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Independent Reasonable Assurance Statement on the non-financial performance data and information included in the Integrated Annual Report of Vakrangee Limited for the FY 2020-21

**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 2020-21 ('the Report').

Reporting Criteria

The Report has been developed by the Company based on the principles of the International Integrated Reporting Framework published by the International Integrated Reporting Council ('IIRC'). The sustainability performance reporting criteria has been derived from the Global Reporting Initiative ('GRI') Sustainability Reporting Standards 2020 ('the GRI Standards'). In addition, the National Voluntary Guidelines (NVGs) for Business Responsibility Report (BRR) and UN-Sustainable Development Goals (UNSDGs) are also considered while developing this Report.

Responsibilities

The preparation and fair representation of the Report in accordance with the above stated reporting criteria, which is free from any material misstatement, whether due to error or fraud, is the sole responsibility of the management of the Company. This responsibility includes establishing and maintaining relevant and appropriate performance management systems and internal control framework to facilitate collections, calculation, aggregation and validation of the data with respect to management's basis of preparation and the GRI Standards.

Our report is prepared only for the purpose of expressing reasonable assurance in relation to specified non-financial information contained in the Report to the Company's Management/

Board of Directors and accordingly, should not be used for any other purpose without our prior written consent.

Assurance Standards

Our assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements ('ISAE') 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000') issued by the International Federation of Accountants ('IFAC') and third version of AA1000 Assurance Standard ('AA100AS v3') issued by AccountAbility, a body recognized as a 'Framework Developer' by World Economic Forum's ESG Ecosystem Map.

Reasonable level of assurance under ISAE 3000 requires us to plan and perform procedures to obtain sufficient appropriate evidence on conformity of sustainability performance disclosures as per GRI Standards. Under this standard, we have reviewed the information presented in the Report against the characteristics of relevance, completeness, reliability, neutrality and understandability.

Type 1 High Assurance under AA100AS v3 requires us to obtain evidence from internal and external sources and parties including stakeholders, and at all levels of organization to conclude on the nature and extent of adherence of the Report to the AA1000AP principles, i.e., Inclusivity, Materiality, Responsiveness and Impact.

Scope, Boundary and Limitations

Scope

The Scope of Work was limited to the examination of non-financial performance data and information disclosed in the Report, for the period of 01 April, 2020 till 31 March, 2021.

Non-financial performance disclosures subject to assurance are:

Capital	Parameter	Performance Indicators	GRI Disclosure
Manufactured	Vakrangee Kendras	Operational Next-Gen Vakrangee Kendras	GRI – 102
		Number of Vakrangee Kendras in General districts	
		Number of Vakrangee Kendras in Tribal districts	
		Number of Vakrangee Kendras in LWE districts	
		Number of Vakrangee Kendras in Aspirational districts	
		Number of Vakrangee Kendras in LWE and tribal districts	
		Number of Vakrangee Kendras in LWE and Aspirational districts	

		Number of Vakrangee Kendras in Aspirational and tribal districts	
		Number of Vakrangee Kendras in LWE, Aspirational and tribal districts	
	Vakrangee's field staff	Number of Vakrangee's field staff available in LWE/tribal/aspirational districts	GRI – 102
	Vakrangee Kendra operating model	Number of Vakrangee Kendras with Gold operating model	GRI – 102
		Number of Vakrangee Kendras with Silver operating model	
		Number of Vakrangee Kendras with Bronze operating model	
	Geographical Presence	Presence in Tier 5 & Tier 6 cities	GRI – 102
	Insurance	Kendras included in this scheme (insurance of Kendras) as on 31/03/2021	GRI – 102
	Awards	Ranking amongst the top 100 Franchisee Brands for the year 2021 in The Franchising World's annual survey	-
	Certifications	ISO 9001:2015 Quality Management System	-
Human	Employee Details	Total Employees	GRI – 102, 401, 405
		Divyang	
		Average Age	
		Age – under 30 years	
		Age – 30-50 years	
		Age – above 50 years	
		Year of association of employees with Vakrangee on an average	
		Voluntary attrition rate	
	Employees in Corporate Headquarter	Male	GRI – 102, 401
		Female	
Number of women representing company's management council			

