our franchisees and prioritizing their safety and security.

To further assist our franchisees, we provide marketing support through the provision of artwork and marketing materials, state-level

marketing efforts, online promotions, as well as WhatsApp and SMS marketing.

Communicating with our Suppliers/Vendors

We recognize the significance of engaging with suppliers and vendors. We have implemented policies aimed at improving environmental and social standards within our supply chain. To ensure compliance, all our suppliers are required to adhere to our Supplier Code of Conduct, which is in line with the principles of International Labour Organization, the UN Global Compact, and the UN Universal Declaration of Human Rights.

Our Supplier Code of Conduct emphasizes crucial aspects such as freedom of association and collective bargaining, gender equality and non-discrimination, fair wages and benefits, adherence to a maximum of 48 regular working hours per week, provision of safe and healthy working conditions, active engagement with and protection of local communities, treating all workers with dignity and respect, and establishing effective grievance redressal mechanisms. We maintain a strict policy against any form of child labour or forced labour in our business activities.

By adhering to these guidelines, we strive to create a responsible and ethical supply chain that upholds the highest standards of human rights and sustainability.

In addition, we have implemented a Sustainable Sourcing Policy and Green Procurement Policy that outline the necessary criteria for engaging with our suppliers. These policies are applicable to all individuals associated with our organization, including employees in permanent and temporary roles and from contract agencies.

To ensure continuous monitoring of our suppliers' adherence to

environmental, social, and governance (ESG) requirements, we undertake the following measures:

Audits:

Ensuring transparency and fairness in our supplier relationships is a priority for us. In line with this, we conduct impartial reviews of our suppliers' practices and processes to assess their approach towards environmental, social, and governance (ESG) risks. These reviews involve evaluating their strategies and processes based on Key Performance Indicators (KPIs). In the fiscal year 2022-23, we conducted assessments on the social and environmental impacts of three of our suppliers. These evaluations provide valuable insights into their performance and enable us to foster a culture of responsible and sustainable business practices throughout our supply chain.

Meetings:

We maintain regular communication with our suppliers through various types of contract management meetings. These meetings serve as important forums for addressing different aspects of our partnership.

Progress Review Meetings are conducted periodically with the management team of our suppliers. During these meetings, we discuss a range of topics, including workers' well-being, sustainable sourcing practices, environmental impact reduction, ESG performance trends, upcoming contract events or milestones, changes to the contract, proposed actions or responses to current or potential issues, and other matters related to contract operations.

Additionally, Technical Review Meetings are held between our technical representatives and the supplier's technical experts. The main focus of these meetings is to review technical reports and assess ESG performance data. We also



Our Sustainable Sourcing Policy and Green Procurement Policy set stringent criteria for engaging with suppliers. These policies apply to all individuals associated with our organization, promoting responsible practices across the board.



discuss the role and contribution of the technical teams in meeting the ESG parameters set forth in our partnership.

By maintaining an open and proactive dialogue with our suppliers through these meetings, we ensure that we stay aligned with their progress, address any concerns, and work together to achieve our shared ESG goals.

Long-term Review and Audits:

Long term review meetings are systematised to ensure that the ESG objectives outlined for our suppliers are achieved. We closely monitor and verify the performance and improvement of our suppliers throughout our extended supply chain, in line with our policy. As part of our effort to promote sustainability, we value the commitment of our suppliers in integrating sustainable practices into their business operations. To ensure supply chain compliance, we may request suppliers to provide a mapping of their supply chains back to the source. Additionally, we retain the right to conduct periodic audits of our suppliers' facilities. Following the completion of an audit, we share the results, including areas for improvement, with the suppliers to support their ongoing progress in this

direction.

Government Relations and Advocacy

We have discontinued the legacy e-Governance business and are currently only in the business of Vakrangee kendras whereby there is no direct relationship with any government bodies. Even though we are not directly engaged with the Government, we operate White Label ATMs under a license provided by the Reserve Bank of India, subject to annual audits. Today, we are the 4th largest White Label ATM players in India. Overall, we are the 13th largest ATM operator in India and more than 2/3rds of our ATMs are located across rural areas making us one of the largest ATM operators.

Our primary goal is to establish a trusted network of ATMs that caters to a wide range of basic transactions, encompassing both financial and non-financial activities. Alongside our robust ATM business, we are associated with renowned public sector banks and private entities. By actively engaging with government institutions and private players, our aim is to foster the advancement of financial, social, and digital inclusion, thereby making a meaningful impact

on the lives of individuals.

- » **Business Correspondent Federation of India (BCFI):** Business Correspondent Federation of India (BCFI) is the national federation of Corporate Business Correspondents (CBCs) and Agent Business Correspondents (ABCs) in India. It is a not-for-profit organization that promotes responsible finance by systematizing and harmonizing delivery of financial services to the less privileged through the critical last mile delivery i.e. the ABCs. The federation, among others, is also engaged in policy advocacy, promotes financial literacy and customer awareness. BCFI undertakes studies, workshops/conclaves and supports collaborative development activities related to financial inclusion in general and the BC sector in particular. The federation works with its stakeholders towards setting up a quality network, standardized systems, and processes that address both supply and demand side challenges holistically. As an esteemed member of the Business Correspondent Federation of India (BCFI), we actively participate in conducting comprehensive studies and organizing workshops and conclaves dedicated to promoting financial inclusion. Our collaboration with BCFI enables us to receive support for various development initiatives aimed at enhancing financial inclusivity. Together, we strive to drive positive change and expand access to financial services for all.
- » **Confederation of ATM Industry (CATMi):** The CATMi is a registered not-for-profit trade association that represents ATM Manufacturing and Outsourcing companies. It is dedicated to promote the interests of the ATM industry through collaborative efforts of liaison with Government

regulators and financial institutions / banks across India. Being a member of CATMi since 2016, we have actively contributed to the advancement of the White Label ATM (WLA) business in India. Our support to CATMi has primarily focused on promoting the franchisee model throughout the country. Additionally, we have actively participated in several committees of the Confederation, working towards policy advocacy specifically related to the WLA business. Our involvement in CATMi reflects our commitment to driving the growth and success of the ATM industry in India.

Industry Leadership through Association Involvement

We maintain active memberships in several esteemed national associations, including the Associated Chambers of Commerce and Industry of India (ASSOCHAM), the National Association of Software and Services Companies (NASSCOM), and the Business Correspondent Federation of India (BCFI), among others. These memberships afford us valuable opportunities to engage in regular interactions with industry bodies, fostering collaborative efforts and facilitating knowledge exchange.

Furthermore, we actively participate in crucial meetings with the National Payment Corporation of India (NPCI), focusing on critical initiatives such as Digital India, RuPay cards, and ATM expansion.

In addition to the above partnerships, we are proud signatory members of the United Nations Global Compact. We have joined a prestigious global network of over 9,500 companies and 3,000 non-business participants, united in our commitment to building a sustainable future.

Our active involvement in these industry bodies and global initiatives allows us to contribute meaningfully

to addressing economic challenges and shaping a brighter future for all stakeholders.

Engaging meaningfully with the Local Community

As a responsible corporate citizen, we recognize our role in corporate social responsibility for making a positive impact on society. We align our business' social goals with the United Nations Sustainable Development Goals (UNSDGs) to address pressing issues such as poverty, inequality, climate change, environmental degradation, sustainable prosperity, and peace and justice and achieve them locally in our spheres of influence.

i) Our CSR Policy

Our Corporate Social Responsibility (CSR) policy aligns with The Companies (Corporate Social Responsibility Policy) Rules, 2014, introduced by the Government of India under the provisions of Section 135 of the Companies Act, 2013, and Schedule VII of the same Act.

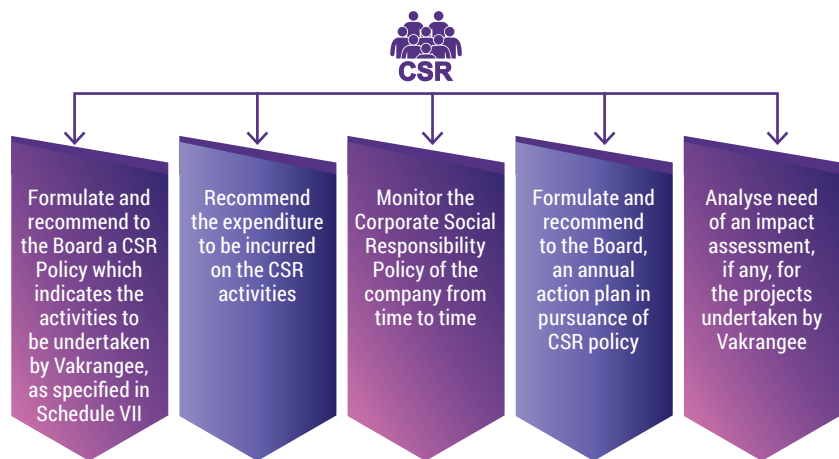
The policy guides our commitment to fostering an inclusive environment that promotes the sustainable development of the community while maintaining a harmonious relationship between the community and our business operations. Our focus lies in making significant progress towards the upliftment of underserved sections of society. The CSR committee plays a pivotal role in strategizing and implementing the Company's CSR initiatives.

ii) The CSR Committee

The Companies Act, 2013 requires a business to form a committee that oversees all CSR activities. Our Board constitutes the following members -

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

Our CSR Committee endeavours to make CSR a key business process for sustainable development of the community in which we operate in. To ensure this, the CSR Committee formulates the CSR Policy, recommends the activities and expenditure, monitors the policy, formulates the annual action plan, and analyses the need for impact assessment of the company's projects.



iii) Guiding Principles of CSR Implementation

In order to achieve our CSR goals in a holistic manner, we adhere to certain guiding principles:

Stakeholder engagement – Proactive stakeholder engagement is vital for contributing to the socio-economic development of the communities where we operate.

Environment-friendly production – We strive to use environment-friendly processes across our production.

Judicious use of natural resources – We aim to ensure environmental sustainability by adopting good environmental practices that encourage the conservative and efficient use of natural resources.

Providing equal opportunities – Our goal is to promote inclusivity and equal opportunities by focusing on working with marginalized segments of society.

Educating vulnerable groups – Our primary focus is on providing education and infrastructure to empower the girl child and underprivileged individuals, nurturing them to become valuable contributors to society in the future

Upskilling vulnerable and marginalized groups – We are committed to facilitating skill development by offering comprehensive guidance and technical expertise to the vulnerable, thereby empowering them to attain a life of dignity and self-sufficiency.

Providing healthcare facilities – We are committed to prioritize the provision of essential nutrition and healthcare facilities, placing particular emphasis on establishing dedicated health centres for the well-being of mothers, children, and the elderly.

Water conservation – We actively promote water conservation by implementing measures to reduce water consumption in our facilities and undertaking initiatives for

rainwater harvesting.

Creating a sustainable value chain – Our objective is to establish a sustainable business value chain that encompasses environmental, social, and economic aspects.

Inclusivity – We aim to promote an inclusive work culture across our business operations.

Public awareness generation regarding inclusivity – Our efforts are directed towards promoting awareness and advocating for the development of public infrastructure that is accessible, inclusive, and accommodating for individuals of all abilities, including the elderly and disabled.

Public awareness generation regarding carbon and energy footprints – Our focus is on raising awareness about the importance of adopting strategies that contribute to reducing carbon emissions, decreasing reliance on fossil fuels, and promoting the adoption of alternative energy solutions.

Employee well-being – We aim to foster and promote the well-being and development of employees and their families through an inspiring corporate culture that instils good values.

Encouraging employee volunteering – Employee participation is an important part of developing responsible citizenship. Our company encourages and motivates employees to spend time volunteering on areas of their interest.

Aiding during national crises – At the time of a national crisis, as a company it is imperative for us to respond to emergency situations & disasters by providing timely help to affected victims and their families. We extend our corporate responsibility to the ones in need during such calamities.

Promoting local initiatives – We actively promote and endorse local initiatives in various areas of economic, social,



Our focus is on enhancing the capacity, skills, and competence of employees, development partners, community members, and other stakeholders, enabling them to actively engage in sustainable development initiatives.

educational, infrastructure, and health development, providing our full support.

Aligning initiatives with sustainable development – We aim to bring change in the lives of stakeholders by aligning our CSR initiatives with sustainable development

Active collaborations – We aim to collaborate with Government Organizations, community-based organizations, donor agencies, foundations, corporates and other development/likeminded partners for optimum results.

Enhancing Capacity – Our focus is on enhancing the capacity, skills, and competence of our employees, development partners, community members, and other stakeholders. This empowers them to actively engage in sustainable development initiatives.

Promotion of youth participation in Sports, Art and Culture – Our objective is to mobilize and engage local youth in promoting sports, art, and culture, while also providing them with opportunities to represent their country.

iv) Our CSR initiatives

Following are our transformative Corporate Social Responsibility (CSR) programs, where we unite our unwavering dedication to sustainable initiatives with a profound desire to create a meaningful and lasting impact on society:

Project area	Implementation Agency	State and district where projects or programs were undertaken	Amount spent on the projects or programs (in lacs)
Cl. (ii) Promoting Education	RVG Educational Foundation	Mumbai (Maharashtra)	97.68
Cl. (i) Healthcare	Mental Health Foundation (India)	New Delhi	10.00
Cl. (i) Healthcare	Bharat Vikas Parishad	Mumbai (Maharashtra)	1.00
Cl. (ii) Promoting Education	Shree Maheshwari Shekshank and Parmarthik	Indore (Madhya Pradesh)	5.00
Cl. (i) Healthcare	District Governor’s Service Fund Lions District 3231A3	Mumbai (Maharashtra)	5.01
Cl. (ii) Promoting Education	Swadeshi Jagran Foundation	New Delhi	3.20
Cl. (ii) Promoting Education	Wave Creators Charitable Trust	Mumbai (Maharashtra)	3.00
Total			124.89

Well-Being

At the heart of our principles, we prioritize the welfare of individuals. Recognizing the numerous advantages, we actively endorse and sponsor marathons, encouraging our employees to participate and embrace a more active way of life. Additionally, we organize health sessions led by doctors, providing valuable insights and guidance on matters related to health and overall well-being for our employees.



We have consistently demonstrated our commitment to social responsibility by promoting financial and digital literacy among underserved and unserved segments of society. As a vital last-mile connection, we bridge the gap between rural and urban communities, providing essential services and fostering socio-economic development.

Healthcare

1. Our Kota-based medical facility offers a wide range of specialized treatments, including urology, general surgery, cardiology, and neurology, among others. Operating on a non-profit basis, we provide these services at a subsidised cost, with prices approximately 30-40% lower than the prevailing market rates. Furthermore, we extend our commitment to the community by offering free medical services to patients who are unable to afford treatment. Annually, we contribute treatments valued at approximately Rs 50,00,000, ensuring that those in need receive the necessary care without financial burden.
 2. The contributions made by our organization are directed towards the establishment of a cardiac setup (CTVS) within the hospital. This facility has so far achieved successful completion of approximately 40-50 bypass and valve surgeries on a monthly basis.
- More can be found out about our <https://vakrangee.in/healthcare.html>

Education

As an industry partner, we have played a crucial role in the establishment of IIIT Kota, contributing Rs. 3.20 crore (2.5% of the total capital cost of Rs. 128 crores). Our objective behind this contribution is to facilitate the creation of a prestigious institution specializing in information technology and related fields on a global scale. We aim to nurture and empower talented individuals with the qualities of innovation and entrepreneurship. Our vision includes attaining leadership in the realm of information technology and its allied disciplines, while upholding the utmost transparency in matters such as admissions, appointments, academic assessments, administration, and finance.

v) Key Social Impact due to our business initiatives -

We have consistently upheld our commitment to social responsibility. We are actively engaged in promoting financial and digital literacy among the underserved and unserved segments of society. Serving as the vital last-mile connection, we strive to bridge the gap between rural and urban communities by providing

equal access to a wide range of products and services. Our aim is to offer these offerings simultaneously, at competitive prices, and with the same service standards. Through these efforts, we act as a significant equalizer, fostering inclusivity and narrowing the divide between urban and rural populations in India.

Central to our guiding principle is a deep-seated dedication to serving and uplifting the communities where we operate. Accordingly, we strive to make a positive impact on society through our operations, extending support in various meaningful ways:

1. Reducing Inequalities

We are committed to elevating the quality of life of rural communities across the country. We serve as catalysts for social equality, bridging the divide between India's urban and rural populations. Our Next Gen Vakrangee Kendras embody our philosophy of "Sab Kaam EK Dukaan," functioning as comprehensive convenience stores that offer uniform pricing, availability, and quality of goods and services to both urban and rural citizens.

2. Promoting Gender Equality

Gender equality is a paramount focus for us. We encourage the participation of both men and women as master franchisees and franchisees. We ensure inclusive decision-making processes and provide equal opportunities for leadership at all levels. Our robust policies and initiatives aim to promote gender equality and empower women within our organization.

3. Skills Enhancement

Our business model revolves around enhancing skills. We take ordinary individuals and equip them with valuable skill sets that yield exceptional outcomes.

Additionally, individuals involved in rendering Aadhaar, and banking services receive essential certifications that contribute to their technical skill development.

4. Decent Work and Economic Growth

We strive to provide individuals with meaningful employment opportunities that are productive, stable, and well-compensated. Through our Kendras, we drive rural consumption and foster rural growth. Our master franchisees and franchisees create local employment opportunities by hiring resources and facilitating skill development, with a focus on banking and insurance services. By empowering individuals to contribute to India's economic growth, we aim to achieve equitable globalization and reduce poverty.

5. Innovation and Infrastructure for Communities

Leveraging our technology platform, we offer a comprehensive solution with real-time access to over 100 million products and 1,000 services under one roof, thereby establishing crucial last-mile infrastructure for the distribution of various products and services. We prioritize building resilient infrastructure and driving technological innovation through real-time, paperless, biometric-enabled banking. Additionally, we enable inter-operable banking by connecting major banks' core banking servers.

6. Clean Water and Sanitation

Vakrangee Kendra is equipped with a water cooler that provides drinking water facilities to the public. Given that a significant percentage of our Kendras are located in Tier V and Tier VI cities, we contribute to creating clean drinking water facilities in remote areas, ensuring access to sanitation and promoting public health.



As part of Women Empowerment initiatives, we contributed towards building of a Women's hostel facility at RVG Educational Foundation.



Promoting Gender Equality



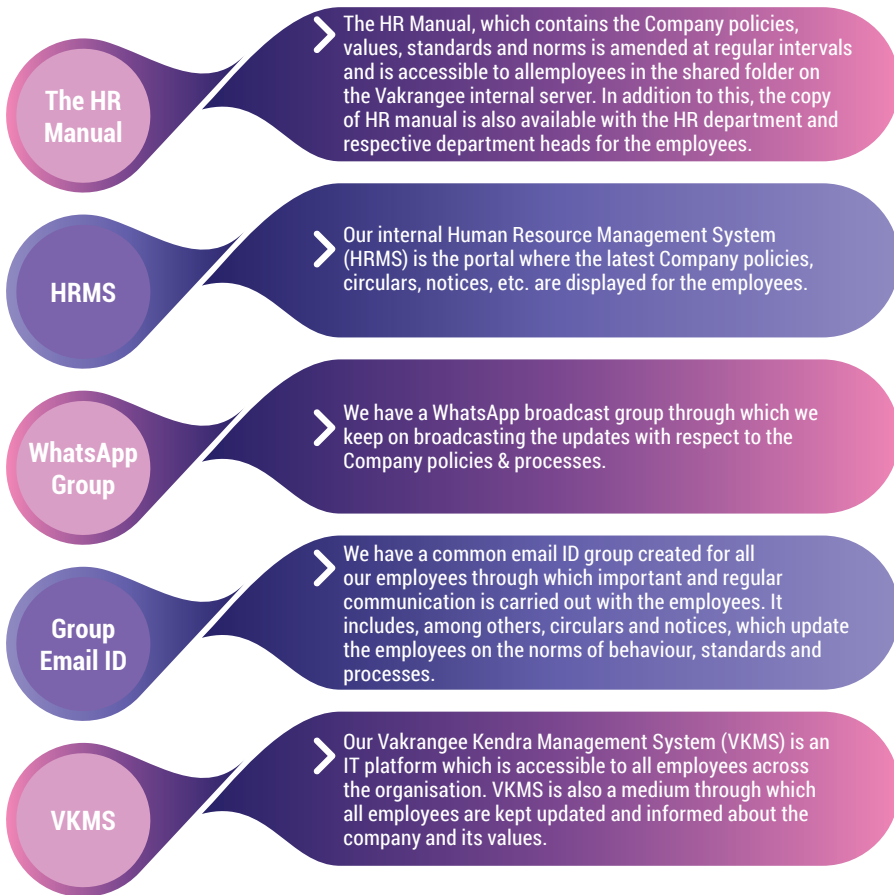
10 women
in Company's
management
council



2665 female
franchisee
owners

Meaningful Engagement with our People

We deeply value the significance of our employees and prioritize open communication as a vital aspect of our corporate culture. Recognizing the importance of fostering a two-way exchange of information, ideas, and feedback, we have implemented various platforms that facilitate transparent and effective communication. These initiatives empower our employees to express their thoughts, concerns, and suggestions, while ensuring that their voices are heard and valued. By establishing such channels, we aim to cultivate an environment where collaboration, engagement, and continuous improvement thrive.



Grievance Redressal Mechanism

Through our Human Rights policy, we demonstrate unwavering commitment to upholding the human rights of our workforce, communities, and all those affected by our business operations. We firmly believe that by fostering an empowered workforce and promoting open communication, we create an environment conducive to receiving feedback and identifying areas for improvement.

To address employee concerns related to human rights and decent labour practices, we have established a comprehensive Grievance Redressal Procedure equipped with robust systems and mechanisms. In the event of a complaint being filed, no retaliatory action can be taken against any employee or stakeholder for raising concerns. We investigate, address and respond to the concerns and take appropriate corrective action in response to any violation.

Our Grievance Redressal Procedure, supported by policies and statutory provisions, is implemented through an online portal, enabling transparent and structured discussions to achieve fair resolutions. Additionally, we strictly adhere to a zero-tolerance approach towards sexual harassment, as mandated by regulations. We have established a POSH Committee and an Internal Complaint Committee to promptly address and resolve any incidents reported. Furthermore, we have an Internal Complaint Committee in place to address any acts of misconduct.



To foster an empowered workforce and promote open communication, we have established a comprehensive Grievance Redressal Procedure equipped with robust systems and mechanisms.

The Committee currently comprises following members:

S No.	Name of the members	Designation
1	Ms. Akshata Mali	Sr. Vice President Human Resources
2	Ms. Divya Nandwana	Head ATM
3	Mr. Deepak Ambre	DGM Statutory Compliance
4	Ms. Kshitija Tambave	Manager
5	Mr. Viral Majumdar	Head MIS & Banking Onboarding
6	Ms. Veena Shetty	Personal Assistant to MD

We maintain a continuous process of identifying and addressing human rights impacts, risks, and opportunities, strengthening our workplace policies, practices, and programs. Our unwavering commitment drives us to establish robust frameworks that enable the implementation of human rights standards across our organization. We are proud to announce that we have consistently received zero complaints regarding unethical and unlawful behaviour.

	FY 2022-23	FY 2021-22
No. of complaints issued regarding unethical and unlawful behaviour.	Nil	Nil
No. of complaints resolved regarding unethical and unlawful behaviour.	Nil	Nil

To enhance transparency in our operations, we have adopted a Whistle-blower policy, providing a mechanism for reporting any instances of irregularities, misconduct, or unethical behavior to the designated individuals listed below:

Group Ethics Officer

The contact details of the Group Ethics Officer are as under:

Mrs. Akshata Mali, Head – HR,

Vakrangee Corporate House,
Plot No. 93, Road No. 16, MIDC, Marol,
Andheri – East, Mumbai – 400 093.

Email: infohumanresource@vakrangee.in

Phone: 022- 67765100

Compliance Officer

The contact details of the Compliance Officer are as under:

Mr. Sachin Khandekar,
Company Secretary,

Vakrangee Corporate House,
Plot No. 93, Road No. 16, MIDC, Marol,
Andheri – East, Mumbai – 400 093.

Email: infocompliance@vakrangee.in

Phone: 022- 67765100

Chairman of the Audit Committee

The Contact details of the Chairman of the Audit Committee are as under:

Mr. B.L. Meena,
7, Shanti Vihar, Saraswati Nagar,
Jaipur – 302017.

Email: blmeena1950@gmail.com

In addition, we have established a 24-hour Hotline number (18001023411) for the purpose of addressing questions, concerns, or complaints. A reputable third party oversees the administration of the hotline, providing stakeholders with the opportunity to anonymously raise concerns in accordance with applicable local laws. This ensures a secure and confidential platform for stakeholders to voice concerns or file complaints. For further information on our Whistle-blower policy, please refer to the following link: https://vakrangee.in/pdf/Policies-PDF/Whistle%20Blower%20Policy_Final.pdf



Upholding Transparency and Ethical Practices

	FY 2022-23	FY 2021-22
Monetary value of financial and in-kind political contributions made directly and indirectly by the organization	No	No

For FY 2022-23, our organization has made zero monetary value contributions, both financial and in-kind, directly and indirectly, towards political activities. This decision was made in order to maintain our impartiality, independence, and focus on our core mission.



Driving Sustainability through Stakeholder Consultation and Governance

In alignment with the United Nations' Sustainable Development Goals (SDGs), we have strategically mapped our sustainability initiatives. These goals serve as a comprehensive framework to drive positive change and create a better future. Our organization is dedicated to effectively adopting and addressing these global challenges, which encompass areas such as poverty, inequality, climate change, environmental degradation, prosperity, peace, and justice.

We are proud to be recognized as a Signatory of the United Nations Global Compact, joining a global network of more than 9,500 companies and 3,000 non-business participants committed to advancing sustainability. This prestigious affiliation underscores our commitment to building a sustainable future through responsible business practices.

We recognize the interconnections among the UN SDGs and strive to incorporate them into our operations, aiming to contribute towards making the world a better place. We firmly believe that businesses have the power to create positive impacts on the societies they serve.

As part of our unwavering commitment to the United Nations' Sustainable Development Goals (SDGs), we have established two dedicated committees to drive our organization's sustainability initiatives: the ESG Committee and the GHG Committee.

Board ESG Committee: Enhancing Sustainable Performance and Governance

We are pleased to introduce the Board ESG Committee, a dedicated group of esteemed individuals who play a crucial role in advancing our environmental, social, and governance (ESG) performance. The Committee works in collaboration with other Board Committees to support the Board in fulfilling its responsibilities and ensuring that our company maintains its position as a global leader in ESG practices.

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

The Board ESG Committee assumes the following responsibilities in order to support the Board in understanding and addressing material ESG issues related to our business activities:

- Strategic Considerations:**
 - Assessing the impact of ESG issues on the company's ability to create long-term value
 - Monitoring external ESG trends, risks, and opportunities
- Stakeholder Expectations:**
 - Understanding the expectations of key stakeholders and incorporating them into decision-making processes
- Alignment with Sustainable Development Goals:**
 - Assisting in integrating sustainable development goals into new business strategies and initiatives
- Performance Monitoring:**
 - Reviewing the results of key ESG investor initiatives and global benchmarks
 - Overseeing the implementation of identified initiatives and areas for improvement based on ESG investor surveys and global benchmarks
- Senior Management Evaluation:**
 - Supporting the NRC Committee in evaluating the performance of senior management from an ESG deliverable perspective

	Responsibility
Environmental factors	<ol style="list-style-type: none"> 1. Oversee the implementation of various environmental sustainability initiatives and commitments, including performance, challenges, and opportunities. 2. Oversee the delivery of the Company's disclosures relating to Climate-Related and GHG Carbon Emissions Disclosures. 3. The Committee along with assistance of Board Risk Management Committee to reviews the adequacy of Management's approach in the identification and management of environmental risks and opportunities, including climate-related issues.
Social factors	<ol style="list-style-type: none"> 1. Oversee the implementation of group social responsibility and sustainability initiatives or commitments, including performance, challenges and opportunities, with a view to their effectiveness in delivering social impact. 2. Oversee and monitor processes and mechanisms for building relationships with Master Franchisees, Franchisees, customers, suppliers and other key stakeholders and understanding their expectations. 3. Review the effectiveness of the initiatives and policies that support human rights and Diversity in Company's operations and supply chain. 4. The Committee along with Board Remuneration Committee has oversight of Company's inclusion, diversity and general people & culture practices and related frameworks.
Governance factors	<ol style="list-style-type: none"> 1. Oversee the reputational impacts of the Company's business strategies and practices. 2. Monitor the Company policies and initiatives to ensure appropriate safeguards are in place for dealing fairly and ethically with third party capital partners, suppliers and other stakeholders. 3. Review and endorse to the Board the group's Governance Management Framework. 4. Review and endorse to the Board on an annual basis Company's Sustainability Performance Pack, Corporate Governance Statement and the ESG achievements and future commitments and targets.

GHG Committee: Stakeholder Consultation and Governance: Driving Sustainability Factors

At Vakrangee, we recognize the imperative of reducing our greenhouse gas (GHG) emissions as a key aspect of our commitment to environmental stewardship and sustainability. In line with our dedication to mitigating climate change and demonstrating tangible progress in this area, we have established a dedicated committee entrusted with the responsibility of setting ambitious targets and closely monitoring our progress.

This committee plays a pivotal role in driving our efforts to minimize GHG emissions across our operations.

By setting measurable targets, we ensure that our initiatives are aligned with global best practices and industry standards. Through rigorous monitoring, we maintain a clear focus on tracking our progress, identifying areas for improvement, and implementing effective strategies to achieve our emission reduction goals.

By establishing this committee, we showcase our unwavering commitment to sustainable practices and environmental responsibility. Through its diligent work, we are able to enhance our performance, continuously strive for greater efficiency, and contribute to the collective effort of combating climate change.



To actively address climate change and demonstrate tangible progress, we have formed a dedicated GHG Committee. This committee plays a pivotal role in setting ambitious targets and closely monitoring our efforts to minimize GHG emissions across our operations.

We are proud to introduce the esteemed members of our ESG (Environmental, Social, and Governance) Committee, a dedicated group of individuals who bring diverse expertise and a shared commitment to advancing our sustainability goals. Each member of this committee plays a crucial role in guiding and overseeing our ESG initiatives, ensuring that we uphold the highest standards of environmental stewardship, social responsibility, and effective governance.

Name	Designation
Ammeet Sabarwal	Chief Strategy officer
Ajay Jangid	Chief Financial Officer

	Responsibility
Board Oversight: Board-level Responsibility:	1. Accountability starts with our Board ESG Committee, which provides governance and ESG oversight over the strategy, operations, and management.
Board ESG Committee	2. The Board actively and regularly reviews enterprise risk, which includes business continuity risk factors, among which are climate-related factors. 3. The Board determines its own priorities and considers enterprise risk a key area for regular review on continuity, including climate-related risks, if identified as significant. 4. The Board oversees our senior management, to whom it has delegated authority to manage the day-to-day climate related and ESG related matters. 5. Within the company's most senior management group, there is a dedicated committee – The GHG Reduction strategy Committee, that determines and monitors key environmental strategies. 6. Management briefs the Board or the Nominating and Governance Committee, as applicable, on climate / environment -related issues.
Chief Executive Officer (CEO) / Chief Strategy Officer	1. To integrate sustainable development goals into Business strategy & Operations. 2. Assess and manage ESG-related risks and opportunities on regular periodic quarterly basis. 3. Sets and drive progress against company-wide objectives from a general business perspective, including through different business groups.
Chief Operating Officer (COO) / Chief Financial Officer (CFO)	1. Assess and manage Environment-related risks and opportunities on a Quarterly basis. 2. To implement the Environment related Initiatives across Business operations at the Field level. 3. Along with Admin Team, Drive the operational progress needed to meet Resource efficiency targets, for example by supporting our facilities management teams to improve energy efficiency and ensure programs are appropriately resourced. 4. This two-pronged approach enables to make faster progress and articulate our journey consistently to employees and other stakeholders.
GHG Reduction Strategy Committee	1. Regularly discuss and identify the various Environment related Issues, initiatives, monitor & measures those initiatives of the Company from time to time. 2. The reporting and disclosure are done on an Annual basis.

Responsibilities of the GHG Reduction Committee: Driving Environmental Sustainability -

• **Environmental Integration**

Ensuring that environmental considerations are seamlessly integrated into our business operations. Proactively leveraging technology and innovation to conserve energy, lower our carbon footprint, and reduce carbon emissions.

• **Sustainable Infrastructure**

Incorporating energy and environmental considerations into the design of our new IT infrastructure, including data centres and other facilities, to promote energy efficiency and environmental sustainability.

• **Renewable Energy Focus**

Striving to decrease our carbon footprint through energy efficiency measures, with a specific emphasis

on increasing the utilization of renewable energy sources in our overall energy consumption.

• **Circular Waste Management**

Embracing a sustainable waste management philosophy that aligns with the principles of circularity, implementing best practices for waste management, recycling, and eco-friendly disposal.

• **Resource Efficiency**

Implementing initiatives aimed at enhancing resource efficiency in our operations, with a particular focus on optimizing the usage of key resources such as energy and water.

• **Stakeholder Engagement**

Considering and discussing stakeholder expectations regarding infrastructure improvement, operational enhancements, process optimizations, and solutions to meet sustainability goals.

• **Green Procurement Monitoring**

Monitoring the implementation of our green procurement policy to ensure the sourcing of environmentally friendly and sustainable products and services.

Key Environmental Impact due to our business initiatives -

We actively engage in initiatives that benefit the environment and promote eco-conscious practices. We recognize the importance of addressing environmental challenges and strive to make a positive contribution through our business activities. By embracing sustainable practices and incorporating environmentally friendly measures, we aim to reduce our ecological footprint and promote a greener future.

1. Leveraging Disruptive Technology: We leverage disruptive technologies such as e-KYC, interoperability, and real-time transactions to enhance

our services. Additionally, we prioritize environmentally friendly practices by embracing features like paperless banking, real-time transactions, and biometric evaluation. As a result, our Kendras operate digitally and paperless, significantly reducing paper waste and eliminating plastic waste.

2. Mitigating Carbon Footprint: Our Vakrangee Kendras play a vital role in reducing carbon footprint. By offering a diverse range of products and services, including banking, insurance, e-Governance, logistics, and e-Commerce, we enable customers to access these facilities within convenient walking distances. This not only saves time and fuel costs but also significantly reduces carbon emissions. Our strategically located Kendras are committed to promoting sustainable practices.

3. Responsible Consumption and Production: At Vakrangee Kendras, we have embraced "Go Green" initiatives. Our banking processes operate on the Aadhaar enabled Payment System (AePS) model, reducing the need for printed receipts. Instead, transaction acknowledgments are sent via SMS, promoting responsible consumption of paper. Furthermore, we adopt environmentally sound practices such as prevention, reduction, recycling, and reuse of paper to minimize its environmental impact. We also prioritize minimizing hazardous waste by using refillable ink cartridges, ensuring the safety of our community members and minimizing exposure to both hazardous and non-hazardous waste.

4. Sustainable Practices at Vakrangee Workplace: In our offices, we have taken significant steps towards sustainability. We have implemented solar power systems, reducing our dependence on traditional electricity sources. Our

workplace design incorporates glass walls, allowing ample sunlight to illuminate the premises and minimizing the need for artificial lighting. Furthermore, we have installed energy-efficient LED lighting to promote responsible electricity consumption. These initiatives at both our Kendras and workplaces reflect our commitment to sustainable practices, demonstrating our dedication to environmental responsibility and creating an eco-friendlier future.

ISO certifications

We firmly recognize ISO certifications as significant milestones that organizations should strive to achieve as they conduct business. At our company, we maintain a strong commitment to adhering to ISO standards and policies, and we proudly hold several certifications, including:

- » ISO 26000:2010 Social Responsibility Management System – By attaining this certification, we have been able to effectively demonstrate our commitment to sustainable development and go above and beyond legal compliance requirements.
- » ISO 37001:2016 Anti-bribery Management System - By attaining this certification, we have been able to demonstrate our dedication to conduct business with transparency, ethics, and fairness.
- » ISO 45001:2018 Occupational Health and Safety Management System - By attaining this certification, we have been able to demonstrate our commitment to establish and maintain a safe and healthy workplace.
- » ISO 20400:2017 Sustainable Procurement Management System - By attaining this certification, we have been able to showcase our stringent sustainable procurement practices.



We have implemented solar power systems, reducing our dependence on traditional electricity sources and promoting renewable energy usage. Our workplace design incorporates glass walls, allowing ample sunlight to illuminate the premises and minimizing the need for artificial lighting.

In addition to these certifications, we have also obtained other ISO accreditations that bolster our overall business performance and enhance our service delivery capabilities.

New Alliances

Vakrangee E-mart Services

As a result of our new alliance, we have introduced Vakrangee e-mart services, offering discounted prices on branded products and consumer durables compared to the majority of other online e-commerce and shopping platforms.

Sale of Refurbished Smartphones

In collaboration with Digify Televentures Private Limited (Digify), we have formed a partnership to provide customers with the opportunity to purchase refurbished smartphones and mobile accessories at competitive prices, ensuring both quality and warranty. These offerings are conveniently available through Vakrangee Kendra outlets.

Natural Capital

Caring for the environment through our actions

Think Global, Act Local

Our foundation for sustainability is built upon the sustainable growth of the economy as a whole. The Sustainable Development Goals (SDGs) of the United Nations (UN SDGs) are goals that we want to successfully incorporate into our business operations to combat the escalating issue of climate change and environmental degradation. We are dedicated to preserving the environment and doing it using sustainable practices and sound governance.

We strive to align our Company's actions with the National Guidelines on Responsible Business Conduct (NGRBC) established by the Indian Government. Furthermore, we support preserving the environment, labour standards, and human rights because we have been accepted as a signatory member of the United Nations Global Compact. We can advance the bigger goal of having a sustainable nation through our affiliations and commitments.

We at Vakrangee Limited believe in having a responsibility and an opportunity to foster sustainable entrepreneurship and contribute to a greener and more socially responsible future. In today's fast-paced and dynamic business environment, fostering an entrepreneurial spirit is crucial for driving performance and accelerating growth. We recognise the immense potential of harnessing entrepreneurial energy and have adopted a strategic approach emphasising empowering master franchisees and Kendra franchisees to create a robust and successful phygital network. By aligning our business practices with sustainable principles, we can mitigate environmental impact and create long-term value for our stakeholders.

We have explored few key strategies that we tend to employ to encourage sustainable entrepreneurship

Incorporating Sustainable Innovation:

Incorporating sustainability is essential for long-term success and responsible business practices. We aim to prioritise sustainable innovation by integrating and encouraging environmentally friendly technologies and practices into core business operations. This involves leveraging renewable energy sources, implementing energy-efficient solutions, and optimising resource consumption.

Support for Eco-Entrepreneurs:

We establish programs and initiatives to support and nurture eco-entrepreneurs developing sustainable solutions. This includes providing mentorship, funding opportunities, and access to resources such as infrastructure, networks and market channels. We intend to help sustainable entrepreneurs thrive and scale their impact by fostering a supportive ecosystem.

Collaboration and Partnerships:

We proactively pursue partnerships with like-minded organizations, sustainability-focused start-ups,



and social enterprises to promote sustainable entrepreneurship. These collaborations can take various forms, such as joint ventures, knowledge-sharing initiatives, and co-creation of sustainable solutions. By combining our resources and expertise, we aim to foster a robust ecosystem that accelerates the growth of sustainable entrepreneurship.

We are proud to announce that we have become a Participant and Signatory member of the United Nations Global Compact (UNGC). This membership signifies our commitment to upholding the UNGC's principles in the areas of human rights, labor, environment, and anti-corruption. Additionally, our Company is now fully compliant with the ESG Framework, demonstrating our adherence to environmental, social, and governance standards. Furthermore, we have also become a Signatory member of the United Nations Women Empowerment Principles (UN WEP). By joining this initiative, we affirm our dedication to promoting gender equality and empowering women in the workplace, marketplace, and community.



These memberships and commitments highlight our unwavering commitment to sustainability, responsible business practices, and the advancement of gender equality.

Capacity Building and Education:

We intend to play a vital role in promoting sustainable entrepreneurship by investing in capacity-building and education programs. This involves organising workshops, training sessions, and awareness campaigns highlighting the importance of sustainable practices and entrepreneurial opportunities in renewable energy, waste management, and sustainable agriculture sectors. By equipping individuals with the necessary knowledge and skills, we can empower them to become sustainable entrepreneurs.

Encouraging sustainable entrepreneurship aligns with our vision for a greener and more inclusive future. By incorporating sustainable innovation, supporting eco-entrepreneurs, fostering collaborations, investing in capacity building and promoting transparency, we believe in creating an ecosystem that nurtures and amplifies the impact of sustainable entrepreneurs. Through these efforts, we anticipate

to drive positive change, contribute to sustainable development and position ourselves as a leader in responsible business practices..

Our Policies for Sustainability

We have a responsibility to engage in sustainable practices. Our mission is to integrate sustainability into each aspect of our business operations. Paperless banking, Go Green ATM services and Next Gen Vakrangee Kendras are some of our initiatives to lessen our environmental impact and create a sustainable future. A strong governance and risk management framework contributes to our dedication to sustainability and our ambition to reduce carbon impact. Our Communication of Progress policy also describes our strategy for preventing environmental degradation and implementing sustainable business practices. The following section describes our policies for environmental protection.

Environmental Policy:

In line with our commitment to responsibility, we have implemented the Environmental Management System (EMS) under the ISO 14000 series. This system enables us to regularly assess and monitor our operations, identifying potential



We are proud to announce that we have become a Participant and Signatory member of the United Nations Global Compact (UNGC), demonstrating our commitment to upholding its principles in the areas of human rights, labour, environment, and anti-corruption.

environmental risks and opportunities. By integrating these findings into our corporate strategy, we uphold our environmental responsibilities as a responsible firm.

To ensure that our value chain is both environmentally and socially responsible, we actively encourage our employees, franchisees, business partners, clients, and shareholders to embrace our green practices. We believe that by collectively adopting sustainable measures, we can make a significant positive impact.

As part of our long-term vision, we plan to incorporate a lifecycle perspective into our environmental management initiatives. This approach will allow us to consider the entire lifecycle of our products and services, from production to disposal, ensuring that we minimize our environmental footprint at every stage.

Our environmental commitments encompass various areas of action, focusing on sustainable practices, resource conservation, waste reduction, pollution prevention, and continuous improvement. By adhering to the principles of the EMS, we strive to achieve our environmental objectives and contribute to a greener future.

By forming connections and fulfilling our commitments, we can enhance the overarching goal of creating a sustainable nation.



Sustainable Sourcing Policy:

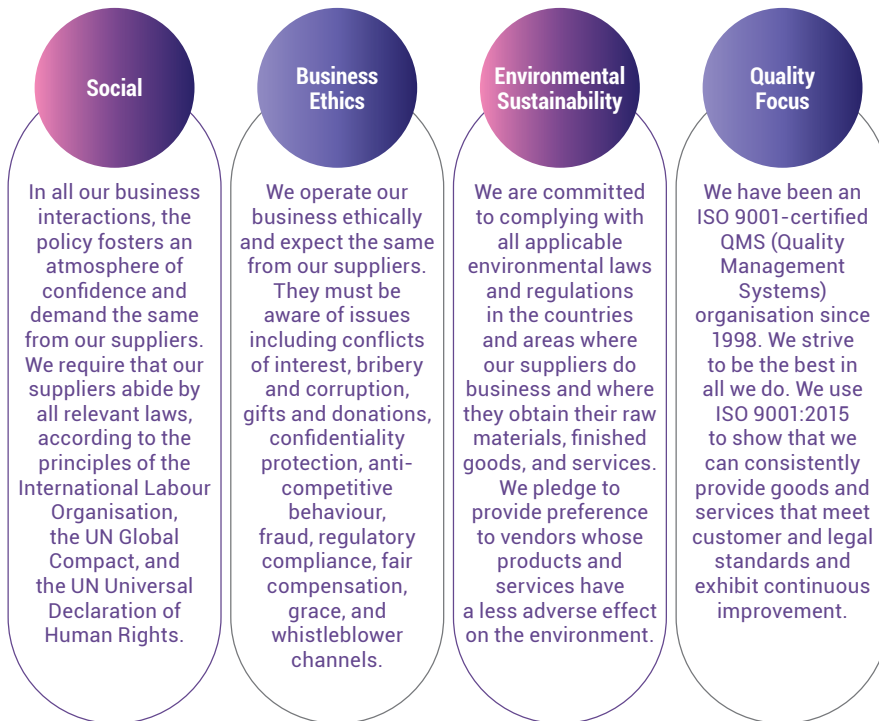
We understand that the impacts of the environment and climate change are the primary sustainability challenges that businesses and society need to tackle. The economy, vulnerable groups, and the environment are all impacted by these problems. We are committed to achieving sustainable growth by enacting laws that support it. Because of our

commitment to sustainable sourcing, we employ the best practices that minimise our negative influence on the environment. We insist that all of our suppliers follow the necessary regulations to lessen the environmental impact of the products and services we purchase. Our Sustainable Sourcing Policy's guiding principles are laid out here.

Green Procurement Policy:

As a company dedicated to long-term growth, we align our practices with the Sustainable Sourcing Policy. When determining the source of office supplies, we prioritize environmental considerations, as they directly impact the durability and longevity of the products and services we use. We expect our suppliers to adhere to the environmental sustainability standards outlined in our environmental policy and adopt best practices that help minimize our overall environmental footprint, provided they comply with our procurement rules. Furthermore, we require our suppliers to regularly assess these standards, ensure compliance, and continually enhance the criteria to contribute positively to both society and the environment. Our procurement team emphasizes that all products must adhere to our green purchasing/procurement policy.

Our commitment to sustainable growth is reflected in our alignment of policies with the Sustainable Sourcing Policy.



GHG Reduction Program:

We consider climate change the most critical issue of our time, which calls for immediate action from everyone. As part of our corporate strategy, we have incorporated sustainable practices to combat the problem of climate change. We provide our products and services through our Vakrangee Kendras in the most environmentally sustainable manner possible. We try to lessen our carbon footprint in our office and all of our Vakrangee Kendras. Our extensive Vakrangee Kendras network ensures accessibility to every individual nationwide, thereby minimising the carbon footprint associated with long-distance travel. By delivering sustainable access to financial and digital information to everyone, we hope to be the final link that connects everyone.



Vakrangee follows a Green Procurement Policy. When sourcing office supplies and other products, the company prioritizes environmental considerations, taking into account the products' durability and their impact on the environment.

Environmental Governance

With the help of different teams and roles, we have incorporated sustainability into every facet of our business operations. Our dedication to sustainability is supported by a robust governance system that monitors the impact areas of our business operations and the critical global risks that all organisations

face. The table below lists the governing bodies overseeing and ensuring sustainable operations. The committee works to incorporate environmental concerns into business operations, take proactive steps, and use technology and innovation to conserve energy across our operations to reduce our carbon footprint and emissions.

Personal	Responsibility
Board Oversight: Board-level Responsibility	<ul style="list-style-type: none"> Accountability starts with our Board, which directs and regulates strategy, operations, and management. The Board actively and frequently evaluates enterprise risks, which includes Enterprise' environmental impacts, climate change and other risk factors for business continuity. The Board sets its priorities and views enterprise risk as a crucial area for routine continuity reviews, including risks connected to the climate if they are severe. Our top management is overseen by the Board, which has authority over daily climate-related issues. The senior management group of the Company has a special committee comprising senior management, called the GHG Reduction Strategy Committee that decides and keeps track of important environmental strategies. Climate and environmental concerns are assessed and reported by management to the board or the nominating and governance committee, as appropriate.
Chief Executive Officer (CEO)	<ul style="list-style-type: none"> Each quarter, evaluates, monitors and manages opportunities and risks/hazards related to the environment. At the field level, Ensures the implementation of environmental policies and measures in all business operations. Provides direction and enabling supports to our facilities management teams in increasing energy efficiency and ensure that programmes are adequately resourced in partnership with the administrative team, for example, to drive the operational progress necessary to achieve resource efficiency goals. This dual approach enables us to advance more quickly while routinely updating workers and other stakeholders on our progress.
Chief Operating Officer (COO)	<ul style="list-style-type: none"> Each quarter, evaluate and manage environmental risks and opportunities. Take environmental initiatives into account in all of your field operations. Drive the operational advancement necessary to achieve resource efficiency goals, for instance, by helping our facilities management teams increase energy efficiency and ensure that programmes are adequately resourced in partnership with the administrative team. We can advance more quickly because of this two-pronged approach while also keeping workers and other stakeholders routinely informed of our progress.
GHG Reduction Strategy Committee	<ul style="list-style-type: none"> Discuss various environmental issues and actions and routinely track and evaluate such activities. On an annual basis, the reporting and disclosure are completed.

Our utmost priority is addressing raising temperatures and reducing our greenhouse gas (GHG) emissions. We ensure to drive towards increasing the use of renewable energy for our daily operations and investing in pioneering technologies.

