

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 30th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended March 31, 2020.

1. PERFORMANCE OF THE COMPANY

The Company's performance is summarized below:

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2019-2020	2018-2019	2019-2020	2018-2019
Revenue from Operations	62335.23	144977.39	68522.16	150822.69
Other Income	7599.58	7813.29	7747.82	7997.11
Profit / Loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	9153.39	4903.32	10140.46	5830.23
Less: Depreciation/ Amortisation/ Impairment	1486.04	870.98	1488.60	873.54
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	7667.35	4032.34	8651.86	4956.69
Less: Finance Costs	0.00	0.00	0.00	0.00
Profit /Loss before Exceptional items and Tax Expense	7667.35	4032.34	8651.85	4956.69
Add/(Less): Exceptional Expense	503.41	177.40	503.41	177.40
Profit /Loss before Tax Expense	8170.76	4209.74	9155.26	5134.09
Less: Tax Expense (Current & Deferred)	1718.38	2191.80	2027.26	2611.46
Profit /Loss for the year (1)	6452.38	2017.94	7128.00	2522.63
Total Comprehensive Income/Loss (2)	18.42	(58.46)	54.34	(13.80)
Total (1+2)	6470.80	1959.48	7182.35	2508.83
Balance of profit /loss for earlier years	186894.00	194693.38	187875.91	195170.60
Less: Transfer to Reserves	0.00	(6626.21)	0.00	(6626.21)
Less: Dividend paid on Equity Shares	(2648.51)	(2647.01)	(2648.51)	(2647.01)
Less: Dividend Distribution Tax	(544.41)	(544.10)	(544.41)	(544.10)
Balance carried forward	190153.46	186894.00	191810.00	187875.91

PERFORMANCE

Standalone:

Your Company's total income during the year under review was ₹ 69934.81 Lakhs as compared to ₹ 152790.68 Lakhs in the previous year. The Profit after tax was ₹ 6452.38 Lakhs as compared to ₹ 2017.94 Lakhs in the previous year.

Consolidated:

Your Company's total income during the year under review was ₹ 76269.98 Lakhs as compared to ₹ 158819.80 Lakhs in the previous year. The Profit after tax was ₹ 7128.01 Lakhs as compared to ₹ 2522.63 Lakhs in the previous year.

2. STATE OF COMPANY'S AFFAIRS

For Vakrangee, FY2020 was a year of scaling up our transformational journey which we initiated last year. During the year, we significantly scaled up our highly recognisable "Next-Gen" format Kendra network to more than 10,000+ Operational outlets as compared to 3,504 operational outlets in FY2019. Further, another 24,000 outlets are under On-Boarding process and would soon become operational. These stores are exclusive unified branded stores for delivering a consistent consumer experience and well-defined service levels. During the year under review, we successfully reached 10,000+ Next-Gen Vakrangee Kendras, spread across covering 30 states and Union Territories, over 500 districts and 6,150 postal codes. Out of these outlets, 70% outlets are in Tier V & VI cities. 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 NextGen 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 Planned target is to reach 25,000 Next-Gen Kendras by CY2020 and 300,000 Next-Gen Kendras by CY2025. Our aim is to become India's largest consumption platform.

Indeed, FY2020 was also a remarkable year in terms of our achievements on the ground and we were nominated in "India's Top 100 Franchisees" list by the Franchisee India magazine.

Further, in recognition of our superior Environmental, Social and Governance models, Our Company Vakrangee Limited (VL) has been globally ranked No.1 in the Sustainalytics ESG Risk rating rankings out of the 668 companies assessed in the Software and Services industry across worldwide. Sustainalytics is a global leader in Environment, Social and governance (ESG) and Corporate Governance research and ratings. Sustainalytics has recognised the company's leadership in sustainability-related matters by giving a score of 7.4 Negligible in ESG risk rating.

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.

During FY2020, 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.

- Our Company 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)

Impact of Covid-19 on Business Operations

During COVID pandemic, we have been successful in opening more than 10,000 of our outlets during this period of lockdown since we have been providing essential services. However, the service offering at our outlets was limited as majorly only Banking and ATM services were operational whereas other key services like Online shopping, online pharmacy, Travel services and Logistics were closed due to on ground delivery challenges and travel ban amidst Lockdown. Further in Banking services, we witnessed lower ticket size transactions and absence of deposit transactions whereby only withdrawal transactions were in focus during the said period.

