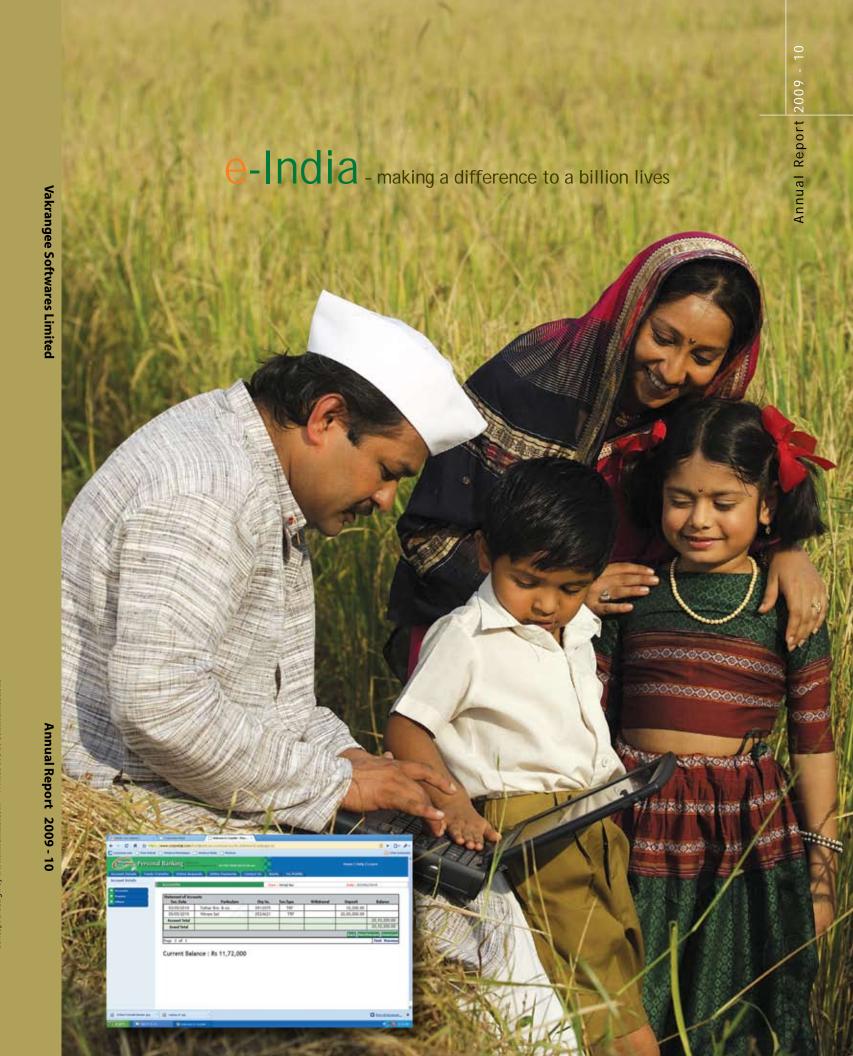
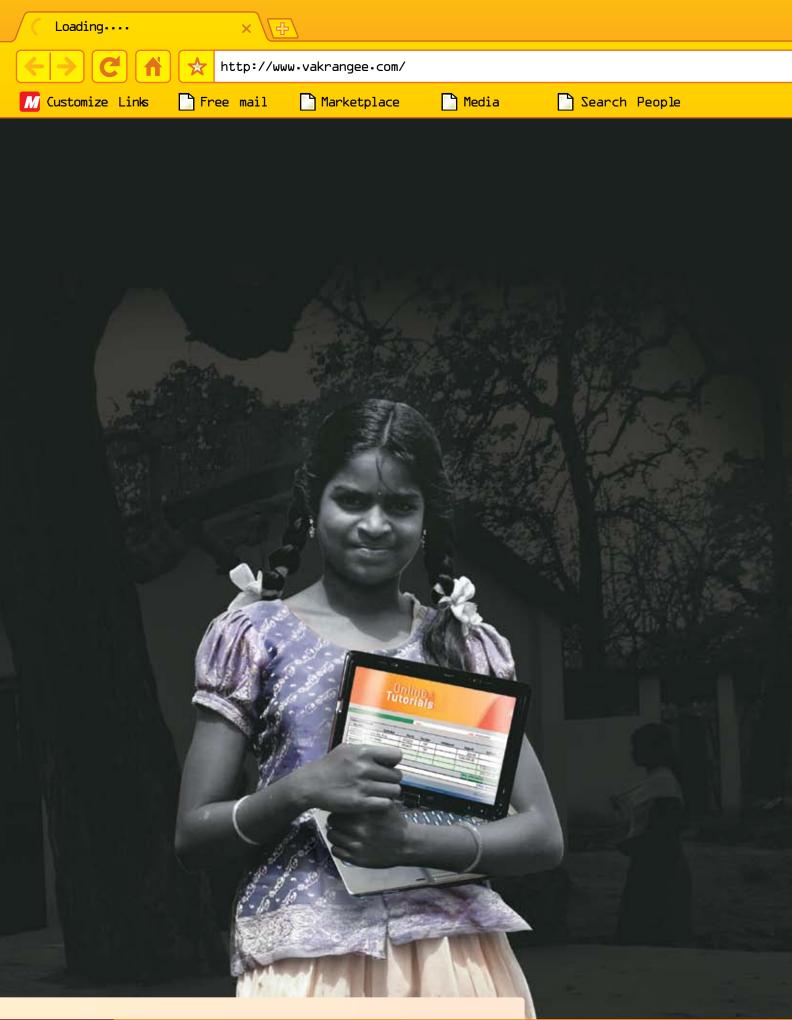