Energy and Greenhouse gas (GHG)

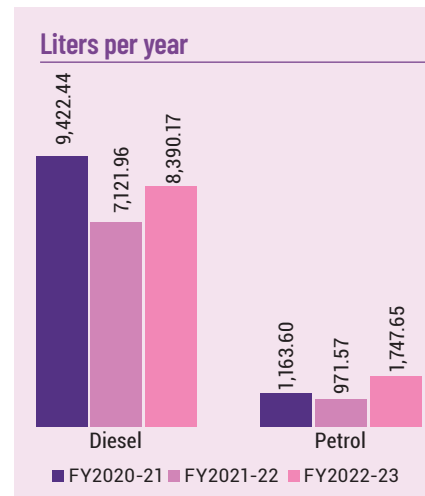
Everyone is responsible for swiftly addressing climate change's rising environmental, social and economic threats. We have set a target to reduce our GHG emissions and contribute towards a more sustainable and green tomorrow. Our stringent waste and materials management techniques and policies ensure minimal negative impact during our day-to-day operations. We ensure to reduce our GHG emissions, transit towards alternative and green energy sources, and further invent state-of-art technologies, sustainable initiatives, and start-ups. Our new business model, 'Next-Gen Vakrangee Kendras', which was initiated in FY 2018-19, serves as a baseline for us where we established goals to reduce our carbon footprint. By encouraging and providing opportunities for emerging entrepreneurs through a district-level franchisee model to oversee and expand their local district-level Kendra network, we are adopting a decentralised and customer-focused strategy that aids us in further decreasing our greenhouse gas (GHG) emissions. Since then, we have initiated to follow and report the progress since the initiative helped us go paperless, fostering decreased carbon emissions.

Direct Energy Consumption - Fuel consumed by company-owned cars for transportation

	Units	FY 2020-21	FY2021-22	FY2022-23
Diesel	Litres	9,422.44	7,121.96	8,390.17
Petrol	Litres	1,163.60	971.57	1,747.65
Total	Litres	10,586.04	8093.53	10,137.82

Indirect Energy Consumption at Corporate Office – Non Renewable and Renewable

	Units	FY 2020-21	FY2021-22	FY2022-23
Grid – Conventional	kWh	2,81,180	83,103	-
Grid – Green Energy	kWh	-	2,41,347	3,31,024
Solar	kWh	51,214	31,012	51,909
Total	kWh	3,32,394	3,55,462	3,82,933

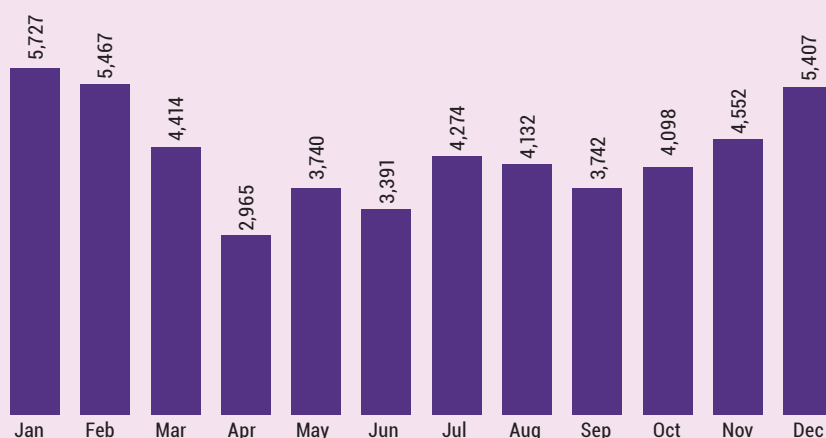


Our widely spread Vakrangee Kendras are close to customers, communities, and franchisees, leading to lower scope-3 GHG emissions.

Renewable Energy Consumption - Solar Energy

Month	FY 2020-21	FY 2021-22	FY 2022-23	Unit
April	7,620	6,293	5,727	kWh
May	7,785	5,802	5,467	kWh
June	3,432	5,258	4,414	kWh
July	0	4,540	2,965	kWh
August	1,985	1,674	3,740	kWh
September	3,730	Under maintenance	3,391	kWh
October	3,832	Under maintenance	4,274	kWh
November	3,718	Under maintenance	4,132	kWh
December	3,455	Under maintenance	3,742	kWh
January	4,101	2,096	4,098	kWh
February	4,962	Under maintenance	4,552	kWh
March	6,594	5,349	5,407	kWh
Total	51,214	31,012	51,909	kWh

Solar Energy Generated (kWh)

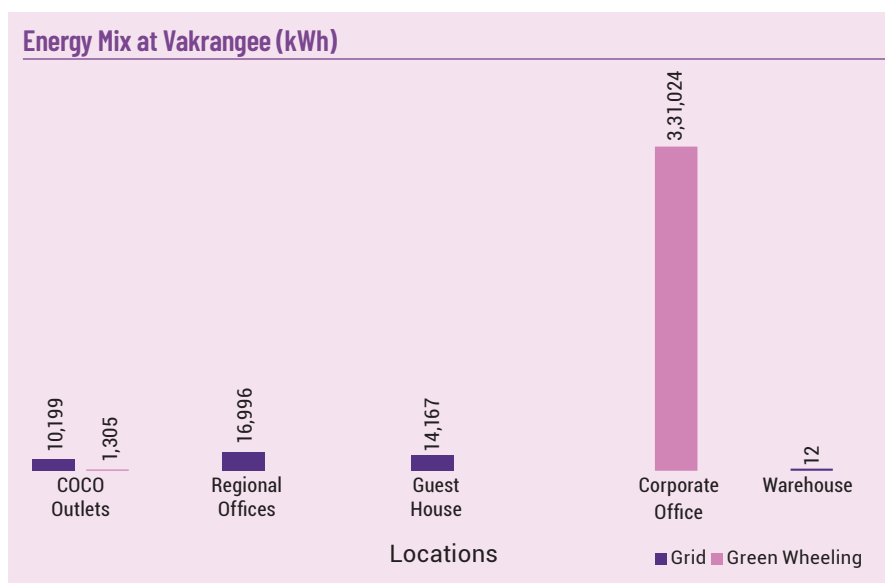


51,909 kWh

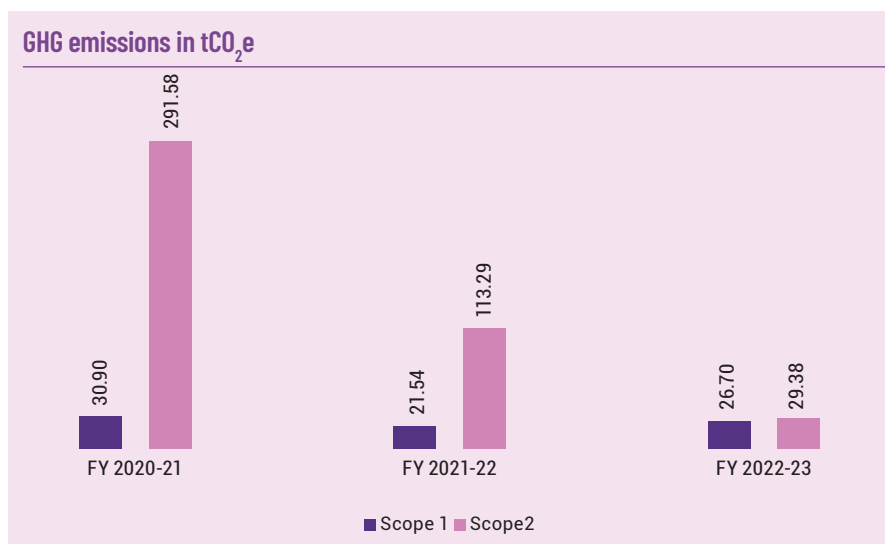
Renewable Solar Energy generated during the year at corporate office.

We are mindful of our energy consumption at our COCO outlets and regional offices, which helps us keep a check on its environmental impact. We have started purchasing green power in our Corporate Office and Andheri outlet to shift to renewable energy

Location	Total consumption - Grid	Total consumption - Green Wheeling	Total consumption - Solar	Unit
Company Owned Company Operated (COCO Outlets)	10,199	1,305	-	kWh
Regional Offices	16,996	-	-	kWh
Guest House	14,167	-	-	kWh
Corporate Office	-	3,31,024	51,909	kWh
Warehouse	17	-	-	kWh
Total Consumption	41,379	3,32,329	51,909	kWh



	FY 2020-21	FY 2021-22	FY 2022-23	Unit
Scope 1 emissions	30.90	21.54	26.70	tCO ₂ e per year
Scope 2 emissions	291.58	113.29	29.38	tCO ₂ e per year
Intensity trends	0.00000014179	0.00000012553	0.00000003408	tCO ₂ e per rupee of turnover



Our Scope 1 emissions arise from the usage of petrol and diesel in our company-owned vehicles.

Over the past three years (FY23, FY22, and FY21), our energy intensity trend, measured in Joules per Rupee of turnover, has been as follows: 1164.08, 1680.09, and 842.43 Joules/ Rupees of turnover, respectively. Scope 2 emissions are attributed to the electricity we purchase from the local grid. This is the first time we are reporting on scope 3 as we recently initiated data tracking and management for this category.

For this reporting year, our Scope 3 emissions accounted for - 726.35 tCO₂e per year. This year being the first time, we have focused only on upstream activities when calculating our Scope 3 emissions. Although, more than 90% of our scope 3 emissions will be accounted from our downstream activities, we are still in the process to establish a robust data management process to capture all the relevant data points. We plan to calculate and disclose the same in the upcoming years.

The following upstream categories are covered:

- » Purchased goods and services (Category 1): This includes emissions associated with the products and services we procure from external suppliers.
- » Capital goods (Category 2): This category encompasses emissions related to the acquisition and use of capital goods, such as machinery and equipment.
- » Business travel (Category 6): These emissions are associated with employee travel for business purposes, including flights, train journeys, and other modes of transportation.
- » Employee commute (Category 7): This category includes emissions generated by employees during

their daily commute to and from work.

- » By including these categories in our scope 3 emissions reporting, we aim to provide a comprehensive overview of our environmental impact across various upstream activities.

GHG emission reduction initiatives

- » Fighting climate change is our utmost priority. We ensure to offer services in a sustainable manner that minimises our carbon footprint. We strive to reduce our environmental impact and enhance health safety at our corporate headquarters and all our Next-Gen Vakrangee Kendras. Additionally, we have been utilising 100% renewable energy for our corporate office starting from FY22 and for one COCO outlet in Andheri from September 2022 onwards.
- » Our vast network of stores and our eco-friendly initiatives have minimised our carbon footprint. We offer biometric-based digital banking, ATM services, financial services, insurance services, e-Governance services, logistics services, and e-Commerce products and services, all while maintaining our commitment to sustainability. We provide a variety of goods and services to our customers that can be conveniently

accessed on foot, saving both time and fuel. Our hybrid model of operations greatly influences our environmentally-friendly initiatives as our services are easily accessible through digital means.

Green building offices

Our corporate headquarters was built following green building principles. The building incorporates energy-efficient design and various green technologies such as rooftop solar panels for renewable energy, solar thermal installations, chiller waste heat recovery units, and solar panel-based peripheral illumination systems to establish a sustainable environment. The building mainly consists of glass walls to maximise natural light and minimise electricity consumption. LED lights have been installed to further promote efficient electricity usage, and all of our corporate office's energy requirements are fulfilled through Green-wheeling.

Green Data Centers

The demand for storing, processing, and analysing information has grown with the shift to a digital economy. This has led to an increase in the capacity of existing data centres. To maximise efficiency and manage energy usage, we have streamlined the "Data Centre" facility into a single unit to reduce energy consumption. Several measures have been implemented to enhance the energy performance of data centres. These include creating high and medium server density rooms, implementing server virtualisation and consolidation, utilising cold aisle containment, and optimising the temperature levels of incoming air. These initiatives have yielded positive outcomes regarding reducing the energy intensity of data centres and promoting environmental sustainability.

Targets on Greenhouse Gas Emissions Reduction

We are consistently working on initiatives to assist in decreasing GHG emissions. Our endeavour to lower greenhouse gas emissions, supervised by the GHG Reduction Strategy Committee, undergoes thorough scrutiny and is compared against our objectives. The committee's main objective is to regularly discuss and identify different projects and assess and gauge the organisation's progress. This information is then reported and disclosed annually.

We continuously set and compare our environmental goals with ecological objectives and targets to enhance our environmental performance and overall management system. Additionally, we consistently monitor and assess the effectiveness of various crucial measures to reduce greenhouse gas emissions. Our set of short-term and long-term objectives will aid us in achieving our environmental goals, as goals provide tangible and measurable outcomes that need to be accomplished within a designated timeframe.

Short-term reduction goals

We aim to achieve a yearly reduction of 5% in our operational greenhouse gas (GHG) emissions, specifically in Scope 1 and 2, compared to a baseline set in 2019. In addition, we will prioritise the reduction of Scope 3 Emissions, which refer to the indirect emissions occurring across our Company's value chain when offering and using services and products.



Avoided ~272.81 metric tons of tCO₂e emissions in FY23 through both Green-Energy and Solar Energy.

In 2022-23, through our paperless ATMs, Banking transactions and Digital Annual Report initiatives, we collectively saved 529.68 metric tonnes of paper

Particulars	Energy/ resources saved in banking			Energy/resources saved in ATM			Energy/ resources saved by Digital Annual Report		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
A4 size paper saved (in million)	39.92	35.76	34.02	NA	NA	NA	39.87	49.58	76.31
Quantity of paper saved (in metric tonnes)	199.63	178.78	154.32	23.35	30.41	29.21	199.36	247.88	346.15
CO2 equiv. of greenhouse gas emissions avoided (in pounds)	39,60,000	35,40,000	30,60,000	4,97,000	6,47,000	6,21,000	39,50,000	49,10,000	68,60,000
Wood saved (in U.S. short tonnes)	878	787	679	53.7	69.9	67.2	877	1,090	1,520
Water saved (in gallons)	47,10,000	42,20,000	36,40,000	10,70,000	13,90,000	13,30,000	47,00,000	58,50,000	81,60,000
Solid waste avoided (in pounds)	2,59,000	2,32,000	2,00,000	20,400	26,600	25,500	2,59,000	3,22,000	4,49,000
Energy saved (in million BTU)	5,610	5,020	4,340	724	943	906	5,600	6,970	9,730
Trees saved from being cut for paper (in number)	5,270	4,720	4,070	322	420	403	5,260	6,540	9,140

Long-term reduction goals

By 2025, our primary objective is to achieve a 25% decrease in our operational greenhouse gas (GHG) emissions, specifically Scope 1 and 2 emissions, compared to the baseline of 2020. We also prioritise efforts to minimise Scope 3 emissions.

We acknowledge the importance of certifications as they assist us in our journey towards sustainability. The third-party audit was carried out at our corporate office to verify the emissions from human-made sources of greenhouse gases within our organisation's boundaries. This audit was conducted in accordance with ISO 14064-3:2006 and encompassed the physical infrastructure, activities, technologies, and processes of our organisation. The inspection was focused on Vakrangee Corporate House, located in Marol, Andheri (E), Mumbai.

Accomplishing Long-term GHG Reduction Targets – 2025

To achieve our goals of reducing greenhouse gas emissions in the long run, we are adopting the following approaches:

- » Developing energy-efficient solutions, such as utilising renewable energy sources, to decrease overall energy usage. Our strategy of implementing an

exclusive district-level master franchisee model helps us to reduce our emissions by promoting fewer transportation requirements, digital transactions, minimising paper waste and optimising operation efficiency, aligning with our commitment to sustainability and developing a greener and more environmentally conscious business ecosystem.

- » Our strategy involves expanding our utilisation of renewable energy by establishing power purchase agreements with private renewable energy providers for our corporate office.
- » Emphasise sustainable purchasing by following our green procurement policy. We prioritise the procurement of products that are certified by EPEAT.
- » Our main office embodies the principles of green building. Notable characteristics of our green buildings include energy-efficient planning, using rooftop solar panels for renewable energy, glass walls to maximise natural light, incorporating recycled materials, and efforts to achieve zero waste discharge.
- » We encourage employees to choose carpooling/vanpooling, biking, and public transportation as means of transportation, which contributes to reducing Scope

3 greenhouse gas emissions. Incentives have been implemented to support these commuting alternatives.

- » We intend to promote sustainability among employees by establishing electric vehicle charging stations at our facilities.
- » By using video conferencing technology to minimise local and long-distance travel and instructing customers to transition to digital transactions and biometric-enabled banking, we aim to eliminate travel and paper usage.
- » We have implemented regulations against plastic packaging and drinking water bottles to minimise plastic consumption. Instead, we have introduced glass water bottles for office meetings. Additionally, we have embraced a waste management approach that aligns with the circularity concept, encompassing recycling, eco-friendly disposal methods, and industry best practices.
- » Our goal is to implement energy-saving measures in our facilities. This includes using renewable energy in our last-mile franchise infrastructure and utilising technology to promote innovation and digital transactions, resulting in minimal paper waste and reduced greenhouse gas emissions.

Water

We understand the importance of having access to clean and safe water, which needs to be improved in several rural regions of India. Each Vakrangee Kendra has a water cooler system offering individuals safe portable water for all. The extensive network of Vakrangee Kendras enables the provision of clean and safe water. We are constructing drinking facilities for clean water in rural areas that are accessible at all times. This initiative is possible because approximately 79% of Vakrangee Kendras are concentrated in tier IV, tier V, and tier VI cities.



Water consumption at the Corporate Office

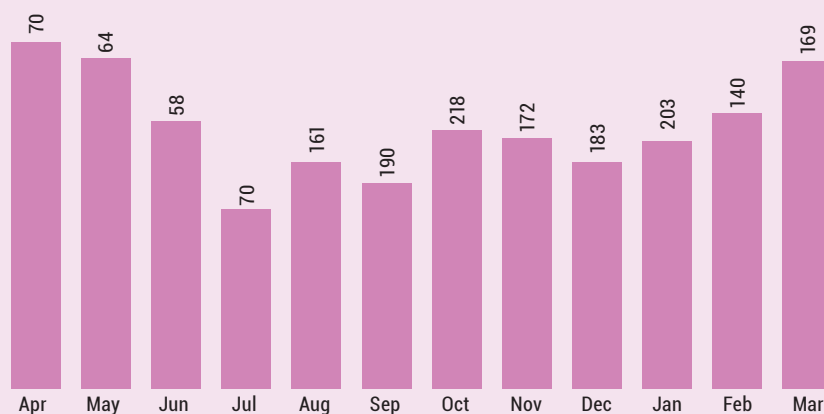
Month	FY 2020-21	FY2021-22	FY 2022-23
April	85	112	70
May	24	196	64
June	32	98	58
July	49	130	70
August	102	181	161
September	113	183	190
October	122	208	218
November	126	192	172
December	114	159	183
January	186	181	203
February	164	170	140
March	131	88	169
Total	1,248	1,898	1,698

Our objective with green initiatives is to progress towards a society that relies less on paper, aiming for a reduction in its usage.

Waste

Through our green initiatives, our goal is to transition society towards a paperless environment. We reduce the quantity of ink and paper waste with our paperless banking services and electronic KYC. At our Next Gen Vakrangee Kendras, we also use cutting-edge technology like paperless banking, real-time banking, and biometric assessment to reduce the production of paper or plastic waste. Implementing prevention, reduction, recycling, and reuse into practice can lessen the adverse effects on the environment. To reduce hazardous waste, our stores also use refillable ink cartridges. As a result, our activities as a whole produce very little waste. By earning the Green India Certificate for recycling e-waste, which attests to the fact that we safely disposed of e-waste in a way that safeguarded the environment, we have been recognised for our efforts in recycling e-waste.

Water Consumption (KL)

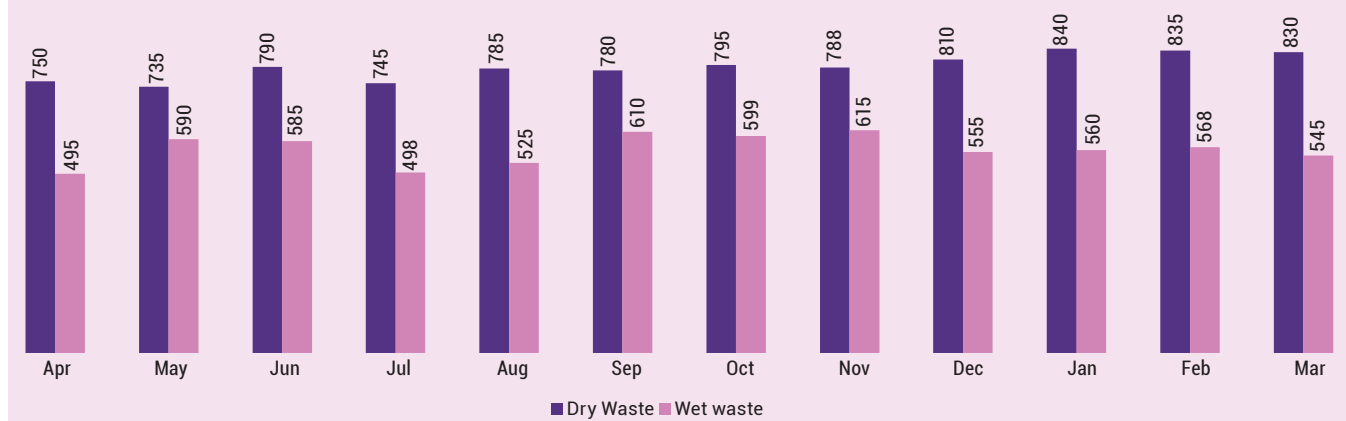


Over the past three years (FY23, FY22, and FY21), our water intensity trend, measured in liters per Rupee of turnover, has been as follows: 0.001032, 0.001767, and 0.000548 liters/Rupees of turnover, respectively.

Waste generated at the corporate office

Month	FY 2020-21		FY 2021-22		FY 2022-23	
	Dry Waste (in Kg)	Wet Waste (in Kg)	Dry Waste (in Kg)	Wet Waste (in Kg)	Dry Waste (in Kg)	Wet Waste (in Kg)
April	350	300	410	550	750	495
May	450	320	425	650	735	590
June	480	380	390	450	790	585
July	550	550	450	490	745	498
August	650	536	580	510	785	525
September	750	650	690	700	780	610
October	735	590	770	650	795	599
November	780	680	680	590	788	615
December	835	655	790	550	810	555
January	760	770	710	750	840	560
February	860	835	775	840	835	568
March	790	815	790	780	830	545
Total	7,990	7,081	7,460	7,510	9,483	6,745

Waste disposed (kg)



E-Waste Recycling

For generation and management of our e-waste, we have a collaboration with a third party vendor. We ensure that post recycling of our e-waste, certification is obtained from the vendor. This certification proves that the e-waste has been properly collected and managed per applicable regulations and environmentally responsible practices. This ensures the safe disposal of our e-Waste in an environment-friendly manner for the reporting year. Zero e-waste was generated and disposed of during the reporting year.

Working with our Suppliers

As per our Supplier code of conduct, we expect all our suppliers to comply with necessary social, business integrity and environmental sustainability standards

defined in our policy and adopt best practices to reduce our environment footprint. To assess supply chain compliance, we retain the right to demand that the supplier generate an in-depth supply chain mapping that returns to the origin. Each supplier is required to sign our Supplier Code of Conduct as proof of their commitment.

We require our suppliers to follow our company’s sustainable procurement policy to protect the sustainability of our value chain. We conduct business operations that uphold social rights, environmental responsibility, and corporate integrity, and we want our suppliers to do the same. All employees are covered by the policy, including temporary employees, permanent employees, contract agency employees, and employees of any of our suppliers.

Specialised contract managers who routinely assess and check the organisation’s ESG standards oversee our supplier relationships. Suppliers’ social, ethical, and environmental practices are carefully examined to guarantee knowledge, transparency, and independence of assessments. For all transactions made by us, the risks and opportunities related to each type of purchase have been identified and mapped.

The assurance matrix established three levels of stake—low, medium, and high—. This affects society, the environment, how goods and services are used, the supply chain and corporate ethics. We emphasise the supplier’s performance score as a crucial selection criterion. The scorecard is built on four pillars: supply

chain management, labour standards, the environment, and company ethics. Suppliers receive scorecards after a thorough examination that show how they stack up against other suppliers and identify potential growth areas.

Suppliers are urged to consider feedback when implementing a Corrective Action Plan (CAP) to boost performance. We also undertake on-site audits of low-performing suppliers through their Dedicated Contract Managers. These on-site audits aim 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.

This year, we carried out supplier assessments for 3 of our suppliers.

Our sustainable procurement policy encompasses various aspects of environmental sustainability at our suppliers' operational sites.



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

Our main focus is on creating establishments that promote environmental sustainability and utilise energy-saving and waste-management methods.

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. We are strongly committed to social and environmental responsibility, which fuels our desire to operate sustainably. We have translated our vision through several initiatives to reduce the adverse environmental effects of our company operations and supply chain.

Training Employees

To be sustainable, all of our employees must be fully aware of their individual and collective duties towards the environment as a vital component of their professions. Systems have been built that offer instruction and distinctly

outline roles and responsibilities to the environment.

Energy-saving Technologies

We prioritise establishing outlets that support environmental sustainability and implement energy-saving and waste-reduction techniques. We develop strategies to protect the local ecology and offer cutting-edge solutions to lessen adverse environmental effects. We have incorporated various energy-saving technologies in our offices and Kendras to further reduce our environmental footprint. Sensor-based lighting, green data centres, and solar power have significantly decreased energy consumption at our franchisees' and offices' locations.

Saving Paper - Save Paper through Biometric-enabled Paperless Banking

Through several environmentally friendly initiatives, like eKYC, interoperability, and real-time transactions, we continue to work



By using e-KYC to open bank accounts and biometrically enabled Aadhaar-enabled Payment System (AePS) paperless banking services, Vakrangee has significantly reduced paper waste at its Kendras.

towards a paperless economy. We also use cutting-edge, environment-friendly technology, including paperless banking, real-time banking, and biometric evaluation. Due to the digital and paperless nature, our Kendras considerably reduced the amount of paper waste.

Using e-KYC to open bank accounts and biometrically enabled AePS (Aadhaar-enabled Payment System) paperless banking services is the key effort carried forward since FY 2021–2022. As a result of the programme, approximately five A4-size documents are saved for each new account opened, and one A4-size paper is saved for every three financial banking transactions. We have jointly salvaged over 34.02 million A4 size papers from 20,399 outlets through the efforts in the most recent year, 2022–2023. Following are the outcomes of saving A4-size papers:

183.53
metric tonnes

Adopting paperless banking practices we have Saved A4 size papers through our paperless ATMs and banking transactions initiative

S. No.	Particulars	Energy/resources saved
1.	A4 size paper saved (in million)	34.02
2.	Quantity of paper saved (in metric tonnes)	154.32
3.	CO2 equiv. Of greenhouse gas emissions avoided (in pounds)	30,60,000
4.	Wood saved (in U.S. short tonnes)	679
5.	Water saved (in gallons)	36,40,000
6.	Solid waste avoided (in pounds)	2,00,000
7.	Energy saved (in million BTU)	4,340
8.	Trees saved from being cut for paper (in number)	4,070

Save Paper through Go-Green Initiative at ATM

Through our "Go Green" campaign for ATM services, we have successfully reduced paper consumption by eliminating the need for printed receipts during ATM transactions. Customers receive transaction acknowledgements via SMS. We aim to promote environmentally responsible paper management by focusing on prevention, reduction, recycling, and reuse to minimise the negative environmental impacts of paper usage.

S. No.	Particulars	Energy/resources saved
1.	Quantity of paper saved (in metric tonnes)	29.21
2.	CO2 equiv. of greenhouse gas emissions avoided (in pounds)	6,21,000
3.	Wood saved (in U.S. short tonnes)	67.20
4.	Water saved (in gallons)	13,30,000
5.	Solid waste avoided (in pounds)	25,500
6.	Energy saved (in million BTU)	906
7.	Trees saved from being cut for paper (in number)	403

68,60,000
Pounds

greenhouse gas emission avoided through Digital Annual Report in FY 2021-22

Saving Paper through Digital Annual Report in FY 2021-22

From the FY 2019-20, we have transitioned towards the concept of a Digital Annual Report, which has helped us successfully save 76.31 million A4 size papers.

S. No.	Particulars	Energy/resources saved
1.	A4 size paper saved (in million)	76.31
2.	Quantity of paper saved (in metric tonnes)	346.15
3.	CO2 equiv. Of greenhouse gas emissions avoided (in pounds)	68,60,000
4.	Wood saved (in U.S. short tonnes)	1,520
5.	Water saved (in gallons)	81,60,000
6.	Solid waste avoided (in pounds)	4,49,000
7.	Energy saved (in million BTU)	9,730
8.	Trees saved from being cut for paper (in number)	9,140

9,140

No. of trees being saved by adopting Digital Annual Report in FY 2021-22

Global Recognition for Sustainability – ESG Focus

- » We ranked World's No.1 Company in the Software and Services industry based on Sustainability ESG Assessment.
- » We are rated amongst the Global 50 Top Rated ESG companies by Sustainability ESG Ratings.
- » We have been identified as a top ESG performer out of more than 4,000 comprehensive companies that Sustainability cover in the global universe in 2022.



🏆 A company must maintain certifications to ensure 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 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. It enables more efficient use of resources, thus gaining a competitive advantage and the trust of stakeholders.

🏆 ISO 20400:2017 - Sustainable Procurement Management System We were credited with ISO 20400:2017 Sustainable Procurement Management System on Mar 12 2020. This standard assists organisations with developing and implementing 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, 2, and 3 emissions.

🏆 ISO 50001 – We have opted for the Energy Management System ISO 50001, 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. The key benefits of opting for ISO 50001 include:-

🏆 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 understand better 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	Page no	<IR> Mapping
 2 ZERO HUNGER End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Building better relationships with our Customers	120	Social and Relationship Capital
 3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages	Health and Safety Policy	119	Social and Relationship Capital
	Guiding Principles of CSR Implementation	119	
	Our CSR Initiatives	128	
	Our ISO Certifications	135	Human Capital
	Health and Safety in workplace	83	
 4 QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Building better relationships with our Customers	120	Social and Relationship Capital
	Guiding Principles of CSR Implementation	119	
	Our CSR Initiatives	128	Human Capital
	Training & Development	91	
 5 GENDER EQUALITY Achieve gender equality and empower all women and girls	Gender Equality	86	Human Capital
	Guiding Principles of CSR Implementation	119	Social and Relationship Capital
 6 CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all	Water	145	Natural Capital
	Guiding Principles of CSR Implementation	119	Social and Relationship Capital
 7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable, and modern energy for all	Energy Saving Technologies	147	Natural Capital
 8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	Organisation culture	79	Human Capital
	Human Rights Policy	119	Social and Relationship Capital
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	Improving engagement with Franchisees	123	
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		Green Building Offices	143	Natural Capital
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		Driving Sustainability through Stakeholder Consultation and Governance	132	Social and Relationship Capital
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 10 REDUCED INEQUALITIES	Reduce inequality within and among countries	The 'Phygital' Kendra Model	112	
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		Text to Speech ATMs for Divyang (Specially-abled) Customers	115	
		Our Mobile App: BharatEasy Mobile Super App	117	
		Human Rights Policy	119	Social and Relationship Capital
		Guiding Principles of CSR Implementation	119	
		Gender Equality	86	Human Capital
		Diversity & Inclusion	84	
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 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	Waste	145	
		Energy Consumption	140	Natural Capital
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		GHG emissions	140	
 13 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	143	
		Green Building Offices	143	Natural Capital
		Sustainable Sourcing	139	
		Green Procurement Policy	139	
		GHG Reduction Program	143	
 16 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	140	
		Working with our Suppliers	146	Natural Capital
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		Grievance redressal	105	Human Capital
		Organisation Culture	79	

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		About the Report	4
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	2-4 Restatements of information	About the report	4
	2-5 External assurance	Assurance statement	157
	2-6 Activities, value chain and other business relationships	Statuary Reports – Business Responsibility and Sustainability Reporting	250
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	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Identity	43, 45
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	2-17 Collective knowledge of the highest governance body	Corporate Identity - Our Key Management	40-41
	2-18 Evaluation of the performance of the highest governance body	Corporate Identity - Corporate Governance	45
	2-19 Remuneration policies	Corporate Identity - Corporate Governance	45, 88
	2-20 Process to determine remuneration	NA	
	2-21 Annual total compensation ratio	ESG Performance – Human Capital	88
	2-22 Statement on sustainable development strategy	Message from the Chairman	14
		Our Strategy - Stakeholder Engagement and Materiality	52-54
2-23 Policy commitments	Corporate Identity – Corporate Governance	44	
2-24 Embedding policy commitments	Corporate Identity – Corporate Governance	44	
2-25 Processes to remediate negative impacts	NA		
2-26 Mechanisms for seeking advice and raising concerns	ESG Performance - Human Capital	105	
2-27 Compliance with laws and regulations	Corporate Identity – Corporate Governance	44	
2-28 Membership associations	Rewards and Recognition	12-13	
2-29 Approach to stakeholder engagement	Our Strategy - Stakeholder Engagement and Materiality	52-54	
2-30 Collective bargaining agreements	NA		

GRI standard	Disclosure	Reference	Page Number
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Strategy - Stakeholder Engagement and Materiality	54
	3-2 List of material topics	Our Strategy - Stakeholder Engagement and Materiality	54
	3-3 Management of material topics	Our Strategy - Stakeholder Engagement and Materiality	52-55
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	ESG Performance - Financial Capital	63
	201-2 Financial implications and other risks and opportunities due to climate change	Statuary Reports – Management Discussion and Analysis	178-187
	201-3 Defined benefit plan obligations and other retirement plans	ESG Performance - Human Capital	99
	201-4 Financial assistance received from government	NA	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	NA	
	202-2 Proportion of senior management hired from the local community	NA	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	ESG Performance - Financial Capital	63
	203-2 Significant indirect economic impacts	ESG Performance - Social and Relationship Capital	128
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	NA	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Statuary Reports – Management Discussion and Analysis	185
	205-2 Communication and training about anti-corruption policies and procedures	ESG Performance - Human Capital	105
	205-3 Confirmed incidents of corruption and actions taken	ESG Performance - Human Capital	105
	205-3 Confirmed incidents of corruption and actions taken	ESG Performance - Human Capital	105
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG Performance - Human Capital	105
GRI 207: Tax 2019	207-1 Approach to tax	NA	
	207-2 Tax governance, control, and risk management	ESG Performance - Financial Capital	63
	207-3 Stakeholder engagement and management of concerns related to tax	Our Strategy - Stakeholder Engagement and Materiality	52-55
	207-4 Country-by-country reporting	NA	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	NA	
	301-2 Recycled input materials used	NA	
	301-3 Reclaimed products and their packaging materials	NA	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Performance - Natural Capital	142, 275
	302-2 Energy consumption outside of the organization	NA	
	302-3 Energy intensity	Statuary Reports – Business Responsibility and Sustainability Reporting	275
	302-4 Reduction of energy consumption	ESG Performance - Natural Capital	143
	302-5 Reductions in energy requirements of products and services	NA	

GRI standard	Disclosure	Reference	Page Number
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	NA	
	303-2 Management of water discharge-related impacts	NA	
	303-3 Water withdrawal	Statutory Reports – Business Responsibility and Sustainability Reporting	274
	303-4 Water discharge	No water discharge	
	303-5 Water consumption	ESG Performance - Natural Capital	145
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	NA	
	304-2 Significant impacts of activities, products and services on biodiversity	NA	
	304-3 Habitats protected or restored	NA	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	NA	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESG Performance - Natural Capital	142, 275
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Performance - Natural Capital	142, 275
	305-3 Other indirect (Scope 3) GHG emissions	ESG Performance - Natural Capital	142
	305-4 GHG emissions intensity	Statutory Reports – Business Responsibility and Sustainability Reporting	275
	305-5 Reduction of GHG emissions	ESG Performance - Natural Capital	143
	305-6 Emissions of ozone-depleting substances (ODS)	NA	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	ESG Performance - Natural Capital	142
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	ESG Performance - Natural Capital	145-146
	306-2 Management of significant waste-related impacts	ESG Performance - Natural Capital	145-146
	306-3 Waste generated	ESG Performance - Natural Capital	146
	306-4 Waste diverted from disposal	ESG Performance - Natural Capital	148
	306-5 Waste directed to disposal	NA	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESG Performance - Social and Relationship Capital	124
	308-2 Negative environmental impacts in the supply chain and actions taken	ESG Performance - Social and Relationship Capital	124-125

GRI standard	Disclosure	Reference	Page Number
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Performance - Human Capital	86, 94
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Performance - Human Capital	93
	401-3 Parental leave	ESG Performance - Human Capital	94
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	NA	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	ESG Performance - Human Capital	100
	403-2 Hazard identification, risk assessment, and incident investigation	NA	
	403-3 Occupational health services	ESG Performance - Human Capital	102-104
	403-4 Worker participation, consultation, and communication on occupational health and safety	ESG Performance - Human Capital	102-104
	403-5 Worker training on occupational health and safety	ESG Performance - Human Capital	103
	403-6 Promotion of worker health	ESG Performance - Human Capital	102-104
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG Performance - Human Capital	101
	403-8 Workers covered by an occupational health and safety management system	ESG Performance - Human Capital	102-104
	403-9 Work-related injuries	ESG Performance - Human Capital	104
	403-10 Work-related ill health	ESG Performance - Human Capital	104
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESG Performance - Human Capital	91
	404-2 Programs for upgrading employee skills and transition assistance programs	ESG Performance - Human Capital	91-93
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Performance - Human Capital	94
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESG Performance - Human Capital	84
	405-2 Ratio of basic salary and remuneration of women to men	ESG Performance - Human Capital	88
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	ESG Performance - Human Capital	84

GRI standard	Disclosure	Reference	Page Number
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	NA	
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	NA	
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	NA	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	NA	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	NA	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	NA	
	413-2 Operations with significant actual and potential negative impacts on local communities	NA	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESG Performance - Social and Relationship Capital	124
	414-2 Negative social impacts in the supply chain and actions taken	No negative impacts	
GRI 415: Public Policy 2016	415-1 Political contributions	NA	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	NA	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	NA	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labelling	NA	
	417-2 Incidents of non-compliance concerning product and service information and labelling	NA	
	417-3 Incidents of non-compliance concerning marketing communications	NA	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Performance - Social and Relationship Capital	121-122

ASSURANCE STATEMENT



Grant Thornton Bharat LLP

Plot No. 19A, 2nd floor,
Sector - 16A,
Noida - 201 301
Uttar Pradesh, India

T +91 120 485 5900
F +91 120 485 5902

Independent Reasonable Assurance Statement on the non-financial performance data and information included in the Integrated Annual Report of Vakrangee Limited for the FY 2022-23

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 2022-23 ('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') of the Value Reporting Foundation. The sustainability performance reporting criteria has been derived from the Global Reporting Initiative ('GRI') Sustainability Reporting Standards ('the GRI Standards'). In addition, Business Responsibility and Sustainability Reporting (BRSR) as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and UN-Sustainable Development Goals (UNSDGs) were 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.

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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 ('AA1000AS 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 AA1000AS 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, 2022 till 31 March, 2023.

Non-financial performance disclosures subject to assurance are:

Capital	Parameter	Performance Indicators	GRI Disclosure
Manufactured	Vakrangee Kendras	Active Transacting Vakrangee Kendras	GRI – 2
		Number of Vakrangee Kendras in General districts	
		Number of Vakrangee Kendras in Tribal districts/LWE districts/ Aspirational districts	
		Number of Master Franchisees	
	Vakrangee Kendra operating model	Number of Vakrangee Kendras with ATM model	GRI – 2
		Number of Vakrangee Kendras without ATM model	
		Only ATM model	
	Geographical Presence	Presence in Tier 5 & Tier 6 cities	GRI – 2
Certifications	ISO 9001:2015 Quality Management System	-	
Human	Employee Details	Total Employees – Permanent	GRI – 102, 401, 405
		Average Age	

Capital	Parameter	Performance Indicators	GRI Disclosure
		Age – under 30 years	
		Age – 30-50 years	
		Age – above 50 years	
	Employees in Corporate Headquarter	Male	GRI – 2, 401
		Female	
		Number of women representing company's management council	
		Male/Female ratio at corporate headquarter	
	State Office	Male	GRI – 2, 401
		Female	GRI – 2, 401
	Field Staff	Male	GRI – 2, 401
		Female	GRI – 2, 401
	New Employees Hire	Male & Female	GRI – 401
	Employees Turnover	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	
		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	
Ratio of basic salary and remuneration of Male to Female – Corporate Headquarter	Average salary across organisation	GRI – 405	
	Median salary across organisation		

Capital	Parameter	Performance Indicators	GRI Disclosure
		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 happy and proud working at Vakrangee and are satisfied with their job responsibilities;	GRI – 2, 401
		Employees feel inspired and connected with the co-workers;	
		Employees feel that their manager encourages collaboration in the team;	
Employees feel their manager is committed to provide guidance and motivation;			
Employees feel that they can count on their peers in need of help;			
Employees feel that their manager assigns challenging assessments to them and is successful in building trust amongst the team members;			
Employees feel that they receive constructive feedback from their manager and peers which help them improve their overall performance.			
Fatalities	Fatalities as a result of work-related ill-health	GRI – 403	
Intellectual	ISO Certifications	ISO/IEC 27001:2013 – Information Security Management System	GRI – 2

Capital	Parameter	Performance Indicators	GRI Disclosure
		ISO 20000-1:2018 – Information Technology Management System	
		ISO 9001:2015 – Quality Management System	
		ISO 27701:2019 – Privacy Information Management System	
		ISO 22301:2019 – Business Continuity Management System	
	ATM Transactions	White Label ATM transactions	GRI – 203
	Data Breach	Instances of data breach in: 1. company 2. franchisee	GRI – 418
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 – 2, 405
	Local Community	Kendras centered in Tier V and Tier VI cities – Percentage	GRI – 2
	Grievance redressal mechanism	Recorded complaints from customers, third parties, regulatory bodies and local community members, concerning breach of customer privacy	GRI – 205, 418
		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 – 2, 307, 403,	
	ISO 45001:2018 – Occupational Health and Safety Management System		
	ISO 20400:2017 – Sustainable		

Capital	Parameter	Performance Indicators	GRI Disclosure
		Procurement Management System	
Natural	Energy	Direct Energy consumption	GRI – 302-1
		Indirect Energy Consumption	
	Emissions	Direct (Scope 1) GHG emissions	GRI – 305-1
		Energy indirect (Scope 2) GHG emissions	GRI – 305-2
		Other indirect (Scope 3) GHG emissions	GRI – 305-3
	Green Building Initiatives	Rooftop Solar PV – KWh generated	GRI – 302-1
	Water	Water consumption at the corporate office	GRI – 303-5
	Waste	Waste Generated (Corporate HQ) – Dry	GRI – 306-3
		Waste Generated (Corporate HQ) – Wet	
	Paperless Transactions	ATM transactions	GRI – 306-4
		Banking transactions	
		Digital Annual Report	
	Paper Saved	Quantity of paper saved (through paperless banking and ATM) for FY 22-23	GRI – 306-4
	Certifications	ISO 14001:2015 – Environmental Management System	GRI – 2
ISO 20400:2017 – Sustainable Procurement Management System			
ISO 50001 – Energy Management System			
ISO 14064-1:2006 & ISO 14064-2:2006 – Green House Gas Emission			
ISO 14064-3:2019 & Clean Development Mechanism			

Boundary

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

- The Corporate Office located in Mumbai (MIDC Office)
- For Indirect energy consumption and Scope 2 emissions –
 - ✓ Corporate Office located in Mumbai (MIDC Office)
 - ✓ 7 regional offices located in Ahmedabad, Delhi, Lucknow, Raipur, Rajasthan, Pune and Ulwe
 - ✓ 3 Company Owned Company Operated Outlets in Andheri, Jijamata and Parel
 - ✓ 1 guest house located in Delhi
 - ✓ 1 warehouse located in Bhiwandi
- For Scope 3 GHG emissions, only upstream activities were considered. However, the downstream activities for Vakrangee, which have not been considered this year will approximately represent more than 90% of the overall Scope 3 emissions. Categories of Scope 3 considered are listed below –
 - ✓ Purchased goods and services (Category 1)
 - ✓ Capital goods (Category 2)
 - ✓ Business travel (Category 6)
 - ✓ Employee commute (Category 7)
- 20,399 Active Transacting Vakrangee Kendra outlets
- 6,324 Vakrangee White Label ATMs

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.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.

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 Methodology

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 and sample visits to Kendras, Master Franchisees and ATMs
- Interviewing senior executives and department heads to understand the reporting process, governance, data management 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 the Company's stakeholder identification and engagement process
- Reviewing materiality assessments process
- Reviewing and verifying of information/ data related to six capitals of International Integrated Reporting Council (IIRC) Framework and Business Responsibility and Sustainability Report in reference to Global Reporting Initiative (GRI) Standards
- Reviewing of accuracy, transparency and completeness of the information/ data provided
- Identification of gaps with respect to IIRC framework and GRI 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 2022 to 31 March 2023 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 and Competencies

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.

A member of Grant Thornton International Ltd, Grant Thornton Bharat is one of the leading professional services firms in the country. A truly Indian Firm with global connections - we work with businesses and government across industries and sectors, providing assurance, consulting, tax, risk, and digital and technology transformation services. With a presence in 13 major cities of India, we have a strength of more than 6000+ competent individuals. We have member firms in over 140 countries worldwide.

This assurance engagement has been carried out by a multi-disciplinary team of competent experts in the field of non-financial assurance, for both ISAE 3000 and AA1000AS v3 having significant years of experience across different industries. The team has extensive experience in conducting independent assurance on the non-financial parameters for Environmental – energy, water, air emissions etc. Social – employees, training etc, and Governance – laws, fines and penalties etc. parameters.



Abhishek Tripathi

Partner

Dated: 2nd August, 2023



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STATUTORY REPORTS

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Management Discussion and Analysis

OVERVIEW

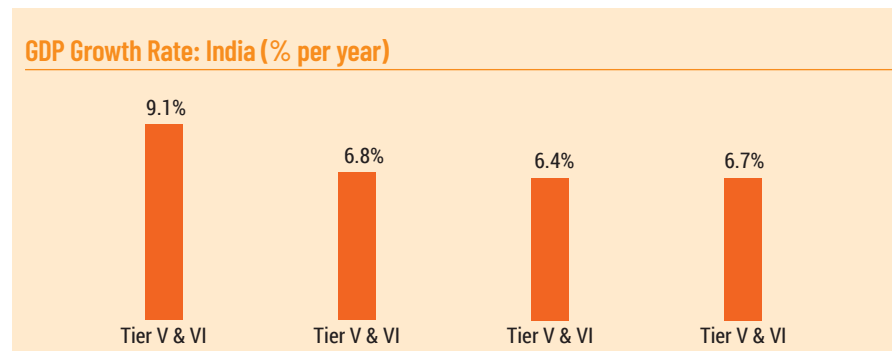
India's Economic Performance

According to the Economic Survey of FY 2022-23 conducted by the Government of India, the Indian economy is anticipated to experience a surge in growth in the coming decade as the global impact of the pandemic subsides and commodity prices stabilize. Factors such as the limited global repercussions of rising Covid-19 cases in China and the normalization of supply chains contribute to India's positive growth prospects. The temporary inflationary pressures from China's economic reopening and the recessionary tendencies in major advanced economies are expected to halt monetary tightening and attract capital flows to India. This, coupled with a stable domestic inflation rate below 6%, boosts business sentiment and drives private sector investment.



The survey also highlights significant credit growth observed in the Micro, Small, and Medium Enterprises (MSME) sector. This growth has been facilitated by the government's extension of the Emergency Credit Linked Guarantee Scheme (ECLGS). The recovery of MSMEs is evident through their GST payments, while the ECLGS alleviates their debt servicing concerns. The Central Government's Capital Expenditure (Capex) has played a crucial role in stimulating India's economic growth and encouraging private Capex since early 2022.¹

The findings of the Economic Survey 2022-23 reveal that India is projected to experience GDP growth ranging from 6.0 percent to 6.8 percent in 2023-24. This growth estimate is contingent upon the trajectory of global economic and political developments. The rebound in private consumption, driven by increased production activity, higher Capex, and widespread vaccination coverage, is expected to fuel growth. This, in turn, enables expenditure on contact-based services like hospitality, retail, and entertainment.



Source: Asian Development Bank. Asian Development Outlook 2023 (April 2023)

¹ <https://pib.gov.in/PressReleasePage.aspx?PRID=1898880>

Fintech Industry

The fintech industry in India has experienced remarkable growth and emerged as a major player on the global stage. As per FDI India, a 14% share of global funding ranks India to be second in terms of deal volume, showcasing its significance in the fintech landscape. By 2030, the market opportunity for fintech in India is estimated to reach a staggering USD 2.1 trillion, highlighting the immense potential for growth in the sector.²

As per Invest India, India has emerged as one of the fastest growing fintech markets globally. With a market size of \$50 billion in 2021, it is projected to reach approximately \$150 billion by 2025. The total addressable market for the Indian fintech industry is estimated to be \$1.3 trillion by 2025, with assets under management and revenue expected to reach \$1 trillion and \$200 billion respectively by 2030.