This makes us one of the very few companies globally who are operational during a lockdown and providing key emergency and essential services to the citizens in the most environment friendly manner at the remotest parts of the country thereby serving unserved and underserved parts of the country. At the same time, health of our franchisees and customers is important to us and all our Vakrangee Kendras are maintaining complete safety protocols and also maintaining proper hygiene at the outlets.

We believe our Brand awareness and store awareness has increased significantly during this period of 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. Further, now as the situation improves and unlock 1.0 has begun since 8th June, we expect our services to normalize over the next couple of months and business growth momentum to improve going forward. Due to our enhanced visibility during this lockdown period and an aggressive marketing campaign done over the last 6 months, the Company has received an overwhelming response on the same and has received huge number of new enquires for NextGen Vakrangee franchisee model.

Further, Under Pradhan Mantri Mudra Yojana (PMMY) the Banks have started to extend finance to the micro enterprises which are in the business of manufacturing, trading and service sector in rural, urban & metro areas.

The Board is pleased to share that our company has entered into a partnership arrangement with Union Bank of India (UBI) to provide the loan facility for Pan India Nextgen Vakrangee Kendra franchisees. The bank is now offering a special product for our franchisees under Union Mudra Scheme. Union Bank of India has an overall planned outlay of ₹ 2,000 crore and sanctioned the outlay of ₹ 800 Crores (first tranche) under Union Mudra Scheme for Nextgen Vakrangee Kendra franchisees. The Loans covered under MUDRA scheme are collateral free loans. This is a huge boost to our potential franchisees, thereby easing the On-Boarding process for our potential franchisees. The company believes and is very confident to achieve its store expansion targets well before the stated timelines. The Company has a planned target of opening 3,00,000 outlets by 2025 and will be opening in a batch of 25,000 each. Due to the overwhelming response received on the new enquiries, the Company has already initiated the on-boarding to Go-live process of these outlets and have already begun the preparation on key requirements to achieve this feat.

Impact of COVID-19 on Supply Chain and Pro-active Measure Taken

There has been disruption in the supply chain and few challenges in the procurement of the Hardware equipment's for the kendra outlet. Most of these equipment's are imported and are assembled in India. In the current environment, we expect atleast 25-30% price hike in the case of hardware equipment's. However, with robust Risk management practices in place, Company had already begun the preparation since the start of this COVID-19 pandemic situation when the total nationwide lockdown started on the future requirements of key equipment's.

We have leveraged our Strong balance sheet to support our vendors financially in this moment of crises, to meet our projected requirements as well as have successfully ensured an uninterrupted supply of Software and

Hardware equipment's without any material price impact.

We have the software and hardware procurement well in place for another batch of 25,000 Kendras. This would give us a huge advantage in our industry segment as our franchisee viability would be much better as well as initiation process would be quick and unaffected due to any supply chain constraints in the near future.

Update on Scheme of Merger/Amalgamation

The Company at its Board meeting held on February 13, 2020 has approved the Scheme of Amalgamation pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 subject to the approval from National Company Law Tribunal, Mumbai having jurisdiction over the Company and also the necessary approvals from the concerned regulatory authorities including stock exchanges where the shares of the Company are listed, for Amalgamation of M/s VAKRANGEE LOGISTICS PRIVATE LIMITED ("the First Transferor Company") and M/s VAKRANGEE FINSERVE LIMITED ("the Second Transferor Company") the wholly owned subsidiaries with M/s VAKRANGEE LIMITED ("the Transferee Company").

In pursuance of the circular dated 10th March, 2017 issued by the Securities and Exchange Board of India ("SEBI") an application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Amalgamation between M/s VAKRANGEE LOGISTICS PRIVATE LIMITED ("the First Transferor Company") and M/s VAKRANGEE FINSERVE LIMITED ("the Second Transferor Company") the wholly owned subsidiaries with M/s VAKRANGEE LIMITED ("the Transferee Company") has been filed with the stock exchanges and the same has been disseminated on the website of the stock exchanges and the Scheme has been uploaded on the website of the Company.

The Company has also filed an Application with the National Company Law Tribunal, Mumbai Bench; Mumbai ("NCLT") to seek necessary directions, is pending before the tribunal for hearing and disposal.

3. DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.25/- per equity share (previous year ₹ 0.25/- per equity share), subject to the approval by the shareholders at the forthcoming Annual General Meeting.