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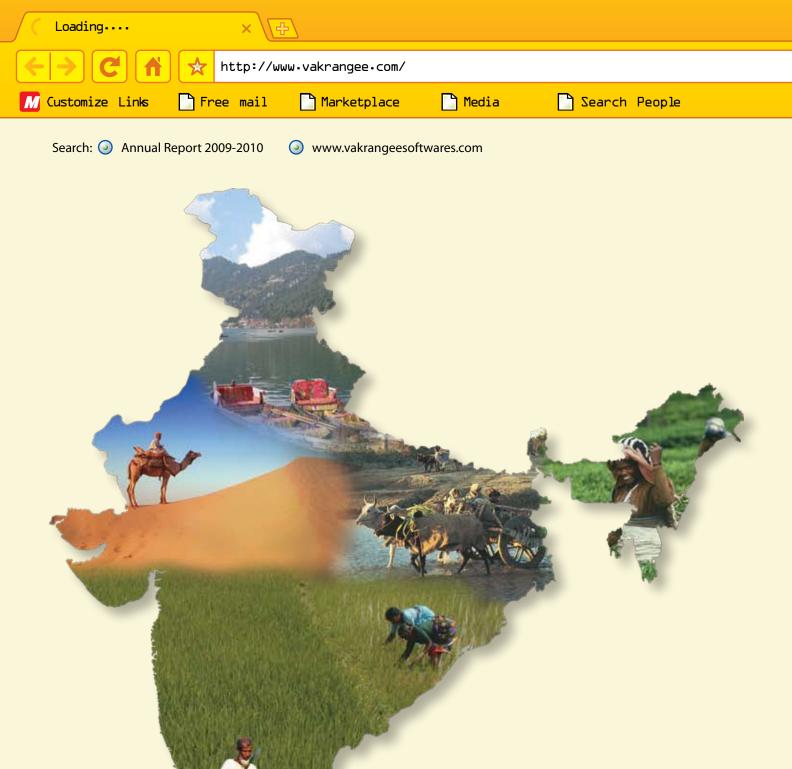
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Note on forward looking statements

In this Annual Review we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This review and other statements — written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.







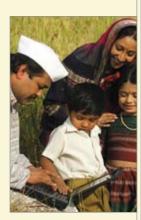




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The government has directly allocated ₹ 9804 Crore for a series of e-governance projects and ₹ 5,000 Crore is the estimated spend on e-governance out of ₹1,05,000 crore allocated for various welfare & administrative measures.

Vakrangee remained focused on e-governance related implementation from its inception. The prominence of the e-governance drive gained its momentum in the past few years. However, this is the first time the government has designed an outlay which can be termed as the largest ever investment proposal made in the e-governance space. Our commitment and the core competency are in synch to participate aggressively in such initiatives to grow aggressively.



