

THE ASSISTED DIGITAL CONVENIENCE STORE



**DISCLOSURE ON COMPANY
RELATED CONTROVERSIES**

Details / Disclosure of Controversies

Environment Related:

- **Operation Incidents : There have been No Controversies**
- **Environmental Supply Chain Incidents : There have been No Controversies**
- **Product & Service Incidents : There have been No Controversies**

There have been No Environment Related Controversies

Details / Disclosure of Controversies

Governance Related:

- **Business Ethics Related : There have been Controversy : Accounts & Finance – Auditors Related**
 - Investigation done by Ministry of Corporate Affairs (MCA)
 - Investigation Outcome : Company has received a Clean Chit. No Irregularities found & No further action pending pertaining to Vakrangee.
- **Public Policy Incidents : There have been No Controversies**
- **Governance Related : There have been Controversies :Related to Trading Activities of Promoter & Promoter Group**
 - Investigation done by SEBI & Economic Offence Wing (EOW)
 - Investigation Outcome :
 - SEBI : There were no findings or instance of any stock Manipulation by Promoter or Promoter group entities.
 - EOW : Clean chit given to promoter & promoter group with respect to price & volume manipulation

There are No Governance Related Controversies nor any Investigations Pending

Details / Disclosure of Controversies

Social Related:

- **Employee Incidents:** **There have been No Controversies**
- **Customer Incidents :** **There have been No Controversies**
- **Social Supply Chain Incidents :** **There have been No Controversies**
- **Society & Community Incidents :** **There have been No Controversies**

There have been No Social Related Controversies

Details of Controversy : Auditor Resignation

Controversy Detail : Resignation of Statutory Auditors

Price Waterhouse & Co Chartered Accountants LLP (PwC) resigned dated 28th April 2018. PwC resigned as auditor of Vakrangee before the expiry of its tenure. PwC had resigned citing the reason that the company had not furnished the required information to the Auditors as called upon by them. Ministry of Corporate Affairs opened an investigation into financial auditor resignations at Vakrangee.

Ministry of Corporate affairs (MCA) had ordered the Inspection of Books of Accounts for a period of three financial years to be conducted in terms of Section 206(5) of the Companies Act 2013.

The scope, inter alia, included :-

- Resignation of Price Water House and Co Chartered Accountants LLP as Statutory Auditors of the Company,
- Abnormal trading of the Company stock and consequent action taken by the Stock Exchanges
- Income Tax Assessment order and Tax Audit report for the last 5 years
- Share holding structure of the Company

Controversy : Auditor Resignation : Our feedback

Controversy Detail : Our Feedback

Ministry of Corporate affairs (MCA) had ordered the Inspection of Books of Accounts on our Company for a period of three financial years to be conducted in terms of Section 206(5) of the Companies Act 2013.

However, MCA has successfully completed audit and **there were no irregularities and there is no further action pending pertaining to Vakrangee with respect to the above mentioned matters.**

Link for our Press Release:

https://archives.nseindia.com/corporate/VAKRANGEE_02052019140210_UpdateonMCA_140.pdf

Also, we have received the detailed official MCA report under RTI (Right to Information Act) and we have uploaded the same on our Company website.

Please see below the link for RTI Report:

https://vakrangee.in/pdf/News_and_Announcements/MCA%20Report%20on%20Vakrangee%20Limited.pdf

Controversy : Auditor Resignation : Our feedback

The MCA report mentions that the Inspector Officer (IO) had visited the Registered office of the Company and conducted an Inspection of Books of Account and records, including statutory records of the company which was facilitated and co-operated by the Company,

In the MCA report on page no. 33 of the pdf file, in point no. G and J which clearly says that :-

“PWC has not stated anything to MCA about information not being provided by Company and till 22.01.2018, PWC has given unqualified report on the Limited Review.”

Also, refer page no. 34 of pdf file, point no. N which clearly says that the :-

“Inspection Officer (IO) could not find any adverse or malafide on the part of the Company on the issue of resignation of PWC. On the contrary, the replies of PWC were found contradictory.”

Thus, there were NO Irregularities found by the MCA during the investigation. Further, there is no Outstanding Investigation or any Controversy related to the Company.

Details of Controversy : Trading Activities

Controversy Detail : Trading Activities of Promoter & Promoter Group

There has been a SEBI Investigation in matter of trading activities in scrip of Vakrangee Limited. There were rumours and various media reports and articles over the past few months about the Company's promoters being under SEBI's scrutiny on charges of stock manipulation. Securities & Exchange Board of India (SEBI), had conducted an investigation into the trading activities of certain entities in the scrip of Vakrangee Limited.

Controversy Detail : Our Feedback

As per SEBI Investigation, there have been No findings or instance of any stock manipulation by Promoter or Promoter group entities.

Press Release link :

https://www.vakrangee.in/pdf/press_release/27SEBI%20Update%20-%20Press%20Note%20-%20Vakrangee.pdf

Details of Controversy : Trading Activities

Controversy Detail : Trading Activities of Promoter & Promoter Group

A complaint was filed with the office of Economic Offences Wing (EOW) against the Company and its Promoter/ Managing Director & CEO Mr. Dinesh Nandwana relating to price/ volume manipulation and accordingly EOW had conducted an enquiry.

Controversy Detail : Our Feedback

We would like to inform that the Company promoters have also received a clean chit from the office of Economic offences wing (EOW). The Company had provided all the satisfactory replies along with supporting documents to the queries that were raised by the office of EOW. Upon completion of their investigation, the office of EOW have communicated to the Company that they have not found any substance in the complaint and hence closing the enquiry, thereby giving clean chit to the Company.

Press Release link :

https://www.vakrangee.in/pdf/press_release/27SEBI%20Update%20-%20Press%20Note%20-%20Vakrangee.pdf

Thank You