The fintech industry in India encompasses various major segments, including payments, digital lending, insurtech, and wealthtech.

The payments landscape is predicted to reach \$100 trillion in transaction volume and \$50 billion in revenue by 2030. Digital lending in India was valued at \$270 billion in 2022 and is expected to surpass \$350 billion by 2023. India also holds the second largest insurtech market in the Asia-Pacific region, with projections indicating a growth of approximately 15 times to reach \$88.4 billion by 2030. Furthermore, the Indian wealthtech market is anticipated to grow to \$237 billion by 2030, fueled by an expanding base of retail investors.

India's regulatory landscape has played a crucial role in fostering the growth of the fintech industry. The India Stack, consisting of a set of APIs, has facilitated the development of a robust digital infrastructure, promoting both public and private digital initiatives. The Jan Dhan Yojana, Aadhaar biometric identification system, and widespread mobile connectivity have further enhanced financial inclusion and accessibility. Cross-border linkages of India's fast payment systems, such as UPI and



The fintech market opportunity in India is projected to reach a staggering USD 2.1 trillion by the year 2030, highlighting the immense potential for growth in the sector.

RuPay network, have bolstered the country's global footprint. Initiatives like financial inclusion programs, financial literacy campaigns, and the introduction of UPI123Pay and UPI Lite have contributed to the industry's growth and accessibility for a wider population.³

The Reserve Bank of India (RBI) has also set forth a vision for the future, aiming to increase digital payment transactions, registered customer base for mobile-based transactions, and PPI transactions. The introduction of the Account Aggregator Framework has allowed for consent-based sharing of financial information between providers and users, empowering users and enabling digital invoice financing for the MSME sector.

Overall, the fintech industry in India is thriving, attracting substantial funding and witnessing remarkable growth. With supportive regulatory measures, a burgeoning market opportunity, and a focus on financial inclusion and literacy, India is poised to continue its ascent as a leading player in the global fintech ecosystem.



² <https://www.fdi.finance/sectors/bfsi>

³ <https://pib.gov.in/FeaturesDeatils.aspx?Noteld=151163&ModuleId=2>



Entrepreneurship and the Fintech Industry

Entrepreneurship is playing a pivotal role in propelling the fintech industry in India to new heights. With India being a highly attractive market for fintech investment, several factors have contributed to its remarkable growth. One such factor is the widespread adoption of digital payment methods throughout the country. The Reserve Bank of India (RBI) reported that in January 2023 alone, a staggering 128 million retail digital payment transactions, amounting to USD 600 billion, were processed.

To bolster user safety and privacy, the Indian government has enacted new laws that restrict access to user data. These regulations have instilled confidence among users, fostering a favourable environment for fintech companies to thrive. Moreover, the government's initiatives aimed at promoting a cashless society, coupled with increased internet usage in both urban and rural areas, have significantly contributed to the industry's growth.

According to the Economic Survey 2022-23 conducted by the Government of India, Indian fintech companies have achieved an adoption rate of 87%, surpassing the global average by 23%. With over 2100 fintech companies, India now boasts the third-largest fintech ecosystem in the world. The government's consistent support at the policy level, combined with the ongoing digital transformation in the country, indicates that the fintech industry is poised for further expansion.

Despite occasional fluctuations in funding trends, the overall sentiment remains positive in the Indian fintech sector. Investors are actively seeking innovative solutions in the fintech space, and the funding landscape is expected to remain positive. India's robust public digital infrastructure serves as a highway for fintech companies to develop and introduce ground-breaking products. The evolution of financial technology has unlocked new possibilities for offering personalized and customized solutions to consumers. This year, a notable trend has emerged,

integrating technologies like artificial intelligence (AI), machine learning (ML), blockchain, cybersecurity, and fraud protection with digital banking and mobile payment services. This convergence of technology and finance has created exciting opportunities for entrepreneurs to innovate and thrive in the fintech industry.

As entrepreneurship continues to flourish and innovation drives the sector forward, India is on track to solidify its position as a global fintech hub. With its vibrant ecosystem, supportive policies, and a conducive market, the future looks bright for the fintech industry in India, poised to revolutionize the way financial services are delivered and accessed by millions.

We believe, India is set to establish itself as a leading global fintech hub. We observe that the country's thriving entrepreneurial spirit and focus on innovation are driving the sector forward. We view India's ecosystem as vibrant, with a conducive market and supportive policies that foster growth and development in the fintech industry.

Our Operations and Performance

Our entrepreneurial spirit and expansive last-mile network have been instrumental in driving operational efficiency and success. As One of India's largest network of last-mile retail outlets, Vakrangee Kendra are present in 566 districts and 5199 postal codes, ensuring widespread coverage across unserved rural, semi-urban, and urban markets. This extensive network, powered by advanced technology, allows Vakrangee to deliver a wide range of essential services, including real-time BFSI, ATM, e-commerce, and logistics, thereby promoting financial inclusion in line with government policies.

At the heart of our operational excellence is its district-level master franchisee model, which fosters a culture of entrepreneurship and innovation. Local entrepreneurs, serving as master franchisees, are entrusted with the responsibility to

manage and expand their district-level Kendra networks. They bring their unique insights, passion, and commitment to drive business growth within their territories. This approach ensures that our services effectively cater to the diverse needs of consumers.

Our commitment to operational efficiency extends beyond empowering franchisees. We continue to invest in cutting-edge technology and infrastructure to support our master franchisees, franchisees and our staff. By providing the necessary tools and resources, we enable our network of entrepreneurs to deliver exceptional service and create seamless consumer experiences. This steadfast dedication to innovation and customer satisfaction solidifies our position as a leader in the phygital market, successfully integrating physical and digital channels.

The turnover and profit/(loss) figures are on a standalone basis of our Company are given below (in Rs. lakhs):

Particulars	FY 2022-23	FY 2021-22 (Restated)
Total income	16,553.98	10,936.88
EBITDA	1,930.44	826.56
Profit before tax (PBT), before exceptional	227.55	(719.01)
Profit before tax (PBT)	227.55	(887.67)
Profit after tax (PAT)	60.01	(998.46)

Despite the challenges, we have managed to overcome obstacles and achieve commendable performance. We have demonstrated resilience and adaptability by implementing effective strategies to mitigate risks and capitalize on opportunities. By leveraging our entrepreneurial mindset and strong technological capital, we have not only sustained our operations but also delivered stable results.

Our master franchisee initiative is going to play a crucial role in strengthening our business model. By empowering and fostering

entrepreneurship, this model shall enable us to expand our reach and tap into new markets effectively. Through strategic partnerships with master franchisees, we shall be able to leverage local expertise, resources, and networks, driving business growth and enhancing customer engagement.

We have a clear Focus on Market Expansion & to strengthen our First Mover Advantage, we are planning to cover entire 764 districts which is 100% of District coverage across the country through appointing exclusive District level Master Franchisees. We



We continue to invest in cutting-edge technology and infrastructure to support our master franchisees, franchisees and our staff.

have successfully appointed master franchisees in 234 districts across 27 states across the country. These Master franchisees would provide on-ground operational support to our existing franchisees as well as drive new franchisee acquisition. This would lead to help us scale at a faster pace and expand on a pan India basis. We believe this Master Franchisee initiative is a game changer and strengthens our local field presence and operational control at the ground level. We Plan to achieve 100% District coverage by end of this financial year. These new initiatives would help us scale at a much faster pace and thereby achieve our Long Term targets well ahead of targeted timelines.

We have introduced BharatEasy App, India's Super App, a revolutionary mobile platform designed to cater primarily to Rural India. Our goal is to provide a comprehensive range of services to empower the people of rural areas. With the launch of our app, we are thrilled to announce the availability of key services such as Online Shopping, Online Agriculture products, Total Healthcare services, Online Demat Account opening, CIBIL credit score rating services, and Online PAN Card application services.

What sets us apart and gives us a sustainable competitive advantage is our unique ability to tap into the extensive Vakrangee On-Ground Eco-system. This ecosystem comprises



The dynamic partnership between our master franchisees and Kendra franchisees not only propels our growth but also empowers us to extend our reach to more communities across the country.

a diverse network of physical stores spread across India, enabling us to offer unparalleled physical assistance to consumers residing in semi-urban and remote rural locations. With BharatEasy App, we bridge the gap between digital and physical experiences, ensuring that everyone has access to essential services regardless of their geographical location.

Particulars	FY 2022-23
Active Transacting Vakrangee Kendras Outlets	20,399
No of Kendras offering following services:	
BFSI	20,399
ATM	6,324
E-commerce & Logistics	20,399

We are committed to serving all Indians, including remote areas, with financial, social, and digital inclusion. Through the master franchisee model, we empower local entrepreneurs, accelerating our expansion. By 2030, we plan to have 100% Pan India coverage through our Physical Vakrangee Kendra outlet network along with BharatEasy Digital Mobile App. Our target is to reach 3 lakh + outlets along with Minimum 15,000+ ATMs. With this, our plan is to achieve a Revenue target of US\$ 1 Billion by

2030 along with a Gross Transaction Value of more than US\$ 150 Billion.

The entrepreneurial spirit of our master franchisees and Kendra franchisees is further fuelled by solid performance incentives and commissions, which encourage them to strive for excellence and continually raise the bar.

By providing performance incentives and commissions, we foster a culture of excellence among our franchisees, motivating them to deliver exceptional services and experiences. This dynamic partnership between our master franchisees and Kendra franchisees fuels our growth and enables us to reach more communities across the country. Together, we are building a network of empowered entrepreneurs who contribute to the economic development and progress of India.

Industry's performance and outlook

E-Governance

We take pride in our role as a catalyst for social, digital, and financial inclusion in India. Our Vakrangee Kendras not only provide access to the government's social schemes but also offer contemporary services from the private sector. Achieving comprehensive socioeconomic growth in a country requires prioritizing financial inclusion.

In 2015, three schemes were introduced to prioritize the well-being of citizens by addressing the importance of safeguarding lives and providing financial stability during unexpected events. The government launched PMJJBY (Pradhan Mantri Jeevan Jyoti Beema Yojana) and PMSBY (Pradhan Mantri Suraksha Beema Yojana) as insurance schemes to cater to the financial security of individuals in the unorganized sector,

while APY (Atal Pension Yojana) was introduced to address the financial needs during old age. Here are some key highlights of the government's efforts to promote both financial and social inclusion:

Pradhan Mantri Jan-Dhan Yojana (PMJDY)

Pradhan Mantri Jan-Dhan Yojana (PMJDY) is a national initiative aimed at ensuring financial inclusion for all households in India. It provides access to basic financial services such as savings accounts, credit, remittances, insurance, and pensions to the marginalized and low-income groups. This inclusive approach is made possible through the effective use of technology, enabling deep penetration at an affordable cost. The PMJDY program encompasses a comprehensive strategy to achieve universal access to banking facilities, promote financial literacy, and facilitate credit, insurance, and pension services for every household. Each beneficiary is provided with a RuPay Debit card that includes accident insurance coverage of Rs. 1 lakh. The plan also emphasizes the direct transfer of government benefits to the beneficiaries' accounts, streamlining the Direct Benefits Transfer (DBT) scheme.

The balance in basic bank accounts under the Pradhan Mantri Jan Dhan Yojana (PMJDY) witnessed a significant increase of Rs 50,000 crore during the fiscal ear ending on March 31, 2023. The total balance reached Rs 1.99 lakh crore, compared to Rs 1.49 lakh crore in the previous fiscal year. Moreover, the scheme saw the addition of 5 crore new accounts, resulting in a total of 48.65 crore beneficiaries, with women accounting for over 27 crore of the total beneficiaries.

⁴ <https://pmjdy.gov.in/about>

⁵ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1854909>

⁶ <https://financialservices.gov.in/pension-reforms-divisions/Atal-Pension-Yojana>

⁷ <https://pib.gov.in/PressReleasePage.aspx?PRID=1920187>



Atal Pension Yojana (APY)

The Atal Pension Yojana (APY) was launched in 2015 to provide a universal social security system for all Indians, particularly those in the unorganized sector, the poor, and the underprivileged. Administered by the Pension Fund Regulatory and Development Authority (PFRDA), APY is open to all bank account holders aged 18 to 40 years. The scheme offers different contribution options based on the desired pension amount. Upon reaching 60 years of age, subscribers are entitled to a guaranteed minimum monthly pension ranging from Rs. 1,000 to Rs. 5,000. Eligibility requirements include having a savings bank account or a post office savings bank account. Any Indian citizen can join the APY scheme.

As of March 31, 2023, the number of people enrolled in the Atal Pension Yojana has exceeded 5.20 crore. In the financial year 2022-23, the scheme witnessed an increase of over 1.19

crore new subscribers, compared to 99 lakh in the previous year, representing a growth rate of over 20%. Currently, the total assets under management in the APY scheme amount to more than Rs. 27,200 crore. Since its inception, the scheme has generated an investment return of 8.69%.

Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY)

The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a one-year renewable life insurance scheme that provides coverage for death. Launched in 2015, the scheme is administered by both public and private sector insurance companies in collaboration with scheduled commercial banks, regional rural banks, and cooperative banks. The government aims to extend insurance coverage to a wider section of the population, particularly the poor and underprivileged, as part of its inclusive growth vision. To be eligible for PMJJBY, individuals must be

between 18 and 50 years old and have a bank account. Aadhaar serves as the primary KYC for the bank account. The scheme offers a life cover of Rs. 2 lakhs for the one-year period from June 1st to May 31st, with the option to renew. In the event of the insured person's death, a risk coverage of Rs. 2 lakhs is provided regardless of the cause. The premium for the scheme is Rs. 436 per annum, which is auto-debited in a single installment from the subscriber's bank account based on their chosen option by May 31st of each coverage period.

As per PIB's report, as on 26.04.2023, the cumulative enrolments under the scheme have been more than Rs. 16.19 crore and an amount of Rs. 13,290.40 crore has been paid for 6,64,520 claims

Pradhan Mantri Suraksha Beema Yojana (PMSBY)

Pradhan Mantri Suraksha Beema Yojana (PMSBY) is a one-year accidental insurance scheme that can be renewed annually, providing coverage for death or disability caused by accidents. Individuals aged 18-70 with a personal bank or post office account are eligible to enroll. The scheme offers a cover of Rs. 2 lakh for accidental death or disability (Rs. 1 lakh for partial disability) at a premium of Rs. 20 per year.

As per PIB's report, as on 26.04.2023, the cumulative enrolments under the scheme have been more than Rs. 34.18 crore and an amount of Rs. 2,302.26 crore has been paid for 1,15,951 claims.

> Through our extensive network of kendras across India, we facilitate the solicitation and procurement of insurance business. Our focus is on reaching the underserved populations of the country and providing them

⁸ [https://financialservices.gov.in/insurance-divisions/Government-Sponsored-Socially-Oriented-Insurance-Schemes/Pradhan-Mantri-Jeevan-Jyoti-Bima-Yojana\(PMJJBY\)](https://financialservices.gov.in/insurance-divisions/Government-Sponsored-Socially-Oriented-Insurance-Schemes/Pradhan-Mantri-Jeevan-Jyoti-Bima-Yojana(PMJJBY))

⁹ <https://pib.gov.in/PressReleaselframePage.aspx?PRID=1922622>

¹⁰ <https://www.ibef.org/industry/banking-india>

access to social security and micro-insurance schemes like APY, PMJJBY, and PMSBY. With the help of services such as instant policy issuance and paperless insurance enabled by our e-KYC facility, we ensure seamless and convenient processes. Our wide network coverage and simplified policy procedures allow us to extend our services to even the most remote areas, supporting the government's efforts to enhance accessibility to insurance services nationwide.

Banking

As per a report published by IBEF in November 2022, the banking system in India encompasses a diverse range of institutions, including 12 public sector banks, 22 private sector banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks, and a vast network of 96,000 rural cooperative banks. From FY16 to FY22, there was a compound annual growth rate (CAGR) of 0.62% in bank credit, resulting in a surge to US\$ 1,532.31 billion by FY22. During the same period, deposits experienced a CAGR of 10.92%, reaching US\$ 2.12 trillion by FY22. As of November 4, 2022, bank deposits stood at Rs. 173.70 trillion (equivalent to US\$ 2.12 trillion).

The Indian banking industry has experienced positive growth due to factors such as strong economic expansion, higher disposable incomes, increased consumerism, and improved access to credit. Additionally, India ranks second in terms of global smartphone users and internet usage, which has led to the widespread availability and adoption of internet banking services.

The Government of India is dedicated to expanding digital transactions in the country's economy to strengthen the financial sector and improve the lives of its citizens. Through collaborative efforts from various stakeholders, including the government, the number of digital

payment transactions has significantly risen from 2,071 crore transactions in FY 2017-18 to 8,840 crore transactions in FY 2021-22, as reported by the Reserve Bank of India (RBI), National Payments Corporation of India (NPCI), and banks.

Over the past five years, several convenient and user-friendly digital payment methods have witnessed substantial growth, such as Bharat Interface for Money-Unified Payments Interface (BHIM-UPI), Immediate Payment Service (IMPS), and National Electronic Toll Collection (NETC). These methods have transformed the digital payment ecosystem by facilitating both person-to-person (P2P) and person-to-merchant (P2M) transactions. BHIM UPI, in particular, has become the preferred payment mode for citizens, with 803.6 crore digital payment transactions valued at ₹12.98 lakh crore recorded in January 2023.

As of December 2022, Total ATMs stands at around ~2,17,092. Push towards Digital Assistants, social

media tools and 3rd party channels is seeing increasing level of adoption. According to RBI's Scheduled Banks' Statement of Position in India, deposits of all scheduled banks collectively surged by a whopping Rs.3.82 lakh crore (US\$ 46.5 billion) in the fortnight ended December 30, 2022, even as their advances grew moderately at Rs.1.53 lakh crore (US\$ 18.53 billion).

With the development of the Digital Economy, India is fastly moving towards Digital Payment Mechanisms and Emerging as a Cashless Society.

With the fast pace of digital payment penetration, Cash transactions such as ATM & Banking transactions are expected to witness slow down. Therefore, there would be profitability & viability challenges for standalone business models such as only White Label ATMs, only Banking (AEPS) provider, only Money Transfer providers which are dependent on cash transactions.

We are future ready with a clear focus on building long term sustainable & profitable business model.

- » Non-Cash based Banking Offering such as Account Opening, Loan Product, Insurance Services, Fixed Deposits & NPA Recovery
- » No dependency on single line of product or services such as ATM or Banking Services.
- » Wide portfolio of product & services such as Online Shopping, Total Healthcare Services, Bill Payments, Online Travel Services, Mobile Recharges, CIBIL Score services, Pan Card Services, Online Opening of Demat & Trading Account Opening Services and many more
- » Highest commission in the industry

> We provide extensive banking services across the nation as a Business Correspondent for major public-sector banks & private banks. Our kendras offer real-time interoperable banking services, including account opening, cash deposits and withdrawals, money transfers, fixed and recurring deposits, balance inquiries, account statements, disbursement of Direct Benefit Transfers, and lead generation for loan products. Our outlets operate beyond normal banking hours and utilize paperless, biometric-enabled processes, making it convenient for rural populations with limited access to education to access banking services. With our widespread network of kendras across Gram Panchayats and villages, customers can avoid traveling long distances. Additionally, we offer SBM banking services that include free real-time zero balance account opening, interoperable banking through Aadhaar, and benefits such as competitive interest rates on fixed deposits and recurring deposits, with additional advantages for senior citizens.

Insurance

The insurance industry in India is undergoing a remarkable transformation, fuelled by a multitude of factors. With the surge in personal incomes and a heightened awareness of insurance products, the sector is witnessing a significant upswing. Among the emerging insurance markets worldwide, India currently holds the prestigious fifth position, boasting an impressive annual growth rate of 32-34%.

In India, a diverse landscape of insurance companies exists, totalling 57 in number. Out of these, 24 cater to the life insurance segment, while the remaining 34 specialize in non-life insurance. It is worth noting that the Life Insurance Corporation (LIC) stands as the solitary public sector entity in the life insurance arena, while the non-life insurance domain encompasses six public sector insurers. Furthermore, ensuring national reinsurance coverage is the General Insurance Corporation of India (GIC Re).

Driving the industry's expansion over the past two decades has been the



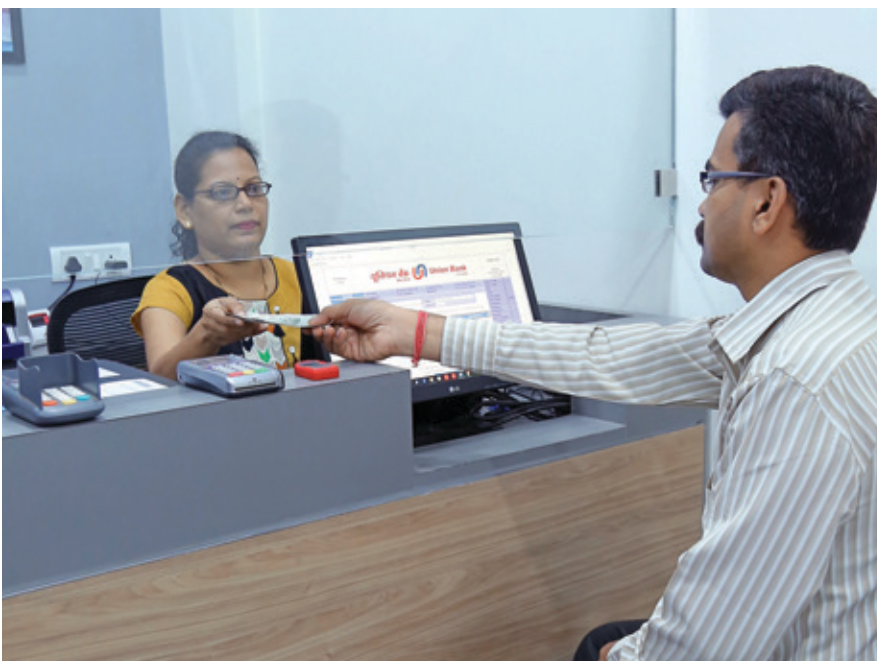
Among emerging insurance markets worldwide, India currently holds the prestigious fifth position, boasting an impressive annual growth rate of 32-34%.

increased participation of private players and notable enhancements in distribution capabilities. The simultaneous improvement in operational efficiencies has played a pivotal role in the industry's overall growth trajectory.

Private insurers have witnessed commendable progress across various premium categories, including individual single premium, group single premium, and individual non-single premium. Projections suggest that private life insurers are poised to achieve a Compound Annual Growth Rate (CAGR) exceeding 17% in their retail Annualized Premium Equivalent (APE) from 2021 to 2023, while the realm of new retail term premiums is expected to witness a doubling within a five-year span. Additionally, the private non-life insurance segment is anticipated to experience a steady growth rate of 14% in the fiscal year 2023.

Recent data released by the Insurance Regulatory and Development Authority of India highlights LIC's noteworthy market share growth of 67.72% as of October. At the conclusion of the 2021-22 fiscal year, private players commanded a market share of 36.75% in the life insurance sector, with LIC securing the remaining 63.25%.

As per IBEF's Insurance Report, it is projected that premiums emanating





Our partnerships with leading insurance companies have enabled us to offer efficient and convenient insurance services to individuals. By implementing initiatives such as paperless insurance and instant policy issuance, we are steadily becoming a prominent provider of insurance services nationwide, with a specific focus on serving rural populations.

from India's life insurance industry will reach an impressive Rs. 24 lakh crore (US\$ 317.98 billion) by the end of the fiscal year 2031. Notably, in the fiscal year 2023 (until October 2022), new business premiums from life insurance companies amounted to US\$ 25.3 billion. Furthermore, life insurers experienced a substantial increase in new business premiums in October 2022, reaching Rs. 15,920.13 crore (US\$ 1.94 billion), as per data provided by the Life Insurance Council. Within the same timeframe, the gross first-year premium for life insurers expanded by 12.93%, reaching Rs. 314,262.42 crore (US\$ 40.06 billion).

> We have established partnerships with leading insurance companies in the country to offer efficient and convenient insurance services to individuals. Through our initiatives, such as paperless insurance and instant policy issuance, we are becoming a prominent provider of insurance services across the nation, with a particular focus on serving rural populations.

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.

> We have established and oversee White-Label ATMs to enhance financial accessibility for rural populations. Our Kendras offer a range of financial services including cash withdrawals, balance inquiries, PIN changes, and mini statements. Additionally, our Value Added Services, such as Aadhaar seeding, card-to-card fund transfers, cheque book requests, and mobile banking registration, ensure convenient access to financial services in underserved markets throughout the country.

E-commerce

As per IBEF's E-Commerce Industry Report, India has witnessed a significant surge in internet and smartphone usage, thanks to initiatives like Digital India. Internet connections reached 830 million in 2021, and the smartphone base is projected to reach 1 billion by 2026. This has propelled the growth of India's e-commerce sector, which is expected to reach a value of US\$ 1 trillion by 2030. Various segments of e-commerce, including B2B, D2C, C2C, and C2B, have flourished. Notably, D2C is predicted to reach US\$ 60 billion by FY27. The overall e-commerce market is set to reach US\$ 350 billion by 2030, with an anticipated growth rate of 21.5% in 2022, reaching US\$ 74.8 billion. Additionally, the online grocery market is estimated to expand to US\$ 26.93 billion in 2027, growing at a CAGR of 33% from its FY21 value of US\$ 3.95 billion.

India's consumer digital economy is projected to become a US\$ 1 trillion market by 2030, rising from US\$ 537.5 billion in 2020. The adoption of online services, such as e-commerce and edtech, is driving this growth. The Indian e-commerce market is expected to reach US\$ 200 billion by 2026, a substantial increase from its value of US\$ 38.5 billion in 2017. To support and foster the e-commerce sector, the Government of India has implemented initiatives like Digital India, Make in India, Start-up India, Skill India, and the Innovation Fund. These measures include the GeM portal for order facilitation, the use of ONDC for cataloguing and vendor discovery, consumer protection rules, partnerships with banks for cashless transactions, and the requirement for foreign e-commerce platforms to have PAN. These efforts aim to enhance the e-commerce ecosystem, streamline processes, and ensure transparency in the sector.

> Our Vakrangee Kendras offer customers the convenience of

assisted online shopping, enabling them to have products delivered even in rural areas. Through our e-commerce model and the BharatEasy Mobile Super App, customers can enjoy the benefits of online shopping and receive authentic products. Additionally, customers have the opportunity to purchase genuine gold and silver items, including coins and jewellery, with the option to pay in instalments over 3, 6, or 9 months. They also have the flexibility to cancel orders within the instalment period. With the support of trusted brands like Augmont and competitive pricing, luxury goods and services are now accessible to customers across India.

We have also launched our e-commerce portal i.e. Vakrangee e-Mart where customers can access to various products at an affordable & discounted price.

We are in the process to design and launch our Buyer Application on ONDC platform to provide ecommerce shopping experience to franchisee and customers in rural market. We can replicate the model on our Bharat Easy Super App to provide ONDC experience directly to customer. We will also be registering as Seller

on Seller App of ONDC to sell our services which are available on BharatEasy Mobile Super App. We will be developing a dedicated seller app which can provide a streamlined and optimized experience for local sellers near our Vakrangee Kendras. This will improve our reach and discoverability across multiple platforms.

E-health

E-Health is a dynamic field that intersects medicine, public health, business, and modern technology. It involves using emerging electronic information and communication technologies to deliver healthcare services. The digital health market is anticipated to grow at a compounded annual growth rate of 29.6 percent from 2019 to 2025. In 2018, the digital health market in India was valued at Rs. 116.61 billion (\$1.57 billion) and is expected to reach Rs. 485.43 billion (\$6.53 billion) by 2024. This indicates a compound annual growth rate of approximately 27.41 percent during the 2019-2024 period. According to the India's e-Health Market Opportunity Report 2021, the e-health market is projected to generate \$10.6 billion in revenue by 2025.

> To meet the growing demand for e-health services, we have

established partnerships with renowned organizations such as DocOnline and Corival Lifesciences/Biogetica. Our assisted total healthcare services offer valuable support to customers, including access to telemedicine and genuine medicines at discounted prices and a team of highly trained telemedicine professionals such as doctors, nurses, dieticians, and behavioral health clinicians. Through our Vakrangee Kendra network, customers can conveniently order, pay for, and collect a wide range of prescription and over-the-counter medicines and health products. We have also collaborated with Additionally, we facilitate home-blood tests and doorstep delivery of medicines through our partner network. As part of our efforts to expand our services, we have joined forces with Biogetica to offer products that integrate traditional and modern scientific healing approaches.

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. Logistics investments, including infrastructure, are estimated to reach USD 500 billion annually by 2025.

> Through our partnership with Delhivery, we offer courier services and last-mile delivery via our network of Vakrangee Kendras. This network provides convenient and affordable delivery of goods and services to customers in rural and urban areas. Our logistics services have a strong track record of reliability and customer satisfaction.



BUSINESS RISKS AND OPPORTUNITIES

Risk Management Framework

As per the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, our Board of Directors has embraced a Risk Management Policy (“Policy”) to establish a comprehensive framework for assessing and mitigating risks. The primary goal of this policy is to ensure sustainable business growth with stability and promote a proactive approach in reporting, evaluating, and resolving business-related risks. To achieve this objective, we have implemented a structured and disciplined approach to Risk Management that guides decision-making on risk-related matters.

To oversee and review risk management across our company, we have constituted a Risk Management Committee. This committee holds the overall responsibility of monitoring and assessing risk management activities.

In our risk assessment process, we adopt a systematic approach that involves identifying and analyzing risks. During this process, we consider various parameters such as threats, vulnerability, probability of risk occurrence, impact, severity, and exposure to different risks.

Our risk management practices align with the guidelines set by RBI for managing risks in banking correspondence and white label ATM operations, as well as with Regulation 21 of SEBI LODR.

Composition of Our Board-led Risk Management Committee

Through a continuous evaluation, our Board of Directors ensures the effectiveness of our risk management system. Our Department Heads take charge of implementing the risk management system when necessary and provides regular updates to the Board and Audit Committee. By combining a forward-thinking mindset with a comprehensive risk management approach, we strive to effectively identify, address, and communicate potential risks while fostering sustainable and resilient business growth.

To ensure comprehensive risk management within our organization, our Board assumes the following responsibilities:

- » Take responsibility for establishing, implementing, and supervising our risk management plan.
- » Ensure that all departments and verticals adhere to globally recognized best practices when developing their standard operating procedures (SOPs). These SOPs should comply with ESG standards, UN-SDGs, and effectively address both business and legal risks.
- » Define the tasks and duties of the Risk Management Committee, delegate the monitoring and evaluation of the risk management plan to the Committee, and assign any additional functions deemed necessary.
- » Implement appropriate risk management mechanisms throughout the organization.
- » Engage Independent Directors to provide an impartial perspective during Board discussions on risk management issues. They should ensure that the risk management system is robust, defensible, and actively participate in significant decisions that impact the firm's risk profile.
- » Maintain awareness and continuously monitor the management of strategic risks.
- » Establish procedures and controls to mitigate less significant threats. Ensure the presence of a suitable accountability structure to record risk delegation and enable proper performance tracking. Additionally, incorporate risk management into board reporting and annual reporting methods.
- » Convene any necessary board committees to effectively manage and address risks whenever required.



By fulfilling these responsibilities, we aim to establish a strong risk management framework that promotes business resilience and sustainability.

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

Risk Management Committee	
	Sujata Chattopadhyay - Chairperson
	Dinesh Nandwana – Member
	Dr. Nishikant Hayatnagarkar – Member
	Kshitija Tambave - Officer

Management and relevant management information should be readily accessible to the Committee. The Committee is required to convene at least once annually and has the authority to seek guidance from external experts or consultants when necessary. Additionally, the Committee should conduct an annual evaluation of the policy to ensure compliance with legislative requirements and organizational needs. Once the risk management committee has reviewed risks, they are communicated to all stakeholders.

Driving Economic Empowerment

While we have actively mitigated risks, we have also effectively transformed risks into economic opportunities. Our commitment to serving the nation includes providing essential services such as banking and ATMs at over 20,000 locations through our Next Generation Vakrangee Kendras. These business correspondents play a vital role in delivering government subsidies to Jan Dhan Account holders in rural areas nationwide.

Embedding Sustainability

Sustainability is deeply ingrained within our risk management framework. The purpose of our risk management framework is to establish a structured approach for assessing and mitigating risks. Its primary objective is to facilitate sustainable business growth with stability while fostering a proactive approach in identifying, evaluating, and resolving business-related risks. In order to effectively manage risks,

the Board of Directors, Business heads, and Department heads ensure that all departments and verticals develop SOPs in accordance with globally recognized best practices. These SOPs are not only compliant with ESG parameters but also aligned with UN SDG goals, ensuring they address sustainability concerns. Moreover, they are designed to be free from any potential business or legal risks. Furthermore, we have established a dedicated Board ESG Committee, focusing on significant environmental, social, and governance matters relevant to our business operations. This committee plays a pivotal role in preserving our position as a global leader in ESG performance. Regular reviews are conducted, at least once a quarter, to ensure comprehensive analysis. Additionally, the committee conducts assessments as needed to thoroughly evaluate major company strategy decisions and the implementation requirements of any ESG-related initiatives.

Members of the Board ESG Committee are responsible for the following:

- » Reviewing Performance and Results of ESG Investor Initiatives: Carefully assess the performance and outcomes of significant ESG investor initiatives and surveys, as well as global benchmarks. This allows us to oversee the implementation of identified initiatives or areas for improvement derived from ESG investor feedback and global benchmarks.

- » Considering Emerging ESG Issues: It is crucial for us to stay updated on emerging ESG issues and evaluate their materiality in relation to the long-term value creation of our company. By doing so, we ensure that we are well-informed and prepared to address these issues effectively.
- » Evaluating Business Strategy from an ESG Impact Perspective: Actively review and evaluate the overall business strategy of our company, considering our impact on ESG factors. This ensures that our strategic decisions align with our commitment to sustainable development.
- » Monitoring Sustainable Development Goals (SDGs) Integration: One of our key responsibilities is to monitor and review the integration of Sustainable Development Goals into any new business strategy or initiatives. This ensures that our company actively contributes to the global efforts to achieve these goals.
- » Assisting in ESG Performance Evaluation of Senior Management: We provide support to the Nomination and Remuneration Committee in assessing the performance of senior management from an ESG deliverable perspective. This helps to ensure that our leadership team effectively incorporates and drives ESG considerations in their decision-making processes.
- » Reviewing Progress of GHG Reduction Initiatives: We actively review the progress of key initiatives implemented by the GHG Reduction Strategy Committee. This allows us to monitor our efforts in reducing greenhouse gas emissions and contribute to mitigating climate change.

Environment	<ul style="list-style-type: none"> » Supervise the implementation of various initiatives and commitments pertaining to environmental sustainability, including monitoring performance, identifying challenges, and exploring opportunities. » Oversee the disclosure of our Climate-Related and GHG Carbon Emissions Disclosures. » Collaborate with the Board Risk Management Committee to assess the adequacy of management's approach in identifying and managing environmental risks and opportunities, particularly in relation to climate-related issues.
Social	<ul style="list-style-type: none"> » Monitor the implementation of social responsibility and sustainability initiatives or commitments across our organization, evaluating performance, addressing challenges, and identifying opportunities to create social impact. » Supervise and evaluate processes and mechanisms for establishing and nurturing relationships with franchisees, customers, suppliers, and other key stakeholders, while understanding their expectations. » Assess the effectiveness of initiatives and policies supporting human rights and fostering diversity within our company's operations and supply chain. » Work in conjunction with the Board Remuneration Committee to oversee inclusion, diversity, and general people and culture practices, as well as the associated frameworks.
Governance	<ul style="list-style-type: none"> » Monitor and assess the reputational impacts of our business strategies and practices. » Ensure the existence of appropriate safeguards within our company policies and initiatives for fair and ethical dealings with third-party capital partners, suppliers, and other stakeholders. » Review and endorse the group's Governance Management Framework for approval by the Board. » Review and endorse our Sustainability Performance Pack, Corporate Governance Statement, and ESG achievements and future commitments and targets on an annual basis, presenting them to the Board.

- » Risk Analysis: Once the risks have been identified, the next step is to perform a comprehensive risk analysis. This involves assessing the likelihood and consequences of each individual risk, gaining a thorough understanding of its nature, and evaluating how it could potentially affect the organization's goals and objectives.
- » Risk Evaluation: After conducting the risk analysis, the magnitude of each risk is determined. This assessment considers both the likelihood of the risk occurring and the severity of its potential consequences. Based on this evaluation, a decision is made regarding the acceptability of the risk. If the risk is deemed unacceptable, further actions are taken to develop appropriate strategies for risk mitigation.
- » Risk Treatment: The risk treatment phase encompasses the assessment of all identified risks and the implementation of action plans to mitigate them. This involves executing measures to reduce or eliminate the risks to acceptable levels. It is crucial to not only focus on minimizing negative risks but also to enhance and capitalize on identified opportunities.
- » Risk Monitoring and Review: Following the implementation of risk mitigation measures, a process of ongoing risk monitoring and review is essential. This step involves regular tracking, examination, and evaluation of the identified risks and their associated mitigation strategies. By consistently reviewing risks, organizations can ensure the effectiveness of their risk management efforts and make necessary adjustments in response to changing circumstances.

By fulfilling these responsibilities, the Board ESG Committee plays a crucial role in guiding our company towards sustainable and responsible practices, aligned with the expectations of investors and global ESG benchmarks.

Business Risks

Risks can be defined as the impact of uncertainty on objectives, measured by consequences and likelihood. It is inherent in all business and administrative activities, both internally and externally. Managing risks is a continuous responsibility for every member of an organization. Risk management, which encompasses formal and systematic approaches, has emerged as a recognized best practice.

To ensure long-term value creation and address risks related to development and stakeholders, we proactively capitalize on opportunities

arising from a dynamic environment. Our risk mitigation strategies are based on formal and systematic methodologies. These include comprehensive risk assessments to identify and analyze potential threats, vulnerabilities, and hazards that may pose harm to our organization.

The risk assessment process involves a detailed examination of threats, vulnerabilities, and exposure to various risks. We follow a structured approach during risk analysis and evaluation, which consists of the following steps:

- » Risk Identification: The initial stage of the risk management process involves the identification of potential risks. This entails recognizing and acknowledging the existence of risks, followed by describing their potential effects and impacts.

Risks identified and evaluated through assessments

Risk	Significance	Mitigation measure	Linkage with Capital
Changes in government policies	Our business is intricately tied to government policies concerning financial inclusion in semi-urban and rural areas of India, among various other factors. It is important to recognize that any modifications or changes made to these government policies have the potential to significantly impact our business operations.	We adopt a proactive approach by actively engaging with diverse stakeholders, conducting continuous reviews and monitoring of India's economic and financial policies, and actively participating in representation at trade bodies.	>Financial >Social and relationship
Rapid technological transformation	As a financial technology company, we provide our services leveraging electronic devices such as computers and printers, as well as advanced technologies including Internet of Things (IoT) and biometric identification. It is important to acknowledge that disruptive innovations within the industry have the potential to significantly impact a company's profit margins.	<p>We duly acknowledge the utmost significance of adopting a next-generation company model in the digital era. In alignment with the government's digital payment agenda and with a strategic vision to seize the opportunity, we have successfully established a Unified Payment Platform capable of handling diverse payment methods including card payments, UPI, AEPS, Aadhaar Pay, and QR codes, among others. This platform empowers our Next-Gen Vakrangee Kendras to efficiently collect payments from our clients through various channels. Notably, we were among the pioneers in leveraging the Aadhaar enabled Payment System (AePS) for banking, allowing us to extend banking services to every citizen of India.</p> <p>Recognizing the inevitability of technological obsolescence, we conduct regular analyses to evaluate the obsolescence of our technological infrastructure. Consequently, we make diligent investments to leverage the most advanced and cutting-edge technologies available. Our procurement strategy considers all legislative requirements and anticipates future upgrades to ensure we consistently utilize the finest technological resources.</p> <p>Moreover, we have also unveiled an online digital platform to provide seamless services to our valued customers from the convenience of their homes. Through this initiative, we have successfully transformed into a distinctive Online-to-Offline (O2O) platform, offering assistance through our Physical Kendra network in conjunction with a comprehensive range of digital online services. The introduction of our pioneering Telemedicine services marks the commencement of this unique hybrid proposition. We are committed to expanding our service portfolio on this platform to encompass a multitude of offerings. Additionally, we have launched the Mobile Super Apps platform i.e. BharatEasy App, India's Super App.</p> <p>We are in the process to design and launch our Buyer Application on ONDC platform to provide ecommerce shopping experience to franchisee and customers in rural market. We can replicate the model on our Bharat Easy Super App to provide ONDC experience directly to customer. We will also be registering as Seller on Seller App of ONDC to sell our services which are available on BharatEasy Mobile Super App. We will be developing a dedicated seller app which can provide a streamlined and optimized experience for local sellers near our Vakrangee Kendras. This will improve our reach and discoverability across multiple platforms.</p>	>Intellectual >Natural >Financial
Rapid increase in Digital Payment Mechanisms and India Emerging as a Cashless Society	<p>With the development of the Digital Economy, India is quickly moving towards Digital Payment Mechanisms and Emerging as a Cashless Society.</p> <p>With the fast pace of digital payment penetration, Cash transactions such as ATM & Banking transactions are expected to witness slow down. Therefore, there would be profitability & viability challenges for standalone business models such as only White Label ATMs, only Banking (AEPS) provider, only Money Transfer providers which are dependent on cash transactions.</p>	<p>We are future ready with a clear focus on building long term sustainable & profitable business model.</p> <p>Non-Cash based Banking Offering such as Account Opening, Loan Product, Insurance Services, Fixed Deposits & NPA Recovery</p> <p>No dependency on single line of product or services such as ATM or Banking Services.</p> <p>Wide portfolio of product & services such as Online Shopping, Total Healthcare Services, Bill Payments, Online Travel Services, Mobile Recharges, CIBIL Score services, Pan Card Services, Online Opening of Demat & Trading Account Opening Services and many more</p> <p>Highest commission in the industry</p>	>Intellectual >Financial

Risk	Significance	Mitigation measure	Linkage with Capital
Heavy dependence on franchisee model	While the franchisee model enables rapid expansion, it is essential to acknowledge the inherent risks associated with it. Our brand name and reputation may be susceptible to damage in the event of unfavourable incidents involving our franchisees. Additionally, franchisees often operate with narrower profit margins, and the potential for legal issues may pose challenges to otherwise efficient operations.	In the future, if deemed necessary, we have the option to consider alternative arrangements for our franchisee model. Specifically, we can explore the implementation of revenue-based banking correspondence and the integration of White Label ATMs as potential avenues for growth and expansion.	>Human >Manufactured >Social and relationship >Financial
Legal Risk	Given our adherence to numerous laws and regulations, our organization is susceptible to legal risks in the event of any non-compliance or violation.	In order to ensure strict adherence to all contractual obligations, our proficient team of specialists and consultants diligently evaluate contract-related risks, ascertain our responsibilities, and effectively mitigate our liabilities.	>All
Financial Reporting Risk	Business uncertainty arises from the dynamic nature of laws, regulations, and standards governing accounting, corporate governance, and public disclosure, including guidelines from SEBI and restrictions on Indian stock market listings. The introduction of new rules, norms, and regulations may lead to varying interpretations due to their lack of precise clarity. Furthermore, as regulatory and governing bodies issue updated guidelines, their implementation and implications may evolve over time. Consequently, the perpetual adjustments to corporate governance regulations can generate ongoing ambiguity regarding compliance matters, resulting in increased expenses associated with ensuring compliance.	We uphold stringent principles of corporate governance and transparent public disclosure to adhere to the ever-evolving landscape of laws, regulations, and standards.	>Financial >Social and relationship >Human
Corporate Accounting fraud	Corporate accounting fraud, commonly referred to as accounting fraud, poses a significant risk to a company as it involves the improper utilization or diversion of funds, overstatement of revenues, understatement of costs, and similar deceptive practices.	To mitigate these risks, we employ a comprehensive set of measures, including: <ul style="list-style-type: none"> » Deep comprehension of relevant laws and regulations. » Conducting thorough risk assessments to identify potential areas of vulnerability. » Vigorously enforcing and closely monitoring a code of conduct for key executives. » Establishing and maintaining whistle-blower mechanisms to encourage reporting of any misconduct. » Implementing a well-defined strategy and process for introducing and enforcing new controls. » Adhering strictly to internal control practices that deter collusion and prevent concentration of authority. » Employing mechanisms for multiple authorizations and cross-checks for critical transactions. » Conducting meticulous scrutiny of management information to detect discrepancies in comparative figures and ratios. » Fostering a supportive environment for internal auditors to ensure effective reporting. » Promptly addressing any minor deviations from prescribed procedures and manuals. » Implementing a wide range of measures throughout the organization to reinforce risk mitigation efforts. <p>These proactive steps are aimed at safeguarding our company against accounting fraud and ensuring the maintenance of robust control mechanisms and adherence to regulatory requirements.</p>	>Financial >Social and relationship >Human

Risk	Significance	Mitigation measure	Linkage with Capital
Cyber risk	<p>In the present business environment, concerns arise from incidents such as breach of user data privacy, data leakage, and cyber-attacks. The proliferation of internet-connected devices not only facilitates data management but also amplifies the vulnerability and exposure of data to potential risks.</p>	<p>The privacy and security of data are paramount to our organization, and we have implemented several mitigation measures to ensure their protection. These measures include:</p> <ul style="list-style-type: none"> » Validation and filtration of end-point inputs: We employ a rigorous process to validate and filter the inputs received from end-point devices, ensuring the entry of authentic and legitimate data into our systems. » Implementation of Mandatory Access Control (MAC): We enforce MAC policies to restrict user access to specific tasks and timeframes, enhancing data security by limiting unauthorized access. » Utilization of digital signatures and asymmetric encryption: We employ standard practices such as digital signatures, regular audits, and hash chaining to maintain data security and integrity. » Real-time monitoring of logs: We continuously monitor logs to detect any anomalies, misuse, or abnormal activities, enabling prompt identification and response to potential security breaches. » Data tagging and time stamps: We implement data tagging and time stamps to trace and track unauthorized activities, providing an added layer of security and accountability. » Encryption of data in transit and at rest: We ensure the confidentiality and integrity of data by employing encryption measures for data in transit and within databases. This includes SSL encryption for secure client-server connections and granular encryption for data stored in databases. » Key exchange policy: We have established a robust key exchange policy for managing ATM encryption keys, leveraging Hardware Security Modules (HSM) for secure key storage and complying with industry standards such as ISO, PCI, and DSS. » Anti-skimming card reader installation: To mitigate skimming attacks, we have installed anti-skimming card readers at our ATMs, providing an additional layer of security against such fraudulent activities. <p>Through these rigorous measures, we strive to maintain the utmost privacy and security of data, protecting it from potential threats and ensuring the trust and confidence of our stakeholders.</p>	<ul style="list-style-type: none"> >Financial >Social and relationship >Human >Intellectual
Theft of physical assets	<p>Ensuring the security and safety of franchisees and their stores is of utmost importance. It is imperative to prevent any risks related to theft, physical burglary, or damage that could potentially result in loss to the outlet. The ATM holds substantial value as a corporate asset, entrusted to the franchisee on a custodial basis. Consequently, we place significant emphasis on maintaining and safeguarding the ATM asset, recognizing its paramount significance.</p>	<p>We have implemented a comprehensive master insurance plan that provides coverage for all hardware within the Kendra, including ATMs, cash in transit, and cash at outlets, up to a limit of Rs. 10 lakhs. Additionally, we have introduced a unique product that combines ATM maintenance services and insurance. This offering ensures year-round maintenance support for ATMs and extends coverage for any damages to spare components.</p>	<ul style="list-style-type: none"> >Financial >Social and relationship >Human >Manufactured