Like the popular saying goes – Success is what happens when preparation meets opportunity.

Theme Introduction

e-India is our name for the series of e-governance initiatives undertaken by the Government of India.

The "e" stands for several aspects of e-governance – it stands for empowerment of citizens, educating India with electronic means, and for enhancing security through e-identities etc.

e-India can be considered as one of the most ambitious initiatives that have been undertaken by the Govt. of India since independence. It addresses the usage of IT & IT enabled services to facilitate citizens transactions and interactions with various government agencies. This is an initiative through which the government aims to achieve a fundamental change in the manner in which it serves its citizens.

By leveraging technology to create more structured access to information and automating the process; the e-governance drive eliminates leakages, provides transparency and resolves citizen needs quickly.

In addition:

- it enhances the responsiveness of our governance system
- it empowers citizens and brings about more trust, faith and belief in the government machinery
- it delivers a perceptible difference to the lives of a billion people
- it also helps the government manage all the beneficiary schemes and ensures that the benefits are distributed to the right persons

Vakrangee Softwares Ltd., has partnered with the Government of India in its very first e-governance initiative (the voters Photo Identity Card project). Today we are one among the few companies offering a comprehensive portfolio of e-governance solutions that includes all aspects from design to execution. Our credentials include a track record of successful completion of mission critical projects within the stipulated time lines and service level agreements.

The government announced various initiatives under e-governance which will result in a huge outlay of expenditure. To participate in such initiatives designed by the Government of India, organizations need to have a track record of implementing projects successfully in the past. Based on our past experience in facilitating many e-governance initiatives in the country and our impeccable track record of on time delivery, Vakrangee is poised for exponential growth.

Our business

End to end e-Governance Solutions, Systems Integration & ITeS.

Our visiting card

Headquartered in Mumbai, with branch offices in Pune, New Delhi, Jaipur and Lucknow and a pan India presence through 5 offices.

Certified ISO 27001:2005

Listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Scrip Code: 511431 & VAKRANSOFT

Incorporation of Vakrangee Softwares Ltd. – 1990

No of employees – aprox 3,000

Revenue growth – 39.11% percent over the last year

Market capitalization – ₹ 232.84 Cr. as on March 31, 2010

Public shareholding – 77.37 percent as on March 31, 2010

Foreign shareholding – 12.21 as on March 31, 2010

Our ranking

One of the leading e-governance Systems Integrators in India offering end to end services including hardware, software, and integration.

Proven capability in recruiting, training and managing large workforce within short lead times for pan india enrollment projects.

Asia's fastest variable data printing capability with an output of 2180 impressions per minute.

Proven capabilities in handling large volumes of physical documents for digitisation and workflow automation.

OUR VISION

To emerge as the first choice, end to end e-governance & ITeS Solution provider in India and Global Market by efficiently serving the requirements of the Governments as well as the private sector Industries such as Telecom, BFSI, Retail, Utilities and Transport.



Corporate information

Bankers

Union Bank of India, Axis Bank Ltd., HDFC Bank Ltd., Barclays Bank PLC.

Board of Directors

Mr. Dinesh Nandwana - Chairman & Managing Director

Mr. Nishikant Hayatangarkar - Whole Time Director, Technology

Mr. Ramesh M. Joshi

Mr. Anil Patodia

Mr. Brij Kishor Gupta

Mr. Sunil Agarwal

Mr. K. L. Varma



AUDIT COMMITTEE

Mr. K. L. Varma (Chairman)

Mr. Brij Kishor Gupta

Mr. Anil Patodia

COMPENSATION & REMUNERATION COMMITTEE

Mr. Brij Kishor Gupta

Mr. Sunil Agarwal

Mr. K. L. Varma

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Mr. Sunil Agarwal (Chairman)

Mr. Brij Kishor Gupta

Mr. Nishikant Hayatangarkar

Statutory Auditors

M/S. S. K Patodia & Associates, Chartered Accountants Mumbai.

Solicitors and Legal Advisers

M/s Vinod Mistry & Co, Mumbai.

Company Secretary

Mr. Pratik Bhanushali

Contact Information

Registered Office

Vakrangee Softwares Ltd.