The total dividend payout will be of ₹ 2648.51 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.

DIRECTORS' REPORT**4. SHARE CAPITAL**

The Paid-up Equity Share Capital of the Company as on March 31, 2020 was ₹ 105,94,05,640/- comprising of 105,94,05,640 equity shares of Re. 1/- each.

On May 03, 2019 the Company had issued and allotted 47,750 equity shares at the rate of ₹ 10/- per share and 5,54,800 equity shares at the rate of ₹ 32.35/- per share aggregating to 6,02,550 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 105,88,03,090 equity shares to 105,94,05,640 equity shares.

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, 2020, the Company has three wholly owned subsidiaries viz, Vakrangee Finserve Limited, Vakrangee Logistics Private Limited and Vakrangee e-Solutions INC.

There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

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.

As on March 31, 2020, the Company does not have any material subsidiary companies. However, 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 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.

Vakrangee Logistics Private Limited

Vakrangee Logistics Private Limited, incorporated in March 2016, is a wholly owned subsidiary of Vakrangee Limited. Vakrangee Logistics is building for its alliance partners, an unparalleled last-mile delivery capabilities and thus expanding their reach to unserviceable pincodes, where the logistics challenges are the maximum for traditional logistics companies. Vakrangee Logistics leverages the physical presence of Vakrangee Kendras to offer the last-mile delivery services. The key services offered by Vakrangee Logistics include forward delivery, reverse pick-ups and courier booking. Vakrangee Logistics through its network ensures a hassle-free experience to its partners and end-customers.

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.

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, 2020, 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.

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 the 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	31st March, 2020 (₹ In Lakhs)	31st March, 2019 (₹ In Lakhs)
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	40.47

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

During the year under review, Mr. Dinesh Nandwana was re-appointed as Executive Director at the 29th Annual General Meeting (AGM) held on September 25, 2019 for a further period of five years w.e.f. October 1, 2019.

Further, the Board of Directors of the Company, based on the recommendations of Kotak Committee and in compliance with Regulation 17(1B) of SEBI LODR 2015 in their meeting held on January 24, 2020 considered and approved restructuring in composition of Board of Directors.

Pursuant to the above, Mr. Anil Khanna, the existing Managing Director & Group CEO of the Company was replaced by Mr. Dinesh Nandwana as Managing Director & Group CEO of the Company and as a result Mr. Anil Khanna continued to be non-executive director of the Company.

Further, Mr. Ramesh Joshi, was appointed as Non – Executive Chairman of the Company in place of Mr. Dinesh Nandwana who was erstwhile the Executive Chairman of the Company.

The following Independent Directors were re-appointed for consecutive second term of five years by passing special resolution in the 29th AGM of the Company held on September 25, 2019:

1. Mr. Avinash Vyas, for a second term of five consecutive years commencing from November 14, 2019 up to November 13, 2024.
2. Mrs. Sujata Chattopadhyay, for a second term of five consecutive years commencing from March 31, 2020 up to March 30, 2025.

DIRECTORS' REPORT

3. Mr. Sunil Agarwal, for a second term of five consecutive years commencing from September 25, 2019 up to September 24, 2024.
4. Mr. Ramesh Joshi, for a second term of five consecutive years commencing from September 25, 2019 up to September 24, 2024.
5. Mr. B.L. Meena, for a second term of five consecutive years commencing from September 25, 2019 up to September 24, 2024.

The Board at its meeting held on July 31, 2020, pursuant to the recommendation of Nomination and Remuneration and Compensation Committee and subject to approval of members at the ensuing Annual General Meeting:

- (a) Appointed Mr. Hari Chand Mittal (DIN: 08797386) as an Additional Director under section 161(1) of the Companies Act, 2013, designated as Independent Director for a first term of five consecutive years with effect from July 31, 2020.
- (b) Re-appointed Dr. Nishikant Hayatnagarkar (DIN: 00062638) as Whole Time Director of the Company for a further period of five years with effect from October 1, 2020.

With respect to the above appointments, the Board is of the view that their association would be of immense benefit to the Company and it is desirable to avail their respective services as Directors.

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. Subhash Singhania, Chief Financial Officer
- Mr. Mehul Raval, Company Secretary

In the opinion of the Board, the independent directors appointed during the year possesses the required qualifications, integrity, expertise and experience for the position.