Risk identified and mitigated for the current financial year

Risk Identified	Mitigation Strategy
<p>The pandemic and its aftermath have significantly impacted various business services, including the implementation of nationwide lockdown measures. Consequently, store closures, reduced customer visits, and limitations on field visits for franchisee monitoring and training have been observed.</p>	<p>As an essential service provider, we have maintained the operation of critical services such as banking and ATMs throughout the pandemic and lockdown periods. This has provided support to franchisees whose core services remained operational, while other services like travel, online shopping, and logistics were affected.</p> <p>Doorstep Banking Facility: In response to the lockdown measures, our Banking Business Correspondents (BCs) offered doorstep banking services to Jan Dhan Account Holders in remote rural areas, with a particular focus on senior citizens and pensioners.</p>
<p>Security and safety of the franchisee and its outlet is of utmost importance, hence any risk arising out of theft, physical burglary attack, any damage or loss to the outlet needed to be taken care of. Further, ATM is a valuable asset for our company which is given to the franchisee on a Custodian basis. Therefore, proper maintenance of the ATM asset as well as security of the Asset has been of prime importance.</p>	<p>Launch of BharatEasy Mobile Super App platform: To adapt to the changing landscape, we have introduced a unique Hybrid O2O (Online to Offline) platform, combining physical store assistance with digital online services. This initiative enables customers to seamlessly access various partner services through both physical outlets and the online platform, leveraging the trust and convenience associated with the existing Kendra network.</p>
<p>The Government of India has prioritized the promotion of digital payments across the nation. However, not all payment mechanisms, such as QR code and UPI payments, are currently enabled within the Kendra network.</p>	<p>The COVID-19 pandemic has necessitated the adoption of technology, process automation, and innovative digital initiatives to facilitate business operations and manage field activities. We have established dedicated virtual communication channels for franchisees to access online training sessions and engage in real-time two-way communication with business teams, exclusive dedicated district level master franchisees and relationship managers. Furthermore, CCTV monitoring systems and a dedicated troubleshoot helpdesk have been implemented to enhance monitoring and support for franchisees. These measures have not only reduced manpower requirements at the field level but also improved franchisee satisfaction, de-centralized management of operations, and overall cost efficiency and profitability.</p>
<p>Our operations are reliant on the Government's policies pertaining to financial inclusion in semi-urban and rural areas of India. Consequently, any alterations in the policy framework or restrictions imposed on transactions have the potential to impact the business's profitability.</p>	<p>We have implemented a master Insurance policy which now covers the entire hardware of the Kendra, ATM machine, cash-in-transit and cash at outlet upto Rs. 10 Lakhs.</p> <p>ATM maintenance is completely taken care off by a unique offering whereby all year servicing of the ATM along with coverage of any damage of spare parts is taken care off by us.</p>
<p>As the Digital Economy continues to advance, India is rapidly progressing towards becoming a cashless society, with a significant increase in the adoption of digital payment mechanisms. Consequently, traditional cash transactions, including ATM and banking transactions, are expected to experience a slowdown. This shift poses profitability and viability challenges for standalone business models that solely rely on cash transactions, such as white label ATMs, exclusive banking (AEPS) providers, and exclusive money transfer providers.</p>	<p>We recognize the significance of adopting a next-generation business model in the digital era. In alignment with the government's mission to promote digital payments, we have successfully implemented a Unified Payment Platform that facilitates various payment methods, including card payments, UPI, AEPS, Aadhaar Pay, and QR codes, among others. This integration empowers our Next Generation Vakrangee Kendras to accept payments from customers through any preferred mode. As pioneers in the Aadhaar enabled Payment System (AePS) based banking system, we are committed to providing accessible banking services to every citizen of India, even in the most remote regions.</p>
<p>The rapid pace of technological advancements can potentially disrupt existing business models, impacting our margins as new cost-effective and disruptive innovations emerge.</p>	<p>To address the risks arising from potential policy changes, we actively engage with various stakeholders, continuously reviews and monitors the country's economic and financial policies and participates in representation at trade bodies.</p> <p>It is worth noting that this risk is not deemed significant, considering the Government's heightened focus on improving financial, social, and digital inclusion within the country. These efforts are vital for the overall infrastructure and economic development of the nation. We stand to benefit from its business model being aligned with the Government's vision and long-term developmental objectives for the country.</p>
<p>While the franchisee model allows for rapid expansion, it also exposes us to certain risks. The reputation of the brand may be at stake if any individual franchisee experiences a loss of repute. Additionally, franchisees generally operate with lower profit margins, and legal issues can disrupt smooth operations.</p>	<p>We are future ready with a clear focus on building long term sustainable & profitable business model. We have diversified our offerings beyond cash-based banking, incorporating non-cash services such as account opening, loan products, insurance services, fixed deposits, and NPA recovery.</p> <p>Our business model is not reliant on a single line of product or service, such as ATMs or banking alone. We maintain a wide portfolio of products and services, including online shopping, total healthcare services, bill payments, online travel services, mobile recharges, CIBIL score services, pan card services, online demat and trading account opening, and more.</p> <p>Additionally, we offer the highest commission rates in the industry.</p>
<p>The rapid pace of technological advancements can potentially disrupt existing business models, impacting our margins as new cost-effective and disruptive innovations emerge.</p>	<p>We recognize the inevitability of technological obsolescence and actively evaluates it on an ongoing basis. Investments are made to adopt the most advanced technology available, aligning with our belief in staying at the forefront of technological advancements. The procurement policy considers both regulatory requirements and the potential for future upgrades, ensuring the incorporation of state-of-the-art capabilities.</p>
<p>While the franchisee model allows for rapid expansion, it also exposes us to certain risks. The reputation of the brand may be at stake if any individual franchisee experiences a loss of repute. Additionally, franchisees generally operate with lower profit margins, and legal issues can disrupt smooth operations.</p>	<p>In the future, if necessary, we have the flexibility to explore alternative franchise models. One such option is the adoption of revenue-based banking correspondence and the deployment of white label ATMs as alternative arrangements to mitigate potential risks and ensure continued growth.</p>

Risk Identified	Mitigation Strategy
<p>Legal risk refers to the potential exposure of a Company to legal actions as a result of non-compliance with laws and regulations governing its operations.</p>	<p>Given our obligation to conduct business within the boundaries of the law, it is susceptible to legal risk exposure. To address this risk, we rely on a team of seasoned professionals and advisors who diligently assess the risks associated with contracts, determine our obligations as per relevant laws, limit liabilities under contracts, and take necessary measures to ensure legal compliance with all contractual commitments. This comprehensive approach aims to mitigate legal risks and uphold adherence to legal requirements.</p>
<p>The dynamic landscape of changing laws, regulations, and standards pertaining to accounting, corporate governance, public disclosure, SEBI rules, and Indian stock market listing regulations creates uncertainty for companies. These new or revised regulations may lack specificity and be subject to various interpretations. Furthermore, their practical application may evolve over time as regulatory and governing bodies provide further guidance. Consequently, ongoing uncertainty surrounding compliance matters and increased compliance costs due to continuous revisions in corporate governance standards may arise.</p>	<p>We are steadfast in upholding high standards of corporate governance and public disclosure. By diligently adhering to evolving laws, regulations, and standards in these domains, we aim to effectively address these challenges and mitigate associated risks.</p>
<p>Accounting fraud or corporate accounting fraud are business scandals arising out of Misusing or misdirecting of funds, overstating revenues, understating expenses etc.</p>	<p>We mitigate this risk by:</p> <ul style="list-style-type: none"> » Understanding the applicable laws and regulations. » Conducting risk assessments. » Enforcing and monitoring code of conduct for key executives. » Instituting Whistle blower mechanisms. » Deploying a strategy and process for implementing the new controls. » Adhering to internal control practices that prevent collusion and concentration of authority. » Employing mechanisms for multiple authorization of key transactions with cross checks. » Scrutinizing of management information data to pinpoint dissimilarity of comparative figures and ratios. » Creating a favourable atmosphere for internal auditors in reporting and highlighting any instances of even minor non-adherence to procedures and manuals and a host of other steps throughout the organization.
<p>Increasing concern for user data privacy, data leakage, and number of cyber-attacks are the reason for rising attention to the question of data security, which became more relevant in the recent years. The increasing number of devices connected to the Internet not only creates more data but also makes it more vulnerable and not very well protected. It is expected that security analytics costs will raise up. Thus, it is critical to keep up with latest trends in the field of data security.</p>	<ul style="list-style-type: none"> » Privacy and data security are of utmost importance to us, and we have made consistent efforts to safeguard data through the following approaches: » Validation and filtration of end-point inputs: We ensure the use of authentic and legitimate end-point devices, as they serve as the entry point for genuine and valid data into our system. » Mandatory Access Control (MAC): We implement strict controls that limit each user's access to a predefined set of tasks and within specific timeframes. » Digital signatures using asymmetric encryption: To enhance data security, we employ standard practices such as regular audits and hash chaining. » Real-time monitoring of logs: We continuously monitor logs to promptly detect any anomalies, misuse, or abnormal activities, allowing for timely intervention. » Data tagging and enforced time stamps: We utilize data tagging and implement time stamps to facilitate tracing and identification of unauthorized activities. » Encryption: Encryption plays a crucial role in maintaining data confidentiality and integrity. We employ encryption techniques both during data transit and while data is at rest in databases. Secure Socket Layer (SSL) encryption is utilized to establish a secure connection between clients and servers, ensuring that only trusted computers can access the encrypted data. » Granular data encryption: Our data encryption practices encompass encrypting data within the database, implementing access control measures, masking sensitive data, and enforcing stringent authorization policies. Regular updates of security patches are applied to ensure optimal protection. By employing granular data encryption, we aim to safeguard data even in the event of a system breach. » Key Exchange policy: For the management of ATM encryption keys, we have established a key exchange policy. Hardware Security Modules (HSMs) are utilized to facilitate key life-cycle management, including key generation, distribution, and injection. Our tamper-evident and tamper-responsive servers are equipped with secure cryptographic devices for key storage. Moreover, we comply with industry standards such as ISO and PCI DSS to ensure comprehensive data security.
<p>Fraudsters may place skimmers at ATMs to illegally capture customer card details and PIN information.</p>	<ul style="list-style-type: none"> » To counter this threat, we have implemented anti-skimming card readers at all Vakrangee ATMs, providing protection against skimming attacks.



We have strategically positioned ourselves to build a long-term sustainable and profitable business model that aligns with the evolving digital landscape.

We have adopted well established process to monitor and identify any arising risk which are as follows:

Risk Monitoring Tool:

Granular Auditing: We conduct thorough analysis of network logs to effectively detect and identify any potential cyber-attacks or malicious activities.

Data Provenance: We prioritize the classification of data, recognizing the importance of understanding its origin to ensure accurate data origin identification, authentication, validation, and access control.

Periodic Audit:

Audits serve as a disciplined documentation process that consistently evaluates operational compliance with established policies and standards, ensuring adherence to regulatory requirements.

Training Management:

Our comprehensive training programs aim to ensure effectiveness and foster continuous learning and improvement across our organization. These programs are delivered through various mediums and cover staff, ATM custodians, and banking operators.

Surveillance:

We have deployed closed-circuit surveillance (CCTV) systems across

Vakrangee Kendras, providing round-the-clock monitoring of ATM and banking operations. Additionally, our Kendras are staffed during business hours to further enhance security.

Upon successful monitoring and identification of risks, the Risk Management Committee promptly informs the Managing Director and/ or Compliance Officer, outlining the identified risks and proposing appropriate mitigation measures. These findings are subsequently communicated to the Board of Directors during the next board meeting. In the case of critical and significant risks, the Board is immediately notified for further deliberation and to seek their insights on necessary mitigation steps.

Business Opportunities

Vakrangee Kendra as a Long-Term Sustainable & Profitable Business Model:

The rapid growth of the Digital Economy in India is driving the adoption of digital payment mechanisms, leading to a shift towards a cashless society. With the increasing penetration of digital payments, there will be a slowdown in cash transactions such as ATM and banking transactions. This poses challenges for standalone business models that solely rely on cash transactions, such as White Label ATMs or only Banking (AEPS) providers.

We have strategically positioned ourselves to build a long-term sustainable and profitable business model that aligns with the evolving digital landscape. Our offering includes a range of non-cash based banking services, such as account opening, loan products, insurance services, fixed deposits, and NPA recovery. Importantly, we have diversified our product and service portfolio beyond a single line of offerings, such as ATM or banking services.





Our wide range of products and services includes online shopping, total healthcare services, bill payments, online travel services, mobile recharges, CIBIL score services, PAN card services, online demat and trading account opening services, and much more. Additionally, we offer the highest commission rates in the industry.

Launch of Digital Vakrangee Kendra:

We have introduced a mobile super app-based business platform called BharatEasy App, known as India ka Super App. Through this platform, we have already activated key services such as online shopping, online agriculture products, total healthcare services, online demat account opening, CIBIL credit score rating services, and online PAN card application services.

Our digital super app leverages the extensive physical store network of Vakrangee, known as the Vakrangee On-Ground Eco-system, which provides physical assistance, especially in semi-urban and rural remote areas. This unique proposition of combining digital and physical assistance, known as "phygital," allows our digital channel to scale up quickly and reduces costs associated with customer acquisition, physical assistance, order fulfillment, and return management. Moreover, leveraging our physical presence enhances customer interaction, strengthens brand recall, and improves service experience and customer trust. It is evident that we have a strong brand recall, access to our existing customer base, and a well-established network of 20,000+ outlets, which further supports our

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We are in the process of leveraging the ONDC (Open Network for Digital Commerce) platform to expand our services. Designing a Buyer Application on ONDC will provide ecommerce shopping experiences to our franchisees and customers in rural markets.

digital ventures and strengthens our competitive advantage in the market.

Leveraging the ONDC Platform:

We are in the process to design and launch our Buyer Application on ONDC platform to provide ecommerce shopping experience to franchisee and customers in rural market. We can replicate the model on our Bharat Easy Super App to provide ONDC experience directly to customer. We will also be registering as Seller on Seller App of ONDC to sell our services which are available on BharatEasy Mobile Super App. We will be developing a dedicated seller app which can provide a streamlined and optimized experience for local sellers near our Vakrangee Kendras. This will improve our reach and discoverability across multiple platforms.

OUR PERFORMANCE HIGHLIGHT

In this chapter, we delve into the remarkable performance of our organization throughout the FY 2022-23. It is a testament to our unwavering commitment to excellence and our relentless pursuit of growth and success. We will showcase key achievements, milestones, and notable outcomes that have shaped our journey during this period. Join us as we explore the exceptional performance highlights that highlight our dedication, resilience, and remarkable progress.



Performance of our Vakrangee Kendras

1. Financial performance

Our extensive network of 20,399 Vakrangee Kendras has demonstrated robust performance by delivering convenience and inclusivity to underprivileged and underserved individuals across India. The results of our dedicated efforts and perseverance are reflected in our product-wise performance outcomes.

During the fiscal year 2022-23, our ATMs facilitated over 5.1 million transactions, amounting to a gross value of more than Rs. 113 billion. Additionally, our banking services recorded around 75 million transactions, with a gross value of Rs. 351 billion during the reporting period. These impressive figures highlight our unwavering dedication, sincerity, and endurance in fulfilling our mission.

Looking ahead, we anticipate further growth as we estimate that our Gross Transaction value will surpass US\$150 billion annually by 2030. Embracing a neo-bank model, we are transitioning towards a more cost-effective approach, enabling us to reach every corner of India.

S. No.	Particulars	FY 2022-23	
1	Debtors Turnover (%)	0.20	The ratio indicates the number of times we collect our average accounts receivable balance during a specific period. 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 (%)	0.01	It is a financial metric that measures the number of times we sell and replenish our inventory within a given period. The ratio between the revenue from operations and the average inventory between the beginning and end of FY 2022-23 is taken. The net sales are considered in this regard
3	Interest Coverage Ratio (%)	0.08	The ratio represents our ability to cover our interest expenses with our operating earnings.
4	Current Ratio (%)	1.05	The ratio measures our ability to meet our short-term liabilities with our short-term assets. Although there has been a decrease in the ratio as compared to FY 2021-22, we are in a good position as we more current assets than current liabilities, suggesting a relatively healthy liquidity position.
5	Debt Equity Ratio (%)	0.47	It is a financial metric that compares our total debt to our shareholders' equity. A ratio of 0.47 suggests that we have a lower level of debt in relation to our equity, indicating a relatively conservative capital structure.
6	Operating Profit Margin (%)	74.94%	For the computation of the ratio, EBIT is taken without considering the exceptional items
7	Net Profit Margin (%)	0.51%	The ratio represents the percentage of revenue that remains as profit after deducting all expenses and taxes. The decrease in net profit margin compared to last year can be attributed to the demerger of our company.
8	Return on Net worth (%)	0.81%	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 ratio measures our profitability in relation to our shareholders' equity. There has been a decrease in this value from last year, which can be contributed to the demerger of our company.

* 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

During the fiscal year 2022-23, our Company achieved a total income of Rs. Rs. 16,553.98 lakhs, with an EBIDTA of Rs. 1,930.44lakhs. The PAT for the year amounted to Rs. 60.01 lakhs, and the EPS (basic) for the face value of Rs. 1 was Rs. 0.01 in FY 2022-23.

2. Manufactured capital

We have made significant strides in achieving our goal of extending our services to every corner of the country and ensuring accessibility for all. Our extensive presence in remote areas, coupled with the evolution of our services, has driven growth in terms of financial, digital, and social inclusion. By adopting the Unique Hybrid Model, we have seamlessly integrated physical and digital platforms, enabling enhanced accessibility and convenience. Additionally, we have expanded our reach by establishing 20,399 active transacting Vakrangee Kendras across 29 States & UTs. Moreover, we have strengthened our operations by appointing Master Franchisees in 234 Districts across 27 States, who provide essential support to existing franchise outlets and facilitate new franchise acquisitions. Our presence extends to various Left-Wing Extremist (LWE), Tribal, and Aspirational districts, enabling us to deliver high-quality services to underserved areas of the country. Within these districts, we have established a network of 4,607 outlets. More than 79% of Tier IV, Tier V and Tier VI sites were covered by our geographical footprint, distributed throughout 29 states, 566 districts, and 5159 postal codes.

ISO 9001:2015 is a globally recognized standard that focuses on the implementation of effective Quality Management Systems (QMS). The QMS encompasses all processes, resources, assets, and cultural values that contribute to achieving customer satisfaction

and organizational efficiency. With our ISO 9001 certification in place since 1998, we continuously strive to demonstrate our unwavering commitment to excellence and meeting our customers' needs. We prioritize delivering the highest quality in our services and fostering a culture of continuous improvement to exceed customer expectations.

We also adhere to ISO 20400. As an ISO 20400 certified organization, we acknowledge the significance of sustainable procurement and adopt a structured approach to its practical implementation. This internationally recognized standard serves as a valuable framework for us to effectively integrate sustainability considerations into our procurement processes. It is important to note that ISO 20400 does not impose specific requirements on suppliers or serve as a means to evaluate their sustainability performance. Instead, it enables us to enhance our own sustainable practices and contribute to a more responsible and ethical supply chain.

3. Human Capital

At our organization, we have established a culture centred around inclusivity, continuous improvement, and equal opportunities for all employees. Our commitment to fostering a qualitative work environment emphasizes collaboration, teamwork, and the cultivation of an entrepreneurial spirit. We encourage employees to leverage their strengths, engage in innovative thinking, and provide them with the necessary tools and resources to excel in their roles.

Recognizing the significant role employees play as key stakeholders, we place great emphasis on their professional development and growth. Through continuous



As an ISO 20400 certified organization, we highly value sustainable procurement and follow a structured approach to its practical implementation. Adhering to this internationally recognized standard allows us to effectively integrate sustainability considerations into our procurement processes.

investment in enhancing their knowledge and skills, we strive to improve their performance and contribute to our collective goal of serving the underserved and unserved citizens of India. With a dedicated workforce of over 250 individuals, our organization is a testament to our unwavering dedication to our employees.

Our investment in human capital has yielded positive outcomes, including increased productivity, enhanced employee loyalty, and heightened motivation within the workplace. By valuing and empowering our employees, we foster an environment that cultivates their potential and facilitates the realization of our shared vision.

As signatories of the UNGC, we endorse the ten principles outlined by the United Nations Global Compact on human rights, labour, environment, and anti-corruption. Our organization is fully committed to integrating these principles into our Company's strategy, culture, and daily activities. To demonstrate our commitment, we have aligned



We have redirected our focus towards leveraging technologies, implementing process automation, and launching innovative digital projects as novel approaches to efficiently manage field operations and day-to-day business activities.

our culture with these principles. Our drivers of value for human capital are:

Organizational culture: Our primary objective is to cultivate a meaningful work environment characterized by continuous engagement. We strongly believe that a professional and respectful culture fosters enhanced productivity, growth, and positivity. To achieve this objective, we strive for fair resolutions, merit-based decision-making, equal treatment of all stakeholders, and transparency in our decision-making processes.

Technological leverage: We have shifted our focus towards harnessing technologies, implementing process automation, and launching innovative digital projects as novel approaches to managing field operations and day-to-day business activities. We provide training sessions to our franchisees, enabling them to connect through dedicated virtual communication channels. Additionally, we facilitate live, two-way interactions between centralized relationship managers at the head office and our franchisees' direct business teams to address any queries they may have.

Human rights: Our commitment to

human rights encompasses strict adherence to labor laws, raising awareness of human rights among our employees, providing equal employment opportunities, fostering a harassment-free workplace, ensuring employee health and safety, and establishing a robust grievance mechanism for employees.

Diversity and inclusion: We vehemently prohibit discrimination based on race, color, religion, disability, gender, national origin, sexual orientation, age, genetic information, or any other legally protected status. Our continuous efforts in this regard have resulted in 13.88 percent of our staff being women.

Gender equality: We prioritize gender equality through various initiatives, including the establishment of a Pay Equity Committee, conducting salary negotiations, implementing a fair reward system, promoting pay transparency, offering bonuses, providing flexible work schedules, and ensuring equitable increments for women employees. Our aim is to achieve a 1:1 gender ratio across the organization by 2025.

Targeted recruitment: Our objective is to recruit the finest talent from diverse backgrounds across the country, thereby exemplifying our commitment to providing equal opportunities for all. With our widespread presence throughout India, we actively engage with individuals from diverse backgrounds to work collaboratively towards achieving our organizational goals. Our recruitment process involves aptitude assessments, competency mapping, skill set benchmarking, and evaluating individual capabilities.

Mentorship: We have established mentorship programs to guide our employees in their professional

journeys, including programs specifically tailored for minority groups, women, individuals with disabilities, military personnel, new joiners, and mentor-buddy programs.

Training and development: Our employees undergo comprehensive training programs, covering areas such as ISO certifications, induction processes, and behavioural aspects.

Talent retention: Many employees have been dedicatedly associated with our organization, as evident from our average voluntary attrition rate of permanent employees at 1.9% in FY 2022-23.

Employee satisfaction: We actively execute various employee engagement initiatives, including competitions, family events, sponsorships, and motivational programs. Additionally, we conduct employee engagement surveys and provide in-house store services to cater to our employees' needs.

Health and safety: In our commitment to promoting health and safety, we have implemented several initiatives, such as the Employee Assistance Program, practical well-being support, yoga classes, fire safety measures, and emergency drills.

Grievance redressal: We have assembled a team of qualified professionals dedicated to addressing grievances from all our stakeholders.

4. Social and Relationship Capital

In the domain of Social and Relationship Capital, our focus lies in establishing effective engagement with stakeholders to fully comprehend their expectations from our company. We have developed trustworthy relationships with key stakeholders, including franchisees, customers, business partners, local communities, shareholders, suppliers, and

government or regulatory bodies. Upholding transparency as a fundamental principle, we consistently strive to foster cooperation and maintain strong relationships with our stakeholders. To further demonstrate our commitment to building robust connections, we have implemented various policies, such as the Sustainable Sourcing Policy, Green Procurement Policy, Corporate Social Responsibility Policy, Political Involvement Policy, and Shareholder Engagement Policy, among others. These policies exemplify our dedication to cultivating strong relationships and provide us with a framework to adapt to the diverse requirements of our stakeholders.

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.
- » Doorstep Banking was introduced primarily for senior citizens and old-age pensioners.
- » Total Healthcare Services which provided professional medical consultations by 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 4th largest ATM operator in rural India.
- » Tie-ups with nationalised banks for Corporate Business Correspondent.
- » 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.
- » During FY 2022-23, our company made CSR contributions totalling Rs. 124.89 lakhs.

To showcase our commitment towards building a strong social and relationship capital, we have achieved

several ISO certifications that reflect our commitment to various aspects of responsible business practices. These certifications include:

- » ISO 26000:2010 Social Responsibility Management System, demonstrating our dedication to sustainable development and exceeding legal compliance requirements.
- » ISO 37001:2016 Anti-bribery Management System, highlighting our commitment to conducting business with transparency, ethics, and fairness.
- » ISO 45001:2018 Occupational Health and Safety Management System, affirming our efforts to establish and maintain a safe and healthy workplace.
- » ISO 20400:2017 Sustainable Procurement Management System, showcasing our rigorous sustainable procurement practices.

5. Intellectual Capital

As a company focused on growth and innovation, we continuously strive to enhance our services. Even amidst the challenges posed by the pandemic, we remain committed to bridging the gap between rural and urban populations through our last-mile services.

As we continue to invest in cutting-edge technologies, we remain dedicated to providing unwavering assistance to both new and existing franchisees, propelling their performance to new heights. Some of the key highlights of FY 2022-23 were -

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 our Company and our customers.



As we continue to invest in cutting-edge technologies, the introduction of Artificial Intelligence and Natural Language Processing has revolutionized our services. These advancements enable advanced data analysis, personalized customer interactions, and automated processes, resulting in enhanced efficiency and customer satisfaction.



- 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.
- » We have trained all the employees and 20,399 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 6,324 ATM Franchisees.
- » 100% of franchisees are using electric surveillance.
- » Introduced contactless payment in Next-Gen.
- » With the introduction of Artificial Intelligence and Natural Language Processing, we have revolutionized our services by enabling advanced data analysis, personalized customer interactions, and automated processes, leading to enhanced efficiency and customer satisfaction. Our Chatbot Conversational Interface and Designs utilize advanced Natural Language Processing to understand and respond to text chat in a contextually appropriate manner, enhancing communication efficiency.
- » We have implemented Virtual Assistance to provide users with an immersive spatial experience, allowing them to engage with our

- services as if they were physically present.
- » Through the Internet of Things, we enable the seamless connectivity and remote control of smart devices, enhancing convenience and control for our customers.
- » By use of Blockchain technology, we ensure secure and transparent transaction recording and asset tracking within our business network. Through our utilization of Big Data and data analytics, we delve deep into large and complex data sets to extract valuable insights and make informed predictions. We have also embraced Augmented Reality (AR) and Virtual Reality (VR) technologies, allowing customers to virtually experience our products and services before making a purchase, eliminating the need for physical availability.

6. Natural capital

Growth with environmental stewardship

We firmly believe that success is not solely measured by financial

achievements but also by the positive impact we create on the world around us. As part of our commitment to sustainable practices and environmental stewardship, we have established the National Capital Chapter, a dedicated initiative focused on driving positive change for both our organization and the planet. Our commitment to doing better goes beyond mere compliance with environmental regulations. We actively seek opportunities to implement sustainable practices, conserve resources, and protect the environment. By embracing renewable energy sources, optimizing waste management systems, and integrating eco-friendly technologies, we aim to minimize our ecological impact and promote a greener future.

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.

- » Paperless ATMs have been introduced as part of our Go-Green Initiatives, eliminating the need for paper and reducing waste.
- » Biometric-enabled paperless banking at our Vakrangee Kendras has significantly reduced paper consumption and waste.
- » Expansion of our Vakrangee Kendras in rural areas has minimized travel distances for customers and stakeholders, leading to decreased fuel consumption and greenhouse gas emissions.
- » Our corporate offices follow Green Building principles, featuring energy-efficient design, rooftop solar panels for renewable energy, and sustainable practices such as



using recycled materials.

- » We incentivize carpooling, vanpooling, biking, and public transit for our employees to reduce fuel consumption and emissions.
- » By utilizing existing infrastructure for our Kendras, we minimize greenhouse gas emissions, biodiversity disturbance, fuel consumption, land clearing, and water usage associated with construction.
- » We provide clean drinking water facilities in all our Kendras, particularly benefiting rural areas and reducing the reliance on plastic bottles.
- » Our waste management practices prioritize circularity, recycling, and eco-friendly disposals, including the replacement of plastic drinking water bottles with glass bottles for office meetings.
- » We are actively working to reduce

greenhouse gas emissions by adopting renewable energy, leveraging technology, digitalizing transactions, and fostering energy-efficient practices.

- » We have obtained ISO certifications for Environmental Management System, Sustainable Procurement Management System, Greenhouse Gas Emission Management, and Energy Management System to demonstrate our commitment to environmental stewardship.

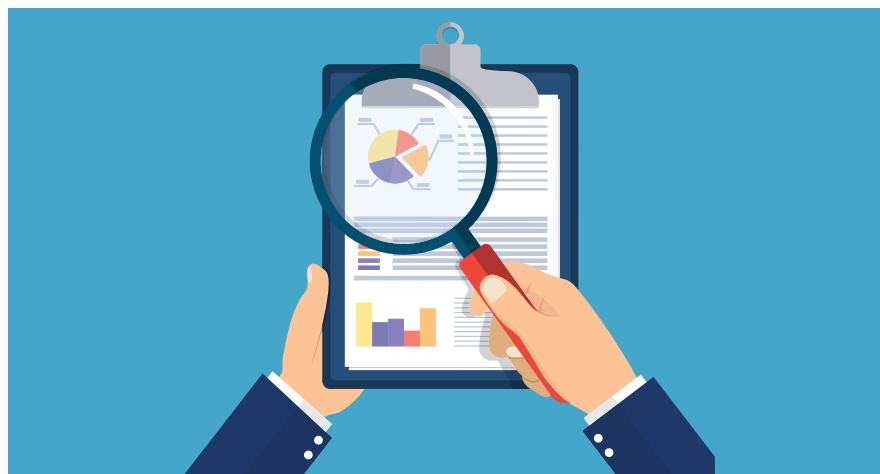
BUSINESS OUTLOOK – OUR CORPORATE STRATEGY

We have aligned our sustainability efforts with the Sustainable Development Goals established by the United Nations. These goals provide a roadmap for creating a better future through a combination of physical and digital transformation, fostering inclusivity in India. Our objective is to effectively implement these goals and address global challenges such as poverty, inequality, climate change, environmental degradation, prosperity, and peace and justice. Our framework for Environmental, Social, and Governance (ESG) initiatives is based on the overall sustainable development of the economy as a whole. We integrate ESG practices into our core business processes to promote sustainable development.

Our goal is to promote financial and digital literacy among the underserved and unserved populations in rural and urban areas of India. By physically and digitally reaching out to these communities, we act as a major equalizer, bridging the gap between the financial, social, and digital inclusion of urban and rural India. We strive for financial inclusion by supporting government financial schemes and social inclusion efforts such as PMJDY (Pradhan Mantri Jan-Dhan Yojana) and social security insurance schemes. We provide universal access to banking, insurance, and pension plans, along with facilitating the direct transfer of subsidies through the Direct Benefit Transfer system.

We are committed to ensuring accessibility to our services and plan to reach 3 lakh + outlets along with Minimum 15,000+ ATMs. Our vision is to create India's largest distribution channel based on a franchisee model, with a strong emphasis on rural areas. We estimate that our Gross Transaction value will exceed US\$150 billion annually by 2030. This growth will result in substantial revenue and profitability due to our asset-light franchise-based business model, which leverages operating efficiency. As a result, our Cash Adjusted Return on Capital will experience significant improvement.

In addition to our commitment to financial, digital, and social inclusion, we actively foster an entrepreneurial spirit to drive the



growth of businesses. Our envisioned objective remains the establishment of a comprehensive presence in every District and Postal code across the nation, ensuring convenient access to essential services within close proximity or through digital means. Through the introduction of innovative concepts and cutting-edge technology, we aim to solidify our position as India's leading retailer while facilitating universal financial, digital, and social inclusion.

At the core of our innovative business strategy and extensive store network lies a strong emphasis on promoting entrepreneurship. We recognize the importance of empowering individuals and businesses to thrive and succeed. By offering a diverse range of services all under one roof, we create a conducive environment for entrepreneurs to establish and expand their ventures. Our goal is to nurture a vibrant entrepreneurial ecosystem that not only caters to the everyday

needs and convenience services of our customers but also serves as a catalyst for their business growth.

Through our comprehensive range of offerings and strategic support, we inspire and encourage individuals to embrace entrepreneurship, fostering an environment that promotes innovation and economic development. By providing aspiring entrepreneurs with the necessary resources, mentorship, and opportunities, we aim to empower them to tap into global markets and maximize the benefits of financial, digital, and social inclusion.

As we continue to evolve as the preferred destination for customers seeking everyday products and services, we are committed to instilling an entrepreneurial mindset, where customers associate our motto of "Sab Kaam Ek Dukaan" or "Now, the Whole World is Nearby" with the limitless possibilities and growth potential that entrepreneurship offers.

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

Our extensive operational network, utilizing the phygital model that combines physical and digital presence, has played a pivotal role in financially empowering a significant portion of society that was previously excluded from mainstream economic progress. We have aligned our corporate growth plan with the principles of sustainable development and responsible business practices. Collaborating with the government and corporate sector, we strive to promote financial, social, and digital inclusion in rural areas of India.

Our mission entails seamlessly integrating these goals into our overall strategy and business operations, while addressing global challenges such as poverty, inequality, climate change, environmental degradation, prosperity, peace, and justice. Joining forces with a global network comprising over 9,500 businesses and 3,000 non-profit organizations, we are dedicated to creating a more sustainable future.

Enhanced participation of individuals will provide crucial support to industrialization, agriculture, and the expansion of the market for products and services. Consequently, by ensuring the financial and social inclusion of a significant segment of society that contributes to over half of India's GDP, we can further bolster and invigorate the Indian economy. We refer to this phenomenon as “The Vakrangee Effect.”

As a company, we consistently engage in strategic planning, with a focus on organic business growth. Our target is to reach 3 lakh + outlets along with Minimum 15,000+ ATMs. With this, Our plan is to achieve a Revenue target of US\$ 1 Billion by 2030 along with a Gross Transaction Value of more than US\$ 150 Billion. In addition to our ongoing efforts,

we have recently appointed Master Franchisees in 234 Districts across 27 States nationwide. These Master Franchisees play a crucial role in providing on-ground operational support to our existing franchisee outlets and spearheading the acquisition of new franchisees. Our aim is to achieve comprehensive District coverage, reaching 100% of all Districts, by March 2024.

This strategic step allows us to strengthen our operational capabilities and ensure seamless support for our franchisees across the country. By leveraging the expertise and local presence of our Master Franchisees, we enhance our ability to deliver quality services and expand our network of Vakrangee Kendra outlets. Ultimately, this initiative reinforces our commitment to fostering financial, digital, and social inclusion while driving sustainable business growth.

Driving Performance through Entrepreneurship

This year, we are placing a strong focus on fostering entrepreneurship through the implementation of our master franchisee model. Building upon the success of our previous initiatives, we have appointed Master Franchisees in 234 Districts across 27 States throughout the country. This strategic move aims to provide on-ground operational support to our existing franchisee outlets and drive the acquisition of new franchisees. By empowering entrepreneurs at the district level, we aim to accelerate growth, strengthen our operational management, and enhance scalability.

In our pursuit of creating an inclusive India, we recognize the importance of nurturing an entrepreneurial spirit. Through our master franchisee network, we empower local entrepreneurs to manage and grow their Kendra networks within their respective districts. This approach capitalizes on their unique



With a strong commitment to fostering an entrepreneurial spirit, we empower local entrepreneurs through our master franchise network. They can manage and grow their Kendra networks within their respective districts.

insights, passion, and dedication to effectively address the diverse needs of our customers. By fostering entrepreneurship, we not only drive business growth but also contribute to the socio-economic development of the communities we serve.

To incentivize and motivate our master franchisees and Kendra franchisees, we offer performance-based incentives and commissions. These rewards encourage excellence and create a culture of continuous improvement. Our master franchisees play a vital role in ensuring operational compliance, providing active support to existing franchisee outlets, and driving the expansion of our franchisee network. By leveraging their expertise and local presence, we aim to achieve comprehensive district coverage across the nation, targeting 100% coverage by March 2024.

This focus on entrepreneurship and our master franchisee network allows us to scale rapidly and achieve our long-term targets ahead of schedule. It fuels innovation, efficiency, and accelerated growth throughout our organization. By fostering an entrepreneurial mindset and providing the necessary support and incentives, we create an environment that encourages our franchisees to thrive, resulting in the overall success of our phygital network.



Apart from creating employment opportunities within our company, our unique business approach has a significant ripple effect that contributes to employment generation in society.

Through our commitment to entrepreneurship and the entrepreneurial spirit of our master franchisees and Kendra franchisees, we are driving performance, accelerating growth, and shaping a more inclusive India. Together, we are confident in achieving our vision of ensuring access to global markets and enabling financial, digital, and social inclusion for every Indian.

Promoting Social Inclusion

Skills Enhancement: Our business approach prioritizes the facilitation of skills enhancement. We actively recruit individuals from diverse backgrounds and provide them with comprehensive training to develop their skill sets, resulting in significant achievements. Furthermore, we encourage these employees to obtain

essential certifications, thereby enhancing their technological capabilities in delivering Aadhaar and Banking Services.

Job Creation: Our business model revolves around a robust franchisee system. In addition to generating employment opportunities within our company, each franchisee is required to employ a minimum of 1 to 2 local resources. This approach leads to the creation of more job prospects and financial security within the community. The ripple effect of our unique business approach significantly contributes to employment generation in society.

E-Governance: Social inclusion plays a crucial role in empowering citizens by providing them with a distinct identity, recognizing their presence, and enabling the government to effectively reach out to local communities for the administration of various welfare programs. It also fosters financial inclusion and enhances accessibility to loans, thereby promoting economic empowerment and upliftment.

Promoting Financial Inclusion

We facilitate the provision of essential banking and insurance services, ensuring accessibility for individuals across the country. Moreover, we enable the direct transfer of government subsidies into the bank accounts of citizens through the

Direct Benefit Transfer (DBT) scheme. By extending financial inclusion to a broader segment of the population, encompassing a significant portion that contributes to more than half of the nation's GDP, we have the potential to further expand and enrich the Indian economy.

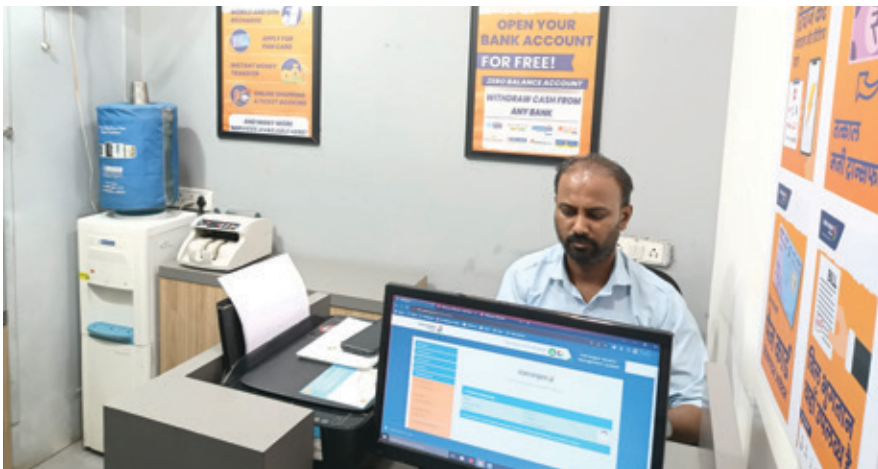
Digital Empowerment for All

We are actively working to extend digital literacy and accessibility to the lower strata of the socioeconomic pyramid. Our efforts revolve around bridging the gap and connecting unserved and underserved rural and urban citizens throughout India. To achieve this, we offer biometric-enabled banking services, assisted e-commerce facilities, and a range of digital services and e-governance solutions at our Kendras. Through our technologically advanced platform, integrated with the Core Banking Systems (CBS) of multiple banks, we provide real-time and interoperable banking access.

To ensure nationwide accessibility, we have established online platforms that enable consumers from every corner of the country to access a wide range of services conveniently.

Addressing Inequalities

One of our primary objectives is to minimize disparities and bridge the gap between India's urban and rural populations. Under the theme "Ab Poori Duniya Pados Mein" (Now, the Whole World is Nearby), we have introduced Next-Gen Vakrangee Kendras. Our innovative approach involves establishing "One Stop Shop Digital Convenience Stores" that offer goods and services at the same price, simultaneously, and with equal quality to both urban and rural populations. We have also made significant strides in serving regions characterized by Left Wing Extremism (LWE), tribal communities, and aspirational districts. Through our initiatives, we aim to reduce inequalities, enhance



access to essential services, and foster equitable development across diverse areas of the country.

Facilitating Productive Work and Economic Growth: We are dedicated to offering individuals suitable opportunities to engage in productive, stable, and fairly compensated work. Our network of franchisees plays a vital role in generating local employment by hiring individuals from the community. Moreover, we provide certification and training programs in essential areas such as banking, insurance, and UIDAI, equipping individuals with the necessary skills to thrive in their roles.

“Embracing Convenience at Your Doorstep” – Empowering Rural India through Seamless Services: With around 1.3 billion Indians residing in rural areas, accounting for approximately 65 percent of the nation’s population, our mission is to connect and unite India’s rural communities under the umbrella of financial, social, and digital inclusion through our Next-Gen Vakrangee Kendras. These Vakrangee Kendras have emerged as pivotal consumer hubs within the rural economy. We are committed to continually enhancing the services offered by our Vakrangee Kendras to effectively cater to the unique needs of rural India. Recognizing the distinct requirements of the rural population, we employ a tailored strategy that acknowledges the differences between rural and urban areas. Supported by the Indian government’s push for digital payments, we strive to transform our stores into comprehensive one-stop shops, offering a diverse range of goods and services. By embracing a phygital transformation, blending online and physical store experiences, we aim to create an inclusive India. Our focus is on seamlessly integrating digital and traditional platforms, providing rural communities with access to the convenience they deserve.

Harnessing the Power of Entrepreneurship for Financial Inclusion and Economic Growth

Building upon the success of Government-backed financial inclusion initiatives, every Indian family now benefits from owning a bank account and gaining access to a debit card. The expansion of banking services in rural areas has been significantly facilitated by the Direct Benefit Transfer (DBT) program. As digital platforms become more accessible, there is a growing demand for digital banking alternatives across the nation.

Our Kendras have played a pivotal role in empowering rural markets by providing access to digital and financial services. Leveraging cutting-edge technologies such as Aadhaar enabled Payment Systems (AePS), e-KYC, interoperability, and real-time banking transactions, our valued customers benefit from seamless and efficient financial solutions. As corporate agents, we collaborate with multiple insurance companies to offer comprehensive coverage, including life, general, and health insurance.

To enhance convenience and reduce the need for extensive travel to access essential services, we have established a widespread network of ATMs through our Kendras. This local presence enables communities to conveniently withdraw cash within their neighbourhoods, providing a much-needed financial resource.

As a technology-driven retailer, we offer a diverse range of services under one roof, including e-commerce, online healthcare, telemedicine, and online travel reservations. While rural citizens may indirectly access modern services, we understand the challenges associated with the limited availability of products in rural areas, often due to transportation costs and logistical barriers.

In line with our mission as the largest equalizer within the franchise-



As a technology-driven retailer, we offer a diverse range of services under one roof, including e-commerce, online healthcare, telemedicine, and online travel reservations.

based, multi-service retail network, we are committed to fostering entrepreneurship. By nurturing entrepreneurial spirit and creating opportunities for local individuals, we empower aspiring entrepreneurs to join our network as franchisees, further driving financial inclusion and economic growth. Through our Vakrangee Kendras, we provide aspiring entrepreneurs with the platform and support to establish and operate their own successful businesses, thereby contributing to the local economy and serving the needs of underserved segments of society.

By integrating entrepreneurship with financial inclusion initiatives, we aim to create a holistic ecosystem that fosters economic empowerment, elevates rural communities, and paves the way for a more inclusive and prosperous India.

Unique features and advantages of Next-Gen Vakrangee Kendra

Store exclusivity and consistent branding	<ul style="list-style-type: none"> » 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	<ul style="list-style-type: none"> » ATM installed in outlet (Optional) » Potential to enhance the footfall significantly » Additional stream of revenue for both – the franchisee and for our company
Centralized monitoring system	<ul style="list-style-type: none"> » Centralised CCTV system » Better security at the store » Full compliance with RBI guidelines to maintain more than 90 days video recording backup
Digital advertising	<ul style="list-style-type: none"> » Digital signage to enable centrally monitored advertisement campaigns » To enhance the interaction between consumer and partners » Focus to initiate advertising revenue
PIN pad device	<ul style="list-style-type: none"> » To enable various kinds of payment modes at any Vakrangee Kendra » Integration in process to start accepting RuPay, Debit and Credit card payments

Embracing Technological Advancements for a Thriving Business Model

At the core of our business strategy lies a strong focus on technological innovations. We firmly believe in the transformative power of technological advancements and have embraced a range of cutting-edge solutions, including biometric-enabled banking, paperless digital transactions, and e-KYC (Know Your Customer). Continual technology updates are integral to our operations. Here are a few of the innovative solutions we employ:

Next-Generation Payment Solutions:

Acknowledging the Indian Government's push for digital payments, we understand the significance of embracing a next-generation business model in the digital era. In line with the government's mission, we are developing a Unified Payment Platform that facilitates various payment methods such as card payments, UPI, AEPS, Aadhaar Pay, and QR codes. This platform empowers our Next-Generation Vakrangee Kendras to accept payments from customers through



In recognition of the Indian Government's emphasis on digital payments, we are currently developing a Unified Payment Platform that facilitates various payment methods, including card payments, UPI, AEPS, Aadhaar Pay, and QR codes.

any preferred mode. We are proud to be among the early adopters of an Aadhaar-enabled Payment System (AePS)-based banking system. By integrating diverse digital payment options, we ensure banking services are accessible to individuals across all sections of society.

Big Data and Data Analytics:

With the tremendous amount of data generated daily, we recognize the need for robust data management. Traditional database systems are inadequate for handling such vast quantities of data. Therefore, we have embraced big data solutions to effectively manage and process large datasets. Leveraging artificial intelligence (AI), we extract behavioral insights through data analytics, enabling us to make informed decisions. Machine learning (ML) algorithms help us improve outcomes by leveraging historical data to provide accurate forecasts, enabling proactive actions.

Artificial Intelligence (AI) and Machine Learning (ML):

AI and ML play pivotal roles in modern corporate strategies, given their ability to handle massive amounts of data. We have implemented AI and ML technologies to enhance our product lines, develop sophisticated business solutions, and gather relevant information for improved accuracy. These technologies aid in resource allocation, automation of operations, and significant time savings. Our primary objective is to augment the existing workforce by leveraging AI, enabling engineers and experts to gain valuable insights that boost efficiency and allocate more time to enhancing the customer experience.

Internet of Things (IoT):

The Internet of Things has emerged as a leading technology for managing devices and applications in today's interconnected world. By connecting wearable devices, physical assets, and electronic devices through



sensors and actuators, IoT enables real-time data collection from various departments, processes, or business lines. We have embraced IoT to enhance process efficiency, optimize asset usage, and streamline production. Our utilization of IoT extends to monitoring ATMs, electric surveillance, and logistics.

Chatbot Conversational Interface and Design:

As chatbots gain popularity across industries, we have introduced conversational interfaces that leverage Natural Language Processing (NLP) to engage in

human-like voice dialogues. These chatbots serve various roles, assisting both employees and customers. Personal assistants engage in instant two-way communication, answering queries, taking notes, and playing on-demand videos. Meanwhile, customer service professionals provide comprehensive information about products and services, enriching the customer experience.

By harnessing these robust technological innovations, we continue to redefine our business model, ensuring that we remain at the forefront of advancements while

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We have introduced conversational interfaces that leverage Natural Language Processing (NLP) to engage in human-like voice dialogues.

delivering exceptional services to our valued customers.

ONDC:

We are in the process to design and launch our Buyer Application on ONDC platform to provide ecommerce shopping experience to franchisee and customers in rural market. We can replicate the model on our Bharat Easy Super App to provide ONDC experience directly to customer. We will also be registering as Seller on Seller App of ONDC to sell our services which are available on BharatEasy Mobile Super App. We will be developing a dedicated seller app which can provide a streamlined and optimized experience for local sellers near our Vakrangee Kendras. This will improve our reach and discoverability across multiple platforms.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present 33rd Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended March 31, 2023.

1. Performance of the Company

The Company's performance is summarized below:

Financial Results

Particulars	(₹ in Lakhs)			
	Standalone		Consolidated	
	2022-2023	2021-2022	2022-2023	2021-2022
Revenue from Operations	16451.34	10740.60	19730.23	19380.68
Other Income	102.64	196.28	140.25	354.26
Profit / Loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	1930.44	826.56	1970.91	2174.46
Less: Depreciation/ Amortisation/ Impairment	1551.36	1545.57	1551.36	1545.57
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	379.08	(719.01)	419.55	628.88
Less: Finance Costs	151.53	--	151.53	-
Profit /Loss before Exceptional items and Tax Expense	227.55	(719.01)	268.02	628.88
Add/(Less): Exceptional Expense	--	(168.66)	--	(168.66)
Profit /Loss before Tax Expense	227.55	(887.67)	268.02	460.22
Less: Tax Expense (Current & Deferred)	167.54	110.79	167.54	459.80
Profit /Loss for the year (1)	60.01	(998.46)	100.48	0.42
Total Comprehensive Income/Loss (2)	(51.44)	2.22	(36.61)	7.03
Total (1+2)	8.57	(996.24)	63.87	7.45
Balance of profit /loss for earlier years	6512.48	192641.07	10606.48	195441.61
Less: Transfer to Reserves	-	-	--	--
Less: Dividend paid on Equity Shares	(529.75)	(1059.41)	(529.75)	(1059.41)
Less: Dividend Distribution Tax	-	-	-	-
Add: Derecognition of subsidiary	-	-	-	294.59
Less: Transfer on Demerger	-	(184070.72)	-	(184070.72)
Balance carried forward	6042.75	6512.48	10177.23	10606.48

Performance

Standalone:

Your Company's total income during the year under review was ₹ 16553.98 Lakhs as compared to ₹ 10936.88 Lakhs in the previous year. The Profit after tax was ₹ 60.01 Lakhs as compared to ₹ (998.46) Lakhs in the previous year.

