

WORKFORCE COST EXPOSURE ASSESSMENT

A Financial Perspective on Workforce Verification

Workforce cost is often one of the largest operational expenses in construction, manufacturing and other labour-driven industries. Even a small percentage of unverified workforce can create a significant annual financial exposure.

POTENTIAL ANNUAL WORKFORCE EXPOSURE

₹36,00,000

This is the potential financial impact of unverified workforce based on a conservative estimate.



KEY ASSUMPTIONS USED FOR CALCULATION



TOTAL WORKFORCE

200

Workers

Total in-house workforce considered for this assessment.



AVERAGE DAILY WAGE

₹1,000

Per Worker

Average daily wage considered for the workforce.



CONSERVATIVE VERIFICATION GAP

5%

Of Workforce

Conservative estimate of unverified workforce due to process gaps.



POTENTIAL UNVERIFIED WORKFORCE

10

Workers Per Day

Estimated number of unverified workers impacted per day.



Workforce verification is not just an operational need, it is a **FINANCIAL CONTROL** for every organization.

WHY THIS EXPOSURE EXISTS?

Workforce verification gaps can occur in many ways.

Even a small gap can create a significant financial impact over time.

01  PROXY ATTENDANCE Another person marking attendance on behalf of the actual worker.	02  DUPLICATE ATTENDANCE Multiple entries for the same worker or duplicate worker records.	03  CONTRACTOR BILLING MISMATCH Billing for more workers than actually deployed on site.
04  OVERTIME CALCULATION ERRORS Incorrect overtime entries leading to additional unnecessary cost.	05  UNVERIFIED DEPLOYMENT RECORDS No real-time visibility of who is present, where and for which activity.	06  DELAYED OR MANUAL REPORTING Manual registers and delayed reporting reduce accuracy and increase risk.

INDUSTRY OBSERVATIONS & PUBLIC CASES

Workforce attendance and payroll fraud are real challenges.

Here are some recent examples from public sources.

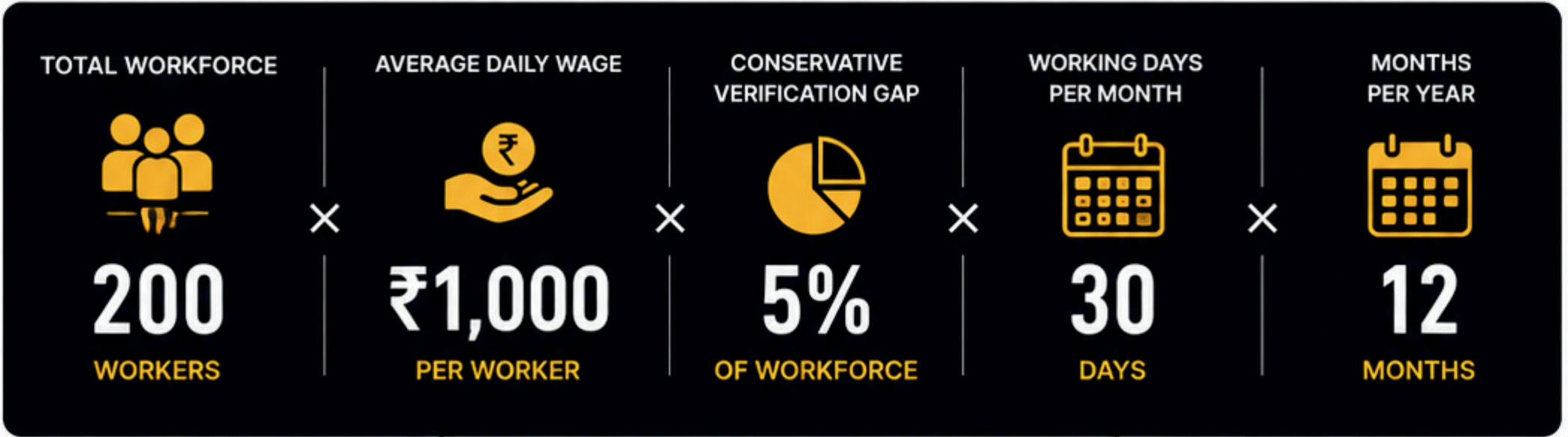
01 ZEEBUSINESS Attendance Fraud Costing Companies Rs 28 Lakh Crore Clever employees using loopholes in attendance systems are costing Indian companies a massive Rs 28 Lakh Crore, impacting productivity and profitability.  Source: www.zeebiz.com/india/news-attendance-fraud-clever-employees-cost-companies-rs-28-lakh-crore-85117	02 THE TIMES OF INDIA HR Manager Creates 22 Fake Employees to Steal Rs 18 Crore An HR manager created 22 fake employee records and diverted salaries for personal gain, resulting in a fraud of Rs 18 Crore.  Source: timesofindia.indiatimes.com/etimes/trending/hr-manager-creates-22-fake-employees-to-steal-rs-18-crore	03 THE NEW INDIAN EXPRESS GHMC Adopts AI Solution to Curb Biometric Attendance Fraud The Greater Hyderabad Municipal Corporation (GHMC) has implemented an AI-based solution to detect and prevent biometric attendance fraud and improve accountability.  Source: www.newindianexpress.com/cities/hyderabad/2024/Feb/24/ghmc-adopts-ai-solution-to-curb-biometric-attendance-fraud
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These examples highlight the importance of workforce verification, **visibility and accountability** in today's environment.