Vakrangee House, Plot No 66, Marol Co-op Industrial Estate, Off M.V. Road, Marol, Mumbai 400059.

Phone: +91-22-28504028/3412, +91-22-67765100

Fax: +91-22-28502017 Email: info@vakrangee.in Website: www.vakrangeesoftwares.com

Registrars

M/S Bigshare Services Pvt. Ltd. E-2, Ansa Industrial Estate, Saki - Vihar Road, Sakinaka, Mumbai 400 072.

Tel: +91-22-4043 0200 Fax: +91-22-28475207 Email: info@bigshareonline.com



Marketplace

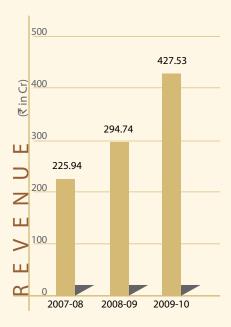
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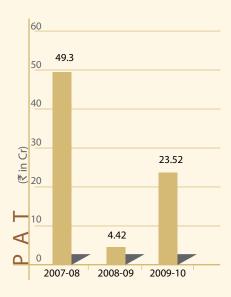
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CONSOLIDATED FINANCIAL HIGHLIGHTS

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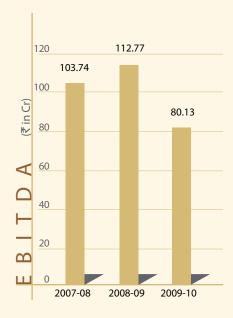


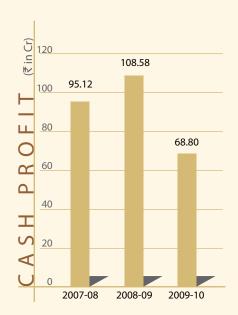


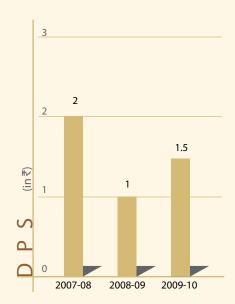












(



Billu YadavVillage: Shuklapur, Post: Beniganj,
District: Hardoi, State: Uttar Pradesh



Manage 100,000 + Citizen Centers for Voter ID project in Maharashtra, Rajasthan, Gujarat and UP issuing millions of Voter Identification cards.



A Voters ID is a passport to participative-governance. It empowers eligible citizens to elect their representatives and gives them a potent voice in the running of the country. It is also a document of authentication and proof of citizenship. Generating 670 million voters' identification cards is not a mere task but a huge initiative. The logistics are mind boggling.

Vakrangee has been part of this flagship e-governance project of the Election Commission of India since its inception in the year 1993. We managed this massive program across the states of Maharahtra, Rajasthan, Gujarat and UP. The program involved a complex web of logistics, manpower mobilisation, staff training, electronic equipments, authentication, verification, processing and generation of the cards for over the counter delivery. It involved setting up centers in inhospitable terrain, deep in the interiors where there was no access to roads, where drinking water was unavailable, electricity supply was intermittent and support services nonexistent. Managing all this in itself is challenging but to do this in a time bound manner requires project management in mission mode. Vakrangee Softwares Ltd. has proven capabilities in massive enrollment programs. Quite naturally, we have been the partner of choice for the Election Commission for the past 17 years. For the Voters Identification program, we have managed over 100,000 citizen facilitation centers with equipment and staff and have generated several million voters identification cards over these years.

Behind every such card is an Indian voter whom we empowered to participate in our democratic process.

Prospects

Our proven capabilities place us in a favourable position at a time when a whole range of government programs require precisely this mix of capabilities for their massive citizen's empowerment programs.

These include: The NREGA Program, The Sarva Shiksha Abhayan, R-APDRP, The UID etc. These programs represent a multi billion rupee opportunity in the offing.





Savitri Devi Village: Khuri, District: Jaisalmer, State: Rajasthan



Over 300 million people in India live on less than US\$ 1* a day. These are families whose annual income classifies them as Below the Poverty Line (BPL). They suffer doubly. Not only is access to medical facilities scarce, they simply do not have the money to afford it. Under the BPL Health Card scheme five members of a BPL family, including the spouse, are entitled to cash less medical care of up to ₹ 30,000/- p.a. They can get free treatment for any of the listed 740 medical procedures that require hospitilisation. The actual premium for their medical insurance is shared by the Central and the State Government. These biometric smart cards are their passport

An ideal welfare scheme, but implementing this required working in far from ideal conditions.

to life saving medical services.