Consolidated:

Your Company's total income during the year under review was ₹ 19870.48 Lakhs as compared to ₹ 19734.95 Lakhs in the previous year. The Profit after tax was ₹ 100.48 Lakhs as compared to ₹ 0.42 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 One of 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.

The Company has launched a Mobile Super App based business platform primarily targeting Rural India : BharatEasy App, India ka Super App. We have made live and activated some of the key services like Online Shopping, Online Agriculture products, Total Healthcare services, Online Demat Account opening, 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.

Vakrangee Digital ventures shall leverage the Vakrangee 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
- Access to Existing network of 20,000+ outlets for Physical Assistance and Consumer Awareness

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.

During the year, we have introduced the exclusive district level Master Franchisee initiatives. We have strengthened our operations by appointing Master Franchisees in 234 Districts across 27 States, who provide essential support to the existing franchisee outlets and facilitate new franchisee acquisitions. We ensure that each district-level Franchisee is connected to their respective District-level Master Franchisee. These Master Franchisees play a pivotal role in overseeing and ensuring operational compliance for the franchisees within their assigned districts. They take on the responsibility of monitoring the entire process from start to finish, maintaining a keen focus on operational standards and adherence to our established guidelines. This interconnected structure allows for effective supervision and support, ensuring that our franchisees operate in alignment with our organizational objectives and deliver high-quality services to our valued customers.

Additionally, we have expanded our reach by establishing 20,399 active transacting Vakrangee Kendras across 29 States

Directors' Report

& UTs covering 566 districts, and 5159 postal codes. More than 79% of these outlets are in Tier IV, Tier V and Tier VI sites.

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 Vakrangee 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 aim is to become India's largest rural distribution platform.

By 2030, we plan to have 100% Pan India coverage through our Physical Vakrangee Kendra outlet network along with BharatEasy Digital Mobile App. Our target is to reach 3 lakh + outlets along with Minimum 15,000+ ATMs.

We are currently Building a Pan India District level Master franchisee network which would result in strong on-ground operational management as well as Higher scalability in future. We Plan to achieve 100% District level Master Franchisee coverage by March 2024. With this, Our plan is to achieve a Revenue target of US\$ 1 Billion by 2030 along with a Gross Transaction Value of more than US\$ 150 Billion.

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 underserved rural and urban citizens by offering them the same products and services at the same time, competitive price and same service levels. We are acting as the biggest equaliser by bridging the gap between the urban and rural population in India.

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

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

Our financial results has been reported on Post demerger basis. We have witnessed growth in terms of Revenue & Profitability on YoY basis post demerger. However, our Profitability has been impacted as we are re-investing our Operational cash flows for enhancing Franchisee incentives as well as building a Pan India district level Master Franchisee network.

Our Total Income stood (Standalone) at ₹ 165.54 crore in FY2022-23 as against ₹ 109.37 crore for the corresponding last year, registering a growth of 51.36%. PAT stood at ₹ 0.60 crore. Our Full Year GTV (Gross

Transaction value) crossed ₹ 51,000 crores and Total number of Transactions crossed 12.23 crores.

Our Current Focus has been on Expanding our Presence through Building Master Franchisee network & to Strengthen our First Mover Advantage. We are currently Building a Pan India District level Master franchisee network which would result in strong on-ground operational management as well as better scalability in future. Further, we also 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.

With the development of the Digital Economy, India is fastly moving towards Digital Payment Mechanisms and Emerging as a Cashless Society. With the fast pace of digital payment penetration, Cash transactions such as ATM & Banking transactions are expected to witness slow down. Therefore, there would be profitability & viability challenges for standalone business models such as only White Label ATMs, only Banking (AEPS) provider, only Money Transfer providers which are dependent on cash transactions.

Vakrangee is future ready with a clear focus on building long term sustainable & profitable business model with focus on Non-Cash based Banking Offering such as Account Opening, Loan Product, Insurance Services, Fixed Deposits & NPA Recovery Further, we have No dependency on single line of product or services and have a Wide portfolio of product & services such as Online Shopping, Total Healthcare Services, Bill Payments, Online Travel Services, Mobile Recharges, CIBIL Score services, Pan Card Services, Online Opening of Demat & Trading Account Opening Services and many more

Further, we have a strong foothold & Brand presence in Rural India and our customers trust us with their day to day Banking needs. During FY2023, we opened ~17 lakh bank accounts, 11 lakh+ Insurance / Pension policies and did more than 7.1 crore banking transactions with a Gross Transaction value of ₹ 38,730 crores. There is a huge Underpenetrated 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 Digital Neo-Banking Services. 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.

Update on Scheme of Arrangement for demerger

The Board of Directors at their meeting held on November 12, 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 Re. 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.

Scheme of Arrangement for Demerger of E-Governance & IT/ITES Business (Demerged undertaking) of VAKRANGEE LIMITED ('Demerged Company') into VL E-GOVERNANCE & IT SOLUTIONS LIMITED ('Resulting Company') and their respective Shareholders ("Scheme") was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated May 19, 2023. The Scheme of Arrangement for Demerger is effective from May 26, 2023.

Pursuant to the Scheme of Arrangement for Demerger, June 15, 2023, was fixed as Record Date, for the purpose of determining the eligibility of the Equity Shareholders of Vakrangee Limited ('the Company'), to whom the fully paid-up Equity Shares of ₹ 10/- each, of VL E-Governance & IT Solutions Limited (Resulting Company) will be issued and allotted in consideration of Demerger of E-Governance & IT/ITES Business (Demerged undertaking) of Vakrangee Limited, in the ratio of 1 (one) Equity Share of ₹ 10/- each of the VL E-Governance & IT Solutions Limited, for every 10 (Ten) Equity Share of Re. 1/- each held in Vakrangee Limited

The Board of Directors of VL E-Governance & IT Solutions Limited ("the Resulting Company") in their meeting held on June 23, 2023 approved the allotment of 10,59,51,329 (Ten Crores Fifty Nine Lakhs Fifty One Thousand Three Hundred Twenty Nine) Equity Shares of ₹ 10/- each of VL E-Governance & IT Solutions Limited, credited as

Directors' Report

fully paid up to the equity shareholders of the Demerged Company - Vakrangee Limited whose names were there in the Register of Members as on the Record date i.e. on 15th June, 2023.

Vakrangee Limited now consists of existing business of Vakrangee Kendra physical outlets as well as Digital platform of BharatEasy Mobile Super app. Vakrangee Kendra Business is now a pure Retail centric Consumer facing and Asset Light Franchisee led business model.

3. Dividend

Your Directors are pleased to recommend a dividend of ₹ 0.05/- per equity share of Re. 1/- each fully paid up of the Company (previous year ₹ 0.05/- per equity share of Re. 1/- each fully paid up of the Company), subject to the approval by the shareholders at the forthcoming Annual General Meeting.

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.

4. Share Capital

The Paid-up Equity Share Capital of the Company as on March 31, 2023 was ₹ 105,95,13,290/- comprising of 105,95,13,290 equity shares of Re. 1/- each.

On March 20, 2023, the Company had issued and allotted 13,500 equity shares having face value of Re.1/- each to the employees of the Company upon conversion of stock options resulting in increase in Equity Share Capital of the Company from 105,94,99,790 equity shares to 105,95,13,290 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	09-10-2019	14.175	4,400
ESOP 2014	05-10-2018	14.38	8,500
ESOP 2014	03-01-2019	18.025	600
Total			13,500

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, 2023, the Company had four wholly owned subsidiaries viz, Vakrangee Finserve Limited, VL E-Governance & IT Solutions Limited (erstwhile known as Vakrangee Logistics Private Limited), Vakrangee Digital Ventures Limited and Vakrangee e-Solutions INC, Philippines.

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.

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, 2023, 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.

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.

VL E-Governance & IT Solutions Limited (erstwhile known as Vakrangee Logistics Private Limited)

VL E- Governance & IT Solutions Limited, incorporated in March 2016, was a wholly owned subsidiary of Vakrangee Limited.

VL E-Governance & IT Solutions Limited was wholly owned subsidiary of Vakrangee Limited. The Hon'ble NCLT has vide order dated May 19, 2023 approved the Scheme of Arrangement for demerger of E-Governance & IT/ITES Business (Demerged undertaking) of VAKRANGEE LIMITED ("Demerged Company") into VL E GOVERNANCE & IT SOLUTIONS LIMITED ("Resulting Company") and their respective Shareholders ("Scheme"). Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the NCLT, Mumbai Bench, vide its Order dated May 19, 2023 ('Order') with effect from the Appointed Date, i.e, April 1, 2021, the business of E-Governance and IT/ITES stands transferred to and vested in VL E- Governance and IT Solutions Limited as a going concern. In accordance with Sections 230 to 232 of the Companies Act, 2013, the Company filed the NCLT Order with the Ministry of Company Affairs (MCA) on May 26, 2023. Consequent to the filing, the scheme became effective from May 26, 2023.

As a consequence of this Scheme of Arrangement for demerger of E-Governance & IT/ITES Business (Demerged undertaking) of VAKRANGEE LIMITED ("Demerged Company") into VL E GOVERNANCE & IT SOLUTIONS LIMITED ("Resulting Company") and their respective Shareholders ("Scheme"), VL E-Governance & IT Solutions Limited is no longer considered a subsidiary of Vakrangee Limited.

Vakrangee Digital Ventures Limited

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.

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.

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, 2023, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Directors' Report

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 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 st March, 2023	31 st March, 2022
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

None of the Independent Directors had any pecuniary relationship or transactions with the Company during Financial Year 2022-23. 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 Mr. Dinesh Nandwana, Director, retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting.

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

13. Declaration Of Independence

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

14. Disclosures Related to Board, Committees and Policies

a. Board Meetings

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

The details 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 of the Board of Directors of Vakrangee Limited" (herein after referred to as "Charter") adopted by the Board, based on structured questionnaires for performance evaluation.

c. Audit Committee

The Board has well-qualified Audit Committee,

the composition of which is in line with the requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI LODR 2015. All the Members, including the Chairman of the Audit Committee are Independent. They possess sound knowledge on Accounts, Audit, Finance, Taxation, Internal Controls etc. The details viz, Composition, number of meetings, dates of meetings and attendance of Directors at such meeting are included in the Corporate Governance Report.

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

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

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 & 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 link: 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

Directors' Report

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 October 21, 2022 with the following members:

1. Ms. Sujata Chattopadhyay – Chairperson
2. Mr. Dinesh Nandwana – Member
3. Dr. Nishikant Hayatnagarkar – Member
4. Ms. Kshitija Tambave - 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 2022-23 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.

Based on the recommendation of the CSR Committee, in respect of unspent CSR amount the Company identified the ongoing project and the Company in compliance with section 135(5) and 135(6) of the Companies Act, 2013 has transferred an unspent amount of ₹ 56.41 Lakhs in a separate Unspent CSR Account.

With respect to the unspent CSR amount for the financial year 2022-23, the Board of Directors would like to state that the CSR Committee has put in its best efforts and considered/evaluated various proposals diligently and had selected few of them.

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

Pursuant to the Scheme of Arrangement for

Demerger of E-Governance & IT/ITES Business (Demerged undertaking) of VAKRANGEE LIMITED ('Demerged Company') into VL E-GOVERNANCE & IT SOLUTIONS LIMITED ('Resulting Company') and their respective Shareholders ("Scheme"), duly sanctioned by the National Company Law Tribunal, Mumbai Bench, vide its Order dated May 19,2023 ('Order') with effect from the Appointed Date, i.e., April 1, 2021, Accordingly, the audited financial statements for the respective years were considered for CSR calculations. The CSR liability for the financial year 2022-23 prior to demerger has been fully met by Vakrangee Limited (Demerged Company).

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

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

CSR Committee comprises of following:

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

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

g. Stakeholders Relationship Committee

As per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI LODR 2015, the Company has constituted Stakeholders Relationship Committee. The details 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.
- Review and Evaluate the Overall Business strategy from an ESG impact perspective.
- To monitor and review if the Sustainable development goals are integrated into any new Business strategy or new business initiatives.
- Assist the NRC Committee to review the performance of senior management from an ESG deliverable perspective.
- To review the progress of key initiatives being implemented by the GHG Reduction strategy Committee.

The committee currently comprises of following members of the Board:

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

During the year under review, total 2 (two) meetings of the ESG Committee were held on 13.05.2022 and 21.10.2022 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. S. K. Patodia & Associates., Chartered Accountants, Mumbai (Firm Registration No. 112723W) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 32nd AGM held on September 27, 2022 until the conclusion of the 37th Annual General Meeting to be held in the calendar year 2027.

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 2022 - 2023 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, 2023 is annexed herewith as "Annexure 6" to this Report.

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

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.

Directors' 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

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 2022 - 23, no complaints on sexual harassment were received.

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

18. Material Changes and Commitment if Any Affecting the Financial Position of the Company

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

There was no change in company's nature of business during the FY 2022 - 23.

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. 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 have 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.

24. Extract of Annual Return

The Annual Return of the Company as on 31st March, 2023 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

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. The Company has introduced employee wellness schemes to boost productivity of employees at work.

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 ₹ 9,48,042/- pertaining to financial year ended on March 31, 2015 lying with the Company for a period of seven years was transferred during the financial year 2022-23, to Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, as required under section 124 of the Act, 70,766 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 2022-23. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

The Company has appointed Mr. Sachin Khandekar, as the Nodal Officer to ensure compliance with the IEPF Rules.

The details of unpaid and unclaimed amounts lying with the Company is available on the Company's website:- www.vakrangee.in

Directors' Report

31. Integrated Report

The Company being one of the top 1000 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)

Place: Mumbai

Date: 15/07/2023

Nishikant Hayatnagarkar

Whole Time Director
(DIN: 000062638)

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 1

DIVIDEND DISTRIBUTION POLICY

1. Introduction

Vakrangee Limited is committed to create sustainable shareholder wealth for all its shareholders. We shall strive to distribute an optimal and appropriate level of the profits earned by it in its business to the shareholders, in the form of "Dividend".

The Corporate dividend is governed by the applicable provisions of Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules, 2014 and any modifications made therein from time to time.

2. Interpretation

"The Company" refers to Vakrangee Limited.

"Dividend (s)" refers to either an interim or final Dividend(s).

3. Objectives

The broad objectives of this policy are:

- To define the policy and procedures in relation to the calculation, declaration and settlement of Dividends and the determination of the form and time periods within which Dividends are paid.
- To ensure that the Company has sufficient distributable profits and/or general reserves, as determined by a review of the Company's audited financial statements, prior to any declaration and/or payment of Dividends.
- To create a transparent and methodological Dividend policy, adherence to which will be required on annual basis, with any deviations clearly identified and promptly communicated to appropriate stakeholders.

4. Provisions of Companies Act, 2013

Section 123 - Declaration of Dividend:

1. No dividend shall be declared or paid for any financial year except
 - (a) Out of the profits of the company for that year arrived at after providing for depreciation, or out of the profits of the company for any

previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or

- (b) Out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:
 - The company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company.
 - No dividend shall be declared or paid by a company from its reserves other than free reserves.

2. For the purposes of clause (a) of sub-section (1), depreciation shall be provided in accordance with the provisions of Schedule II.
3. The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared.

5. Factors to be considered

The below broad factors need to be considered for the dividend distribution:

1. Liquidity: The liquidity position of the Company.
2. Debt repayment – often there are negative covenants that restrict the dividends that can be paid if the debt is outstanding.
3. The rate of asset expansion – The greater the rate of expansion of the firm, the greater the need to retain earnings to finance the expansion.
4. Control of the firm – if dividends are paid out today,

Directors' Report

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	Reserves and Surplus	Total Assets	Total Liabilities	Investments Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding	
1	Vakrangee Finserve Limited	11/09/2011	March 31, 2023	INR	1500	4513.17	6397.12	6397.12	-	3793.57	21.83	-	21.83	-	100%
2	Vakrangee e-Solutions Inc.	08/05/2009	March 31, 2023	1 PHP = 1.51	96.00	273.31	3510.02	3510.02	-	29.75	-	-	29.75	-	100%
3	Vakrangee Digital Ventures Limited	14/06/2021	March 31, 2023	INR	1	(17.33)	44.55	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>Executive Directors</p> <p>Mr. Dinesh Nandwana (Managing Director & Group CEO) – 91.41:1</p> <p>Dr. Nishikant Hayatnagarkar (Whole-time Director) – 18.43:1</p> <p>Non-Executive Directors*</p> <p>Mr. Ramesh Joshi (Chairman) – 0.80:1</p> <p>Mr. Hari Chand Mittal – 0.80:1</p> <p>Mr. Babu Lal Meena – 0.80:1</p> <p>Mr. Avinash Vyas – 0.87:1</p> <p>Mr. Sunil Agarwal – 0.80:1</p> <p>Mrs. Sujata Chattopadhyay – 0.72:1</p> <p>Mr. Ranbir Datt – 0.72:1</p>
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<p>Mr. Dinesh Nandwana – Managing Director & Group CEO – 47.37</p> <p>Dr. Nishikant Hayatnagarkar - Whole-time Director - NIL</p> <p>Mr. Sachin Khandekar – Company Secretary – NIL</p> <p>Mr. Ajay Jangid – Chief Financial Officer – NIL</p>
3	The percentage increase in the median remuneration of Employees in the financial year;	Nil
4	The number of Permanent Employees on the rolls of the Company;	250 (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;	Average percentile increase is 1% of employee remuneration.
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.

For and on behalf of the Board of Directors

Dinesh Nandwana
Managing Director & Group CEO

Nishikant Hayatnagarkar
Whole Time Director

Place: Mumbai
Date: July 15, 2023

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.

Directors' Report

- 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, Materiality Issues KPI targets and ESG performance targets released by the Company. The targets are also mentioned in the HR Manual of the Company.

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.
- 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 and Compensation Committee and approved by the Board of Directors or shareholders.

- c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.
- d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- e. The Nomination Remuneration and Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).

3. Remuneration to Key Managerial Personnel and Senior Management:

- a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b. The Nomination Remuneration and Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.
- c. The Fixed pay shall include monthly remuneration, employer's contribution to

Directors' Report

- Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- d. The Incentive pay shall be decided based on the balance between performance of the Company which includes parameters such as ESG performance targets, revenue targets. Performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate. The incentive pay shall be based on the Integrated ESG Performance Targets as defined by the Company from time to time.
 - e. Compensation Clawback: 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, 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 2022-23

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/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	2019-20	-	-
2	2020-21	-	-
3	2021-22	-	-
Total		-	-

6.	Average net profit of the company as per section 135(5).	₹ 9065.03 Lakhs
7.	a. Two percent of average net profit of the company as per section 135(5)	₹ 181.30 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)	₹ 181.30 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.
124.89	56.41	30.04.2023	Not Applicable		

(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. of the Project	Name of the 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						CSR Registration number.

NOT APPLICABLE

TOTAL

(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			CSR Registration number.		
1	Promoting Education	Cl.(ii) Promoting Education	Yes	Maharashtra	Mumbai	97.68	No	RVG Educational Foundation	CSR00008361
2	Health Care	Cl.(i) Health Care	No	Delhi	Delhi	10.00	No	Mental Health Foundation (India)	CSR00013879
3	Health Care	Cl.(i) Health Care	Yes	Maharashtra	Mumbai	1.00	No	Bharat Vikas Parishad	CSR00000558
4	Promoting Education	Cl.(ii) Promoting Education	No	Madhya Pradesh	Indore	5.00	No	Shree Maheshwari Shekshanik and Parmarthik	CSR00023880
5	Health Care	Cl.(i) Health Care	Yes	Maharashtra	Mumbai	5.01	No	District Governor's Service Fund Lions District 3231A3	CSR00036129
6	Promoting Education	Cl.(ii) Promoting Education	Yes	Delhi	Delhi	3.20	No	Swadeshi Jagran Foundation	CSR00022074
7	Promoting Education	Cl.(ii) Promoting Education	Yes	Maharashtra	Mumbai	3.00	No	Wave Creators Charitable trust	CSR00030836
	TOTAL					124.89			

(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)

₹ 124.89 Lakhs

(g) Excess amount for set off, if any

NIL

Directors' Report

Sr. No	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 181.30 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 124.89 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.	Date of transfer	Amount remaining to be spent in succeeding financial years. (in ₹ Lakhs)
1	2021-22	-	-	-	-	-
2	2020-21	650.05	-	-	-	650.05
3	2019-20	-	-	-	-	-
	TOTAL	650.05	-	-	-	650.05

(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.
-	-	-	-	-	-	-	-	-
	TOTAL							

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). The reasons for not spending the CSR amount have been explained in the main Directors' Report.

Mr. Dinesh Nandwana
Chairman of CSR Committee
(DIN: 00062532)

Dr. Nishikant Hayatnagarkar
Whole Time Director
(DIN: 00062638)

Place: Mumbai

Date: July 15, 2023

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, 2023

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 1st April, 2022 to 31st March, 2023 ("the reporting period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, for the period 1st April, 2022 to 31st March, 2023 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;
 - 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 Non-Convertible Securities)) Regulations, 2021 (Not applicable as the Listed Entity has not listed its Non-Convertible 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 is no material non-compliance that have come to our knowledge.

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. During the period under review, there has been no change in the constitution of Board of Directors of the Company.

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.

Directors' Report

I further report that during the audit period the Company has specific events as under.

1. The Nomination and Remuneration and Compensation Committee (NRC Committee) of the Company at its following Meetings approved and granted Employee Stock Options under Vakrangee Limited Employee Stock Option Scheme 2014 (ESOP Scheme 2014), to the eligible employees as per details given below:
 - a. The NRC Committee on April 26, 2022, granted 31,400 options of ₹ 34.55/- each to eligible employees of the Company.
 - b. The NRC Committee on July 20, 2022, granted 61,300 options of ₹ 29.75/- each to eligible employees of the Company.
 - c. The NRC Committee on November 03, 2022, granted 49,600 options of ₹ 34/- each to eligible employees of the Company.
 - d. The NRC Committee on February 20, 2023, granted 1,29,500 options of ₹ 23.55/- each to eligible employees of the Company.
2. The Board of Directors at its meeting held on Friday, August 05, 2022, recommended the payment of final dividend of ₹ 0.05/- per equity share for the financial year ended March 31, 2022 and the same was approved by the Shareholders at the AGM held on September 27, 2022
3. The Board of Directors of the Company at its Meeting held on Friday, August 05, 2022 and on recommendation by the Audit Committee approved the appointment of M/s S.K. Patodia & Associates, Chartered Accountants, Mumbai as the Statutory Auditors of the Company for a period of 5 (Five) consecutive years from the conclusion of the 32nd Annual General Meeting (AGM) held on September 27, 2022 till the conclusion of 37th AGM, and the same was approved in the AGM held on September 27, 2022
4. The Nomination and Remuneration and Compensation Committee on March 20, 2023 approved and allotted 13,500 Equity Shares of face value of Re. 1/- each to the employees of the Company pursuant to conversion of options issued under ESOP Scheme 2014. Post allotment of 13,500 shares of face value of Re. 1/- each, the Company's issued and paid up capital stands increased to 1,05,95,13,290 Equity Shares of face value of Re. 1/- each aggregating to ₹ 1,05,95,13,290.
5. The Hon'ble National Company Law Tribunal ('NCLT') convened separate meetings of the Equity Shareholders and Unsecured Creditors of the Company on March 3, 2023 for approving arrangement embodied in the "Scheme of Arrangement for Demerger of E-Governance & IT/ITES Business (Demerged undertaking) of VAKRANGEE LIMITED ('Demerged Company') into VL E-GOVERNANCE & IT SOLUTIONS LIMITED ('Resulting Company') and their respective Shareholders ("Scheme)". NCLT appointed Mr. M.A. Kuvadia (Former Regional Director, Ministry of Corporate Affairs) to be the Chairman of the said meeting. Mr. Narayan Parekh, a Practicing Company Secretary, Mumbai, was appointed by Hon'ble NCLT, as the Scrutinizer for the remote e-voting and electronic voting process of the meeting for equity shareholders and the meeting for the unsecured creditors' meeting. The resolution for the approval of Scheme of Arrangement for Demerger was duly approved by the equity shareholders and unsecured Creditors by requisite majority.

For S. K. Jain & Co.

Place: Mumbai
Date: May 15, 2023

Dr. S. K. Jain
Practicing Company Secretary
Membership No. FCS: 1473
COP No.: 3076
UDIN: F001473E000306382

This report is to be read with our letter of even date which is annexed as "**Annexure - III**" and forms an integral part of this report.

ANNEXURE - I

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made thereunder the Memorandum & Articles of Association of the Company with regard to:-

1. Minutes of the Meetings of the Board of Directors, Committee meetings held during the Financial Year under Report;
2. Minutes of General Meetings held during the Financial Year under report;
3. Maintenance of various Statutory Registers and Documents and making necessary entries therein;
4. Notice and Agenda papers submitted to all the Directors for the Board Meetings;
5. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
6. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Obligations and Disclosure Requirements during the financial year under Report;
7. Disclosure of Interest and Concerns in contracts and arrangement, shareholdings and Directorships in other Companies and interest in other entities by Directors;
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report;
9. Appointment and remuneration of Statutory Auditor;
10. Closure of Register of Members/record date for dividends;
11. Declaration and payment of dividend.

For S. K. Jain & Co.

Place: Mumbai
Date: May 15, 2023

Dr. S. K. Jain
Practicing Company Secretary
Membership No. FCS: 1473
COP No.: 3076
UDIN: F001473E000306382

Directors' Report

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.

Place: Mumbai
Date: May 15, 2023

For S. K. Jain & Co.
Dr. S. K. Jain
Practicing Company Secretary
Membership No. FCS: 1473
COP No.: 3076
UDIN: F001473E000306382

ANNEXURE TO DIRECTOR'S REPORT

Annexure - 7

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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, 2023 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, 2023, 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);

Directors' Report

- 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.
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: May 03, 2023

Kavita Raju Joshi
Practicing Company Secretary
Membership No: 9074
COP No: 8893
UDIN: F009074E000247785

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.

'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.

Place: Mumbai
Date: May 03, 2023

Kavita Raju Joshi
Practicing Company Secretary
Membership No: 9074
COP No: 8893
UDIN: F009074E000247785

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 2022-23:

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://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.

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, 2023 are given below:

Name	Category	Designation	Date of appointment	No. of other Directorship held #	Directorship in other Listed Company and category of Directorship	Chairmanship in Committees of Boards of other companies\$	Membership in Committees of Boards of other companies
Mr. Ramesh Joshi	Non Executive, Independent	Chairman	20/10/2006	NIL	NIL	NIL	NIL
Mr. Dinesh Nandwana	Promoter & Executive	Managing Director & Group CEO	28/05/1990	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	NIL	2

Excludes alternate directorship and directorship in Foreign Companies, Private Companies and Companies governed by Section 8 of the Companies Act, 2013.

\$ for the purpose of calculating total membership and chairmanship, only Audit Committee and Stakeholders Relationship Committee in public limited companies, whether listed or not are considered as per Regulation 26(1) of the SEBI LODR 2015.

Corporate Governance Report

Board Meetings:

During the financial year 2022-23, your Board met five times on 13/05/2022, 07/07/2022, 05/08/2022, 21/10/2022 and 03/02/2023 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, 2023 (no. of shares)
Mr. Ramesh Joshi	5	Yes	500
Mr. Dinesh Nandwana	5	Yes	69107095
Dr. Nishikant Hayatnagarkar	5	Yes	174288
Mr. Sunil Agarwal	5	Yes	NIL
Mr. B. L. Meena	5	Yes	36812
Mr. Avinash Vyas	5	Yes	NIL
Mrs. Sujata Chattopadhyay	5	Yes	NIL
Mr. Ranbir Datt	5	Yes	NIL
Mr. Hari Chand Mittal	5	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 August 05, 2022 to review the performance of Non-Independent Directors, Chairman and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

Board Committees

The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The constitution of the committees and their terms of reference are set out as below:

Audit Committee

The constitution of Audit Committee is in compliance with the requirements of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI LODR 2015.

Terms of reference

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the quarterly financial results before submission to the Board;
- reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon before submission to the board for approval with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- 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, 2023 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 five meetings of the Audit Committee viz. on 13/05/2022, 07/07/2022, 05/08/2022, 21/10/2022, and 03/02/2023 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)	5	5
Mr. Ramesh Joshi	Independent Director	5	5
Mr. Avinash Vyas	Independent Director	5	5

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, 2023 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.

Corporate Governance Report

- 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, one meeting of the NRC Committee was held on 05/08/2022 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	Independent Director (Chairman)	1	1
Mr. Sunil Agarwal	Independent Director	1	1
Mr. Hari Chand Mittal	Independent Director	1	1

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. 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.

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 August 05, 2022.

Remuneration of Directors

The details of remuneration paid to Directors during the financial year 2022-2023 are as under:

(a) Non - Executive Directors

Name of Directors	Sitting Fees
Mr. Ramesh Joshi	2.75
Mr. Sunil Agarwal	2.75
Mr. B. L. Meena	2.75
Mr. Avinash Vyas	3.00
Mrs. Sujata Chattopadhyay	2.50
Mr. Ranbir Datt	2.50
Mr. Hari Chand Mittal	2.75

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

Particulars	Mr. Dinesh Nandwana	Dr. Nishikant Hayatnagar
Basic	162.00	33.43
Allowances	52.43	11.93
HRA	81.00	13.37
Others (Bonus & Leave Encashment)	19.99	4.87
Perquisites on account of Stock Options exercised	--	--
Total	315.42	63.60

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.

Stakeholders' Relationship Committee

During the financial year under review, one meeting of Stakeholders Relationship Committee was held on February 03, 2023 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, 2023 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, 1 (one) complaint was received from the shareholder and none of them were pending as on March 31, 2023.

The Company had no transfers pending at the close of 31.03.2023.

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, 2023 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.

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 July 7, 2022 and December 28, 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.

Corporate Governance Report

The composition of the Committee as on March 31, 2023 is as follows:

Sr. No	Name of the Director/ Member	Designation
1.	Ms. Sujata Chattopadhyay	Chairperson, Independent Director
2.	Mr. Dinesh Nandwana	Managing Director & Group CEO
3.	Dr. Nishikant Hayatnagarkar	Executive Director
4.	Ms. Kshitija Tambave*	Member

* The composition of the committee was re-constituted on October 21, 2022 and Ms. Kshitija Tambave was appointed as Member of the Committee in place of Ms. Sapna Thakur.

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
September 27, 2022	Through Video Conferencing/ Other Audio-Visual Means at registered office of the Company.	11.00 A.M.	1
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

Resolution(S) Passed Through Postal Ballot

No postal ballot was conducted during the financial year 2022-23. None of the businesses are proposed to be conducted through Postal Ballot.

Means Of Communication:

Quarterly, half-yearly and annual financial results of the Company are communicated to the stock exchanges immediately after the same are approved by the Board and those are published in prominent English (Free Press Journal) and Marathi (Nav Shakti) newspapers. The results and other news releases are also posted on the Company's website, www.vakrangee.in.

Detailed Investor's presentations on the Company's quarterly, half - yearly as well as annual financial results are available on the Company's website, www.vakrangee.in. and are also sent to the Stock Exchanges.

EQUITY SHARES IN THE SUSPENSE ACCOUNT

As on March 31, 2023, no shares are lying in suspense account.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

The 33rd Annual General Meeting (AGM) of the Company will be held on September 8, 2023 at 11:00 AM. The Company is conducting meeting in accordance with the General Circular issued by the MCA on December 28, 2022 & 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 2023-24

Tentative Schedule	Likely Board Meeting Schedule
Financial reporting for the quarter ending June 30, 2023	On or before August 14, 2023
Financial reporting for half year ended September 30, 2023	On or before November 14, 2023
Financial reporting for the quarter ending December 31, 2023	On or before February 14, 2024
Financial reporting for the year ended March 31, 2024	On or before May 30, 2024
Annual General Meeting for the year ending March 31, 2024	On or before September 30, 2024

Book Closure:

As mentioned in the Notice of this AGM.

Dividend payment:

i. Payment date:

Dividend, when declared at the AGM, will be paid within 30 days from the date of AGM.

Listing on Stock Exchanges:

Your company's securities are listed on the following stock exchanges.

BSE Ltd.

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra East, Mumbai - 400 051.

Listing fees as applicable have been paid to the above Stock Exchanges.

Stock Code

Stock Exchange	Code
BSE Ltd.	511431
National Stock Exchange of India Ltd.	VAKRANGEE
ISIN no. for Equity Shares (NSDL & CDSL)	INE051B01021

Corporate Governance Report

Stock Market Data relating to Equity Shares listed in India:

Month (2022-23)	Price on BSE during each month		Volume traded	Price on NSE during each month		Volume traded
	High	Low		High	Low	
April	39.35	33.80	1,89,06,248	39.35	33.75	103751753
May	35.65	27.20	1,09,48,869	35.70	27.35	57227214
June	29.45	23.60	1,33,57,882	29.45	23.55	95389133
July	32.45	25.40	1,20,60,289	32.40	25.35	93223156
August	30.15	27.25	71,79,046	30.10	27.10	40913641
September	45.65	27.45	6,51,55,484	45.70	27.45	418691157
October	40.00	31.40	1,58,76,371	40.00	31.35	102232559
November	34.70	28.05	1,56,90,502	34.70	28.00	94906138
December	31.75	25.40	2,11,00,369	31.75	25.35	143315519
January	28.50	25.45	70,23,228	28.50	25.40	35264986
February	27.95	21.45	88,37,944	27.95	21.45	42716417
March	23.70	14.70	5,00,03,734	23.70	14.65	208121945

Stock Performance of Vakrangee Limited v/s. BSE Sensex & Nifty:

Month (2022-23)	Price on BSE during each month		Volume traded	Sensex	Price on NSE during each month		Volume traded	Nifty
	High	Low			High	Low		
April	39.35	33.80	1,89,06,248	57,060.87	39.35	33.75	103751753	17102.55
May	35.65	27.20	1,09,48,869	55,566.41	35.70	27.35	57227214	16584.55
June	29.45	23.60	1,33,57,882	53,018.94	29.45	23.55	95389133	15780.25
July	32.45	25.40	1,20,60,289	57,570.25	32.40	25.35	93223156	17158.25
August	30.15	27.25	71,79,046	59,537.07	30.10	27.10	40913641	17759.30
September	45.65	27.45	6,51,55,484	57,426.92	45.70	27.45	418691157	17094.35
October	40.00	31.40	1,58,76,371	60,746.59	40.00	31.35	102232559	18012.20
November	34.70	28.05	1,56,90,502	63,099.65	34.70	28.00	94906138	18758.35
December	31.75	25.40	2,11,00,369	60,840.74	31.75	25.35	143315519	18105.30
January	28.50	25.45	70,23,228	59,549.90	28.50	25.40	35264986	17662.15
February	27.95	21.45	88,37,944	58,962.12	27.95	21.45	42716417	17303.95
March	23.70	14.70	5,00,03,734	58,991.52	23.70	14.65	208121945	17359.75

Registrar and Share Transfer Agent:

Bigshare Services Pvt. Ltd.

Pinnacle Business Park, Office No S6-2, 6th, Mahakali Caves Rd, 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.

Distribution of shareholding as on March 31, 2023: - (Face Value Re. 1/- per Share)

Category (No. of Shares)	No. of shareholders	% of shareholders	No. of shares	% total equity
0-5000	218359	95.8829	107004327	10.0994
5001-10000	4688	2.0585	34779538	3.2826
10001-20000	2351	1.0323	33874370	3.1972
20001-30000	738	0.3241	18344537	1.7314
30001-40000	373	0.1638	13141838	1.2404
40001-50000	267	0.1172	12338980	1.1646
50001-100000	441	0.1936	31345482	2.9585
100001- above	518	0.2275	808684218	76.3260
Total	227735	100.0000	1059513290	100.0000

Category wise Shareholding as on March 31, 2023

Category	No. of Shares	%
Promoters	451353165	42.60
Financial Institutions/Banks	16488	0.00
Insurance Companies	66926981	6.32
Foreign Portfolio Investors	81260470	7.67
Public	459952186	43.41
Total	1059513290	100.00

Dematerialization of Shares and Liquidity:

The Company's shares are traded in dematerialized form and are available for trading with both the depositories, namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Mode of Holding	No. of shares (as on March 31, 2023)	%
Held with NSDL	800674531	75.57
Held with CDSL	257573735	24.31
Held in Physical Form	1265024	0.12
Total	1059513290	100.00

Outstanding GDRs, ADRs, warrants or any convertible instruments.

The Company has not issued any GDRs/ADRs/Warrants.

Commodity Price Risks or Foreign Exchange Risks and Hedging Activities:

The details of foreign currency exposure have been disclosed in standalone notes to accounts of the Annual Report.

Corporate Governance 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 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. The policy as to Related Party Transactions as approved by the Board, is available on the Company's website, https://vakrangee.in/policies_and_guidelines.html.

Necessary disclosures as to Related Party Transactions, as required have been made in the standalone notes to accounts of the Annual Report.

Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

During the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authorities for non-compliance of any matter related to the capital markets.

Vigil Mechanism / Whistle Blower

In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees, Franchisee, Business Partner, Vendor or any other third parties making a Protected Disclosure under this Policy may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear

of reprisal. The Employees and Directors may report to the Compliance Officer and no personnel has been denied direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company, https://vakrangee.in/policies_and_guidelines.html.

Compliance with Discretionary requirements of SEBI LODR 2015:

The Company has complied with all the mandatory requirements of SEBI (LODR) 2015. The status of compliance with discretionary requirements under Regulation 27(1) and Part E Schedule II of SEBI (LODR), 2015 is provided below:

- Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not sent to the shareholders.
- Audit Qualifications: The Company's financial statement for the financial year 2022-23 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.

Details of the Company's Material Subsidiaries

During the year under review, Vakrangee Finserve Limited was the material subsidiary of the Company as per SEBI LODR, 2015.

Date of incorporation: 07th September 2011

Place of incorporation: Mumbai

Name of the Statutory Auditors: M/s. R. R. Bajaj & Associates

Date of appointment of statutory auditors: April 01, 2021

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.

Loans and Advances in the nature of Loans

During FY 2022-23, neither the Company nor any of its subsidiaries have provided 'Loans and advances in the nature of loans' to firms/companies in which the directors are interested.

Familiarization Program for Independent Directors

The Company at its various meetings held during the Financial year 2022-23 had familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the Business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarize them with the Company's policies, procedures and practices.

Periodic presentations are made to the Board and Board Committee meeting on Business and performance updates of the Company, Business strategy and risks involved.

Quarterly updates on relevant statutory changes and judicial pronouncements and encompassing important amendments are briefed to the Directors.

The Familiarization Policy along with the details of familiarization program imparted to the Independent Directors is available on the website of the Company at https://vakrangee.in/policies_and_guidelines.html.

Vakrangee's Code of Conduct

The Board of Directors of the Company has laid down a code of conduct for the Board and all senior management employees of the Company. The same has been posted on the website of the Company https://vakrangee.in/policies_and_guidelines.html. The Company confirms that all Board members and senior management personnel have and shall continue to affirm compliance with the code on an annual basis.

Vakrangee's Code for Preventing Insider Trading

Vakrangee Ltd has Code of Conduct for Prevention of Insider Trading ('VL Code') in the shares of the Company which is in line with SEBI (Prohibition of Insider Trading) Regulations, 2015 and followed in spirit.

Disclosure on Compliance:

The Company is in Compliance with,

- The Corporate Governance Requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46.
- all the requirements mentioned in sub- paras (2) to (10) of section C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- During the year under review the Board has accepted all the recommendations of its Committees.
- The Company has obtained certificate from S.K. Jain & Co., Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part is given below:

(₹ In Lakhs)

Payment to Statutory Auditor	FY 2022 - 23
Audit Fees	68.20
Tax Audit Fees	10.00
Other Services	0.00
Reimbursement of Expenses	1.34
Total	79.54

- **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

Number of complaints filed during the year 2022 - 23.	Nil
Number of complaints disposed off during the year 2022 - 23.	NA
Number of complaints pending as on 31 March 2023	NA

Corporate Governance Report

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 herewith.

I, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and Senior Management Personnel of the company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the financial year 2022-23.

Sd/-

Dinesh Nandwana

Managing Director & Group CEO

(DIN:00062532)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
VAKRANGEE LIMITED
Vakrangee Corporate House,
Plot No 93, Road No. 16,
M.I.D.C. Marol, Andheri (East),
Mumbai – 400093.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vakrangee Limited having **CIN: L65990MH1990PLC056669** and having Registered office at Vakrangee Corporate House, Plot No 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai - 400093 (hereinafter referred to as 'the **Company**'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors as on 31st March, 2023 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.	Babu Lal 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: May 15, 2023

FOR S. K. JAIN & CO.
Dr. S. K. JAIN
Membership No. FCS 1473
COP NO.: 3076
UDIN: F001473E000306327

Corporate Governance Report

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 **31st March, 2023**.

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 31st March, 2023.

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: May 15, 2023

FOR S. K. JAIN & CO.
Dr. S. K. JAIN
Membership No. FCS 1473
COP NO.: 3076
UDIN: F001473E000306351

**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 year ended March 31, 2023 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 30, 2023

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 2022-23 (April 1, 2022 to March 31, 2023)
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	₹ 1,05,95,13,290
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	99.38

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% Of total
1	We have only one business segment, Vakrangee Kendra, which is also reported in our balance sheet. Our 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	99.38

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	20,399 operational Vakrangee Kendras Outlets across 29 states and Union Territories of India. Company Offices - 05	20,404
International	NA	NA	NA

17. Markets served by the entity:**a. Number of locations**

Locations	Number
National (No. of States)	29 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?

We serve in Local, State and National markets only and hence there are no exports.

c. A brief on types of customers

We provide a range of services (BFSI, ATM & E-Commerce Services) through our franchisees, aiming to promote financial, social, and digital inclusion for our customers. Our company follows an asset-light, franchisee-based business model to meet the needs of the people. By utilizing both physical Kendras and our digital platform called BharatEasy Mobile Super App, we serve the B2C segment. Our primary focus is to bring financial and digital literacy to the socio-economic groups at the bottom of the pyramid. We act as the vital link connecting unserved and underserved individuals in both rural and urban areas in India, offering them affordable products and services with the same level of quality.

Business Responsibility & Sustainability Report

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	252	217	86.11	35	13.89
2.	Other than Permanent (E)	34	17	50.00	17	50.00
3.	Total employees (D + E)	286	234	81.82	52	18.18

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
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: Board of Directors include Managing Director & Group CEO and Whole Time Director. Key Management Personnel (KMP) comprises of Chief Financial Officer (CFO) and Company Secretary (CS).

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21.00%	42.86%	23.48%	77.31%	66.67%	76.75%	43.41%	45.57%	43.54%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

	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	Vakrangee Digital Ventures Limited	Wholly owned subsidiary	100	Yes
3	Foreign subsidiary: Vakrangee e-Solutions Inc., Philippines	Wholly owned subsidiary	100	No

Note: VL E-Governance & IT Solutions Limited was wholly owned subsidiary of Vakrangee Limited. The Hon'ble NCLT has vide order dated May 19, 2023 approved the Scheme of Arrangement for demerger of E-Governance & IT/ITES Business (Demerged undertaking) of VAKRANGEE LIMITED ('Demerged Company') into VL E GOVERNANCE & IT SOLUTIONS LIMITED ('Resulting Company') and their respective Shareholders ("Scheme"). Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the NCLT, Mumbai Bench, vide its Order dated May 19, 2023 ('Order') with effect from the Appointed Date, i.e, April 1, 2021, the business of E-Governance and IT/ITES stands transferred to and vested in VL E- Governance and IT Solutions Limited as a going concern. In accordance with Sections 230 to 232 of the Companies Act, 2013, the Company filed the NCLT Order with the Ministry of Company Affairs (MCA) on May 26, 2023. Consequent to the filing, the scheme became effective from May 26, 2023.

The Scheme of Arrangement for Demerger, inter-alia, provided for, demerger of E-Governance & IT/ITES Business (Demerged undertaking) and in consideration of the same; VL E-Governance & IT Solutions Limited shall issue and allot 1 (one) Equity Share of ₹ 10/- each, for every 10 (Ten) Equity Share of Re. 1/- each held in Vakrangee Limited, as on the Record Date.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (₹ In Lakhs): ₹ 16,451.34 Lakhs

(iii) Net worth (₹ In Lakhs): ₹ 7,612.23 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)	FY 2022-23 Current Financial Year			FY 2021-22 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 https://vakrangee.in/pdf/Policies-PDF/Disclosure%20on%20Whistleblower%20Complaints.pdf	0	0	NA	0	0	NA

Business Responsibility & Sustainability Report

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23 Current Financial Year			FY 2021-22 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
Investors (other than shareholders)	Yes https://vakrangee.in/pdf/Policies-PDF/Disclosure%20on%20Whistleblower%20Complaints.pdf	0	0	NA	0	0	NA
Shareholders	Yes As per SEBI Listing Regulations. https://vakrangee.in/investor_contact.html	1	0	NA	0	0	NA
Employees and workers	Yes https://vakrangee.in/policies_and_guidelines.html	0	0	NA	0	0	NA
Customers	Yes https://vakrangee.in/pdf/Policies-PDF/Disclosure%20on%20Whistleblower%20Complaints.pdf	0	0	NA	0	0	NA
Value Chain Partners	Yes https://vakrangee.in/pdf/Policies-PDF/Disclosure%20on%20Whistleblower%20Complaints.pdf	2	0	NA	4	0	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

If Yes, then provide web-link for grievance redress policy

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

We carried out a comprehensive materiality assessment exercise with a key focus on the following areas for evaluation- 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. 54-55.

