



Grant Thornton

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Independent Limited Assurance Statement on the non-financial performance data and information in Annual Integrated Report for FY 2019-20

**To
The Board of Directors
Vakrangee Limited
Mumbai, Maharashtra, India**

Introduction

We have been engaged by the Management of Vakrangee Limited (**herein referred as “Vakrangee” or “The Company”**) to carry out limited assurance engagement and provide independent assurance statement on the selected non-financial performance as presented in their Annual Integrated Report for FY 2019-20 (**herein referred as “The Report”**). The review has been performed on select non-financial performance for a period beginning from 01 April, 2019 till 31 March, 2020¹.

Reporting Criteria

Vakrangee’s management is responsible for selecting the criteria and the report has been developed based on the principles of the International Integrated Reporting (<IR>) Framework published by the International Integrated Reporting Council (IIRC). Its sustainability performance reporting criteria has been derived from the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016.

Our Responsibility

Our responsibility, is to provide limited assurance on the select non-financial performance data and information as described in Scope, Boundary and Limitations. We disclaim any assumption of responsibility for any reliance on this assurance statement to any party or person other than Vakrangee management, or for any purpose other than that for which it was prepared. We provide no assurance over changes to the content of web-based information after the date of this assurance statement.

¹ The disclosure on number of on-boarding Kendras is till the period of 31st July, 2020.

Scope, Boundary and Limitations

Scope

Our Scope of Work, was limited to the review of non-financial performance data and information disclosed in the report, for the period of 01 April, 2019 till 31 March, 2020.

Non-financial performance disclosures subject to assurance were as follows:

Capital	Parameter	Performance Indicators	GRI Disclosure
Manufactured	Vakrangee Kendras	Vakrangee Kendras in general district	GRI -102, 202, 203
		Vakrangee Kendras in tribal areas	
		Vakrangee Kendas in LWE districts	
		Vakrangee Kendas in districts inclusive of LWE and tribal	
		Operational Next-Gen Vakrangee Kendras	
		Kendras in the process of onboarding	
	Vakrangee's field staff	Vakrangee'e field staff available in tribal districts	GRI -102, 202
		Vakrangee'e field staff available in LWE districts	
	Geographical Presence	Tier 1	GRI -102, 202
		Tier 2	
		Tier 3	
		Tier 4	
		Tier 5	
		Tier 6	
	Insurance	Outlets included in this scheme (insurance of outlets) as on 30/06/2020	GRI – 201
Awards	Nominated in “India’s Top 100 Franchisees” list by the Franchisee India Magazine in January 2020 edition	GRI – 201	
	Awarded “Best Financial Services Retailer of the Year” at the Indian Retail Awards 2019		
Divyang friendly	Any visually challenged customer accessing our ATM can use the headphone and transact on the ATM with the help of Braille enabled pin pad	GRI – 203	
Human	Employee Details	Total Employees	GRI – 102
		Divyang (Male)	
		Average Age	

Employees in Corporate Headquarter	Male	GRI – 102
	Female	
	Number of women representing company's management council	
State Office	Male	GRI – 102
Field Employee	Male	GRI – 102
	Female	GRI – 102
New Employees	Male	GRI - 401
	Female	GRI - 401
New Employees on Field	Male	GRI - 401
Franchisee Owner	Women	GRI – 102, 405
	Divyang	
Training	ISO, Induction and Behavioral aspects	GRI -404
	Skill Training	
Parental Leave	Female employees	GRI – 401
Sustainable Procurement	suppliers assessed on their environmental and social impact	GRI - 308
Corruption	Incidents of corruption recorded at the organization	GRI – 205
Complaints	Complaints regarding child labour, forced labour or sexual harassment	GRI – 412
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 inspired and connected with the co-workers;		

