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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 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.

## 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
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: 2<sup>nd</sup> August, 2023