Reaching the BPL families and enrolling them into the Government mandated Health Insurance scheme is an extremely challenging proposition. They do not live in fancy colonies. They do not live in areas of high density of population. They are not very accessible, as their residences are deep in the interiors. Quite often, these were places without

running water, hotels and restaurants, hygienic toilets or medical facilities.

But reaching them was a must. Our task of issuing biometric smart cards required us to locate, identify, authenticate, capture biometric details and issue BPL smart cards over the counter. The task included citizen enrollment (including data processing, pre enrollment campaign in villages, and citizen identification), personalisation and issuance of smart card (inclusive of photography, fingerprinting using biometric scanner and card printing). The implementation also called for setting up of a mobile enrollment station in every locality, setting up of a card printing station, software development and system integration.

We have been part of several government initiatives for beneficiary enrollment in states of Uttar Pradesh, Haryana, Rajasthan, Punjab, and Maharashtra etc. We have been instrumental in issuing several million cards to beneficiaries across the country.

Each of these cards contributes to the medical welfare of BPL families, making these underprivileged sections participants in the growth and prosperity of the country.

Prospects

Our proven credentials in mass enrollment schemes, our established infrastructure and manpower, technology, and managerial prowess to manage such mission critical initiatives place us in an enviable position to participate in forthcoming e-governance initiatives of Govt. of India.

These include Aadhar- the ambitious Unique Identification Number scheme, The PDS (Ration) Card, e driving licenses, e panchayat etc. These programs represent a multi billion rupee opportunity in the offing.

*(As per the PWC Healthcare in India – Emerging market report – 2007)

Reach 95 million people across 38475 gram panchayats of Uttar Pradesh and collect electoral roll data in three languages.



data in three languages (Urdu, Hindi, and English). The project was carried out with military precision with missionary zeal by our team. Right from the recruitment, training, designing of the tri lingual software, to managing these large teams of people working in remote parts of the state, our team

The program was undertaken over 3 months and a total number of 5,000 people including temporary workers were involved in the project.

of managers handled it all with

exemplary precision.

The inclusive agenda of the government begins with enrolling eligible population into the electoral rolls, thus enabling them to participate in the process of election and governance. With an eligible voting population of approximately 670 million plus people, populating the data base and updating it is a humongous task. The population of the state of Uttar Pradesh alone is nearly equivalent to that of Brazil, the 5th largest populated country in the

Undertaking such challenging, time bound programs is routine for Vakrangee.

We managed this large project and reached 95 million people across 38475 gram panchayats to collect

Prospects

Vakrangee Software's capability to integrate the requirements for software, hardware, processes for enrollment, deployment and managing large teams across different states is of vital importance to various e- governance initiatives that the government has planned.

Chief amongst these initiatives include the power sector reform program R-APDRP, Land Record Dematerialization, Core Banking Solutions for rural banks, etc.

These programs represent a multibillion opportunity in the offing.

Dematerialise 20 million land deeds and introduce paperless digital record keeping across 168 Registrar of Deeds office across the nation of Philippines.

Ongoing.

Transparency in land ownership, its transfer and registration of its title deeds is an essential aspect of governance, as it is concerned with the wealth and productivity of people.

Paper records are acknowledged as cumbersome, difficult to store for long periods of time and subject to degradation and loss. The government of Phillipines, initiated dematerialisation of land records and sought to implement this project across the country in a record time frame of 18 months. We are part of this project that involves the dematerialisation of 20 million title deeds and 10 million supporting documents.

The country was new. The government was new. The practices were different. And the deadline was tight. Vakrangee Softwares Ltd. drew on its extensive expertise and experience gained over the years and devised the right fit solution.

We established two data encoding

centres in Manila NCR. A total of 2200 local Pilipino workers are employed in this project. We are also setting up a 500 seater encoding centre at Bayambang, involving an additional employment of 1500 personnel. The technology support for the project is being extended by Parent Company's STPI Unit from India for "On – Demand Encoding" and "Title Deed Conversion"

We have a highly empowered management team in place in Philippines managing the day to day operations of the project. Soon all land transactions in Philippines will be available in a digitized format and all land transactions will be in the demat format.