		Male/Female ratio at corporate headquarter	
	Field Employee	Male	GRI – 102, 401
	State Office	Male	GRI – 102, 401
		Female	GRI – 102, 401
	New Employees Recruited	Male & Female	GRI – 401
	Training	Mandatory training – Number of employees trained	GRI – 404
		Mandatory training – Training hours	
		Refresher training – Number of employees trained	
		Refresher training – Training hours	
		Franchises – Number of franchisees trained	
		Franchisee – Training hours	
		Skill Training – Number of employees trained	
		Skill 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, 419
	Remuneration Parity	Ratio at corporate headquarter	GRI – 405
		Average salary across organisation	
		Median salary across organisation	
		Median salary male/ female and ratio at corporate headquarter*	
		Average salary of Assistant Manager	
		Average salary of Manager	

		Average salary of Deputy General Manager	
		Average salary of General Manager	
		Average salary of Associate Vice President	
		Average salary of Vice President	
	Employee Satisfaction	Employees feel happy and proud working at Vakrangee and are satisfied with their job responsibilities;	-
		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 – 102
		ISO 20000-1:2011 Information Technology Service Management System	
		ISO 9001:2015 Quality Management System	

		ISO 27701 - Privacy Information Management System	
		ISO 22301 - Business Continuity Management System	
	R&D	R&D Expenditure	GRI – 203
	ATM Transactions	White Label ATM transactions	GRI – 203
	IoT	Number of franchisees monitored with the use of IoT (They are monitoring ATMs and electric surveillance)	GRI – 102
	Training	Employees trained for advanced technologies	GRI – 404
	Data Breach	Instances of data breach in: 1. company 2. franchisee	GRI – 418
	Claims	We have crossed the 5000th white label ATM Milestone and emerged as the 4 th largest ATM operator in Rural India	GRI – 203
Social & Relationship	Kendra break-up as per services	BFSI	GRI – 203
		ATM	
		E-Commerce & Logistics	
	CSR spent	Activity – wise CSR spent	GRI – 413
	Franchisee Owner	Women	GRI – 102, 405
		Divyang	
	Claims	More than two-third of ATMs are in rural India making Vakrangee the 4 th largest ATM operator	GRI – 203, 413
		Provide a one-stop solution and real-time access to over 100 million products and 1,000 services under a single roof	
We are now part of UNGC global network of over 12,000 companies and 3,000 non-business participants that are committed to building a sustainable future			
Local Community	Kendras centered in Tier V and Tier VI cities – Percentage	GRI – 102	

	Grievance redressal mechanism	Recorded complaints from customers, third parties, regulatory bodies and local community members, concerning breach of customer privacy	GRI – 205, 418, 419
		Recorded theft, identified leak or loss of customer data	
		Recorded complaints regarding unethical and unlawful behaviour	
	Sustainable Procurement	Suppliers assessed on their environmental and social impact	GRI – 308
	Certifications	ISO 37001:2016 Anti-bribery Management System	GRI – 102, 307, 403, 419
		ISO 45001:2018 Occupational Health and Safety Management System	
		ISO 19600:2014 Compliance Management System	
		ISO 20400:2017 Sustainable Procurement Management System	
Natural	Energy	Energy consumed (Scope 1) - Diesel/Petrol	GRI – 302
		Energy consumed (Scope 2) - Grid	
		Energy consumed at Kendra level (Scope 3)	
	Emissions	Scope 1	GRI – 302
		Scope 2	
		Scope 3	
	Green Building Initiatives	Rooftop Solar PV – KWh generated	GRI – 302
	Water	Water consumed at the corporate office	GRI – 303
	Waste	Waste Generated (Corporate HQ) – Dry	GRI – 306
		Waste Generated (Corporate HQ) – Wet	
E - Waste Recycled			

