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.

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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

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

TOTAL WORKFORCE		AVERAGE DAILY WAGE		CONSERVATIVE VERIFICATION GAP		WORKING DAYS PER MONTH		MONTHS PER YEAR
200 WORKERS	×	₹1,000 PER WORKER	×	5% OF WORKFORCE	×	30 DAYS	×	12 MONTHS

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

POTENTIAL ANNUAL WORKFORCE EXPOSURE		HAAJRI ANNUAL INVESTMENT (APPROX.)
₹36,00,000 (₹36 LAKHS)	20:1 EXPOSURE TO INVESTMENT RATIO	₹1,80,000 (₹1.8 LAKHS)

HIGHER EXPOSURE. LOWER INVESTMENT. STRONGER CONTROL.

MONTHLY PERSPECTIVE

MONTHLY WORKFORCE COST	MONTHLY HAAJRI COST	HAAJRI COST AS % OF WORKFORCE COST
₹60,00,000	₹15,000	0.25%
(₹60 LAKHS)	(₹15 THOUSAND)	(LESS THAN 1%)

A SMALL INVESTMENT FOR SIGNIFICANT FINANCIAL CONTROL AND VISIBILITY.

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.

Haajri™ Powered by VITORSCAPE
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.