The Phillipines project is an international recognition of Vakrangee's expertise in end to end e-governance projects.

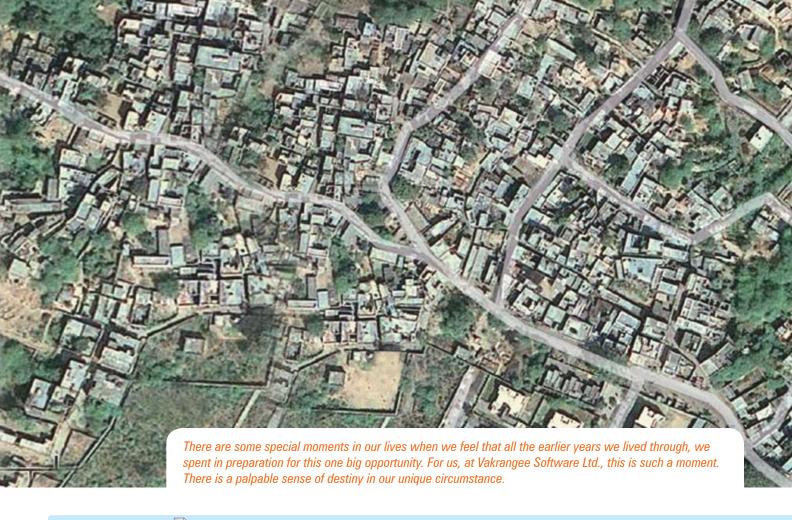
It opens up the gateway to several such similar projects for the company.



Prospects

These include ongoing Land Record Digitization processes within the country, Cadastral and GIS projects in Uttar Pradesh, and similar such projects anywhere around the world.

These programs represent a multi billion dollar opportunity in the offing.



Discussion with Mr Dinesh Nandwana

Chairman's Address

adies and Gentlemen,
Welcome to Vakrangee!
It is with great pleasure and
a sense of abiding optimism that
I address you all on completion of
20 years of our journey.

There are opportunities, and there are OPPORTUNITIES. When confronted with the BIG opportunity, there is this feeling that all our previous projects, our trials and our successes were actually nature's way of preparing us for this moment. There is a sense of destiny in our unique circumstance.

Over the years, we have shown remarkable progress, moving up the value chain from being the implementation partner to large IT companies to becoming a bid partner and consolidated our position as

India's leading player in e-governance initiatives. In our business portfolio we have identified systems integration as the lead engine for growth in the e-governance domain due to our capability, expertise and experience to independently manage large projects. Along this journey we have developed unique capabilities, forged long standing relationships with government agencies and formed alliances with some of the largest IT companies in the country and the world.

Our capabilities are in line with industry standards and includes a State of the art STPI centre, large infrastructure to meet variable data hard copy production, a large footprint to handle mass digitization and data conversion and a trained manpower base.

We are fortunate to have partnered the government in its very first e-governance initiative (the Voters Photo Identity card project), wherein we set up and managed 100,000 citizens' centers for collecting data and issuing voters identity cards across the states of Maharashtra, Rajasthan, Gujarat and U.P. Since then, our management band width has increased as has our capabilities to implement large initiatives.

Our wholly owned subsidiary is presently implementing the complete land record dematerialisation program for the state of Philippines! This is a project involving creation of digital records of 20 million land titles and over 10 million supporting documents within a tight deadline. The project will enable online processing of



land transactions across Phillipines. Today our lines of business include Systems Integration and IT Enabled Services. The verticals we serve include Government, BFSI, Utilities (Telecom and Power) Retail and Transportation etc. We have set out a concrete agenda and made a good beginning in the BFSI sector in partnership with one of the world's leading hardware and software companies.

We have ongoing business in the ITeS domain and an exclusive tie up with India's top most IT company to jointly bid for e-governance and BFSI projects in the state of Rajasthan. In this one state alone, there is a potential business of over USD 1 Billion in the offing.