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 Independent Directors had any pecuniary relationship or transactions with the Company during Financial Year 2019-20. In the opinion of the Board, they fulfill the conditions of independence as specified in the Companies Act, 2013 and Listing Regulations and are independent of the management.

None of the Directors or Key Managerial Personnel (KMP) of the Company are related inter-se.

Pursuant to the provision of Section 152(6) of the Companies Act, 2013 Dr. Nishikant Hayatnagarkar, Whole Time 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 have been provided 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.

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 composition of the Committee was re-constituted on January 24, 2020 with the following members:

1. Mr. Avinash Vyas – Chairman
2. Mr. Ramesh Joshi – Member
3. Mr. Ranbir Datt – Member

The Board has framed a Nomination and Remuneration and Compensation Policy and Policy on 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, 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 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. During the year under review, one meeting of the Committee was held on September 30, 2019.

Risk Management Committee was re-constituted on February 13, 2020 and comprises of following members:

Name	Designation
Ms. Sujata Chattopadhyay	Chairperson
Mr. Dinesh Nandwana	Member
Dr. Nishikant Hayatnagarkar	Member
Mr. Prabodh Bhusari	Member

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 2019-20 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.

The Company has always adhered to the main thrust and spirit of the law to generate conducive environment for enabling corporates to conduct themselves in a socially responsible manner, while contributing towards human development goals of the country.

Further, the Company's business model itself is in the nature of providing services to the unserved & underserved rural, semi urban and urban markets.

The Company's 70% retail outlets are concentrated in tier V and tier VI cities. Company's technology intensive, retail distribution platform for last mile touchpoints deliver services across Banking, Financial Services, ATMs, Insurance, E-governance, E-Commerce and Logistics services on a real time basis across the under-served rural and urban India.

We take seriously our responsibility to Our Submission the call of those who aspire a better tomorrow – even as we constantly innovate to solve the challenges of tomorrow.

Company's Business model is franchisee based, who preferably is a localite. In addition, each franchisee employs minimum of 1-3 resources, creating employment opportunities and financial stability. The Company's business model thus creates a ripple effect in the larger society. It facilitates skill enhancement. We take ordinary individuals and train them with skill-sets that helps them yield remarkable results. There is basic certification needed for rendering banking and insurance services, thereby enhancing his skill-sets.

DIRECTORS' REPORT

Therefore, the Company's business model is totally focused on financial and social inclusion of the society.

With respect to the unspent CSR amount for the financial year 2019-20, 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 also had selected few of them viz, Bharat Vikas Parishad Sewa Sanstha and My Home India.

The Board is fully confident that the overall CSR spends in these projects would fully meet the guidelines.

However, the schedules of these projects is spread over 2 to 3 years which would also cover the unspent amount of previous years and will meet the future guidelines too.

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 of Composition of the Committee is 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

15. AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

Statutory Auditor

M/s A.P. Sanzgiri & Co., Chartered Accountants, Mumbai (Firm Regn. No.116293W) were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on September 28, 2018 for a period of 4 years i.e. from the conclusion of the said Annual General Meeting until the conclusion of Thirty Second Annual General Meeting.

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 2019 - 2020 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, 2020 is annexed herewith as "Annexure 6" to this Report.

The Secretarial Auditor's Report do not contain any qualifications, reservations, adverse remark or disclaimer.

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 2019 - 20, 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 2019 - 20.

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. 40 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 REPORT

A separate section on Business Responsibility 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 has 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

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2020 made under the provisions of Section 92(3) of the Companies Act, 2013 in **Form MGT-9** is annexed herewith as "**Annexure 7**".

The Extract of the Annual Return has been also placed at Company's website on 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.

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 ₹ 3,85,490/- pertaining to financial year ended on March 31, 2012 lying with the Company for a period of seven years was transferred during the financial year 2019-20, to Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, as required under section 124 of the Act, 1,92,930 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 2019-20. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

The Company have appointed Mr. Mehul Raval, as the Nodal Officer to ensure compliance with the IEPF Rules.

31. INTEGRATED REPORT

The Company being one of the top 500 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 regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. The Directors appreciate and value the contribution made by every employee of the Vakrangee family.

On behalf of the Board of Directors

Dinesh Nandwana
Managing Director & Group CEO
(DIN: 00062532)

Dr. Nishikant Hayatnagarkar
Whole Time Director
(DIN: 00062638)

Place: Mumbai
Date: July 31, 2020