	Paperless Transactions	ATM transactions	GRI – 306
		Banking transactions	
		Digital Annual Report	
	Paper Saved	Quantity of paper saved (through paperless banking and ATM) for FY 20-21	GRI – 306
	Certifications	ISO 14001:2015 - Environmental Management System	GRI – 102, 302
		ISO 20400:2017 - Sustainable Procurement Management System	
		ISO 14064-1:2006 & ISO 14064-2:2006 - Green House Gas Emission	
		ISO 50001 - Energy Management System	

Boundary

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

- The Corporate Office located in Mumbai
- For Scope 2 indirect energy consumption and emissions –
 - ✓ 12 state offices located in Ahmedabad, Bhiwandi, Bhubaneswar, Chandigarh, Delhi, Indore, Lucknow, Mumbai (Raylon), Patna, Pune, Raipur and Rajasthan
 - ✓ 4 guest houses located in Chandigarh, Delhi, Indore and Rajasthan.
- For Scope 3 indirect energy consumption and emissions - 560 Nextgen Kendra outlets.
- 11,730 Nextgen Kendra outlets**

**Banking transactions data consists of 13,492 Kendras which consists of 11,730 Nextgen Kendras and 1,762 Kendras which were in older format and are currently under on-boarding process as Nextgen Kendras.

Limitations

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

The assurance scope excludes:

- Any disclosure other than those mentioned in the Scope section above
- Data and information outside the defined reporting period
- Data related to Company's financial performance, strategy and other related linkages expressed in the Report

- The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.

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

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

Assurance Procedures

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

- Interviewing senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
- Reviewing the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
- Evaluating the suitability and application of Criteria and that the Criteria have been applied appropriately to the subject matter.
- Selecting key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
- Re-performing calculations to check accuracy of claims,
- Reviewing data from independent sources, wherever available,
- Reviewing data, information about sustainability performance indicators and statements in the report.
- Reviewing of materiality assessment and awareness workshops;
- Reviewing the Company's stakeholder identification and engagement process;
- Reviewing of materiality assessments process;
- Reviewing and verifying of information/ data related to six capitals of International Integrated Reporting Council (IIRC) Framework;
- Reviewing of accuracy, transparency and completeness of the information/ data provided;
- Identification of gaps with respect to IIRC framework and other global standards.

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

Conclusions

Based on the procedures performed as above, evidences obtained and the information and explanations given to us along with the representation provided by the management and subject to inherent limitations outlined elsewhere in this report, in our opinion, Vakrangee's non-financial performance data and information for the period of 01 April 2020 to 31 March 2021 included in the Report, is, in all material respects, in accordance with the Reporting Criteria mentioned above.

Our conclusions on the Report's adherence to the AA1000 Accountability Principles of Inclusivity, Materiality, Responsiveness and Impact are as follows:

- **Inclusivity** – The Company has identified its key stakeholder groups based on the level of influence and impacts the company has on these stakeholder groups. However, they should implement a structured, documented process for stakeholder prioritisation.
- **Materiality** – The Company has reported on material topics across economic, environmental, social, and governance aspects, post stakeholder consultations. However, the process of obtaining stakeholders' feedback and determination of materiality score needs to be well documented.
- **Responsiveness** - The Company has demonstrated their commitment to understand stakeholder concerns, as evident from the various stakeholder consultation and engagement mechanisms that have been applied.
- **Impact** - The company acknowledges its impact on the wider society and has established policies and processes to measure, monitor and evaluate the economic, environmental and social impacts for select aspects material to the Company. The company communicates its performance across these aspects through its integrated annual report. It also evaluates its performance through scoring from organizations like Sustainalytics and S&P Global.

Independence

We have complied with Grant Thornton's independence policies, which are in line with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the 'IESBA Code'). The firm complies with the requirements of International Standard on Quality Control -1 ('ISQC1') and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We also confirm that we have maintained our independence in the Report and there were no events or prohibited services related to the Assurance Engagement which could impair our independence.



Abhishek Tripathi

Associate Partner

Dated: July 26, 2021