At the same time, there are multi

billion dollar opportunities in the e-governance programs of the central government and those of other states. The Unique Identity Number project, the Power sector reform program R-APDRP, Implementation of core banking solutions in the rural banking network, the GIS projects, the Smart Ration Card scheme (under PDS), e-driving licenses, the e-panchayat program etc. These multi billion dollar opportunities promise to last for the coming decade.

It is imperative to have capabilities, experience, expertise, infrastructure and relationships to participate in these big opportunities. Having said this, the business itself has the potential to catapult us into the big league delivering exponential growth that will in turn benefit each of our

stakeholders.

I take this opportunity to thank our clients, the officials and statutory bodies of the Government of India and states, our employees, our bankers, my fellow directors and our vendors, and seek a future that is mutually fulfilling and beneficial.

Thanking you,

Yours Sincerely,

Dinesh Nandwana

Chairman & Managing Director



Our approach to business has helped us develop deep rooted relationships with our clients.



Trusted Partnerships

In every business domain there are certain companies that are considered the "go to" destination for their specialized type of service or product.

Achieving this status requires long years of dedicated focus on the chosen business domain. It requires companies to leverage this experience to deliver higher standards of service and satisfaction. Such companies harness cutting edge technology to facilitate increasing levels of efficiency, and approach their business with a progressive mindset. These companies have alliances with the

best of the best in the domain and they thrive on excellence. They are attentive to customer needs both latent and expressed, and they foster harmonious relationships that stand the test of time.

Vakrangee seeks to earn this position in the e-governance domain.

Our long years of service to the sector, and our sustained relationships with statutory bodies that lead these initiatives are a record in themselves.

Now we seek to scale our operations to meet the surge in demand.



With our strong positioning and business mix, Vakrangee Softwares Ltd. has successfully moved into a larger orbit, with increased potential for accelerated growth.

Dinesh Nandwana Chairman & Managing Director.



















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Economic Review

In the year 2009-2010 there was a significant expansion of the economy. India's GDP growth was 7.2%, up from the 6.7% recorded in the year 2008-09.

Indian industry recovered substantially in the later half of 2009-10. The IIP figures available for the entire fiscal shows industrial production registered a growth of 10.4 percent as against 2.8 percent during the same period of 2008-09. Assuming a good monsoon and sustained performance of the industries and the services sectors; RBI projections place real GDP growth at the rate of 8% for the coming year. According to the latest IMF projection, India will grow at 8.8% during the year 2010.

The sustained growth of the economy is a welcome sign for companies predominantly focused on the domestic IT and e-Governance sectors.



Overview of the Industry

For companies that are focused on the e-governance sector, the year 2009-2010 has been a landmark year. The Government of India announced a range of ambitious projects in the e-governance domain aimed at transforming the manner in which interacts with its various arms (G to G interactions), the way it interacts with citizens (G to C interactions) and the way it interacts with Business (G to B interactions).

The number of initiatives and their scope has brought about the much needed depth into the e-governance sector of the IT industry.

Some of the major e-governance programs include the UID initiative, the initiatives in Tax Administration, National Mission in Education through ICT, NIC, C-Dac, Central Excise and Land Record Digitization, as well as the programs requiring significant e-governance/ITeS inputs/

components such as NREGA, Sarva Shiksha Abhiyan, Rashtriya Swasthaya Bima Yojana (RSBY), Reform program for Power Sector (R-APDRP) etc. Several of these will be executed in "mission mode" under the close supervision of their respective central ministries. These initiatives will provide opportunities in the short term as well as a sustainable pipeline of projects that extend into the foreseeable future.

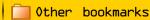
National e-Governance Plan Vision

"Make all Government services accessible to the common man in his locality through common service delivery outlets and ensure efficiency, transparency & reliability of such services at affordable costs to realise the basic needs of the common man".











The National e-Governance Plan (NeGP) formulated by the Govt. of India in 2006 takes a holistic view of e-Governance initiatives across the country, integrating them into a collective vision, and a shared cause. Around this idea, a massive nationwide infrastructure reaching down to the remotest of villages is evolving, and large-scale digitization of records is taking place to enable easy, reliable access over the internet. The ultimate objective is to bring public services closer home to citizens, as articulated in the Vision Statement of NeGP.