		<p>Employees feel that their manager encourages collaboration in the team;</p> <p>Employees feel their manager is committed to provide guidance and motivation;</p> <p>Employees feel that they can count on their peers in need of help;</p> <p>Employees feel that their manager assigns challenging assessments to them and is successful in building trust amongst the team members;</p> <p>Employees feel that they receive constructive feedback from their manager and peers which help them improve their overall performance.</p>	
	Fatalities	Fatalities as a result of work-related ill-health	GRI – 403
Intellectual	ISO Certifications	ISO/IEC 27001:2013 Information Security Management System	GRI - 203
		ISO 20000-1:2011 Information Technology Service Management	
		ISO 9001:2015 Quality Management System	
	ATM Transactions	White Label ATM transactions	GRI – 201
	IoT	Number of franchisees monitored with the use of IoT (They are monitoring ATMs and electric surveillance)	
	Training	Employees trained for advanced technologies	GRI – 404
	Data Breach	Instances of data breach in: 1. company 2. franchisee	GRI – 418
Social & Relationship	Outlet Break-up as per services	BFSI	GRI - 203
		ATM	
		E-Commerce & Logistics	
	CSR spent	Activity -wise CSR spent	GRI - 413
	Franchisee Owner	Women	GRI- 201, 203
		Divyang	
	Skill and Technology related training per franchisee	Insurance	GRI- 201, 203
		VKMS	
Ad-hoc and need based by CRM and SME			
OEM for ATM			

		HR Code of conduct training	
	Claims	13th largest ATM operator in India. More than two-third of ATMs are in rural India making Vakrangee the 3rd largest ATM operator	GRI – 201, 203, 413
		Running a multi-speciality hospital in the city of Kota, Rajasthan	
		Industry partner for setting up IIIT Kota and have contributed INR 320 lakhs	
	Complaints	Unethical and Unlawful Behaviour	GRI – 205, 206
	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	
Natural	Energy	Energy consumed (Scope 1)- Diesel/Petrol	GRI - 302
		Energy consumed (Scope 2) - Grid	
	Emissions	Scope 1	GRI - 302
		Scope 2	
	Green Building Initiatives	Rooftop Solar PV	GRI - 302
		Rooftop Solar PV Capacity	
		Solar PV panel based peripheral lighting system	
	Water	Water consumed	GRI – 303
	Waste	Waste Recycled	GRI - 306
	Paperless Transactions	ATM transactions	GRI - 306
		Banking transactions	
	Paper Saved	Quantity of paper saved	GRI - 306
	Certifications	ISO 14001:2015 - Environmental Management System	GRI - 307
ISO 20400:2017 - Sustainable Procurement Management System			
ISO 14064-1:2006 & ISO 14064-2:2006 - Green House Gas Emission			

We conducted out procedures in accordance with the following standards:

- Limited assurance requirements of International Standard on Assurance Engagement 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information (herein referred as “ISAE 3000”) issued by the IFAC. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement to obtain sufficient appropriate evidence about whether the non-financial

performances are free from material misstatement. Under this standard, we have reviewed the information presented in the report against the characteristics of relevance, completeness, reliability, neutrality and understandability.

- AA1000 Assurance Standard 2008 (AA100AS 2008) by Accountability. This standard requires us to review the nature and extent of adherence to the AA1000AS principles, i.e., Inclusivity, Materiality and Responsiveness. We conducted the assurance as per the requirements of AA1000 assurance standard (2008) Type 1 assurance and applied a moderate level of assurance.

Boundary

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

- The Corporate Office located in Mumbai
- 10,027 Nextgen Kendra outlets**

**Banking transactions data consists of 12,487 Kendras which consists of 10,027 Nextgen Kendras and 2,460Kendras 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.

Our 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 also considered the internal controls pertaining to the preparation of the Report to design appropriate assurance procedures, which includes::

- 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, and
- Reviewing data, information about sustainability performance data and statements in the report.

Our Conclusions

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

Based on the procedures we have performed, nothing has come to our attention that suggests that the Vakrangee's non-financial performance data and information has not been prepared in accordance with the Criteria.

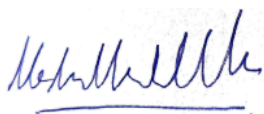
Our conclusion based on the AA1000 Accountability Principles of Inclusivity, Materiality and Responsiveness are as follows:

- 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 identification and prioritisation.
- Materiality – The Company has reported on material topics across economic, environmental, social, and governance aspects. However, the process of determination of materiality score and benchmark 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.

Our observations have been provided in a separate management letter to the company. However, these observations do not affect our conclusions regarding the Report.

Independence

We have complied with Grant Thornton's independence policies, which address the requirements of the IFAC Code of Ethics for Professional Accountants in the role as independent auditors. 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

Executive Director

Dated: 21 August 2020