Various risk and opportunities for our Company have also been identified with their significance and defined mitigation strategies. Various opportunities for us have also been identified and report as part of the Management Discussion and Analysis on page no. 181-186.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate.	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Compliance with regulations	Opportunity	Ensuring compliance with regulations helps avoid legal issues, fines, and reputational damage. Proactive compliance measures can provide a competitive advantage, especially in a highly regulated industry.	Not applicable	Positive
2	Cyberattacks	Risk	Data breaches can result in the compromise of sensitive information, leading to financial losses, damage to the reputation, and loss of customer trust. Additionally, there may be legal implications if we fail to comply with data protection and privacy regulations. Operational disruptions can occur if cyber-attacks disrupt critical systems or networks, causing downtime and impacting business operations. Overall, we must prioritize cybersecurity to mitigate these risks and protect our assets.	We have a data privacy policy and program that ensures strict security procedures are followed across the organization. Our operations are also certified with – 1. ISO 27001:2013, 2. ISO 20001-1:2011 3. ISO 9001:2015 4. ISO 27701:2019	Negative
3	Digitization	Opportunity	Digitalization presents an opportunity to expand customer base, enhance operational efficiency and cost savings, drive innovation through emerging technologies, and deliver personalized and convenient customer experiences. By leveraging data analytics and digital platforms, fintech firms can stay agile, make data-driven decisions, and differentiate themselves in a competitive market.		Positive
4	Diversity and Inclusion	Opportunity	A diverse workforce can bring new perspectives and ideas, which can lead to increased creativity and innovation. Different viewpoints and experiences can improve decision-making and lead to more thoughtful decisions. A diverse workforce can also help us better understand and serve a diverse customer base, which can lead to improved customer satisfaction and financial performance.		Positive

Business Responsibility & Sustainability Report

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate.	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Employee wellbeing	Opportunity	Investing in employee well-being will offer us several advantages, including increased productivity and engagement, attracting top talent, reducing absenteeism, and fostering a positive organizational culture. Prioritizing employee well-being leads to a healthier, more motivated workforce, enhancing overall performance and long-term success.		Positive
6	Financial Performance	Opportunity	Financial performance can serve as an opportunity for us by allowing us the opportunities to invest in growth initiatives, expand operations, attract investors and secure funding, and strengthen our competitive position in the market. A strong financial performance will allow us to allocate resources effectively, pursue strategic partnerships or acquisitions, and reinvest in research and development, ultimately driving long-term success and profitability.		Positive
7	Financial, Digital and Social Inclusion	Opportunity	Financial, digital, and social inclusion presents an opportunity for us by tapping into underserved markets, expanding our customer base, and driving revenue growth. By providing access to financial services, digital technologies, and social programs, we can empower individuals and communities, fostering economic development and social well-being. Additionally, our alignment with the government's focus on financial and social inclusion positions us as a key player in helping achieve the government's objectives, establishing ourselves as a strategic partner in advancing these initiatives.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate.	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Human Rights	Risk	Human rights can pose a threat to us at Vakrangee if we fail to uphold and respect them. Violations of human rights within our operations or supply chain can result in reputational damage, legal repercussions, and potential loss of customer trust. Therefore, it is crucial for us to prioritize human rights, ensure ethical practices, and actively mitigate any potential risks to avoid these negative consequences.	<p>We follow and maintain a robust Human Rights Policy aligned with the UN Guiding Principles (UNGPs), ILO conventions, UN Global Compact (UNGC), and the Indian constitution.</p> <p>The policy serves as a guiding framework for our commitment to human rights. This helps us to ensure all human rights issues are taken into consideration. We establish and maintain a transparent and rights-conscious work environment, fostering this approach across all aspects of our business operations. Additionally, we have implemented an effective mechanism for addressing grievances to report any human rights concerns</p>	Negative

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate.	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Optimal Franchisee Performance	Opportunity	Optimal franchisee performance presents an opportunity for us as it can lead to increased revenue generation, enhanced customer satisfaction, and expanded market reach. When franchisees perform optimally, they effectively represent and promote our brand, products, and services, driving business growth. By ensuring that franchisees are well-trained, supported, and motivated, we can leverage our performance to maximize profitability and establish a strong presence across our vast network of over 20,000 kendras.		Positive
10	Climate Change	Positive	The increasing awareness of the negative impact of human activities on the environment, particularly climate change, presents a significant opportunity for us. Sustainable practices and environmentally friendly products will help to meet the changing demands of customers and stakeholders, and position as leaders in their industry.		Positive

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	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
Policy and management processes									
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 ¹	Y ²	Y ³	Y ⁴	Y ⁵	Y ⁶	Y ⁷	Y ⁸	Y ⁹
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.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	Y ¹⁰	Y ¹⁰	N	Y ¹¹	Y ¹²	N	Y ¹³	Y ²
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	N	Y ¹⁰	Y ¹⁰	N	Y ¹¹	Y ¹²	N	Y ¹³	Y ²
<p>Y¹ https://vakrangee.in/pdf/Policies-PDF/Business%20Conduct%20Policy.pdf</p> <p>Y² https://vakrangee.in/pdf/Policies-PDF/Sustainability%20related%20Services.pdf</p> <p>Y³ https://vakrangee.in/pdf/Policies-PDF/Vakrangee%20-%20Health%20&%20Safety%20Policy.pdf</p> <p>Y⁴ https://vakrangee.in/pdf/Policies-PDF/Sustainability%20related%20Services.pdf</p> <p>Y⁵ https://vakrangee.in/pdf/Policies-PDF/Human_Rights_Policy.pdf</p> <p>Y⁶ https://vakrangee.in/pdf/Policies-PDF/Environmental%20Policy.pdf</p> <p>Y⁷ https://vakrangee.in/pdf/Policies-PDF/Business%20Conduct%20Policy.pdf</p> <p>Y⁸ https://vakrangee.in/pdf/Policies-PDF/Corporate%20Social%20Responsibility_Policy.pdf</p> <p>Y⁹ https://vakrangee.in/pdf/Policies-PDF/Sustainability%20related%20Services.pdf</p> <p>Y¹⁰ https://vakrangee.in/pdf/Policies-PDF/Key_Human_Resource_(HR)_Metrics&Targets-FY2023.pdf</p> <p>Y¹¹ https://vakrangee.in/pdf/Policies-PDF/Human%20Rights%20%E2%80%93%20Due-Diligence_&%20Impact%20Assessment.pdf</p> <p>Y¹² We aim to fulfil environmental commitments through its GHG Reduction program/policy available at: https://vakrangee.in/pdf/Policies-PDF/GHG%20Reduction%20Program.pdf</p> <p>Y¹³ https://vakrangee.in/pdf/News_and_Announcements/ESG%20Performance%20target%20March%202020.pdf</p>									
Governance, leadership and oversight									

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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*)

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.

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.

- | | |
|---|--|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Dinesh Nandwana
Managing Director & Group CEO
Telephone number - 022 67765100
E-mail id - info@vakrangee.in |
|---|--|

- | | |
|---|---|
| 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 our Company are responsible for implementing BR policies. Details on the committees are as follows: |
|---|---|

Corporate Governance Committee

DIN	Name	Designation
00002683	Mr. Ramesh Joshi	Chairman
00062532	Mr. Dinesh Nandwana	Member
00062638	Dr. Nishikant Hayatnagarkar	Member

Corporate Social Responsibility Committee

DIN	Name	Designation
00062532	Mr. Dinesh Nandwana	Chairman
00002683	Mr. Ramesh Joshi	Member
00062767	Mr. Sunil Agarwal	Member

ESG Committee

DIN	Name	Designation
06869633	Mr. Avinash Vyas	Chairman
00002683	Mr. Ramesh Joshi	Member
02336683	Ms. Sujata Chattopadhyay	Member

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee									Frequency (Annually / Half yearly /Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Director	Director	Director	Director	Director	Director	Director	Director	Director	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Director	Director	Director	Director	Director	Director	Director	Director	Director	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
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.	P1	P2	P3	P4	P5	P6	P7	P8	P9									
	No	No	No	No	No	No	No	No	No									
If Yse, Provide name of the agency	NA	NA	NA	NA	NA	NA	NA	NA	NA									

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	0	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.	0
Key Managerial Personnel	0		0
Employees other than BoD and KMPs	6		100.00%
Workers	NA		NA

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

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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

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. We are committed to upholding the highest moral and ethical standards and does not tolerate bribery or corruption in any form. The policy is available on our 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 2022-23 (Current Financial Year)	FY 2021-22 (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 2022-23 (Current Financial Year)		FY 2021-22 (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	0.00	88.36/-	<p>Our business model is completely a 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. Our 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. In Addition 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	617.11	527.4	

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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 our 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.

We do not manufacture any products hence this question is not applicable for our operations. We have defined processes in place for reuse, recycle and safe end-of-life disposal for the products used in its operations.

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 us.

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)	
Permanent Employees											
Male	217	217	100	217	100	-	-	-	-	-	-
Female	35	35	100	35	100	35	100	-	-	-	-
Total	252	252	100	252	100	35	100	-	-	-	-
Non-Permanent Employees**											
Male	17	-	-	-	-	-	-	-	-	-	-
Female	17	-	-	-	-	-	-	-	-	-	-
Total	34	-	-	-	-	-	-	-	-	-	-

* Note: Parental support benefit and creche facility is available to parent who find it difficult to manage work and children.

** Our non-permanent employees are not covered under above mentioned measures.

b. Details of measures for the well-being of workers: Not Applicable

Note: Our line of business does not involve manufacturing activities, therefore, we do not employ any workers.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered (as a % of total employees)	No. of Worker covered (as a % of total Worker)	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 Worker)	Deducted and deposited with the authority (Yes/No/N.A.)
PF	33.73	-	Yes	37.25	-	Yes
Gratuity	100	-	Yes	100	-	Yes
ESI	22.22	-	Yes	40.08	-	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. We have 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
Total	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>We have a well-defined Whistle-blower 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>https://vakrangee.in/pdf/Policies-PDF/Whistle%20Blower%20Policy_Final.pdf</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 POSH 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_Rights_Policy.pdf</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

8. Details of training given to employees:

Category	FY 2022-23 (Current Financial Year)				FY 2021-22 (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)
Employees										
Male	217	217	100	217	100	219	219	100	219	100
Female	35	35	100	35	100	28	28	100	28	100
Total	252	252	100	100	100	247	247	100	247	100

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9. Details of performance and career development reviews of employees:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	217	8	3.69	219	98	44.74
Female	35	2	5.71	28	13	46.43
Total	252	10	3.97	247	111	44.93

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. We are certified with ISO 45001:18 Occupational Health & Safety Management System to mitigate any factors that can cause employees and businesses irreparable harm.

We have 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. Our goal is the safety of our employees and stakeholders, and we have achieved the same 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 our organization. This improved our employee's satisfaction, retention and improved employee's health, increase 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, we have 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 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. We have a safety incident reporting and management process to ensure that all work-related incidents (which include accidents, near misses, 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 our 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. We recognize that overall physical and mental wellbeing of our employees is integral to our success and growth aspirations. We have a people focus approach by involving consulting and training employees on physical health, mental health, and wellbeing. We have taken a holistic approach to well-being and redefined them to be relevant in these trying times of pandemic. These well-being programs were reimagined 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. We have been promoting health and wellbeing of employees through Yoga, Zumba and similar initiatives.

We provide 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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Ans: We have a policy in place which prohibits our 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. We emphasize 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 have various employees wellness sessions that are conducted for employees. We have also ensured that fire extinguishers are kept on every floor at easy distance which is assessable to the employees in case of emergency. We have trained employees to use the fire extinguisher in case of emergency.

We also have Company Medical Practitioner available for employees 24*7

(Note: Under this disclosure, the entity shall report the measures taken to prevent or mitigate significant negative health and safety impacts that are directly linked to its operations, products or services. Also indicate whether these measures are taken for a specific set of activities, employees / workers or facilities of the entity)

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13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (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

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.

We have a defined Stakeholder Engagement process in place. The same is mentioned in the Stakeholder Engagement and Materiality Analysis section on Page no. 52-55.

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"> Marketing Support & Strategy Training, guidance and support Franchisee Satisfaction Grievance addressal

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
Employees	No	Email, Events, Newsletters	Regularly and Quarterly	<ol style="list-style-type: none"> 1. Human Rights issues 2. Employee Engagement & Feedback 3. Operational aspects 4. Performance review 5. Talent development Training, skill development 6. Code of conduct and Business conduct processes and policies 7. Company business initiatives and strategies 8. Franchisee and Customer behaviour and response towards Company's Business model
Business Partners	No	Meetings	Regular Quarterly and ad hoc need based interactions	<ol style="list-style-type: none"> 1. Service availability in remote locations 2. Service Manual and Training Guidelines 3. Customer reach and business sales targets strategy 4. Business risks and their mitigation strategies 5. IT related Integration; Data privacy and security
Shareholders and Investors	No	One-on-one meetings, Board presentations, Annual General Meetings, Reports, Investor	Quarterly	<ol style="list-style-type: none"> 1. Environment, Social and Governance strategy 2. Key company level Strategy and developments 3. Company Business Performance 4. Technological innovations 5. Shareholder voting rights
Customers	No	SMS, Email, Pamphlets and Advertisement	Regularly and as per requirements	<ol style="list-style-type: none"> 1. New services and offerings 2. Customer Grievance addressal and Satisfaction 3. Customer Queries 4. Data Privacy and Security

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
Community	Yes	Community Meetings	Need Basis	<ol style="list-style-type: none"> 1. Livelihood generation 2. Social Infrastructure development for local rural communities 3. Financial, social and Digital inclusion 4. Easy access to basic services like Universal Banking, Insurance and social security benefits through DBT (Direct benefit transfer)
Suppliers and Vendors	No	Meetings	Regularly	<ol style="list-style-type: none"> 1. Product and service requirement 2. Quality Check and Pilot testing 3. ESG Compliance on the product (EPEAT certification) and of supplier and vendor Code of Conduct for Suppliers 4. Performance review and audit survey review on supply chain monitoring 5. Performance review on product and service as per the requirement 6. Feedback on support and maintenance of the respective product or service 7. Grievance Addressal 8. Product Customization (Example ATM made Divyang friendly as well as paperless ATM customization done as per our discussion with Supplier OEMs.)

Stakeholder Group	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"> 1. ATM growth 2. Advocacy for best industry practices 3. Technological innovations in ATM industry 4. Education and training 5. WLA initiatives and Financial Inclusion initiatives 6. Financial and social inclusion initiatives in Rural India. 7. Industry feedback and expectation management on White label ATM business and Business correspondent banking services in India. 8. Industry representation to Reserve Bank of India (RBI) and DFS (Department of Financial services) 9. Prevention of any unethical practices if any and corrective strategy being implemented 10. Digital India, RuPay cards and ATM expansion initiatives
NGO, NPO and civil societies	Yes	Community Meetings	Need Basis	<ol style="list-style-type: none"> 1. Healthcare access 2. Promoting education 3. Youth employment 4. Environmental sustainability
Government and Regulatory bodies	No	Meetings and Events	Need Basis	<ol style="list-style-type: none"> 1. Promotion of financial, social and digital inclusion 2. Industry feedback and expectation management on White label ATM business and Business correspondent banking services in India. 3. Industry representation to Reserve Bank of India (RBI) and DFS (Department of Financial services) 4. Review discussion with National Payments Corporation of India (NPCI) 5. WLA License renewal and periodic Audit performed by RBI

Business Responsibility & Sustainability Report

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 2022-23 (Current Financial Year)			FY 2021-22 (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	252	252	100	247	247	100
Other than permanent	-	-	-	100	100	100
Total	252	252	100	347	347	100

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to minimum wage		More than mini- mum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	217	3	1.38	214	98.62	219	44	20.09	175	79.91
Female	35	0	0	35	100	28	6	21.43	22	78.57
Non-permanent *										
Male	17	-	-	-	-	53	-	-	-	-
Female	17	-	-	-	-	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	2,03,75,502	-	-
Key Managerial Personnel (KMPs)	2	22,06,998	-	-
Employees other than BoDs/KMPs	213	3,78,924	35	3,39,876
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, we have 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. We maintain a zero-tolerance approach to Sexual harassment. We have formed a POSH 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 POSH 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_Rights_Policy.pdf

During annual review system, we survey our employees, and we provide each employee's feedback to the Nomination, Remuneration and Compensation Committee, for its review and further action.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (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.

We do 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.

Business Responsibility & Sustainability Report

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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	148.96 GJ	516.27 GJ
Total fuel consumption (B)	382.85 GJ	307.65 GJ
Energy consumption through other sources (C) (Green Wheeling + Solar)	1,383.26 GJ	980.60 GJ
Total energy consumption (A+B+C)	1,915.07 GJ	1,804.52 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	1164.08 Joules/ Rupees of turnover	1680.09 Joules/ Rupees of turnover*
Energy intensity (optional) – the relevant metric may be selected by the entity		

*There has been a change in the intensity for FY 2021-22, due to restatement of our financial statements. The restatement of financial statements was a result of restructuring our business by way of a Scheme of Arrangement for Demerger ("Scheme") whereby the E-Governance & IT/ITES Business (Demerged Undertaking) of Vakrangee Limited ("Demerged Company") was demerged into the VL E-Governance and IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) ("Resulting Company") on a going concern basis.

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. 157.

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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water Withdrawal by Source (in kilolitres)		
(i) Surface Water	NA	NA
(ii) Ground Water	NA	NA
(iii) Third Party Water	1698	1898
(iv) Seawater/Desalinated Water	NA	NA
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1698	1898
Total volume of water consumption (in kilolitres)	1698	1898
Water intensity per rupee of turnover (Water consumed / turnover)	0.001032 litres/rupee of turnover	0.001767 litres/rupee of turnover*
Water intensity ratio (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]		

*There has been a change in the intensity for FY 2021-22, due to restatement of our financial statements. The restatement of financial statements was a result of restructuring our business by way of a Scheme of Arrangement for Demerger ("Scheme") whereby the E-Governance & IT/ITES Business (Demerged Undertaking) of Vakrangee Limited ("Demerged Company") was demerged into the VL E-Governance and IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) ("Resulting Company") on a going concern basis.

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 water consumption. Details for the same have been mentioned in the assurance statement on Page no. 157.

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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	26.70	21.54
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	29.38	113.29
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 Equivalent/ Rupees of turnover	0.000000034088	0.00000012553*
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

*There has been a change in the intensity for FY 2021-22, due to restatement of our financial statements. The restatement of financial statements was a result of restructuring our business by way of a Scheme of Arrangement for Demerger ("Scheme") whereby the E-Governance & IT/ITES Business (Demerged Undertaking) of Vakrangee Limited ("Demerged Company") was demerged into the VL E-Governance and IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) ("Resulting Company") on a going concern basis.

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. 157.

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.

Business Responsibility & Sustainability Report

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
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)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	16.22 tons	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
Total (A+B + C + D + E + F + G + H)		7.06 tons
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	16.22	0.480
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	16.22	0.480
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

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.

Our business model is a 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.

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.

We have always been a Responsible and Socially Conscious Company. Our business strategy has been mapped with the sustainability initiatives along with the United Nation's Sustainable Development Goals. We have re-affirmed our commitment towards sustainability by opting for 'Green Power' at our Corporate Headquarters based in Mumbai, whereby the Company would be paying 'Green tariff' as approved by the honorable Maharashtra Electricity Regulatory Commission (MERC). This also showcases our commitment towards reducing our carbon footprint.

We have adopted a sustainable waste management philosophy in line with the concept of circularity of through waste management, re-cycling and eco-friendly 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.

Business Responsibility & Sustainability Report

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**

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. –**
 We have 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
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 the 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.

We have Franchisee Technical Support Desk (TSD) which is an important communications link between the FRANCHISEES and our Company. It serves as a central point of contact for information and support with regards to the Franchisees' Technical queries.

Further we have a 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 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (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





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Standalone Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF VAKRANGEE LIMITED Report on the Audit of Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **VAKRANGEE LIMITED** (hereinafter referred to as "the Company"), which comprise the Standalone Balance sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Cash flows, and Standalone Statement of Changes in equity for the year then ended on that date, and notes to the Standalone Financial Statements, including 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 Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, its total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Standalone 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 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)

The 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 judgment 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.

The 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 Statements.

2. Expected Credit Loss

As described in Note 2 (B) (xi) (d) of the Standalone financial statements for the year ended March 31, 2023, 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 customers' business operations/ability to pay dues. Based on such analysis the Company has recorded an allowance aggregating to ₹ 21.57 lakhs as at March 31, 2023, considered in Note 7 & 12 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.

Emphasis of Matter

We draw attention to Note 50 to the standalone financial statements, regarding the Scheme of Arrangement for Demerger (the "Scheme") whereby the E-Governance & IT/ ITES Business (Demerged Undertaking) of the Company (the "Demerged Company") stands transferred to and vested in VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) (the "Resulting Company") on a going concern basis.

The Hon'ble National Company Law Tribunal (the "NCLT") has approved the Scheme vide its Order dated May 19, 2023 and filed with the Ministry of Corporate Affairs (MCA) on May 26, 2023.

In accordance with the Scheme approved by the NCLT, the Company has given effect to the scheme from appointed date specified therein i.e. April 01, 2021, and accordingly, the comparative financial information of the Company for the year ended March 31, 2022 has been restated.

Our opinion on the standalone financial statements is not modified in respect of these matters.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not

Standalone Financial Statements

cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 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, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of 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 financial statement 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud

or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Materiality is the magnitude of misstatements in the

Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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.

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 matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Standalone Financial Statements of the Company for the year ended March 31, 2022 was audited by another firm of Chartered Accountants, who vide their report dated May 13, 2022, expressed an unmodified opinion.

Our conclusion is not qualified in respect of the above matter.

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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows, and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards 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, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) In our opinion and according to the information and explanations given to us, the managerial remuneration for the year ended March 31, 2023, has been paid / provided by the Company to its directors 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position except as referred in 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (A) The Management has represented that, to the

Standalone Financial Statements

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.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Dhiraj Lalpuria
Partner
Membership Number: 146268
UDIN : 23146268BGVPSJ1482

Place : Mumbai
Date : May 30, 2023

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)

To the best of our information and according to the explanations provided to us by the Company and the books of account and the records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment and relevant detail of right-to-use asset are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) Based on our examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising of all immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (d) According to information and explanation given to us, the company has not revalued its property, plant & equipment and Intangible assets.
- (e) As per the records examined by us and explanation given to us, the company does not have any proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made thereunder. Accordingly, the provisions of Clause 3(i)(e) of the Order are not applicable to the Company.
- (ii) (a) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management during the year and in our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) During 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, companies, firms, Limited Liability Partnerships, but granted unsecured loans to other parties, during the year, in respect of which;
- (a) Aggregate amount during the year, and balance outstanding at the balance sheet date of such loans or advances and guarantees or security to subsidiary companies are as follows:-

(₹ in Lakhs)

Particulars	Loan	Guarantees
Aggregate amount granted/ provided during the year		
Subsidiaries	176.34	-
Others	-	-
Balance outstanding as at balance sheet date in respect of above cases		
Subsidiaries	176.34	125.00
Others	-	-

- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans which are received back during the year, the schedule of repayment of principal and payment of interest has not been stipulated.
- (d) In respect of loans granted by the Company, there is no overdue amount for than ninety days as at the balance sheet date.
- (e) No loans granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) In Accordance with the information and explanation given to us, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment is granted to the subsidiary, aggregating to a total of ₹ 176.34 lakhs on balance sheet date, which is 98.98% of total loans granted.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.

Standalone Financial Statements

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act. Accordingly the provisions under Clause 3(vi) of the order are not applicable to the company.

(vii) In respect of 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, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, goods and service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any dispute.

However, following are the dues which have not been deposited as on March 31, 2023 on account of disputes:

Name of the Statute	Forum where dispute is pending	Period to which Amount relates	Amount (₹ in Lakhs)
Rajasthan Value Added Tax, 2003	Assistant Commissioner, Sales Tax	FY 2017-2018	6,733.23
Central Goods and Services Tax Act, 2017	Joint Commissioner of GST	FY 2017-2018	27,048.00
Central Goods and Services Tax Act, 2017	Joint Commissioner of GST	FY 2018-2019	293.57

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not made any defaults in repayment of loans or other borrowings or in the payment of interest thereon to any lender at the balance sheet date. The Company does not have any loans or borrowings from Government. Further, the Company has not issued any debentures.

(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 taken Working capital term loan during the year which was applied for the purpose for which the loan was obtained.

(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) On an overall examination of the financial statements of the Company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on the examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, the Company has not received any whistle blower complaint during the year.
- (xii) 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 to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are 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 to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 Accordingly, clause 3(xvi) (b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Company does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable to the Company.
- (xvii) According to the information and explanations given to us, and the records of the company examined by us, the Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3 (xviii) of the Order is not applicable to the Company.
- (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 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 as and when they fall due within a period of one year from the balance sheet date.
- However, this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The provisions of sub-section (5) of Section 135 of the Companies Act 2013 in respect of "other than on-going projects" are not applicable to the company and hence, reporting under clause 3(xx) (a) of the Order is not applicable to the Company.
- (b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (6) of Section 135 of the Act in respect of "on-going projects" to a Fund specified in Schedule VII to the Act. Details are as given below:

(₹ in Lakhs)

Amount to be spent in accordance with section 135(6)	Amount spent in accordance with section 135(6)	Amount transferred to Fund under Schedule VII, within 6 months from the end of the financial year (or till the date of audit report, if that is earlier)
(a)	(b)	(c)
181.30	124.89	56.41

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Dhiraj Lalpuria
Partner
Membership Number: 146268
UDIN : 23146268BGVPSJ1482

Place : Mumbai
Date : May 30, 2023

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 under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of **Vakrangee Limited** ("the Company") as of March 31, 2023 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting with reference to financial statements 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 which were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements 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 Accountants of India (ICAI) and the Standards on Auditing deemed to be prescribed

under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the 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.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, 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 risk of material misstatement of the financial statement, whether due to fraud or error.
5. 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting with Reference to Financial Statements

6. A company's internal financial controls over financial reporting with reference to 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 the Generally Accepted Accounting Principles. A company's internal financial controls over

financial reporting with reference to financial statements includes those policies and procedures that :

- i. pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting with reference to 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 financial statements to future period are subject to the risk

that the internal financial controls over financial reporting with reference to financial statements may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company, in all material respect, an adequate internal financial control 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, 2023, based on the internal control over financial reporting with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Dhiraj Lalpuria
Partner
Membership No. : 146268
UDIN : 23146268BGVPSJ1482

Place : Mumbai
Date : May 30, 2023

Standalone Financial Statements

Balance Sheet

as at 31 March 2023

(₹ in lakhs)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I ASSETS			
1 Non - Current Assets			
Property Plant and Equipment	4	12,709.02	13,853.34
Capital Work-in-Progress	4	98.41	197.45
Intangible Assets under development	5	434.79	434.79
Financial Assets			
(i) Investments	6	1,896.01	1,837.57
(ii) Trade Receivables	7	-	9.61
(iii) Loans	8	176.34	-
(iv) Other Financial Assets	9	138.56	135.58
Other Non - Current Assets	10	818.77	57.03
Total Non-current Assets		16,271.90	16,525.37
2 Current Assets			
Inventories	11	220.84	410.46
Financial Assets			
(ii) Trade Receivables	12	180.80	159.56
(iii) Cash and Cash equivalents	13	2,381.24	4,195.08
(iv) Bank Balances other than (iii) above	13	877.81	614.21
(v) Loans	14	1.81	3.26
(vi) Other Financial Assets	15	2,854.03	605.47
Other Current Assets	16	1,711.80	1,901.22
Total Current Assets		8,228.33	7,889.26
TOTAL		24,500.23	24,414.63
II EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	17	10,595.13	10,595.00
Other Equity	18	(2,982.90)	(2,520.77)
Total Equity		7,612.23	8,074.23
2 Liabilities			
i Non - Current Liabilities			
Financial Liabilities			
(i) Borrowings	19	1,242.89	-
(ii) Trade Payables	20	-	-
- Dues of micro enterprises and small enterprises		-	-
- Dues of Creditors other than micro enterprises and small enterprises		2.77	12.04
(iii) Other Financial Liabilities	21	1,420.71	41.28
Deferred Tax Liabilities (net)	22	246.28	154.83
Employee Benefit Obligations	23	335.70	307.92
Total Non-Current Liabilities		3,248.35	516.07
ii Current Liabilities			
Financial Liabilities			
(i) Borrowings	24	4,534.16	-
(ii) Trade Payables	25	-	-
- Dues of micro enterprises and small enterprises		243.68	102.35
- Dues of Creditors other than micro enterprises and small enterprises		1,414.70	2,242.95
(iii) Other Financial Liabilities	26	5,201.79	8,888.75
Other Current Liabilities	27	754.76	3,413.28
Provisions	28	1,383.34	1,160.55
Employee Benefit Obligations	29	107.22	16.45
Total Current Liabilities		13,639.65	15,824.33
Total Liabilities (i + ii)		16,888.00	16,340.40
TOTAL		24,500.23	24,414.63
Summary of Significant Accounting Policies	1-3		
The accompanying notes are an integral part of the Standalone Financial Statements.	4-54		

*Restated pursuant to demerger (Refer Note 50)
As per our report of even date attached

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

For and on behalf of the Board of Directors
Vakrangee Limited
CIN : L65990MH1990PLC056669

Dhiraj Lalpuria
Partner
Membership No.: 146268

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
Managing Director & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Place : Mumbai
Date : May 30, 2023

Place : Mumbai
Date : May 30, 2023

Ajay Jangid
Chief Financial Officer

Sachin Khandekar
Company Secretary

Statement of Profit and Loss

for the year ended 31 March 2023

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I Income			
Revenue from Operations	30	16,451.34	10,740.60
Other Income	31	102.64	196.28
Total Income		16,553.98	10,936.88
II Expenses			
Operating Expenses	32	11,628.48	7,654.28
Purchase of Stock-in-Trade		50.68	825.43
Changes in Inventories	33	189.20	91.21
Employee Benefits Expenses	34	1,369.68	516.07
Finance Costs	35	151.53	-
Depreciation and Amortization Expense	4	1,551.36	1,545.57
Other Expenses	36	1,385.50	1,023.33
Total Expenses		16,326.43	11,655.89
III Profit Before Tax and exceptional Items	3	227.55	(719.01)
IV Exceptional Items	37	-	(168.66)
V Profit Before Tax		227.55	(887.67)
VI Tax Expense:			
(a) Current Tax		58.78	14.81
(b) Deferred Tax		108.76	95.98
		167.54	110.79
VII Profit for the year		60.01	(998.46)
VIII Other Comprehensive Income			
Items that will be reclassified subsequently to profit and loss			
i) Exchange difference on translation of foreign exchange		-	-
Items that will not be reclassified subsequently to profit and loss			
i) Fair value gain on financial instruments at fair value through OCI		-	-
ii) Remeasurement of net defined benefit obligations (net of taxes)		(51.44)	2.22
Other Comprehensive Income (net of tax)		(51.44)	2.22
Total Comprehensive Income for the period		8.57	(996.24)
IX Weighted Average No. of equity shares for computing EPS (in lakhs)	38		
(1) Basic		10,595.00	10,594.12
(2) Diluted		10,596.72	10,596.87
X Earnings Per Equity Share (Face Value ₹ 1/- Per Share):	38		
(1) Basic (₹)		0.01	(0.09)
(2) Diluted (₹)		0.01	(0.09)
Summary of Significant Accounting Policies	1-3		
The accompanying notes are an integral part of the Standalone Financial Statements.	4-54		

*Restated pursuant to demerger (Refer Note 50)

As per our report of even date attached

For S. K. Patodia & Associates

Chartered Accountants

Firm's Registration No. : 112723W

Dhiraj Lalpuria

Partner

Membership No.: 146268

Place : Mumbai

Date : May 30, 2023

For and on behalf of the Board of Directors

Vakrangee Limited

CIN : L65990MH1990PLC056669

Ramesh Joshi

Chairman

DIN : 00002683

Place : Mumbai

Date : May 30, 2023

Dinesh Nandwana

Managing Director & Group CEO

DIN : 00062532

Ajay Jangid

Chief Financial Officer

Dr. Nishikant Hayatnagarkar

Whole-time Director

DIN : 00062638

Sachin Khandekar

Company Secretary

Standalone Financial Statements

Standalone Cash Flow Statement

for the year ended March 31, 2023

Sr. Particulars No.	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
I Cash flow from operating activities		
Profit before tax from continuing operations	227.54	(887.67)
Profit before tax	227.54	(887.67)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment	1,551.36	1,545.57
Employee share based payment expenses	57.24	(1,594.90)
Net foreign exchange differences	0.11	0.06
Allowance for credit losses	(386.39)	(189.51)
Fair value gain on financial instrument at fair value through Profit and loss	(58.44)	(101.72)
Remeasurement of defined benefit obligations	(68.74)	2.97
Gain on disposal of property, plant and equipment	26.06	168.22
Effect pursuant to demerger		(2,50,088.73)
Interest income	(42.57)	(90.33)
Dividend income	(1.50)	(1.50)
Operating profit before working capital changes	1,304.67	(2,51,237.53)
Movements in assets and liabilities :		
Decrease / (increase) in inventories	189.63	86.76
Decrease / (increase) in trade receivables	374.75	1,07,634.84
Decrease / (increase) in loans and other financial assets	(5,098.42)	2,409.00
Decrease / (increase) in other current assets	189.42	87,855.31
Decrease / (increase) in other non-current assets	(327.48)	59,616.22
Increase / (decrease) in trade payables	(696.20)	(318.23)
Increase / (decrease) in employee benefit obligations	118.56	(32.68)
Increase / (decrease) in provisions	222.78	68.46
Increase / (decrease) in other current liabilities	(2,658.52)	(3,822.81)
Cash generated from operations	(6,380.82)	2,259.34
Income taxes paid (net of refunds)	(493.05)	(248.58)
Net cash flow generated from operating activities (A)	(6,873.86)	2,010.76
II Cash flow from investing activities		
Purchase of property, plant and equipment	(572.05)	(756.60)
Proceeds from sale of property, plant and equipment	238.00	607.91
Proceeds from sale of investments	-	-
Investment in subsidiaries	-	(1.00)
Loans of subsidiaries	100.85	2,692.91
Interest received	42.57	90.33
Dividends received	1.50	1.50
Net cash flow generated from / (used in) investing activities (B)	(189.13)	2,635.05

Standalone Cash Flow Statement

for the year ended March 31, 2023

Sr. Particulars No.	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
III Cash flow from financing activities		
Proceeds from borrowings	5,777.05	-
Proceeds from issue of shares	0.14	0.94
Proceeds towards securities premium on issue of shares	1.82	23.80
Dividends paid to company's shareholders	(529.75)	(1,059.41)
Net cash flow (used in) in financing activities (C)	5,249.25	(1,034.67)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(1,813.74)	3,611.14
Effects of exchange rate changes on cash and cash equivalents	(0.11)	(0.06)
Cash and cash equivalents at the beginning of the year	4,195.08	584.01
Cash and cash equivalents at the end of the year	2,381.24	4,195.08

* Restated pursuant to demerger (Refer Note 50)

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Summary of Significant Accounting Policies 1-3

The accompanying notes are an integral part of the Standalone Financial Statements. 4-54

As per our report of even date attached

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

For and on behalf of the Board of Directors
Vakrangee Limited
CIN : L65990MH1990PLC056669

Dhiraj Lalpuria
Partner
Membership No.: 146268

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
Managing Director & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Place : Mumbai
Date : May 30, 2023

Place : Mumbai
Date : May 30, 2023

Ajay Jangid
Chief Financial Officer

Sachin Khandekar
Company Secretary

Standalone Financial Statements

Statement of changes in equity

for the year ended March 31, 2023

Particulars	Other Equity								Total equity attributable to equity holders of the Company
	Reserves and surplus					Other Comprehensive Income			
	Equity Share Capital	Securities premium	Retained earnings	General Reserve	Amalgamation Reserve / Capital Reserve	Share Options Outstanding Account	Equity instruments through other comprehensive income	Other items of other comprehensive income	
Balance as at March 31, 2021	10,594.06	42,746.84	1,92,641.07	18,268.05	-	1,838.34	(3,086.34)	(13.26)	2,62,988.76
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	-	-	(998.46)	-	-	-	-	-	(998.46)
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
Less: Transfer on demerger	-	-	(1,84,070.72)	(17,455.33)	(49,762.68)	-	-	-	(2,51,288.73)
Balance as at March 31, 2022	10,595.00	42,804.29	6,512.48	812.72	(49,762.68)	209.79	(3,086.34)	(11.04)	8,074.23
Increase in share capital on account of conversion of ESOPs	0.14	-	-	-	-	-	-	-	0.14
Amount received on shares issued during the year	-	1.82	-	-	-	-	-	-	1.82
Transferred from Share Options Outstanding Account	-	2.73	-	-	-	(2.73)	-	-	-
Profit for the year	-	-	60.02	-	-	-	-	-	60.02
Dividends (including dividend distribution tax)	-	-	(529.75)	-	-	-	-	-	(529.75)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	-	57.24	-	-	57.24
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	-	(51.44)	(51.44)
Balance as at March 31, 2023	10,595.13	42,808.83	6,042.75	812.72	(49,762.68)	264.30	(3,086.34)	(62.47)	7,612.23

Summary of Significant Accounting Policies 1-3
 The accompanying notes are an integral part of the Standalone Financial Statements. 4-54

As per our report of even date attached

For S. K. Patodia & Associates
 Chartered Accountants
 Firm's Registration No. : 112723W

Dhiraj Lalpuria
 Partner
 Membership No.: 146268

Place : Mumbai
 Date : May 30, 2023

For and on behalf of the Board of Directors
 Vakrangee Limited
 CIN : L65990MH1990PLC056669

Ramesh Joshi
 Chairman
 DIN : 00002683

Place : Mumbai
 Date : May 30, 2023

Dinesh Nandwana
 Managing Director & Group CEO
 DIN : 00062532

Ajay Jangid
 Chief Financial Officer

Dr. Nishikant Hayatnagarkar
 Whole-time Director
 DIN : 00062638

Sachin Khandekar
 Company Secretary

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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-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 data digitization, software and license.

The financial statements were authorized for issue by the Company's Board of Directors on May 30, 2023.

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, 2023 (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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023 (continued)

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 the 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 into 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, 2023 (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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023 (continued)

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 are 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, 2023 (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 marketplace (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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023 (continued)

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 derecognized (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

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Notes to Standalone Financial Statements

for the year ended March 31, 2023 (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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023 (continued)

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.

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Notes to Standalone Financial Statements

for the year ended March 31, 2023 (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

Notes to Standalone Financial Statements

for the year ended March 31, 2023 (continued)

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.

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Notes to Standalone Financial Statements

for the year ended March 31, 2023 (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 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 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 45 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 to Standalone Financial Statements

for the year ended March 31, 2023 (continued)

New Amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2013 which amends certain accounting standards, and are effective 1 April, 2023.

1. Ind AS 1 – Presentation of Financial Statements

Key Requirements: The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is material accounting policy,

information and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

2. Ind AS 8 – Accounting Policies, Changes in accounting estimates and errors

Key Requirements: The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates.

The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

3. Ind AS 12 – Income Taxes

Key Requirements: The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities, and
- Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

These amendments shall come into force with effect from April 01, 2023.

The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from applicability date.

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 5 - Intangible Assets under Development

		(₹ in lakhs)
(a)	Description	Amount
	Gross Block	
	At March 31, 2021	346.43
	Additions	88.36
	Disposal	-
	At March 31, 2022	434.79
	Additions	-
	Disposal	-
	At March 31, 2023	434.79
	Depreciation and Impairment	
	At March 31, 2021	-
	Depreciation Charged for the year	-
	Impairment during the year	-
	Disposal	-
	At March 31, 2022	-
	Depreciation Charged for the year	-
	Impairment during the year	-
	Disposal	-
	At March 31, 2023	-
	Net Book Value	
	At March 31, 2023	434.79
	At March 31, 2022	434.79

(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	-	434.79	-	-	434.79
Project temporarily suspended	-	-	-	-	-

Note 6 - Investments (Non - Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
(a) Unquoted		
Investment carried at Cost		
- Investments in Equity Instruments of Subsidiaries		
96,000 Equity Shares of Vakrangee e-Solutions Inc., Philippines of Peso 100/- each fully paid up (March 31, 2022 : 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, 2022 : 1,00,000 Equity shares)	1.00	1.00

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Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
1,50,00,000 Equity Shares of Vakrangee Finserve Limited of ₹ 10/- each fully paid up (March 31, 2022 : 1,50,00,000 Equity shares)	1,500.00	1,500.00
(A)	1,597.00	1,597.00
Investment carried at Fair value through Profit and Loss (FVTPL)		
- In Equity Shares		
2,500 Equity Shares of CSC e-Governance Services India Limited of ₹ 1000/- each fully paid up (March 31, 2022 : 2,500 Equity shares)	299.01	240.57
(B)	299.01	240.57
TOTAL (A + B)	1,896.01	1,837.57
Aggregate amount of unquoted investments	1,896.01	1,837.57

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 2023	As at 31 March 2022
(a) Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	-	-
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivable - credit impaired	23.20	417.57
	23.20	417.57
Less: Allowance for credit losses	23.20	407.96
TOTAL	-	9.61
(b) Detailed note on disclosure as required by Schdeule III for ageing Refer Note 48 for ageing of Trade Receivables		

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 8 - Loans (Non - Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
(i) Loans Receivable considered good (Secured)	-	-
(ii) Loans Receivable considered good (Unsecured)		
(a) Loan to Others	-	-
(b) Loan to Related Parties		
Dues from subsidiaries	176.34	-
	176.34	-
(iii) Loans Receivable which have significant increase in Credit Risk	-	-
(iv) Loans Receivable - credit impaired	-	-
	176.34	-

Details of Loans to Related Parties

Type of Borrower	(₹ in lakhs)			
	As at 31 March 2023		As at 31 March 2022	
	Amount outstanding	Percentage of total Loans	Amount outstanding	Percentage of total Loans
Loan to Subsidiary (without specifying any terms or period of repayment)	176.34	100%	-	-
Total	176.34	100%	-	-

Note 9 - Other Financial Assets (Non - Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Deposits with bank		
- with maturity period of more than 12 months *	121.75	75.50
Other Deposits		
Security Deposit	15.81	19.08
Earnest Money Deposit	1.00	41.00
	16.81	60.08
TOTAL	138.56	135.58
* Amount held as margin money or security against borrowings, guarantee, other commitments	121.75	75.50

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

**Note 10 - Other Non-Current Assets
(Non - Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Prepaid Expenses	333.00	5.52
Balances with statutory / revenue authorities		
- Income Tax (net of provision for taxation)	485.77	51.50
TOTAL	818.77	57.03

Note 11 - Inventories

(a) Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Stock-in-Trade	204.89	394.10
Consumables	6.94	11.41
Stores & Spares	9.00	4.95
TOTAL	220.84	410.46

(b) Basis of valuation of Inventories

Inventories are valued at lower of cost or net realizable value on FIFO basis which is in accordance with Ind AS-2..

**Note 12 - Trade Receivables
(Current)**

(a) Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at March 31, 2022
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	88.48	137.10
Trade Receivable which have significant increase in Credit Risk	92.32	22.46
Trade Receivable - credit impaired	-	-
	180.80	159.56
Less: Allowance for credit Losses	-	-
TOTAL	180.80	159.56

(b) Debts due from related parties

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at March 31, 2022
(i) Subsidiaries	-	50.50
TOTAL	-	50.50

(c) Detailed note on disclosure as required by Schdeule III for ageing

Refer Note 48 for ageing of Trade Receivables

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 13 - Cash and Cash equivalents and Other Bank Balances

(a)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
(A) Cash and Cash Equivalents		
(i) Balances with Banks :		
- Current Accounts	2,192.06	4,141.83
- Deposit Accounts	-	-
(ii) Cash-in-hand	189.18	53.25
	<u>2,381.24</u>	<u>4,195.08</u>
(B) Bank Balances other than above		
(i) Earmarked balances in unclaimed dividend account	78.94	85.50
(ii) Fixed Deposits with maturity period of more than 3 months but less than 12 months **	798.86	528.71
TOTAL	<u>877.81</u>	<u>614.21</u>
** Amount held as margin money or security against borrowings, guarantee, other commitments	792.17	522.30

(b) For the purpose of cash flow statement

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
(A) Cash & Cash Equivalents		
(i) Balances with Banks :		
- Current Accounts	2,192.06	4,141.83
- Deposit Accounts	-	-
(ii) Cash-in-hand	189.18	53.25
	<u>2,381.24</u>	<u>4,195.08</u>
Less : - Cash Credit	-	-
TOTAL	<u>2,381.24</u>	<u>4,195.08</u>

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 14 - Loans

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
(i) Loans Receivable considered good (Secured)	-	-
(ii) Loans Receivable considered good (Unsecured)		
(a) Loan to Others		
Staff Advances	1.81	3.26
	1.81	3.26
(iii) Loans Receivable which have significant increase in Credit Risk	-	-
(iv) Loans Receivable - credit impaired	-	-
TOTAL	1.81	3.26

Note 15 - Other Financial Assets
(Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Insurance claim Receivable	2.38	1.76
Security Deposit	19.56	22.87
Accrued Interest on FD	4.22	1.28
Receivable against sale of property	-	170.36
Receivable from Resulting Company (Against Demerger)	2,463.37	-
UBI Settlement Receivable	8.50	-
CC Settlement Receivable	-	2.44
ATM Settlement Receivable	356.00	406.76
	2,854.03	605.47
TOTAL	2,854.03	605.47

Note 16 - Other Current Assets

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at March 31, 2022
Advances to Vendors	227.60	382.66
Prepaid Expenses	99.18	51.05
Other Receivable		
- Accrued Revenue	839.04	353.39
Balances with statutory / revenue authorities		
- Goods & Service Tax	545.98	1,114.11
TOTAL	1,711.80	1,901.22

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 17 - Equity Share Capital

Equity share capital

(i) Authorised share capital

Particulars	(₹ in lakhs)	
	Number of shares (in lakhs)	Amount
As at March 31, 2022	12,500.00	12,500.00
Increase during the year	-	-
As at March 31, 2023	12,500.00	12,500.00

(ii) Issued, Subscribed and Paid up Equity share capital

Particulars	(₹ in lakhs)	
	Number of shares (in lakhs)	Amount
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
Exercise of options	0.14	0.14
As at March 31, 2023	10,595.13	10,595.13

(iii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
	Vakrangee Holdings Private Limited	2,509.50	23.69%	2,509.50
NJD Capital Private Limited	1,311.00	12.37%	1,311.00	12.37%
Life Insurance Corporation of India	658.65	6.22%	658.65	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, 2023

Name of Promoter	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%

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Shares held by promoters as at March 31, 2022

Name of Promoter	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, 2023, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 0.05/- per share of ₹ 1/- each for the year ended March 31, 2022.

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 2023	As at 31 March 2022
- 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
- No. of shares bought back	-	-
- No. of shares issued on exercise of options granted under the ESOP scheme.	7.10	8.66

(vii) Capital Management

The Company's objectives when managing capital are to :

- 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
- 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).

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

The Company's strategy is to maintain a gearing ratio within 1:1. The gearing ratios were as follows :

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Net debt	4,534.16	-
Total equity	7,612.23	8,074.23
Net debt to equity ratio	0.60	-

Note 18 - Other Equity

(i) Reserves and surplus

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Securities Premium	42,808.83	42,804.29
Share Options Outstanding Account	402.17	399.80
Deferred Employee Compensation Expense	(137.87)	(190.01)
General Reserve	812.72	812.72
Amalgamation Reserve / Capital Reserve	(49,762.68)	(49,762.68)
Surplus in Statement of Profit and Loss	6,042.75	6,512.48
Total (A)	165.92	576.60

(a) Securities Premium

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	42,804.29	42,746.84
Add:- On share issued during the year	1.82	23.80
Add:- Transfer from shares options outstanding account	2.73	33.65
Closing balance	42,808.83	42,804.29

(b) Share Options Outstanding Account

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	399.80	3,347.37
Add:- On further grant of options	44.34	150.90
Less:- Reversal due to Lapsation of option	(39.24)	(3,064.82)
Less: Transfer to Securities premium account	(2.73)	(33.65)
Closing balance	402.17	399.80

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

(c) Deferred Employee Compensation Expense

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	(190.01)	(1,509.04)
Add:- On further grant of options	(44.34)	(150.90)
Less:- Reversal due to Lapsation of option	22.82	1,368.68
Less:- Amortised during the year	73.67	101.25
Closing balance	(137.87)	(190.01)

(d) General Reserve

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	812.72	18,268.05
Less : Transfer on demerger (Refer Note 50)	-	(17,455.33)
Add:- Transfer from Profit and Loss account	-	-
Closing balance	812.72	812.72

(e) Amalgamation Reserve / Capital Reserve

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	(49,762.68)	-
Less : On demerger (Refer Note 50)	-	(49,762.68)
Closing balance	(49,762.68)	(49,762.68)

(f) Surplus in Statement of Profit and Loss

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	6,512.48	1,92,641.07
Add:- Profit for the year	60.02	(998.46)
Less:- Transfer to General Reserve	-	-
Less:- Dividend declared and paid	(529.75)	(1,059.41)
Less : Transfer on demerger (Refer Note 50)	-	(1,84,070.72)
Closing balance	6,042.75	6,512.48

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

(ii) Other Comprehensive Income

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	(3,097.37)	(3,099.59)
Remeasurement of net defined benefit obligations (net of taxes)	(51.44)	2.22
Closing balance	(3,148.81)	(3,097.37)
Total (A+B)	(2,982.90)	(2,520.77)

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.

(c) Amalgamation Reserve / Capital Reserve

This reserve is outcome of business combinations carried out during the current year (Refer Note 50).

(d) Surplus in Statement of Profit and Loss / Retained Earnings

Retained earnings are the profits that Company has earned to date, less any dividends or other distributions paid to investors.

For movement in other equity during the year, refer Standalone Statement of Changes in Equity.

Note 19 - Borrowings (Non - Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Secured Loans		
Loan Repayable on Demand		
- From Bank	1,280.00	-
Less: Current Maturities of Long Term Debt	(37.11)	-
TOTAL	1,242.89	-

Nature of security and terms of repayment for working capital term loan (WCTL) -

Rupee working capital term loan from Union Bank of India (sanctioned limit of ₹ 1,336.00 lakhs (March 31, 2022 : ₹ 1,336.00 lakhs). The WCTL is secured by hypothecation of Book Debts and stocks and extension of charge on the Primary security given for the working capital facility. The WCTL is repayable in 36 monthly installment of ₹ 37,11,111.11 after a moratorium of 24 months. Interest to be serviced as and when applied during moratorium.

Collateral Security - Extension of charge on the collateral security given for the working capital facility.

Corporate Guarantee - M/s Vakrangee Holdings Private Limited, Promoter group company.

Personal Guarantee - Mr. Dinesh Nandwana, MD & Group CEO of the company.