FINANCIAL EXPOSURE CALCULATION

Illustrative calculation based on the assumptions on Page 1



POTENTIAL ANNUAL WORKFORCE EXPOSURE

₹36,00,000

THIRTY SIX
LAKHS ONLY

This is the potential financial impact of unverified workforce based on a conservative estimate.

MONTHLY EXPOSURE BREAKUP



10 Workers (5% of 200)
× ₹1,000 Daily Wage
× 30 Days

= ₹3,00,000
PER MONTH

ANNUAL EXPOSURE BREAKUP



₹3,00,000 Per Month
× 12 Months

= ₹36,00,000
PER YEAR

TOTAL WORKFORCE COST PERSPECTIVE

200 Workers
× ₹1,000 Daily Wage
× 30 Days

= ₹60,00,000
MONTHLY WORKFORCE COST

Annual Workforce Cost

₹60,00,000 × 12 Months =

₹7,20,00,000
PER YEAR (₹7.2 CRORES)



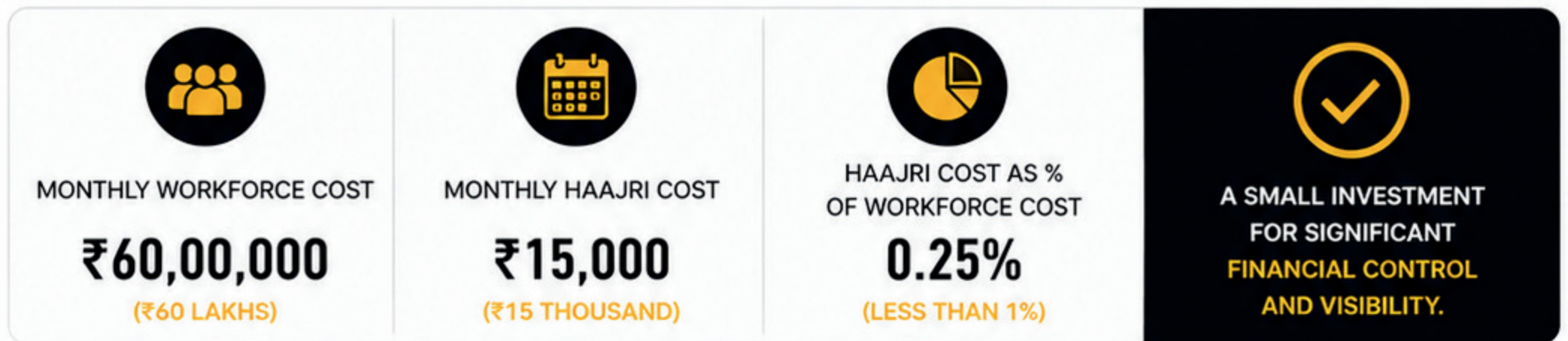
Note: This calculation is illustrative and based on the assumptions mentioned on Page 1. Actual exposure may vary based on site conditions, processes and controls.

INVESTMENT **VS** EXPOSURE

A Financial Comparison That Makes Sense



MONTHLY PERSPECTIVE



RETURN ON CONTROL (ILLUSTRATIVE)

	Annual Workforce Cost	₹7,20,00,000 (₹7.2 CRORES)
	Potential Workforce Exposure (5% Gap)	₹36,00,000 (₹36 LAKHS)
	Annual Haajri Investment (Approx.)	₹1,80,000 (₹1.8 LAKHS)
	Potential Protection Value (Exposure – Investment)	₹34,20,000 (₹34.2 LAKHS)

WHAT THIS MEANS

“Investing a small amount in workforce verification can help protect a much larger portion of your operational spend.”



Stronger verification today leads to better control, better accuracy and **better financial outcomes** tomorrow.

MANAGEMENT RECOMMENDATION

“ If workforce cost is one of the largest expenses in your business, **should it be managed through assumptions**, or through verification? ”

WHAT HAAJRI DELIVERS

 ATTENDANCE VERIFICATION Real-time attendance capture with face verification and liveness detection.	 WORKFORCE VISIBILITY Know who is present, where, when and for which activity with complete visibility.	 CONTRACTOR ACCOUNTABILITY Ensure accountability with verified attendance and accurate contractor billing.	 DPR REPORTING Auto-generated DPRs with verified data for projects and stakeholders.	 PAYROLL & COMPLIANCE Streamlined payroll, statutory compliance and audit-ready documentation.
 WORKFORCE DEPLOYMENT VISIBILITY Track deployment, transfers and allocation across sites and projects.	 ATTENDANCE-BACKED BILLING Automated, attendance-backed billing ensures accuracy and reduces disputes.	 MULTI-SITE VISIBILITY Monitor all sites and projects from a centralized dashboard in real time.	 WORKFLOW AUTOMATION Approval workflows for attendance, leaves, overtime and exceptions.	 OPERATIONAL CONTROL Stronger control, better decisions and improved operational efficiency.



Investing in workforce verification is not an expense, it is a **FINANCIAL CONTROL** that protects your business.



STRONGER VERIFICATION TODAY.
LOWER RISK. HIGHER CONTROL. BETTER OUTCOMES TOMORROW.



WORKFORCE OS

Workforce Visibility.
 Operational Control.
 The End-to-End AI Workforce
 Operating System for
 Labour-Driven Industries.



Disclaimer: This assessment is illustrative and based on the assumptions mentioned in this document. Actual exposure, savings and operational impact may vary based on workforce practices, site conditions and internal controls.