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

**Note 20 - Trade Payables
(Non - Current)**

Particulars	As at 31 March 2023		As at 31 March 2022	
	Principal	Interest	Principal	Interest
- Dues of micro enterprises and small enterprises				
Amount due to vendor	-	-	-	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
Total Dues of micro enterprises and small enterprises		-		-
- Dues of Creditors other than micro enterprises and small enterprises		2.77		12.04
TOTAL		2.77		12.04

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 Schedule III for ageing

Refer Note 49 for ageing of Trade Payable

**Note 21 - Other Financial Liabilities
(Non - Current)**

Particulars	As at 31 March 2023		As at 31 March 2022	
	Security Deposit	77.87	41.28	
Business Deposit from Franchisee / Master Franchisee	1,342.83	-		
TOTAL	1,420.71	41.28		

Note 22 - Deferred Tax Liabilities (net)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Assets			
(i) On account of difference in depreciation on Property, Plant and Equipment	-	-		
(ii) Provision for Employees' obligations	128.78	80.89		
(iii) On account of Expected Credit Losses	5.43	102.68		
(A)	134.20	183.57		
Liabilities				
(i) On account of difference in depreciation on Property, Plant and Equipment	380.49	338.39		
(B)	380.49	338.39		
Balance carried to Balance Sheet (B-A)	246.28	154.83		

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

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
For the year ended March 31, 2023 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	338.39	42.10	-	380.49
Expenses provided but allowable in Income Tax on payment	(80.89)	(30.58)	(17.30)	(128.78)
Allowance for expected credit losses	(102.68)	97.25	-	(5.43)
	154.83	108.76	(17.30)	246.28
Others	-	-	-	-
	-	-	-	-
TOTAL	154.83	108.76	(17.30)	246.28
For the year ended March 31, 2022 :				
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)	47.70	-	(102.68)
	58.10	95.98	0.75	154.83
Others	-	-	-	-
	-	-	-	-
TOTAL	58.10	95.98	0.75	154.83

The analysis of Deferred Tax Liabilities is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred Tax Liabilities to be recovered after more than 12 months	-	-
Deferred Tax Liabilities to be recovered within 12 months	246.28	154.83
	246.28	154.83

Explanation of changes in the applicable tax rate(s) compared to the previous accounting period

Particulars	As at 31 March 2023	As at 31 March 2022
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.		

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

**Note 23 - Employee Benefit Obligations
(Non - Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Provision for Employees' benefits	335.70	307.92
TOTAL	335.70	307.92

**Note 24 - Borrowings
(Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Secured Loans		
Loan Repayable on Demand		
- From Bank	4,497.05	-
Current Maturities of Long Term Debts	37.11	-
TOTAL	4,534.16	-

Nature of security and working capital facility from Bank -

The Company has working capital facility (sanctioned limit of ₹ 4,500.00 lakhs (March 31, 2022 : ₹ 4,500.00 lakhs)) 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 and Basement Floor Area of 6138 Sq. Ft. & Stilt Car Parking Area of 2619 Sq. Ft. in the name of M/s Vakrangee Limited.

Corporate Guarantee - M/s Vakrangee Holdings Private Limited, Promoter group company.

Personal Guarantee - Mr. Dinesh Nandwana, MD & Group CEO of the company.

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 25 - Trade Payables (Current)

Particulars	(₹ in lakhs)			
	As at 31 March 2023		As at 31 March 2022	
	Principal	Interest	Principal	Interest
Trade Payables				
- Dues of micro enterprises and small enterprises				
Amount due to vendor	243.68	-	102.35	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	243.68	-	102.35	-
Total Dues of micro enterprises and small enterprises		243.68		102.35
- Dues of Creditors other than micro enterprises and small enterprises		1,414.70		2,242.95
TOTAL		1,658.39		2,345.30

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 2023	As at 31 March 2022
Payable to Franchisee	4,142.97	5,331.59
Franchisee amount refundable	612.95	-
Payable for acquisition of Property, Plant & Equipments	311.06	627.39
Payable towards CSR Expenses (net)	55.86	650.05
Payable to Resulting Company (against demerger)	-	2,194.22
Unpaid Dividend	78.94	85.50
TOTAL	5,201.79	8,888.75

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 27 - Other Current Liabilities

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Statutory dues	258.04	1,101.77
Advance from customers	18.12	63.51
Kendra money received pending allotment	74.82	1,459.73
Franchisee Wallet Balance	115.51	143.33
Staff Emoluments Payable	288.27	644.94
TOTAL	754.76	3,413.28

Note 28 - Provisions

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Provision for Expenses for Goods & services	1,383.34	1,160.55
TOTAL	1,383.34	1,160.55

Note 29 - Employee Benefit Obligations
(Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Provision for Employees' benefits	107.22	16.45
TOTAL	107.22	16.45

Note 30 - Revenue from Operations

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
(a) Revenue from Vakrangee Kendra	15,910.89	10,242.21
(b) Revenue from Sale of Services		
- Sale of Services	540.00	495.00
(c) Other Operating Revenues		
- Scrap Sales	0.45	3.39
TOTAL	16,451.34	10,740.60

Note:- The amount of revenues are exclusive of indirect taxes i.e. Goods and Service Tax

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 31 - Other Income

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
(i) Interest Income		
(a) Interest Income on the financial assets at amortized cost		
- Bank Deposits	42.57	30.52
(b) Other Interest Income	-	59.81
(ii) Dividend income	42.57	90.33
(iii) Other non-operating income	1.50	1.50
- Rent Received	-	2.03
- Gain on Sale of Asset	-	0.44
- Gain on Foreign Exchange Fluctuation	0.11	0.06
- Fair value gain on financial instrument at fair value through Profit & Loss*	58.44	101.72
- Miscellaneous Income	0.02	0.21
	58.57	104.45
TOTAL	102.64	196.28

Note 32 - Operating Expenses

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
Project Delivery Cost		
- Opening Stock	16.36	11.92
- Add : Purchase of goods and services	211.52	347.90
- Less : Closing Stock	15.94	16.36
	211.95	343.46
Project Expenses	1,084.55	1,036.20
Commission Expenses	9,993.10	5,886.87
Communication Costs	0.43	0.92
Conveyance & Travelling Expenses	-	2.59
Penalty *	184.60	100.00
Transportation, Octroi and Loading / Unloading Charges	86.25	188.75
Rent, Rates and Taxes	67.60	95.50
TOTAL	11,628.48	7,654.28

*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, 2023 (continued)

Note 33 - Changes in Inventories

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
(a) At the beginning of the period		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	394.10	485.31
Less : Stock converted into Fixed Assets	-	-
	394.10	485.31
Less : at the end of the period		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	204.89	394.10
	204.89	394.10
TOTAL	189.20	91.21

Note 34 - Employee Benefits Expenses

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
(a) (i) Salaries & Wages	841.39	1,898.81
(ii) Directors' Remuneration	377.87	46.64
(iii) Contribution to Provident & Other Funds	26.80	64.39
(iv) Share-based Payment Expenses	57.24	(1,594.90)
(v) Directors' Sitting Fees	19.00	34.35
(vi) Staff Welfare Expenses	47.38	66.79
	1,369.68	516.07
TOTAL	1,369.68	516.07

(b) Detailed note on disclosure as required by Ind AS-19
For details, Refer Note No. 43.

Note 35 - Finance Costs

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
Interest Expense		
- On Bank Loans	151.53	-
	151.53	-
	151.53	-

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 36 - Other Expenses

Particulars			(₹ in lakhs)	
	For the year ended March 31, 2023		For the year ended March 31, 2022*	
Repairs & Maintenance :				
- Building	13.95		23.69	
- Vehicle	2.18		1.90	
- Others	160.20	176.33	54.73	80.32
Advertisement and Publicity		147.75		3.70
Business Promotion		17.48		17.02
Rates & Taxes		103.23		118.87
Insurance		22.99		60.06
Electricity Charges		50.66		48.59
Printing and Stationery		26.94		7.36
Communication Costs		70.49		62.01
Fees & Subscriptions		17.93		17.06
Listing, Registrar & Share Issue/Transfer Charges		44.33		58.53
Loss on Foreign Exchange Fluctuation		0.08		0.03
Loss on Sale of Asset		26.06		-
Legal & Professional Fees - Other than payments to Auditor:				
- Legal & Professional	347.00		359.04	
- Filing, Stamp Duty and Franking Charges	14.52	361.52	27.34	386.38
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	1.32	76.32	1.65	76.65
Conveyance & Travelling		90.11		30.23
Vehicle Expenses		12.44		10.57
Corporate Social Responsibility Expenditure (Refer Note 40)		181.30		135.74
Office & General Expenses		43.50		37.76
Allowance for credit losses				
- Opening Allowances	(407.96)		(597.47)	
- Less : Bad Debts written off	295.17		-	
- Less : Closing Allowances	(21.57)	(91.22)	(407.96)	(189.51)
Miscellaneous Expenses		7.27		61.96
TOTAL		1,385.50		1,023.33

Note 37 - Exceptional Item

Particulars			(₹ in lakhs)	
	For the year ended March 31, 2023		For the year ended March 31, 2022*	
- Net Loss on disposal of Property plant and equipment		-		(168.66)
TOTAL		-		(168.66)

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, 2023 (continued)

Note 38 - Earnings Per Equity Share

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
(a) Net profit after tax attributable to equity shareholders for Basic EPS	60.01	(998.46)
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	60.01	(998.46)
(b) Weighted average no. of equity shares (in lakhs) outstanding during the year		
For Basic EPS	10,595.00	10,594.12
For Diluted EPS	10,596.72	10,596.87
(c) Face Value per Equity Share (₹)	1.00	1.00
Basic EPS (₹)	0.01	(0.09)
Diluted EPS (₹)	0.01	(0.09)
(d) Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS		
No. of shares used for calculating Basic EPS	10,595.00	10,594.12
Add: Potential equity shares	1.72	2.75
No. of shares used for calculating Diluted EPS	10,596.72	10,596.87

Note 39 - Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Contingent Liabilities		
(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	127.57	178.00
(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	125.00
(iv) Demand raised by VAT/GST (Refer Note 1 below)	34,074.79	-
(A)	34,327.36	303.00
(B) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) (Refer Note 2 below)	-	59,001.30
(B)	-	59,001.30
TOTAL (A + B)	34,327.36	59,304.30

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note :

- The Company has received demand orders from Rajasthan VAT/SGST department for the period from 01.04.2017 to 31.03.2019 for the above amounts (interest and penalty thereon to be computed additionally) citing incorrect Schedule/HSN code of e-governance activities. However, the company has been complying with the relevant compliance procedure according to the said schedule/HSN code over the years. The same e-governance activities and its schedule/HSN code has also been assessed and accepted by other GST and Sales Tax departments including Rajasthan CGST audit and Maharashtra SGST investigation department. Therefore, the company has filed a writ petition in Rajasthan High Court against the said impugned order. The company is confident that the said order will be quashed, and the decision will be in favor of company.
- For Capital Commitment ,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, 2023	For the year ended March 31, 2022
a) Gross Amount required to be spent by the company during the year	181.30	135.74
b) Amount of expenditure incurred on:		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	124.89	135.74
c) Shortfall at the end of the year	56.41	-
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: As at March 31, 2023, the Company has ₹ 650.05 lakhs in unspent CSR account.

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".

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

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
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
Mr. Ajay Jangid	Chief Financial Officer
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)

(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	Director - Subsidiary and Daughter of Managing Director & Group CEO
- Mr. Vedant Nandwana	Director - Subsidiary and Son of Managing Director & Group CEO
- Mr. Ammeet Sabarwal	Director - Subsidiary
- VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited)	Common 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, 2023	March 31, 2022
Vakrangee e-Solutions Inc.	Phillipines	100%	100%
Vakrangee Finserve Limited	India	100%	100%
Vakrangee Digital Ventures Limited	India	100%	100%

Related Party Transactions

- In relation to (a)

Nature of Transactions	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration to Key Managerial Personnel		
- Dinesh Nandwana	78.16	48.00
- Dr. Nishikant Hayatnagarkar	16.39	11.31
- Ajay Jangid	36.33	26.63
- Jay Bhansali	-	3.60
- Sachin Khandekar	11.49	4.36

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Nature of Transactions	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Post-employment benefits to Key Managerial Personnel		
- Dinesh Nandwana	111.36	18.69
- Dr. Nishikant Hayatnagarkar	23.18	20.00
- Ajay Jangid	3.76	0.65
- Sachin Khandekar	0.99	0.21
Directors Sitting Fees		
- Ramesh Mulchand Joshi	2.75	4.95
- Sunil Agarwal	2.75	5.00
- Babulal Meena	2.75	4.95
- Sujata Chattopadhyay	2.50	4.50
- Avinash Chandra Vyas	3.00	5.45
- Ranbir Datt	2.50	4.50
- Hari Chand Mittal	2.75	5.00
Balance outstanding as on March 31 : (Expenses and Salaries Payable)		
- Dinesh Nandwana	5.82	4.00
- Dr. Nishikant Hayatnagarkar	0.97	0.97
- Ajay Jangid	0.97	1.86
- Sachin Khandekar	0.88	0.68

- In relation to (b)

Nature of Transactions	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Reimbursement of Expenses Paid		
- Vedant Nandwana	0.01	1.95
Employee Benefit Expenses		
- Divya Nandwana	-	16.68
- Vedant Nandwana	-	6.95
- Ameet Sabarwal	106.21	102.67
Purchase of Support Services		
- VL E-Governance & IT Solutions Limited	-	18.50
Balance outstanding as on March 31 :		
- Vedant Nandwana (Expenses and Salaries Payable)	0.01	-
- Ameet Sabarwal	5.98	8.85
- VL E-Governance & IT Solutions Limited (Pursuant to Demerger) (Payable)"	-	2,194.22
- VL E-Governance & IT Solutions Limited (Receivable)	2,463.37	-

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

- In relation to (c)

Nature of Transactions	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales of Support Services		
- Vakrangee Finserve Limited	540.00	496.15
- Vakrangee Digital Ventures Limited	492.11	43.34
Purchase of Support Services		
- Vakrangee Digital Ventures Limited	203.29	34.37
Margin Money against Guarantee issued by Bank		
- Vakrangee Finserve Limited	125.00	125.00
Balance Outstanding as on March 31 :		
- Vakrangee Finserve Limited (Trade Receivable)	-	50.50
- Vakrangee Digital Ventures Limited (Trade Payable)	-	22.71
- Vakrangee Digital Ventures Limited (Loan Receivable)	176.34	-

Note 43 - Employee Benefit Obligations**(i) Leave obligations**

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 240.82 lakhs (March 31, 2022 - ₹ 169.36 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 ₹ 51.09 lakhs (March 31, 2022 - ₹ 57.35 lakhs).

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (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:

Particulars	(₹ in lakhs)		
	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-21	408.09	(313.95)	94.14
Current Service cost	80.25	-	80.25
Past Service Cost	-	-	-
Interest expense/(income)	25.58	(21.98)	3.60
Total amount recognised in profit and loss	105.83	(21.98)	83.85
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)
Total amount recognised in other comprehensive income	(13.90)	10.92	(2.98)
Employer contributions	-	(20.00)	(20.00)
Benefit payments	(204.96)	204.96	-
31-Mar-22	295.06	(140.05)	155.01

Particulars	(₹ in lakhs)		
	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-22	295.06	(140.05)	155.01
Current Service cost	41.38	-	41.38
Past Service Cost	-	-	-
Interest expense/(income)	19.97	(10.26)	9.71
Total amount recognised in profit and loss	61.36	(10.26)	51.10
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	(0.14)	(0.14)
(Gain)/loss from change in financial assumptions	1.19	4.07	5.26
Experience (gains)/losses	(6.52)	-	(6.52)
Total amount recognised in other comprehensive income	(5.33)	3.93	(1.40)
Employer contributions	-	(2.60)	(2.60)
Benefit payments	(36.25)	36.25	-
31-Mar-23	314.84	(112.74)	202.10

The net liability disclosed above relates to funded plans are as follows

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

(₹ in lakhs)

Particulars	31-Mar-23	31-Mar-22
Present value of funded obligations	314.84	295.06
Fair value of plan assets	(112.74)	(140.05)
Deficit/(Surplus) of gratuity plan	202.10	155.01

Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

Particulars	31-Mar-23	31-Mar-22
Discount rate	7.19%	7.24%
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-23	31-Mar-22		31-Mar-23	31-Mar-22	
Discount rate	1%	1%	Decrease by	7%	7%	
Salary growth rate	1%	1%	Increase by	7%	7%	

Particulars	Change in assumption		Impact on defined benefit obligation			
			Decrease in assumption			
	31-Mar-23	31-Mar-22		31-Mar-23	31-Mar-22	
Increase by	1%	1%	Increase by	8%	9%	
Decrease by	1%	1%	Decrease by	6%	6%	

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 foh;at

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.

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

*The major categories of plans assets are as follows :

Particulars	In Percentage %	
	31-Mar-23	31-Mar-22
Equity instruments	9.95	9.68
Debt instruments	89.04	86.30
Government bonds	80.03	67.56
Corporate bonds/debentures	9.01	18.74
Asset backed securities	-	-
Cash and cash equivalents	1.01	4.02
Total	100.00	100.00

*The Company contributes all the ascertained liabilities towards gratuity to Life Insurance Corporation of India (LIC) which is the insurer- managed fund. Since the investments in the plan assets is managed by LIC the detailed breakup of the investments is not made available to the Company.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

Investment risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Most of the plan asset investment is in fixed income securities with high grades and in government securities which are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company intends to maintain the above investment mix in the continuing years.
Interest risk	A decrease in the market yields in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's.
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.

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-23		31-Mar-22	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	42.20	15,35,200	79.48	32,13,675
Granted during the year	30.46	2,71,800	42.70	11,15,300
Exercised during the year	14.48	13,500	26.27	94,150
Lapsed / cancelled during the year	19.57	2,00,475	113.53	26,99,625
Closing Balance	40.52	15,93,025	42.20	15,35,200
Vested and exercisable	50.53	3,30,200	50.61	3,41,800

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2023 was ₹ 18.56 (March 31, 2022 : ₹ 30.70).

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-23	31-Mar-22
26-11-2014	26-11-2023	32.35	30,425	32,225
11-03-2016	10-03-2025	56.54	2,62,525	2,72,325
26-07-2017	25-07-2026	109.40	-	-
26-10-2017	25-10-2026	137.33	-	-
09-01-2018	08-01-2027	202.28	-	-
13-04-2018	12-04-2027	69.85	-	-
10-07-2018	09-07-2027	25.93	37,300	53,500
05-10-2018	04-10-2027	14.38	13,200	21,700
03-01-2019	02-01-2028	18.03	9,550	12,150
15-04-2019	14-04-2028	32.95	2,400	2,400
10-07-2019	09-07-2028	17.95	18,175	18,175
09-10-2019	08-10-2028	14.18	23,050	39,825
11-01-2022	10-01-2030	42.70	9,47,600	10,82,900
26-04-2022	25-04-2030	34.55	29,000	-
20-07-2022	19-07-2030	29.75	43,900	-
03-11-2022	02-11-2030	34.00	46,400	-
20-02-2023	19-02-2031	23.55	1,29,500	-
Total			15,93,025	15,35,200

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Fair value of options granted

The fair value at respective grant date of options granted during the year ended March 31, 2023 was ₹ 15.28, ₹ 18.08, ₹ 21.00, ₹ 13.94 respectively. 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 model inputs for options granted during the year ended March 31, 2023 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, 2023			
b) Exercise price	34.55	29.75	34.00	23.55
c) Grant date	26-04-2022	20-07-2022	03-11-2022	20-02-2023
d) Expiry date	25-04-2030	19-07-2030	02-11-2030	19-02-2031
e) Share price at grant date (₹)	34.80	29.90	34.05	23.40
f) Expected price volatility of the company's shares	53.55%	60.58%	61.49%	58.83 %
g) Expected dividend yield	0.25%	0.12 %	0.12 %	0.12 %
h) Risk free interest rate	7.05%	6.87%	7.41 %	7.37 %
i) Fair value (₹)	15.28	18.08	21.00	13.94%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

- j) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

Particulars	(₹ in lakhs)	
	March 31, 2023	March 31, 2022
Employee Stock Option Plan	57.24	(1,594.90)

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:

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

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, 2023 were as follows:

(₹ in lakhs)						
Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	176.34	-	-	176.34	-	-
Trade Receivables	180.80	-	-	180.80	-	-
Cash & Cash equivalents	2,381.24	-	-	2,381.24	-	-
Other Bank Balances	877.81	-	-	877.81	-	-
Short Term Loans	1.81	-	-	1.81	-	-
Other Financial Assets	2,992.60	-	-	2,992.60	-	-
Investments*	-	299.01	-	299.01	-	299.01
TOTAL	6,610.60	299.01	-	6,909.60	-	299.01

(₹ in lakhs)						
Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	5,777.05	-	-	5,777.05	-	-
Trade Payables	1,661.15	-	-	1,661.15	-	-
Other Financial Liabilities	6,622.49	-	-	6,622.49	-	-
TOTAL	14,060.69	-	-	14,060.69	-	-

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	169.17	-	-	169.17	-	-
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
TOTAL	5,722.77	240.57	-	5,963.34	-	240.57
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	2,357.34	-	-	2,357.34	-	-
Other Financial Liabilities	8,930.03	-	-	8,930.03	-	-
TOTAL	11,287.37	-	-	11,287.37	-	-

*excluding Investments in Subsidiary Companies ₹ 1,597.00 lakhs (March 31, 2022 : ₹ 1,597.00 lakhs) measured at cost.

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

(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, 2023	March 31, 2022
Age of receivables		
Within the credit period	88.48	137.10
1-90 days past due	38.77	6.76
91-180 days past due	19.55	14.51
181-270 days past due	34.00	0.51
More than 270 days past due	23.20	418.25
Total	204.00	577.13
Movement in the expected credit loss allowance		
Balance at beginning of the year	407.96	597.47
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(409.59)	(189.51)
Total	(1.63)	407.96

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (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, 2023	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	37.11	1,242.89	-	1,280.00
Current borrowings	4,497.05	-	-	4,497.05
As on March 31, 2022	< 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
US Dollar (USD)	-	-	-	-

Foreign Currency Exposure

Particulars	USD in Lakhs	
	March 31, 2023	March 31, 2022
	Trade Receivables	-
Loans Receivable	-	-
TOTAL	-	-

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

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, 2023		For year ended March 31, 2022	
	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 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, 2023	As at March 31, 2022
" - Vakrangee Digital Ventures Limited (Purpose of loan is to provide financial assistance and support to the subsidiary company)"	176.34	-
	176.34	-

(ii) Details of Investment in Subsidiaries

Name of Subsidiaries	No. of Shares as at year-end	% of shareholding
Vakrangee e-Solutions Inc. (incorporated in Philippines)	96,000	100%
Vakrangee Finserve Limited	1,50,00,000	100%
Vakrangee Digital Ventures Limited	1,00,000	100%

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

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:

Particulars	(₹ in lakhs)	
	For year ended March 31, 2023	For year ended March 31, 2022
Profit before income taxes	227.55	(887.67)
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	57.27	(223.41)
Effect of non-deductible expenses	1.51	(476.38)
Others	-	-
Income Tax expense of current year	58.78	-
Earlier year tax expenses	-	14.81
Current Income Tax expense	58.78	14.81

- (b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2023 and March 31, 2022 :

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Current Income Tax Liabilities	-	-
Income Tax Assets	485.77	51.50
Net current income tax liabilities / (assets) at the end	(485.77)	(51.50)

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, 2023	For year ended March 31, 2022
Net current income tax liability / (asset) at the beginning	(51.50)	182.28
Income Tax paid	(493.05)	(248.58)
Current Income Tax expense	58.78	14.81
Net current income tax liability / (asset) at the end	(485.77)	(51.50)

- (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, 2023	For year ended March 31, 2022
Net deferred income tax liability at the beginning	154.83	58.10
Movements relating to temporary differences	108.76	95.98
Temporary differences on other comprehensive income	(17.30)	0.75
Net deferred income tax liability at the end	246.28	154.83

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 48 - Ageing of Trade Receivable

Trade receivables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022:

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	88.48	-	-	-	-	88.48
Undisputed Trade receivables – which have significant increase in Credit Risk	137.10	-	-	-	-	137.10
Undisputed Trade receivables – credit impaired	56.69	34.00	-	-	-	90.69
Disputed Trade receivables – considered good	21.22	1.24	-	-	-	22.46
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total Trade Receivables	-	36.68	-	380.89	-	417.57
Less: Allowance for credit loss	-	-	-	-	-	-
Net Trade Receivables	145.17	34.00	-	-	-	179.17
	158.32	37.92	-	380.89	-	577.13
						(1.63)
						407.96
						180.80
						169.17

Note 49 - Ageing of Trade Payable

Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

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	243.68	-	-	-	243.68
Others	102.35	-	-	-	102.35
Total trade payables	1,395.69	21.78	-	-	1,417.47
	2,247.22	7.77	-	-	2,254.99
	1,639.37	21.78	-	-	1,661.15
	2,349.57	7.77	-	-	2,357.34

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 50 - Scheme of Arrangement

The Board of Directors at their meeting held on November 12, 2021, considered and approved to restructure the business 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 and IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) ("Resulting Company") on a going concern basis. Pursuant to the Regulation 37 of the LODR, the Company has obtained No Objection Letter from the BSE and NSE vide their letter dated March 11, 2022 and subsequently, an application was made to the National Company Law Tribunal (NCLT) for further directions.

Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal, Mumbai Bench, vide its Order dated May 19, 2023 ('Order') with effect from the Appointed Date, i.e. April 1, 2021, the business of E-Governance and IT/ITES stands transferred to and vested in VL E-Governance and IT Solutions Limited as a going concern. In accordance with Sections 230 to 232 of the Companies Act, 2013, the Company filed the NCLT Order with Ministry of Company Affairs (MCA) on May 26, 2023. Consequent to the filing, the scheme became effective from May 26, 2023.

The Scheme has been given effect to in these financial statements by transferring the carrying amount of assets and liabilities pertaining to the Demerged Undertaking with effect from the Appointed Date to the Resulting Company with the corresponding debit to the Other Equity.

Consequent to the above, the comparative information of the Company for the year ended March 31, 2022 is restated from the published financial statements to give the impact of the Scheme. Provision for tax for the accounting periods commencing from April 1, 2021 has been recomputed post giving effect to the Scheme.

Detail of Assets and Liability of Demerged Undertaking that are being transferred

Assets	Amount (₹ in Lakhs)
Loans	2,657.46
Capital Advances	59,595.00
Trade Receivable	1,07,762.59
Other Current Assets	86,641.99

Liabilities	Amount (₹ in Lakhs)
Trade Payable	589.87

Note 51 - Statutory Information

- There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- The Company has not entered into any transactions with struck off companies during the year.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, 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. Further, the Company has not received any funds from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly,

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

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.

- (g) The Company has complied with the number of layers prescribed under clause (87) of the Section of the Companies Act read with the Companies (Restrictions on Number of Layers) Rule, 2017.
- (h) The Company is not declared wilful defaulter by bank or financial institutions or any lender during the financial year.
- (i) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (j) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Note 52 - Relationship with Struck-off Companies

(No. of Share in Lakhs)

Name of Struck off Company	Nature of Transaction	Balance outstanding at the end of the year as at March 31, 2023	Relationship with the Struck off company, if any, to be disclosed
Om Procurments and Projects Limited	Shares held by struck off company	0.001	Shareholder
Sandakan Investment Private Limited	Shares held by struck off company	0.100	Shareholder

Note 53 - Ratio Analysis

The following are the analytical ratios for the year ended March 31, 2023 and March 31, 2022:

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance
Current Ratio	Total Current assets	Total Current liabilities	0.60	0.50	21.00 %
Debt-Equity Ratio	Total Debt (including borrowings & lease liabilities)	Total Equity	0.76	-	100.00 %
Note: Due to the introduction of new borrowed funds in the current financial year, the ratio has increased.					
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	0.08	NA	100.00 %
Note: The Company has taken Borrowings during the current year, hence the ratio has increased.					
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.77 %	(0.74)%	203.86 %
Note: Due to increase in profit , the ratio has increased.					
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	1.41	2.02	(30.21)%

Standalone Financial Statements

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance
Note: Due to decrease in Cost of Goods Sold and Inventory, the ratio has decreased.					
Trade receivables turnover ratio	Revenue	Average Trade Receivable	94.02	0.20	47073.72 %
Note: While computing, Average trade receivables as at March 31, 2022, trade receivables pre demerger for March 2021 has been taken and accordingly the ratio is affected.					
Trade payables turnover ratio	Total Purchases	Average Trade Payable	0.13	0.47	(72.01)%
Note: Due to significant decrease in Purchases, the ratio has decreased.					
Net capital turnover ratio	Revenue	Working Capital	(3.04)	(1.35)	124.61 %
Note: Due to significant increase in Revenue and decrease in Working Capital, the ratio has increased.					
Net profit ratio	Net Profit	Revenue	0.36 %	(9.30)%	103.92 %
Note: Due to significant increase in Net Profit, the ratio has increased.					
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	14.42 %	10.24 %	(40.84)%
Note: Due to significant increase in EBITDA and Capital Employed, the ratio has increased.					
Return on Investment(ROI)	Income generated from investments	Average invested fund	24.61 %	10.24 %	(140.43)%
Note: Due to significant increase in EBITDA and decrease in Net Worth, the ratio has increased.					

Notes forming part of Standalone Financial Statements

for the year ended March 31, 2023 (continued)

Note 54 - Previous year figures

The standalone 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.

The accompanying notes are an integral part of the Standalone Financial Statements.
As per our report of even date attached.

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership No.: 146268

Place : Mumbai
Date : May 30, 2023

For and on behalf of the Board of Directors
Vakrangee Limited
CIN : L65990MH1990PLC056669

Ramesh Joshi
Chairman
DIN : 00002683

Place : Mumbai
Date : May 30, 2023

Dinesh Nandwana
Managing Director & Group CEO
DIN : 00062532

Ajay Jangid
Chief Financial Officer

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Sachin Khandekar
Company Secretary

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Vakrangee Limited Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of **VAKRANGEE LIMITED** (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash flows, and Consolidated Statement of Changes in equity for the year then ended on that date, and notes to the Consolidated Financial Statements, including 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 consideration of reports of management and other auditors on separate financial statements and on the other financial information of the subsidiaries read with the note on accounting for Demerger as described in the Emphasis of Matter paragraph below, 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 ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023, the consolidated profit, the consolidated total comprehensive income, the consolidated changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of

the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 reports.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

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)

The Group 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 judgment 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.

The 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 Statements.

2. Expected Credit Loss

As described in Note 2 (B) (xi) (d) of the consolidated financial statements for the year ended March 31, 2023. The management of the Group 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 customers' business operations/ ability to pay dues. Based on such analysis the Group

has recorded an allowance aggregating to ₹ 21.57 lakhs as at March 31, 2023, considered in Note 7 & 11 of the Consolidated Financial Statements. We identified allowance for credit losses as a key audit matter because the Group 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 Group. 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 Group'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 Group.
- 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

Emphasis of Matter

We draw attention to Note 50 to the consolidated financial statements, regarding the Scheme of Arrangement for Demerger (the "Scheme") whereby the E-Governance & IT/ ITES Business (Demerged Undertaking) of the Holding Company (the "Demerged Company") stands transferred to and vested in VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) (the "Resulting Company") on a going concern basis.

The Hon'ble National Company Law Tribunal (the "NCLT") has approved the Scheme vide its Order dated May 19, 2023 and filed with the Ministry of Corporate Affairs (MCA) on May 26, 2023.

In accordance with the Scheme approved by the NCLT, the Holding Company has given effect to the scheme from appointed date specified therein i.e. April 01, 2021, and accordingly, the comparative financial information of the Holding Company for the year ended March 31, 2022 has been restated.

Our opinion on the consolidated financial statements is not modified in respect of these matters.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position,

consolidated financial performance including 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, including the accounting Standards specified under section 133 of the Act. . 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 the 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 the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and the Board of Directors of the entities included in the Group is responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is also responsible for overseeing the financial reporting process of each entity.

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group 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 of Holding Company 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 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 disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, 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 and certified by the management, such other auditors and management remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 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

1. We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 6,397.12 lakhs as at March 31, 2023, total revenues of ₹ 3,801.44 lakhs for the year ended March

Consolidated Financial Statements

31, 2023, total net profit after tax of ₹ 21.83 lakhs, total comprehensive income of ₹ 21.83 lakhs and net cash (outflows) ₹ 331.55 lakhs for the year ended March 31, 2023, whose financial statements / information have been audited by its respective independent auditor as considered in the consolidated financial statements. The independent auditors' report on financial statements / information of this entity has been furnished to us and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this entity, in terms of sub-section (3) of Section 143 of the Act is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

2. The Consolidated Financial Statements also include the Group's share of total assets of ₹ 3,510.02 lakhs, total revenue of ₹ Nil, net profit/ (loss) after tax of ₹ 29.75 lakhs and total comprehensive income of ₹ 29.75 lakhs for the year ended March 31, 2023 respectively, in respect of one subsidiary located outside India, as considered in the Consolidated Financial Statements, based on their financial statements / information which have not been audited by their auditors, which are certified by the Management.

Our opinion above on the Consolidated Financial Statements, 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.

3. The Consolidated Financial Statements of the Group for the year ended March 31, 2022 was audited by another firm of Chartered Accountants, who vide their report dated May 13, 2022, expressed an unmodified opinion.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by 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 / the other auditors whose report we have relied upon 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, relating to the 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 other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated Total Comprehensive Income), the Consolidated Statement of Cash Flows, and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards 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 of Holding Company as on March 31, 2023 taken on record by the Board of Directors of Holding Company, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) In our opinion, and according to the information and explanations given to us, and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023, has been paid / provided by the Holding Company and its subsidiaries to its directors 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, in our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

- i. The Group does not have any pending litigations which would impact its financial position except as referred in 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, 2023.
- iii. There has been no delay in transferring amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Group for the year ended March 31, 2023.
- 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 Group 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 Group ("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 Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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/ or its subsidiaries is in compliance with section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Holding Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in paragraph 3(xxi) 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, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Dhiraj Lalpuria
Partner
Membership Number: 146268
UDIN : 23146268BGVPSK7635

Place : Mumbai
Date : May 30, 2023

Consolidated Financial Statements

Annexure "A" to the Independent Auditor's Report (Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VAKRANGEE LIMITED)

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")

We have audited the internal financial controls over financial reporting of **Vakrangee Limited** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Management and Board of Directors of the Holding Company, its subsidiaries incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 Institute Chartered Accountants of India ("the 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 Holding Company and its subsidiaries based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India (ICAI). Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting with reference to these financial statements 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 Control 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:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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 authorizations of management and directors of the company; and

- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions 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 subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls

system over financial reporting with reference to consolidated financial statements and such internal financial controls over financial reporting with reference to consolidated financial statements were operating effectively as at March 31, 2023, 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 S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Dhiraj Lalpuria
Partner
Membership Number: 146268
UDIN: 23146268BGVPSK7635

Place: Mumbai
Date: May 30, 2023

Consolidated Financial Statements

Consolidated Balance Sheet

as at 31 March 2023

(₹ in lakhs)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022*
I ASSETS			
1 Non - Current Assets			
Property Plant and Equipment	4	12,709.02	13,853.34
Capital Work-in-Progress	4	347.21	197.45
Other Intangible Assets	5	-	-
Intangible Assets under development	5	434.79	434.79
Financial Assets			
(i) Investments	6	299.01	240.57
(ii) Trade Receivables	7	-	9.61
(iv) Other Financial Assets	8	238.60	537.61
Other Non - Current Assets	9	868.70	483.69
Total Non-current Assets		14,897.33	15,324.40
2 Current Assets			
Inventories	10	220.84	410.46
Financial Assets			
(i) Trade Receivables	11	4,007.49	4,215.96
(ii) Cash and Cash equivalents	12	2,588.26	4,743.63
(iii) Bank Balances other than (ii) above		987.25	924.13
(iv) Loans	13	1.81	1,244.23
(v) Other Financial Assets	14	2,861.40	10,446.21
Current Tax Assets (Net)	15	218.95	664.43
Other Current Assets	16	4,023.13	11,792.38
Total Current Assets		14,909.13	18,015.28
TOTAL		29,806.46	33,339.68
II EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	17	10,595.13	10,595.00
Other Equity	18	1,789.97	2,196.78
Total Equity		12,385.10	12,791.78
2 Liabilities			
(i) Non - Current Liabilities			
Financial Liabilities			
(i) Borrowings	19	1,242.89	-
(ii) Trade Payables	20	-	-
- Dues of micro enterprises and small enterprises		-	-
- Dues of Creditors other than micro enterprises and small enterprises		2.77	12.04
(iii) Other Financial Liabilities	21	1,420.71	2,666.37
Deferred Tax Liabilities (net)	22	246.28	41.28
Employee Benefit Obligations	23	335.71	53.32
Total Non-Current Liabilities		3,248.36	516.07
(ii) Current Liabilities			
Financial Liabilities			
(i) Borrowings	24	4,534.16	2,726.81
(ii) Trade Payables	25	-	-
- Dues of micro enterprises and small enterprises		243.68	102.35
- Dues of Creditors other than micro enterprises and small enterprises		1,580.62	2,658.42
(iii) Other Financial Liabilities	26	5,201.78	11,560.24
Other Current Liabilities	27	827.75	8,888.75
Provisions	28	1,677.78	14,376.33
Employee Benefit Obligations	29	107.23	3,804.22
Current Tax Liabilities	30	-	1,780.50
Total Current Liabilities		14,173.00	20,031.83
Total Liabilities (i +ii)		17,421.36	20,547.90
TOTAL		29,806.46	33,339.68
Summary of Significant Accounting Policies	1-3		
The accompanying notes are an integral part of the Consolidated Financial Statements.	4-55		

*Restated pursuant to demerger (Refer Note 50)
As per our report of even date attached

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership No.: 146268

Place : Mumbai
Date : May 30, 2023

For and on behalf of the Board of Directors
Vakrangee Limited
CIN : L65990MH1990PLC056669

Ramesh Joshi
Chairman
DIN : 00002683

Ajay Jangid
Chief Financial Officer

Dinesh Nandwana
Managing Director & 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, 2023

Particulars	Note No.	(₹ in lakhs)	
		For the year ended March 31, 2023	For the year ended March 31, 2022*
I Income			
Revenue from Operations	31	19,730.23	19,380.68
Other Income	32	140.25	354.26
Total Income		19,870.48	19,734.95
II Expenses			
Operating Expenses	33	14,546.13	14,763.20
Purchase of Stock-in-Trade		50.68	825.43
Changes in Inventories	34	189.20	91.21
Employee Benefits Expense	35	1,531.44	667.23
Finance Costs	36	151.53	
Depreciation and Amortization Expense	4,5	1,551.36	1,545.57
Other Expenses	37	1,582.12	1,213.42
Total Expenses		19,602.46	19,106.06
III Profit Before Tax and exceptional Items		268.02	628.88
IV Exceptional Items	38	-	(168.66)
V Profit Before Tax		268.02	460.22
VI Tax Expense:			
(a) Current Tax		58.78	363.82
(b) Deferred Tax		108.76	95.98
		167.54	459.80
VII Profit for the year		100.48	0.42
VIII Other Comprehensive Income			
Items that will be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		14.83	4.81
Items that will not be reclassified subsequently to profit or loss			
i) Fair value gain on financial instrument at fair value through OCI		-	-
ii) Remeasurement of net defined benefit obligations (net of taxes)		(51.44)	2.22
Other Comprehensive Income (net of tax)		(36.61)	7.03
Total Comprehensive Income for the period		63.87	7.45
IX Weighted Average No. of equity shares for computing EPS (in lakhs)	39		
(1) Basic		10,595.00	10,594.12
(2) Diluted		10,596.72	10,596.87
X Earnings Per Equity Share (Face Value ₹ 1/- Per Share):	39		
(1) Basic (₹)		0.01	0.00
(2) Diluted (₹)		0.01	0.00
Summary of Significant Accounting Policies	1-3		
The accompanying notes are an integral part of the Consolidated Financial Statements.	4-55		

*Restated pursuant to demerger (Refer Note 50)

As per our report of even date attached

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership No.: 146268

Place : Mumbai
Date : May 30, 2023

For and on behalf of the Board of Directors
Vakrangee Limited
CIN : L65990MH1990PLC056669

Ramesh Joshi
Chairman
DIN : 00002683

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Managing Director & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Sachin Khandekar
Company Secretary

Consolidated Financial Statements

Consolidated Cash Flow Statement

for the year ended March 31, 2023

Sr. Particulars No.	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
I Cash flow from operating activities		
Profit before tax from continuing operations	268.02	460.20
Profit before tax	268.02	460.20
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment	1,551.36	1,545.57
Depreciation of investment properties	-	-
Employee share based payment expenses	57.24	(1,594.90)
Net foreign exchange differences	0.11	0.06
Allowance for credit losses	(589.21)	(189.51)
Fair value gain on financial instrument at fair value through Profit and loss	(58.44)	(101.72)
Remeasurement of defined benefit obligations	(68.74)	2.97
Gain on disposal of property, plant and equipment	26.06	168.22
Effect pursuant to demerger	-	(2,51,288.11)
Effect pursuant to derecognition of subsidiary	-	294.59
Interest income	(50.44)	(228.13)
Dividend income	(1.50)	(1.50)
Operating profit before working capital changes	1,134.45	(2,50,932.25)
Movements in assets and liabilities :		
Decrease / (increase) in inventories	189.63	86.76
Decrease / (increase) in trade receivables	807.29	1,07,995.15
Decrease / (increase) in loans and other financial assets	(772.58)	1,484.18
Decrease / (increase) in other current assets	1,743.37	87,255.03
Decrease / (increase) in other non-current assets	(327.55)	59,618.75
Increase / (decrease) in trade payables	(945.76)	(655.33)
Increase / (decrease) in employee benefit obligations	110.34	(24.44)
Increase / (decrease) in provisions	(102.73)	645.78
Increase / (decrease) in other financial liabilities	(2,307.54)	803.14
Increase / (decrease) in other current liabilities	(2,976.46)	(3,431.87)
Cash generated from operations	(3,447.56)	2,844.91
Income taxes paid (net of refunds)	(714.06)	(697.70)
Net cash flow from operating activities (A)	(4,161.62)	2,147.21
II Cash flow from investing activities		
Purchase of property, plant and equipment, including CWIP	(820.85)	(756.60)
Proceeds from sale of property, plant and equipment	238.00	607.91
Proceeds from sale of investments	-	-
Decrease in foreign currency translation reserve	14.83	4.81
Interest received	50.44	228.13
Dividends received	1.50	1.50
Net cash flow from/(used in) investing activities (B)	(516.08)	85.74

Consolidated Cash Flow Statement

for the year ended March 31, 2023

Sr. Particulars No.	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
III Cash flow from financing activities		
Proceeds from borrowings	3,050.24	-
Proceeds from issue of shares	0.14	0.94
Proceeds towards securities premium on issue of shares	1.82	23.80
Proceeds/(Repayment) of Borrowings		2,726.81
Dividends paid to company's shareholders	(529.75)	(1,059.41)
Net cash flow (used in) in financing activities (C)	2,522.44	1,692.14
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(2,155.26)	3,925.09
Effects of exchange rate changes on cash and cash equivalents	(0.11)	(0.06)
Cash and cash equivalents at the beginning of the year	4,743.63	818.59
Cash and cash equivalents at the end of the year	2,588.26	4,743.63

* Restated pursuant to demerger (Refer Note 50)

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Summary of Significant Accounting Policies 1-3

The accompanying notes are an integral part of the Consolidated Financial Statements. 4-55

*Restated pursuant to demerger (Refer Note 50)

As per our report of even date attached

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership No.: 146268

Place : Mumbai
Date : May 30, 2023

For and on behalf of the Board of Directors
Vakrangee Limited
CIN : L65990MH1990PLC056669

Ramesh Joshi
Chairman
DIN : 00002683

Ajay Jangid
Chief Financial Officer

Dinesh Nandwana
Managing Director & 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, 2023

Particulars	(₹ in lakhs)									Total equity attributable to equity holders of the Company
	Equity Share Capital	Reserves and surplus				Other Equity				
		Securities premium reserve	Retained earnings	General Reserve	Amalgamation Reserve / Capital Reserve	Share Options Outstanding Account	Equity instruments through other comprehensive income	Other items of other comprehensive income	Foreign Currency Translation Reserve	
Balance as at March 31, 2021	10,594.06	42,746.84	1,95,441.61	18,268.04	-	1,838.33	-	(3,099.59)	618.74	2,66,408.04
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	-	-	0.41	-	-	-	-	-	-	0.41
Dividends (including corporate dividend tax)	-	-	(1,059.41)	-	-	-	-	-	-	1059.41
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	-	-	-	-	-	-	-	-	4.81	4.81
Add : On derecognition of subsidiary	-	-	294.59	-	-	-	-	-	-	294.59
Less: Transfer on demerger	-	-	(1,84,070.72)	(17,455.33)	(49,762.68)	-	-	-	-	(2,51,288.73)
Balance as at March 31, 2022	10,595.00	42,804.29	10,606.48	812.72	(49,762.68)	209.78	-	(3,097.37)	623.55	12,791.78
Increase in share capital on account of conversion of ESOPs	0.14	-	-	-	-	-	-	-	-	0.14
Amount received on shares issued during the year	-	1.82	-	-	-	-	-	-	-	1.82
Transferred from Share Options Outstanding Account	-	2.73	-	-	-	(2.73)	-	-	-	-
Profit for the year	-	-	100.49	-	-	-	-	-	-	100.49
Dividends (including dividend distribution tax)	-	-	(529.75)	-	-	-	-	-	-	(529.75)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	-	57.24	-	-	-	57.24
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	-	(51.44)	-	(51.44)
Exchange Translations	-	-	-	-	-	-	-	-	14.83	14.83
Balance as at March 31, 2023	10,595.13	42,808.84	10,177.22	812.72	(49,762.68)	264.30	-	(3,148.81)	638.38	12,385.10

Summary of Significant Accounting Policies 1-3
 The accompanying notes are an integral part of the Consolidated Financial Statements. 4-55

As per our report of even date attached

For S. K. Patodia & Associates
 Chartered Accountants
 Firm's Registration No. : 112723W

Dhiraj Lalpuria
 Partner
 Membership No.: 146268

Place : Mumbai
 Date : May 30, 2023

For and on behalf of the Board of Directors
 Vakrangee Limited
 CIN : L65990MH1990PLC056669

Ramesh Joshi
 Chairman
 DIN : 00002683

Ajay Jangid
 Chief Financial Officer

Dinesh Nandwana
 Managing Director & Group CEO
 DIN : 00062532

Dr. Nishikant Hayatnagarkar
 Whole-time Director
 DIN : 00062638

Sachin Khandekar
 Company Secretary

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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, namely BSE Limited (formerly known as the Bombay Stock Exchange) and National Stock Exchange of India (NSE).

Vakrangee Limited along with its subsidiaries, Vakrangee e-Solutions Inc. (Philippines), Vakrangee Finserve Limited and Vakrangee Digital Ventures Limited (hereinafter referred to as "Group") is engaged in providing diverse solutions, activities in 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 data digitization, software and license.

The Consolidated financial statements were authorized for issue by the Board of Directors on May 30, 2023.

Note 2 - Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These accounting policies have been consistently applied to all the years presented by the Group unless otherwise stated.

A. Basis of preparation

i. Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as "Ind AS") under the provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group has adopted the Ind AS in accordance with Ind AS 101 First time adoption of Ind AS was done during the year ended March 31, 2017.

The accounting policies have been consistently applied by the Group unless otherwise stated or where a newly issued accounting standard is initially adopted.

ii. Basis of Preparation

The consolidated financial statements have been prepared on historical cost basis except the following asset and liabilities which have been measured at fair value amount:

- certain financial assets and liabilities (including derivative instruments);
- defined benefit plans- plan assets; and
- Equity -settled Share Based Payments

The Consolidated Financial statements of the Group are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded off to Lakhs, except when otherwise indicated.

iii. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company, entities (including structured entities) controlled by the Company and its Subsidiaries.

Control is achieved when the Company

- has power over the investee.
- it is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to affect those returns through its power over the investee.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than the majority of the voting or similar rights of the investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee.
- rights arising from other contractual arrangements.
- the Group's voting rights and potential voting rights. In assessing control, potential voting rights that currently are exercisable are considered; and
- the size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Consolidated Financial Statements

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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

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for the year ended March 31, 2023

- 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, the 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 the 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 exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized 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

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for the year ended March 31, 2023

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 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.

Arrangements 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

v. Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replaced part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight-line method ("SLM"). Management, based on a technical evaluation, believes that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Useful lives
Buildings	60 years
Computers and Printers, including Computer Peripherals	3 years
Office Equipments	5 years
Furniture & Fixtures	10 years
Motor Vehicles	8 years
Plant & Machinery	15 years
ATM Machine	10 years
Leasehold Land and Building, including leasehold improvements (Also refer Note 4)	51 years
Project Assets (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,

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Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

ix. Investment property

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. After initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management expert.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

x. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

xi. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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for the year ended March 31, 2023

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 derecognized 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.

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for the year ended March 31, 2023

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

d) Impairment of financial assets

The Company recognises impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables or any contractual right to receive cash or other financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which considers historical credit loss experience and adjusted for forward-looking information.

Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate

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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

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is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial

direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

xiv. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

xv. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xvi. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

xvii. Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

xviii. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be

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for the year ended March 31, 2023

confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

xix. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equities shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

xx. Cash and Cash Equivalent

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xxi. Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other Long-term employee benefit obligations

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly

within 12 months after the end of the period in which the employee render the related service are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in Other comprehensive income.

The obligations are presented as current in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post- employment obligations

The Company operates the following post-employment schemes:

- I. Defined benefit plans such as gratuity
- II. Defined contribution plans such as provident fund.

Defined benefit plan - Gratuity Obligations

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation.

The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit

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obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

xxii. Share-based Payments

Shared based compensation benefits are provided to employees via Vakrangee Limited Employee Stock Option Plan.

Employee options

The cost of equity-settled transactions is determined by the fair value of the options granted at the date when the grant is made. The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the Company's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employee to save or holding shares for a specific period of time.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to be vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Note 3 (a) - Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made by the management of the Company that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

The estimates and associate's assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

• Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requiring determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 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

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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.

New Amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2013 which amends certain accounting standards, and are effective 1 April, 2023.

1. Ind AS 1 – Presentation of Financial Statements

Key Requirements: The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what material accounting policy; information is and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

2. Ind AS 8 – Accounting Policies, Changes in accounting estimates and errors

Key Requirements: The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates.

The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

3. Ind AS 12 – Income Taxes

Key Requirements: The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

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They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities, and
- Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

These amendments shall come into force with effect from April 01, 2023.

The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments, if applicable, from applicability date.

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Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

(a)	Description	Buildings	Plant and Machinery	Furniture and Fixtures	Motor Vehicle	Office Equipments	Computers including Computer Peripherals	Leasehold Land & Building	Leasehold Improvement	Total	Capital Work-In-Progress	Grand Total
	Cost or Valuation											
	At March 31, 2021	1,768.71	12,878.95	571.91	146.77	497.06	1,913.85	3,185.24	1,073.05	22,035.54	140.25	22,175.79
	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
	At March 31, 2022	915.82	12,414.99	571.91	192.63	402.19	1,927.41	3,185.24	1,073.05	20,683.24	197.45	20,880.70
	Additions	-	617.11	-	-	21.77	32.22	-	-	671.09	810.05	1,481.14
	Disposals/Transfers	276.76	-	29.00	-	-	-	-	-	305.76	660.29	966.06
	At March 31, 2023	639.05	13,032.10	542.90	192.63	423.96	1,959.63	3,185.24	1,073.05	21,048.57	347.21	21,395.78
	Depreciation and Impairment											
	At March 31, 2020											
	Depreciation charged for the year	-	-	-	-	-	-	-	-	-	-	-
	At March 31, 2021	118.26	3,417.65	371.2758	87.91	283.53	1,654.36	182.89	355.66	6,471.53	-	6,471.53
	Depreciation charged for the year	25.12	1,164.28	22,017.0	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
	At March 31, 2022	68.30	3,529.93	400.22	107.66	258.13	1,750.57	242.23	472.86	6,829.90	-	6,829.90
	Depreciation for the year charged to P&L	7.47	1,183.93	24.26	15.11	58.11	87.12	59.34	116.02	1,551.36	-	1,551.36
	Depreciation for the year transfer to CWIP											
	Disposals/Transfers	33.86	-	7.85	-	-	-	-	-	41.71	-	41.71
	At March 31, 2023	41.92	4,713.86	416.63	122.77	316.24	1,837.69	301.56	588.88	8,339.55	-	8,339.55
	Net Book Value											
	At March 31, 2023	597.14	8,318.24	126.28	69.86	107.73	121.94	2,883.68	484.17	12,709.02	347.21	13,056.23
	At March 31, 2022	847.52	8,885.06	171.69	84.97	144.07	176.84	2,943.02	600.19	13,853.34	197.45	14,050.79

(b) Immoveable 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 Immoveable Property are held in name of the Holding Company.

(d) The Group 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	98.41	-	-	98.41
Project temporarily suspended	-	-	-	-
			More than 3 years	

(f) **Finance Lease arrangement (Leasehold Land and Building) :**

The net carrying amount of Property, Plant and Equipment under finance lease arrangements are as follows:

Leasehold Land & Building	As at	
	31 March 2023	31 March 2022
	2,883.68	2,943.02

During the year ended on March 31, 2018, the Holding 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 Holding Company is not subject to any other future minimum lease rental commitments.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

Note 5 - Intangible Assets

		(₹ in lakhs)
(a)	Description	Amount
	Logistics Portal Software	
	Gross Block	
	At March 31, 2021	-
	Additions	-
	Disposal	-
	At March 31, 2022	-
	Additions	-
	Disposal	-
	At March 31, 2023	-
	Depreciation and Impairment	
	At March 31, 2021	-
	Depreciation Charged for the year	-
	Impairment during the year	-
	Disposal	-
	At March 31, 2022	-
	Depreciation Charged for the year	-
	Impairment during the year	-
	Disposal	-
	At March 31, 2023	-
	Net Book Value	
	At March 31, 2023	-
	At March 31, 2022	-

(b) Intangible Assets under development

		(₹ in lakhs)
	Description	Amount
	Gross Block	
	At March 31, 2021	346.43
	Additions	88.36
	Disposal	-
	At March 31, 2022	434.79
	Additions	-
	Disposal	-
	At March 31, 2023	434.79
	Depreciation and Impairment	
	At March 31, 2021	-
	Depreciation Charged for the year	-
	Impairment during the year	-
	Disposal	-
	At March 31, 2022	-
	Depreciation Charged for the year	-
	Impairment during the year	-
	Disposal	-
	At March 31, 2023	-
	Net Book Value	
	At March 31, 2023	434.79
	At March 31, 2022	434.79

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Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

(c) Intangible Assets under Development ageing schedule

Intangible Assets under Development	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	-	434.79	-	-	434.79
Project temporarily suspended	-	-	-	-	-

(₹ in lakhs)

**Note 6 - Investments
(Non - Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Investment carried at Fair value through Profit and Loss (FVTPL)		
- In Equity Shares		
2,500 Equity Shares of CSC e-Governance Services India Limited of ₹ 1000/- each fully paid up (March 31, 2022 : 2,500 Equity shares)	299.01	240.57
(A)	299.01	240.57
TOTAL (A + B)	299.01	240.57
Aggregate amount of unquoted investments	299.01	240.57

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 2023	As at 31 March 2022
(a) Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	-	-
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivable - credit impaired	23.20	417.57
	23.20	417.57
Less: Allowance for credit losses	23.20	407.96
TOTAL	-	9.61
(b) Detailed note on disclosure as required by Schdeule III for ageing Refer Note 48 for ageing of Trade Receivables		

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

Note 8 - Other Financial Assets (Non - Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Deposits with bank		
- with maturity period of more than 12 months	195.89	397.71
Other Deposits		
Security Deposit	16.71	19.98
Earnest Money Deposit	26.00	66.00
	42.71	85.98
TOTAL	238.60	483.69
* Amount held as margin money or security against borrowings, guarantee, other commitments	195.89	397.71

Note 9 - Other Non-Current Assets

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Prepaid Expenses	333.00	5.52
Balances with statutory / revenue authorities		
- Income Tax (net of provision for taxation)	533.99	97.78
- Sales Tax	1.71	1.64
	535.70	99.43
TOTAL	868.70	104.95

Note 10 - Inventories

(a) Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
(i) Stock-in-Trade	204.89	394.10
(ii) Consumables	6.94	11.41
(iii) Stores & Spares	9.00	4.95
TOTAL	220.84	410.46

(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.

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Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

**Note 11 - Trade Receivables
(Current)**

(a) Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at March 31, 2022
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	3,915.17	4,193.50
Trade Receivable which have significant increase in Credit Risk	92.32	225.28
Trade Receivable - credit impaired	-	-
	4,007.49	4,418.78
Less: Allowance for credit Losses	-	202.82
TOTAL	4,007.49	4,215.96

(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

Note 12 - Cash & Cash equivalents

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
(A) Cash & Cash Equivalents		
(i) Balances with Banks :		
- Current Accounts	2,398.83	4,690.28
(ii) Cash-in-hand	189.43	53.35
	2,588.26	4,743.63
(B) Bank Balances other than above		
(i) Earmarked balances in unclaimed dividend account	78.94	85.50
(ii) Fixed Deposits with maturity period of more than 3 months but less than 12 months **	908.31	838.63
TOTAL	987.25	924.13
** Amount held as margin money or security against borrowings, guarantee, other commitments	901.26	828.59

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(b) For the purpose of cash flow statement

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
(A) Cash & Cash Equivalents		
(i) Balances with Banks :		
- Current Accounts	2,398.83	4,690.28
(ii) Cash-in-hand	189.43	53.35
	2,588.26	4,743.63
Less : - Cash Credit	-	-
TOTAL	2,588.26	4,743.63

Note 13 - Loans

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
(i) Loans Receivable considered good (Secured)	-	-
(ii) Loans Receivable considered good (Unsecured)	-	-
(a) Loan to Others		
Staff Advances	1.81	3.26
Inter Corporate Deposits	-	1,240.97
	1.81	1,244.23
(iii) Loans Receivable which have significant increase in Credit Risk	-	-
(iv) Loans Receivable - credit impaired	-	-
TOTAL	1.81	1,244.23

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for the year ended March 31, 2023

**Note 14 - Other Financial Assets
(Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
(i) Others		
Advance for Outlets	3.56	3.56
Advance to BCAs	3.80	55.40
Insurance claim Receivable	2.38	1.76
Security Deposit	19.56	22.87
Accrued Interest on FD	4.22	1.28
Receivable against sale of property	-	170.36
Receivable from Resulting Company (Against Demerger)	2,463.37	-
UBI Settlement Receivable	8.50	-
CC Settlement Receivable	-	2.44
ATM Settlement Receivable	356.00	406.76
TOTAL	2,861.40	664.43

Note 15 - Current Tax Assets (Net)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at March 31, 2022
Income Tax (net of provision for taxation)	218.95	45.95
TOTAL	218.95	45.95

Note 16 - Other Current Assets

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at March 31, 2022
Advances to Vendors	2,469.71	4,082.11
Prepaid Expenses	99.18	51.05
Other Receivable		
- Accrued Revenue	839.04	353.39
Balances with statutory / revenue authorities		
- Goods & Service Tax	615.20	1,279.94
TOTAL	4,023.13	5,766.49

Notes Forming Part of Consolidated Financial Statements

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Note 17 - Equity Share Capital

Equity share capital

(i) Authorised share capital

Particulars	(₹ in lakhs)	
	Number of shares (in lakhs)	Amount
As at March 31, 2022	12,500.00	12,500.00
Increase during the year	-	-
As at March 31, 2023	12,500.00	12,500.00

(ii) Issued, Subscribed and Paid up Equity share capital

Particulars	(₹ in lakhs)	
	Number of shares (in lakhs)	Amount
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
Exercise of options	0.14	0.14
As at March 31, 2023	10,595.13	10,595.13

(iii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
	Vakrangee Holdings Private Limited	2,509.50	23.69%	2,509.50
NJD Capital Private Limited	1,311.00	12.37%	1,311.00	12.37%
Life Insurance Corporation of India	658.65	6.22%	658.65	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, 2023

Name of Promoter	Number of shares (in lakhs)	% of Total shares	% Change during the year
Vakrangee Holdings Private Limited	2,509.50	23.69%	-
NJD Capital Private Limited	1,311.00	12.37%	-
Dinesh Nandwana	691.07	6.52%	-
Dinesh Nandwana HUF	1.96	0.02%	-

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for the year ended March 31, 2023

Shares held by promoters as at March 31, 2022

Name of Promoter	Number of shares (in lakhs)	% of Total shares	% Change during the year
Vakrangee Holdings Private Limited	2,509.50	23.69%	-
NJD Capital Private Limited	1,311.00	12.37%	-
Dinesh Nandwana	691.07	6.52%	-
Dinesh Nandwana HUF	1.96	0.02%	-

(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, 2023, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 0.05/- per share of ₹ 1/- each for the year ended March 31, 2022.

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 2023	As at 31 March 2022
- 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
- No. of shares bought back	-	-
- No. of shares issued on exercise of options granted under the ESOP scheme.	7.10	8.66

(vii) Capital Management

The Group's objectives when managing capital are to :

- 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
- 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 Group 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 Group's strategy is to maintain a gearing ration within 1:1. The gearing ratios were as follows :

Particulars	(₹ in lakhs)	
	As at March 31 2023	As at 31 March 2022
Net debt	4,534.16	2,726.81
Total equity	12,385.10	12,791.78
Net debt to equity ratio	0.37	0.21

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

Note 18 - Other Equity

(i) Reserves and surplus

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Securities Premium	42,808.83	42,804.29
Share Options Outstanding Account	402.17	399.80
Deferred Employee Compensation Expense	(137.87)	(190.01)
General Reserve	812.72	812.72
Amalgamation Reserve / Capital Reserve	(49,762.68)	(49,762.68)
Surplus in Statement of Profit & Loss	10,177.23	10,606.48
Total (A)	4,300.40	4,670.60

(a) Securities Premium

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	42,804.29	42,746.84
Add:- On share issued during the year	1.82	23.80
Add:- Transfer from shares options outstanding account	2.73	33.65
Closing balance	42,808.84	42,804.29

(b) Share Options Outstanding Account

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	399.80	3,347.37
Add:- On further grant of options	44.34	150.90
Less:- Reversal due to Lapsation of option	(39.24)	(3,064.82)
Less: Transfer to Securities premium account	(2.73)	(33.65)
Closing balance	402.17	399.80

(c) Deferred Employee Compensation Expense

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	(190.01)	(1,509.04)
Add:- On further grant of options	(44.34)	(150.90)
Less:- Reversal due to Lapsation of option	22.82	1,368.68
Less:- Amortised during the year	73.67	101.25
Closing balance	(137.87)	(190.01)

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for the year ended March 31, 2023

(d) General Reserve

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	812.72	18,268.04
Less : Transfer on demerger (Refer Note 50)	-	(17,455.33)
Add:- Transfer from Profit & Loss account	-	-
Closing balance	812.72	812.72

(e) Amalgamation Reserve / Capital Reserve

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	(49,762.68)	-
Less : On demerger (Refer Note 50)	-	(49,762.68)
Closing balance	(49,762.68)	(49,762.68)

(f) Surplus in Statement of Profit & Loss

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	10,606.49	1,95,441.61
Add:- Profit for the year	100.49	0.41
Less:- Transfer to General Reserve	-	-
Less:- Dividend declared	(529.75)	(1,059.41)
Add : On derecognition of subsidiary	-	294.59
Less : Transfer on demerger (Refer Note 50)	-	(1,84,070.72)
Closing balance	10,177.23	10,606.48

(ii) Other Comprehensive Income

(a)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	(3,097.37)	(3,099.59)
Remeasurement of net defined benefit obligations (net of taxes)	(51.44)	2.22
Closing balance (i)	(3,148.81)	(3,097.37)

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

(b) Foreign Currency Translation Reserve

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	623.55	618.74
Translation reserve for the year	14.83	4.81
Closing balance (ii)	638.38	623.55
Total (B)	(2,510.43)	(2,473.82)
Total (A+B)	1,789.97	2,196.78

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.

(c) Amalgamation / Capital Reserve

This reserve is outcome of business combinations carried out during the current year (Refer Note 50).

(d) Surplus in Statement of Profit and Loss / Retained Earnings

Retained earnings are the profits that the Group has earned to date, less any dividends or other distributions paid to investors.

(e) Foreign Currency Translation Reserve

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity.

For movement in other equity during the year, refer Consolidated Statement of Changes in Equity.

Note 19 - Borrowings (Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Secured Loans		
- From Bank	1,280.00	-
Less: Current Maturities of Long Term Debt	(37.11)	-
TOTAL	1,242.89	-

Nature of security and terms of repayment for working capital term loan (WCTL) -

Rupee working capital term loan from Union Bank of India (sanctioned limit of ₹ 1,336.00 lakhs (March 31, 2022 : ₹ 1,336.00 lakhs). The WCTL is secured by hypothecation of Book Debts and stocks and extension of charge on the Primary security given for the working capital facility. The WCTL is repayable in 36 monthly installment of ₹ 37,11,111.11 after a moratorium of 24 months. Interest to be serviced as and when applied during moratorium.

Collateral Security - Extension of charge on the collateral security given for the working capital facility.

Corporate Guarantee - M/s Vakrangee Holdings Private Limited, Promoter group company.

Personal Guarantee - Mr. Dinesh Nandwana, MD & Group CEO of the company.

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**Note 20 - Trade Payables
(Non - Current)**

Particulars	(₹ in lakhs)			
	As at 31 March 2023		As at 31 March 2022	
	Principal	Interest	Principal	Interest
- Dues of micro enterprises and small enterprises				
Amount due to vendor	-	-	-	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
Total Dues of micro enterprises and small enterprises				
- Dues of Creditors other than micro enterprises and small enterprises		2.77		12.04
TOTAL		2.77		12.04

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 21 - Other Financial Liabilities
(Non - Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Security Deposit	77.87	41.28
Business Deposit from Franchisee / Master Franchisee	1,342.83	-
TOTAL	1,420.71	41.28

Note 22 - Deferred Tax Liabilities (net)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Assets		
(i) On account of difference in depreciation on Property, Plant and Equipment	-	-
(ii) Provision for Employees' obligations	128.78	80.89
(iii) Temporary differences on Tax Provisions	-	-
(iv) On account of Expected Credit Loss	5.43	102.67
(v) Unused tax credits	-	-
(A)	134.20	183.57
Liabilities		
(i) On account of difference in depreciation on Property, Plant and Equipment	380.49	338.39
(B)	380.49	338.39
Balance carried to Balance Sheet (B - A)	246.28	154.83

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

(a) Movement in deferred liabilities account during the year is as follows:

(₹ in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance
For the year ended March 31, 2022 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	338.39	42.10	-	380.49
Expenses provided but allowable in Income Tax on payment	(80.89)	(30.58)	(17.30)	(128.78)
Allowance for expected credit losses	(102.68)	97.25	-	(5.43)
	154.83	108.76	(17.30)	246.28
Others	-	-	-	-
	-	-	-	-
TOTAL	154.83	108.76	(17.30)	246.28
For the year ended March 31, 2021 :				
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)	47.70	-	(102.68)
	58.10	95.98	0.75	154.83
Others	-	-	-	-
	-	-	-	-
TOTAL	58.10	95.98	0.75	154.83

The analysis of Deferred Tax Liabilities is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred Tax Liabilities to be recovered after more than 12 months	-	-
Deferred Tax Liabilities to be recovered within 12 months	246.28	154.83
	246.28	154.83

(b) Explanation of changes in the applicable tax rate(s) compared to the previous accounting period

Particulars	As at 31 March 2023	As at 31 March 2022
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.		

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**Note 23 - Employee Benefit Obligations
(Non - Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Provision for Employees' benefits	335.70	307.92
TOTAL	335.70	307.92

**Note 24 - Borrowings
(Current)**

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Secured Loans		
Loans repayable on demand		
- From Banks	4,497.05	-
- From Holding Co. (Unsecured)	-	-
Unsecured Loans		
- Intercompany Deposit	-	2,726.81
Current Maturities of Long Term Debts	37.11	-
TOTAL	4,534.16	2,726.81

Nature of security and working capital facility from Bank -

The Holding Company has working capital facility (sanctioned limit of ₹ 4,500.00 lakhs (March 31, 2022 : ₹ 4,500.00 lakhs)) from Union Bank of India. The facilities are secured by First charge (Primary) of hypothecation of Book Debts and present & future current assets of Holding 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 and Basement Floor Area of 6138 Sq. Ft. & Stilt Car Parking Area of 2619 Sq. Ft. in the name of M/s Vakrangee Limited.

Corporate Guarantee - M/s Vakrangee Holdings Private Limited, Promoter group company.

Personal Guarantee - Mr. Dinesh Nandwana, MD & Group CEO of the company.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

Note 25 - Trade Payables (Current)

(₹ in lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Principal	Interest	Principal	Interest
Trade Payables				
- Dues of micro enterprises and small enterprises				
Amount due to vendor	243.68	-	102.35	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	243.68	-	102.35	-
Total Dues of micro enterprises and small enterprises		243.68		102.35
- Dues of Creditors other than micro enterprises and small enterprises		1,580.62		2,658.42
TOTAL		1,824.30		2,760.77

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

(₹ in lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Payable to Franchisee under WLA	4,142.97		5,331.59
Franchisee amount refundable	612.95		-	
Payable for acquisition of Property, Plant & Equipments	311.06		627.39	
Payable towards CSR Expenses (net)	55.86		650.05	
Payable to Resulting Company (against demerger)	-		2,194.22	
Unpaid Dividend	78.94		85.50	
TOTAL	5,201.78		8,888.75	

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Note 27 - Other Current Liabilities

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Statutory dues	300.05	1,484.86
Advance from customers	18.12	63.51
Kendra money received pending allotment	74.82	1,459.73
Franchisee Wallet Balance	115.51	143.33
Staff Emoluments Payable	319.25	652.78
TOTAL	827.75	3,804.22

Note 28 - Provisions

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Provision for Expenses for Goods & services	1,677.77	1,780.50
TOTAL	1,677.77	1,780.50

Note 29 - Employee Benefit Obligations (Current)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Provision for Employees' benefits	107.22	24.70
TOTAL	107.22	24.70

Note 30 - Current Tax Liabilities (Net)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Income Tax (net of provision for taxation)	-	46.08
TOTAL	-	46.08

Note 31 - Revenue from Operations

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
(a) Revenue from Vakrangee Kendra	19,729.78	19,377.29
(b) Revenue from Sale of Services	-	-
(c) Other Operating Revenues	0.45	3.39
TOTAL	19,730.23	19,380.68

Note:- The amount of revenues are exclusive of indirect taxes i.e. Goods and Service Tax..

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for the year ended March 31, 2023

Note 32 - Other Income

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
(i) Interest Income		
(a) Interest Income on the financial assets at amortized cost		
- Bank Deposits	50.44	60.62
(b) Other Interest Income	-	167.51
	50.44	228.13
(ii) Dividend Income	-	1.50
	1.50	-
(ii) Other non-operating income		
- Rent Received	-	2.03
- Gain on Sale of Asset	-	0.44
- Gain on Foreign Exchange Fluctuation	29.86	20.24
- Fair value gain on financial instrument at fair value through Profit and loss*	58.44	101.72
- Miscellaneous Income	0.01	0.20
	88.31	124.63
TOTAL	140.25	354.26

Note 33 - Operating Expenses

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
Project Delivery Cost		
- Opening Stock	16.36	11.92
- Add : Purchase of goods and services	220.71	323.28
- Less : Closing Stock	15.94	16.36
	221.13	318.84
Project Expenses	1,084.55	1,036.20
Commission Expenses	12,901.57	13,020.24
Communication Costs	0.43	1.09
Conveyance & Travelling Expenses	-	2.59
Penalty *	184.60	100.00
Transportation, Octroi and Loading / Unloading Charges	86.25	188.74
Rent, Rates and Taxes	67.60	95.50
TOTAL	14,546.13	14,763.20

*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.

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Note 34 - Changes in Inventories

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
(a) At the beginning of the period		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	394.10	485.31
Less : Stock converted into Fixed Assets	-	-
	394.10	485.31
Less : at the end of the period		
(i) Work-in-Progress	-	-
(ii) Stock-in-Trade	204.89	394.10
	204.89	394.10
TOTAL	189.20	91.21

Note 35 - Employee Benefits Expenses

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
(a) (i) Salaries & Wages	1,003.15	2,049.97
(ii) Directors' Remuneration	377.87	46.64
(iii) Contribution to Provident & Other Funds	26.80	64.39
(iv) Share-based Payment Expenses	57.24	(1,594.90)
(v) Directors' Sitting Fees	19.00	34.35
(vi) Staff Welfare Expenses	47.38	66.79
	1,531.44	667.23
TOTAL	1,531.44	667.23

(b) Detailed note on disclosure as required by Ind AS-19

For details, refer Note No. 44

Note 36 - Finance Costs

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
Interest Expense		
- On Bank Loans	151.53	-
TOTAL	151.53	-

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

Note 37 - Other Expenses

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
Repairs & Maintenance :		
- Building	13.95	23.69
- Vehicle	2.18	1.90
- Others	160.20	54.73
Advertisement and Publicity	147.75	3.70
Business Promotion	17.48	17.02
Rates & Taxes	103.23	119.96
Insurance	22.99	60.06
Electricity Charges	50.66	48.59
Printing and Stationery	26.94	7.36
Communication Costs	70.49	62.01
Fees & Subscriptions	17.93	17.06
Listing, Registrar & Share Issue/Transfer Charges	44.33	58.53
Loss on Foreign Exchange Fluctuation	0.08	0.03
Loss on Sale of Asset	26.06	
Legal & Professional Fees - Other than payments to Auditor:		
- Legal & Professional	369.06	368.10
- Filing Stamp Duty and Franking Charges	14.81	28.29
- Registration charges	-	-
Payments to Auditors :		
- Audit fees (including limited review)	68.20	67.75
- Tax Audit fees	10.00	10.00
- For Other Services	-	1.30
- For Reimbursement of Expenses	1.34	1.65
Conveyance & Travelling	90.41	30.23
Vehicle Expenses	12.44	10.57
Corporate Social Responsibility Expenditure (Refer Note 41)	208.62	135.74
Office & General Expenses	186.54	203.16
Allowance for credit losses		
Opening Allowances	(610.78)	(800.29)
Less : Written off during the year	497.99	-
Less : Closing Allowances	(21.57)	(610.78)
Miscellaneous Expenses	7.65	71.51
TOTAL	1,582.12	1,213.42

Note 38 - Exceptional Item

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
- Net gain on disposal of Property plant and equipment	-	(168.66)
TOTAL	-	(168.66)

Exceptional item consists of profit on sale of investment property and old office premises (an item of PPE).

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for the year ended March 31, 2023

Note 39 - Earnings Per Equity Share

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022*
(a) Net profit after tax attributable to equity shareholders for		
Basic EPS	100.48	0.42
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for		
Diluted EPS	100.48	0.42
(b) Weighted average no. of equity shares (in lakhs) outstanding during the year		
For Basic EPS	10,595.00	10,594.12
For Diluted EPS	10,596.72	10,596.87
(c) Face Value per Equity Share (₹)	1.00	1.00
Basic EPS (₹)	0.01	0.00
Diluted EPS (₹)	0.01	0.00
(d) Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS		
No. of shares used for calculating Basic EPS	10,595.00	10,594.12
Add: Potential equity shares	1.72	2.75
No. of shares used for calculating Diluted EPS	10,596.72	10,596.87

Note 40 - Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Contingent Liabilities		
(i) Claims against the Group not acknowledged as debts	-	-
(ii) Group has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts "	253.57	521.57
(iii) Holding Company has provided Counter Guarantee in relation to Bank Guarantee to various parties on behalf of subsidiary company which is not acknowledged in books of accounts "	125.00	325.00
(iv) Demand raised by VAT/GST (Refer Note 1 below)	34,074.79	-
(A)	34,453.36	846.57
(B) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) (Refer Note 2 below)	-	59,001.30
(B)	-	59,001.30
TOTAL (A + B)	34,453.36	59,847.87

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Note :

- The Company has received demand orders from Rajasthan VAT/SGST department for the period from 01.04.2017 to 31.03.2019 for the above amounts (interest and penalty thereon to be computed additionally) citing incorrect Schedule/HSN code of e-governance activities. However, the company has been complying with the relevant compliance procedure according to the said schedule/HSN code over the years. The same e-governance activities and its schedule/HSN code has also been assessed and accepted by other GST and Sales Tax departments including Rajasthan CGST audit and Maharashtra SGST investigation department. Therefore, the company has filed a writ petition in Rajasthan High Court against the said impugned order. The company is confident that the said order will be quashed, and the decision will be in favor of company.
- For Capital Commitments, 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 Holding Company as per the Act.

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross Amount required to be spent by the Group during the year	208.62	135.74
b) Amount of expenditure incurred on:		
(i) Construction / acquisition of any asset		-
(ii) On purposes other than (i) above	152.21	135.74
c) Shortfall at the end of the year	56.41	-
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 Group	Eradication of hunger and malnutrition, promoting education, healthcare	Eradication of hunger and malnutrition, promoting education, healthcare

Note: As at March 31, 2023, the Company has ₹ 650.05 lakhs in unspent CSR account.

Note 42 - Segment Reporting

The Group's activities predominantly comprise providing various services through Vakrangee Kendra. Considering the nature of the Group'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".

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Note 43 - Related Party Details

(a) Key Management Personnel & Directors

Mr. Ramesh Mulchand Joshi	Non-Executive Chairman
Mr. Dinesh Nandwana	Managing Director & Group CEO
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
Mr. Ajay Jangid	Chief Financial Officer
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)

(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	Director - Subsidiary and Daughter of Managing Director & Group CEO
- Mr. Vedant Nandwana	Director - Subsidiary and Son of Managing Director & Group CEO
- Mr. Ammeet Sabarwal	Director - Subsidiary
- VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited)	Common Director

Related Party Transactions

- In relation to (a)

Nature of Transactions	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration to Key Managerial Personnel		
- Dinesh Nandwana	78.16	48.00
- Dr. Nishikant Hayatnagarkar	16.39	11.31
- Ajay Jangid	36.33	26.63
- Jay Bhansali	-	3.60
- Sachin Khandekar	11.49	4.36
Post-employment benefits to Key Managerial Personnel		
- Dinesh Nandwana	111.36	18.69
- Dr. Nishikant Hayatnagarkar	23.18	20.00
- Ajay Jangid	3.76	0.65
- Sachin Khandekar	0.99	0.21

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Nature of Transactions	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Directors Sitting Fees		
- Ramesh Mulchand Joshi	2.75	4.95
- Sunil Agarwal	2.75	5.00
- Babulal Meena	2.75	4.95
- Sujata Chattopadhyay	2.50	4.50
- Avinash Chandra Vyas	3.00	5.45
- Ranbir Datt	2.50	4.50
- Hari Chand Mittal	2.75	5.00
Balance outstanding as on March 31 : (Expenses and Salaries Payable)		
- Dinesh Nandwana	5.82	4.00
- Dr. Nishikant Hayatnagarkar	0.97	0.97
- Ajay Jangid	0.97	1.86
- Sachin Khandekar	0.88	0.68

- In relation to (b)

Nature of Transactions	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Reimbursement of Expenses Paid		
- Vedant Nandwana	0.01	1.95
Employee Benefit Expenses		
- Divya Nandwana	42.93	20.26
- Vedant Nandwana	21.45	8.74
- Mr. Ammeet Sabarwal	267.97	242.03
Purchase of Support Services		
- VL E-Governance & IT Solutions Limited	-	18.50
Balance outstanding as on March 31 : (Expenses and Salaries Payable)		
- Vedant Nandwana	1.24	-
- Divya Nandwana	2.36	-
- Mr. Ammeet Sabarwal	14.18	-
- VL E-Governance & IT Solutions Limited (Pursuant to Demerger) (Payable)"	-	4,921.03
- VL E-Governance & IT Solutions Limited (Receivable)	4,705.49	-

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Note 44 - Employee Benefit Obligations**(i) Leave obligations**

The leave obligations cover the Group's liability for earned leave.

The amount of provision of ₹ 240.82 lakhs (March 31, 2022 - ₹ 169.36 lakhs) is presented as current and non-current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employee to take the full amount of accrued leave or require payment within the next 12 months. The Group 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 ₹ 51.09 lakhs (March 31, 2022 - ₹ 57.35 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	Present value of obligation	Fair value of Plan assets	(₹ in lakhs)
			Net amount
01-Apr-21	408.09	(313.95)	94.13
Current Service cost	80.25	-	80.25
Past Service Cost	-	-	-
Interest expense/(income)	25.58	(21.98)	3.60
Total amount recognised in profit and loss	105.84	(21.98)	83.86
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)
Total amount recognised in other comprehensive income	(13.90)	10.93	(2.98)
Employer contributions	-	(20.00)	(20.00)
Benefit payments	(204.96)	204.96	-
31-Mar-22	295.07	(140.05)	155.01

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Particulars	(₹ in lakhs)		
	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-22	295.07	(140.05)	155.01
Current Service cost	41.38	-	41.38
Past Service Cost	-	-	-
Interest expense/(income)	19.97	(10.26)	9.71
Total amount recognised in profit and loss	61.35	(10.26)	51.10
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	(0.14)	(0.14)
(Gain)/loss from change in financial assumptions	1.19	4.07	5.26
Experience (gains)/losses	(6.52)	-	(6.52)
Total amount recognised in other comprehensive income	(5.33)	3.92	(1.40)
Employer contributions	-	(2.60)	(2.60)
Benefit payments	(36.25)	36.25	-
31-Mar-23	314.84	(112.74)	202.10

The net liability disclosed above relates to funded plans are as follows:

Particulars	(₹ in lakhs)	
	31-Mar-23	31-Mar-22
Present value of funded obligations	314.84	295.07
Fair value of plan assets	(112.74)	(140.05)
Deficit/(Surplus) of gratuity plan	202.10	155.01

Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	31-Mar-23	31-Mar-22
Discount rate	7.19%	7.24%
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-23	31-Mar-22	31-Mar-23	31-Mar-22
Discount rate	1%	1%	Decrease by 7%	7%
Salary growth rate	1%	1%	Increase by 7%	7%

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Particulars	Change in assumption		Impact on defined benefit obligation	
			Decrease in assumption	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Discount rate	1%	1%	Increase by 8%	9%
Salary growth rate	1%	1%	Decrease by 6%	6%

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-23	31-Mar-22
Equity instruments	9.95	9.68
Debt instruments	89.04	86.30
Government bonds	80.03	67.56
Corporate bonds/debentures	9.01	18.74
Asset backed securities	-	-
Cash and cash equivalents	1.01	4.02
Total	100.00	100.00

*The Company contributes all the ascertained liabilities towards gratuity to Life Insurance Corporation of India (LIC) which is the insurer- managed fund. Since the investments in the plan assets is managed by LIC the detailed breakup of the investments is not made available to the Company.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

Investment risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Most of the plan asset investment is in fixed income securities with high grades and in government securities which are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company intends to maintain the above investment mix in the continuing years.
Interest risk	A decrease in the market yields in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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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.

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-23		31-Mar-22	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	42.20	15,35,200	79.48	32,13,675
Granted during the year	30.46	2,71,800	42.70	11,15,300
Exercised during the year	14.48	13,500	26.27	94,150
Lapsed during the year	19.57	2,00,475	113.53	26,99,625
Closing Balance	40.52	15,93,025	42.20	15,35,200
Vested and exercisable	50.53	3,30,200	50.61	3,41,800

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2023 was ₹ 18.56 (March 31, 2022 : ₹ 30.70).

No options expired during the periods in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (₹)	Share options	Share options
			31-Mar-23	31-Mar-22
26-11-2014	26-11-2023	32.35	30,425	32,225
11-03-2016	10-03-2025	56.54	2,62,525	2,72,325
26-07-2017	25-07-2026	109.40	-	-
26-10-2017	25-10-2026	137.33	-	-
09-01-2018	08-01-2027	202.28	-	-
13-04-2018	12-04-2027	69.85	-	-
10-07-2018	09-07-2027	25.93	37,300	53,500
05-10-2018	04-10-2027	14.38	13,200	21,700
03-01-2019	02-01-2028	18.03	9,550	12,150

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Grant date	Expiry date	Exercise price (₹)	Share options	
			31-Mar-23	31-Mar-22
15-04-2019	14-04-2028	32.95	2,400	2,400
10-07-2019	09-07-2028	17.95	18,175	18,175
09-10-2019	08-10-2028	14.18	23,050	39,825
11-01-2022	10-01-2030	42.70	9,47,600	10,82,900
26-04-2022	25-04-2030	34.55	29,000	-
20-07-2022	19-07-2030	29.75	43,900	-
03-11-2022	02-11-2030	34.00	46,400	-
20-02-2023	19-02-2031	23.55	1,29,500	-
TOTAL			15,93,025	15,35,200

Fair value of options granted

The fair value at respective grant date of options granted during the year ended March 31, 2023 was ₹ 15.28, ₹ 18.08, ₹ 21.00, ₹ 13.94 respectively. 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 model inputs for options granted during the year ended March 31, 2023 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, 2023			
b) Exercise price	34.55	29.75	34.00	23.55
c) Grant date	26-04-2022	20-07-2022	03-11-2022	20-02-2023
d) Expiry date	25-04-2030	19-07-2030	02-11-2030	19-02-2031
e) Share price at grant date (₹)	34.80	29.90	34.05	23.40
f) Expected price volatility of the company's shares	53.55%	60.58%	61.49%	58.83%
g) Expected dividend yield	0.25%	0.12%	0.12%	0.12%
h) Risk free interest rate	7.05%	6.87%	7.41%	7.37%
i) Fair value (₹)	15.28	18.08	21.00	13.94%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

- j) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

Particulars	(₹ in lakhs)	
	March 31, 2023	March 31, 2022
Employee Stock Option Plan	57.24	(1,594.90)

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

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, 2023 were as follows:

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	(₹ in lakhs)	
					Level 1	Level 2
Financial Assets						
Long Term Loans	-	-	-	-	-	-
Trade Receivables	4,007.49	-	-	4,007.49	-	-
Cash & Cash equivalents	2,588.26	-	-	2,588.26	-	-
Other Bank Balances	987.25	-	-	987.25	-	-
Short Term Loans	1.81	-	-	1.81	-	-
Other Financial Assets	3,100.00	-	-	3,100.00	-	-
Investments	-	299.01	-	299.01	-	299.01
TOTAL	10,684.80	299.01	-	10,983.80	-	299.01

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	(₹ in lakhs)	
					Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	1,827.07	-	-	1,827.07	-	-
Other Financial Liabilities	6,622.49	-	-	6,622.49	-	-
TOTAL	8,449.56	-	-	8,449.56	-	-

Consolidated Financial Statements

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

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	4,225.57	-	-	4,225.57	-	-
Cash & Cash equivalents	4,743.63	-	-	4,743.63	-	-
Other Bank Balances	924.13	-	-	924.13	-	-
Short term Loans	1,244.23	-	-	1,244.23	-	-
Other financial assets	1,148.12	-	-	1,148.12	-	-
Investments	-	240.57	-	240.57	-	240.57
TOTAL	12,285.67	240.57	-	12,526.24	-	240.57
Financial Liabilities						
Borrowings	2,726.81	-	-	2,726.81	-	-
Trade Payables	2,772.82	-	-	2,772.82	-	-
Other Financial Liabilities	8,930.03	-	-	8,930.03	-	-
TOTAL	14,429.66	-	-	14,429.66	-	-

(ii) Financial Risk Management

The Respective Board of Directors of the Holding and Component Companies has overall responsibility for the establishment and overview of the Group's risk management framework. The Board of Directors has established a risk management policy to identify and analyse the risks faced by the Group, 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 Group, it uses various instruments and follows policies set up by the Board of Directors / Management of Group.

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.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

Table showing age of gross trade receivables and movement in expected credit loss allowance:

	(₹ in lakhs)	
	March 31, 2023	March 31, 2022
Age of receivables		
Within the credit period	3,915.17	3,925.87
1-90 days past due	38.77	6.76
91-180 days past due	19.55	14.51
181-270 days past due	34.00	39.39
More than 270 days past due	23.20	849.83
Total	4,030.69	4,836.35
Movement in the expected credit loss allowance		
Balance at beginning of the year	610.78	800.29
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(589.21)	(189.51)
Total	21.57	610.78

b) Liquidity Risk :

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group'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 the Group'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, 2023	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	37.11	1,242.89	-	1,280.00
Current borrowings	4,497.05	-	-	4,497.05
As on March 31, 2022	< 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 Group operates internationally and a portion of its business is transacted in several currencies and therefore the Group is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Group hedges the receivables as well as payables by forming view after discussion with Forex consultant and as per policies by Management. The Group is also exposed to the Foreign currency loans availed from various banks to reduce the overall interest cost.

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for the year ended March 31, 2023

The carrying amount of the Group'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, 2023	As on March 31, 2022	As on March 31, 2023	As on March 31, 2022
US Dollar (USD)	-	-	-	-

Foreign Currency Exposure

Particulars	USD in Lakhs	
	As on March 31, 2023	As on March 31, 2022
Trade Receivables	-	-
Loans Receivable	-	-
TOTAL	-	-

Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and impact on Equity

Currency	Impact of Profit and Loss / Equity			
	For year ended March 31, 2023		For year ended March 31, 2022	
	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:

Particulars	(₹ in lakhs)	
	For year ended March 31, 2023	For year ended March 31, 2022*
Profit before income taxes	268.02	460.22
Enacted tax rates in India *	25.168%	25.168%
Computed expected tax expense	70.25	120.19
Effect of non-deductible expenses	(3.99)	(466.78)
Absorption of unabsorbed brought forward losses and depreciation	-	-
Others	(7.49)	(4.20)
Income Tax expense	58.78	-
Earlier year tax expenses	-	14.81
Current Income Tax expense	58.78	14.81

* Tax rate on subsidiaries have been considered at 25.168%, being rate for companies having turnover of less than 250 crores.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

- (b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2023 and March 31, 2022:

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Current Income Tax Liabilities	-	46.08
Income Tax Assets	752.92	143.72
Net current income tax liabilities / (assets) at the end	(752.92)	(97.64)

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2023 and March 31, 2022 is as follows:

Particulars	(₹ in lakhs)	
	For year ended March 31, 2023	For year ended March 31, 2022*
Net current income tax liability / (asset) at the beginning	(97.64)	236.25
Income Tax paid	(714.06)	(697.70)
Current Income Tax expense	58.78	363.82
Net current income tax liability / (asset) at the end	(752.92)	(97.64)

- (c) The gross movement in the deferred income tax account for the year ended March 31, 2023 and March 31, 2022, are as follows:

Particulars	(₹ in lakhs)	
	For year ended March 31, 2023	For year ended March 31, 2022*
Net deferred income tax liabilities / (asset) at the beginning	154.83	58.10
Movements relating to temporary differences	108.76	95.98
Temporary differences on other comprehensive income	(17.30)	0.75
Unused Tax Credit	-	-
Net deferred income tax liabilities / (asset) at the end	246.28	154.83

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for the year ended March 31, 2023

Note 48 - Ageing of Trade Receivable

Trade receivables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022:

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	
	(₹ in lakhs)					
Undisputed Trade receivables – considered good	477.66	-	-	-	3,459.08	3,936.74
Undisputed Trade receivables – which have significant increase in Credit Risk	907.91	38.87	228.76	-	3,017.96	4,193.50
Undisputed Trade receivables – credit impaired	56.69	34.00	-	-	-	90.69
Disputed Trade receivables – considered good	21.22	1.24	-	-	202.82	225.28
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total Trade Receivables	-	36.68	-	380.89	-	417.57
Less: Allowance for credit loss	-	-	-	-	-	-
Net Trade Receivables	534.35	34.00	-	-	3,459.08	4,027.43
	929.13	76.79	228.76	380.89	3,220.78	4,836.35
						21.57
						610.78
						4,005.85
						4,225.58

Note 49 - Ageing of Trade Payable

Trade payables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022:

Particulars	Outstanding for the following period from invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	(₹ in lakhs)				
Outstanding dues to MSME	409.60	-	-	-	409.60
Others	102.35	-	-	-	102.35
Total trade payables	1,395.69	21.78	-	-	1,417.47
	2,657.29	7.77	5.41	-	2,670.47
	1,805.29	21.78	-	-	1,827.07
	2,759.64	7.77	5.41	-	2,772.82

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

Note 50 - Scheme of Arrangement

The Board of Directors of Holding Company at their meeting held on November 12, 2021, considered and approved to restructure the business 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 and IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) ("Resulting Company") on a going concern basis. Pursuant to the Regulation 37 of the LODR, the Company has obtained No Objection Letter from the BSE and NSE vide their letter dated March 11, 2022 and subsequently, an application was made to the National Company Law Tribunal (NCLT) for further directions.

Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal, Mumbai Bench, vide its Order dated May 19, 2023 ('Order') with effect from the Appointed Date, i.e. April 1, 2021, the business of E-Governance and IT/ITES stands transferred to and vested in VL E-Governance and IT Solutions Limited as a going concern. In accordance with Sections 230 to 232 of the Companies Act, 2013, the Holding Company filed the NCLT Order with Ministry of Company Affairs (MCA) on May 26, 2023. Consequent to the filing, the scheme became effective from May 26, 2023.

The Scheme has been given effect to in these financial statements by transferring the carrying amount of assets and liabilities pertaining to the Demerged Undertaking with effect from the Appointed Date to the Resulting Company with the corresponding debit to the Other Equity.

Consequent to the above, the comparative information of the Holding Company for the year ended March 31, 2022 is restated from the published financial statements to give the impact of the Scheme. Provision for tax for the accounting periods commencing from April 1, 2021 has been recomputed post giving effect to the Scheme.

Details of Assets and Liabilities of the Demerged undertaking that are being transferred

Assets	Amount (₹ in Lakhs)
Loans	2,657.46
Capital Advances	59,595.00
Trade Receivable	1,07,762.59
Other Current Assets	86,641.99
<hr/>	
Liabilities	Amount (₹ in Lakhs)
Trade Payable	589.87

Note 51 - Statutory Information

- There are no proceedings initiated or are pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- The Group has not entered into any transactions with struck off companies during the year.
- The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Further, the Company has not received any funds

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for the year ended March 31, 2023

from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.

- (g) The Group has complied with the number of layers prescribed under clause (87) of the Section of the Companies Act read with the Companies (Restrictions on Number of Layers) Rule, 2017.
- (h) The Group is not declared wilful defaulter by bank or financial institutions or any lender during the financial year.
- (i) Quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.
- (j) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Note 52 - Relationship with Struck-off Companies

		(No. of Share 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
Om Procurments and Projects Limited	Shares held by struck off company	0.001	Shareholder
Sandakan Investment Private Limited	Shares held by struck off company	0.100	Shareholder

Note 53 - Ratios

The following are the analytical ratios for the year ended March 31, 2023 and March 31, 2022:

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance
Current Ratio	Total Current assets	Total Current liabilities	1.05	0.90	16.97 %
Debt-Equity Ratio	Total Debt (including borrowings & lease liabilities)	Total Equity	0.37	0.21	71.74 %
Note : Due to signifacnt increase in Borrowings, the ratio has been increased.					
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%

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.80%	0.00%	267525.98 %
Note: While computing, Average shareholder's equity as at March 31, 2022, Shareholder's Equity pre demerger for March 2021 has been taken and accordingly the ratio is affected.					
Inventory Turnover ratio	Cost of Goods Sold	Average Inventory	0.76	2.02	(62.37)%
Note : Due to significant decrease in Cost of Goods Sold and Average Inventory, the ratio has been decreased.					
Trade receivables turnover ratio	Revenue	Average Trade Receivable	4.79	0.33	1337.54 %
Note : Due to significant decrease in Average Trade Receivables, the ratio has been increased.					
Trade payables turnover ratio	Total Purchases	Average Trade Payable	0.12	0.37	(68.15)%
Note : Due to significant decrease in Total Purchases and Average Trade Payables, the ratio has been decreased.					
Net capital turnover ratio	Revenue	Working Capital	26.80	(9.61)	378.88 %
Note: Increase in the working capital has improved the ratio.					
Net profit ratio	Net Profit	Revenue	0.51 %	0.00 %	23605.64 %
Note: Due to increase in profit for the year ended March 2023, the ratio is affected					
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	11.65 %	14.01 %	(16.86)%
Return on Investment(ROI)	Income generated from investments	Average invested fund	15.91 %	17.00 %	(6.38)%

Consolidated Financial Statements

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

Note 54 - 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, 2023	% of voting power as at March 31, 2022	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	
Vakrangee Limited	India	-	-	48.57%	6,015.22	-796.68%	(800.51)	140.51%	(51.44)	-1333.84%	(851.95)
Indian Subsidiaries											
Vakrangee Finserve Limited	India	100.00	100.00	48.55%	6,013.17	559.14%	561.83	0.00%	-	879.63%	561.83
Vakrangee Digital Ventures Limited	India	100.00	100.00	-0.22%	(27.43)	307.94%	309.42	0.00%	-	484.43%	309.42
Foreign Subsidiary											
Vakrangee e-Solutions Inc.	Philippines	100.00	100.00	3.10%	384.14	29.61%	29.75	-40.51%	14.83	69.80%	44.58
Total					12,385.08		100.49		(36.61)		63.88

(₹ in lakhs)

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2023

Note 55 - Previous year / period figures

The consolidated 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.

The accompanying notes are an integral part of the Consolidated Financial Statements.
As per our report of even date attached.

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Dhiraj Lalpuria
Partner
Membership No.: 146268

Place : Mumbai
Date : May 30, 2023

For and on behalf of the Board of Directors
Vakrangee Limited
CIN : L65990MH1990PLC056669

Ramesh Joshi
Chairman
DIN : 00002683

Ajay Jangid
Chief Financial Officer

Dinesh Nandwana
Managing Director & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

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

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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