The National e-governance Plan includes 27 Mission Mode Projects (MMPs).

Of these, 9 projects are undertaken by the Central government, 11 are state owned projects and the remaining 7 are integrated projects that are owned and controlled by multiple ministries and departments. Since the rolling out of these initiatives in 2006, the government has allocated approximately USD 5.75 Billion towards the National e-governance Plan.

The 27 Mission Mode Projects include:

Central MMPs	State MMPs	Integrated MMPs
Banking	Agriculture	CSC
Central Excise & Customs	Commercial Taxes	e-Biz
Income Tax (IT)	e-District	e-Courts
Insurance	Employment Exchange	e-Procurement
MCA21	Land Records	EDI For eTrade
National Citizen Database	Municipalities	National e-governance Service Delivery Gateway
Passport, Immigration & Visa	Gram Panchayats	India Portal
Pension	Police	
e-Office	Property Registration	
	Road Transport	
	Treasuries	









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Huge IT Opportunities for Vakrangee in e – governance initiatives



AADHAR (UID)	Unique ID to every resident of India
PDS	Public Distribution System for essential commodities
R-APDRP	Power Sector Reformed through IT
LAND RECORD	Digitization, Cadastral and GIS
TREASURY	Financial Information Management System (FIMS)
CORE BANKING (CO-OP BANKING)	Core Banking Solution to Co-op bank 's Branch Network
NREGS	ITeS solutions for Rural Employment Guarantee Scheme
GST	ITeS solution for Goods & Service Tax
TRANSPORT	Fleet Management, Vehicle Tracking System, E-Driving License
UTILITIES	ERP Solution for Power & Water utilities
RSBY	Health Card to Below Poverty Line families
SARVA SHIKSHA ABHIYAN	Universal Education Program
HOME LAND SECURITY	Complete IT automation of Home Land Security
E-PASSPORT	Build Partner for Passport Seva Kendra across India
E-PANCHAYAT	ITeS solutions for Gram Panchayats
BIO METRIC PAN CARD	Issuance of new Bio Metric PAN card with UID number











0ther bookmarks

Direct Allocation in Union Budget 2010	₹ in Crore
Modernization of land records	200
NIC and C-Dac	880
E-panchayat	24
UID (Unique Identity)	1900
National Mission in Education through ICT	810
e-Governance programme	1030
Financial Inclusion Technology Fund	100
Computerisation of Courts	360
Computerisation of Commercial Taxes in States	800
R-APDRP (Restructured Accelerated Power Development & Reform Programme)	3700
TOTAL	9804

Union Budget allocation which involves e-governance component	₹ in Crore
Mahatma Gandhi National Rural Employment Guarantee Scheme	40100
Sarva Shiksha Abhiyan	15000
Modernisation and Networking of Post offices	150.00
National Population Register	4500.00
Rashtriya Swasthaya Bima Yojana	350
Urban Development Programme	7850
Telecom Services	16095
State Government Programmes which involves e-governance component	
Home Land Security	955.00
SWAN	5000.00
PDS-Digitisation of Ration Cards	2500.00
Public Works Department (PMGSY)	12000.00
Total	104500

Each of these projects requires extensive elements of IT, ITeS and Systems Integration to monitor its progress and ensure that the maximum benefit is disbursed to the intended beneficiary.

The indicated provision for IT related spend is calculated at a conservative 5% of the total spend.

₹ 5100 Crore Approx











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Enterprise Resource Planning



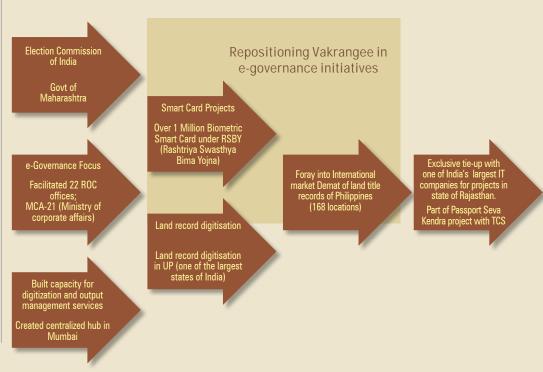
Components of the value chain in E-governance project

- 1. Hardware
- 2. Software
- 3. Enrollment/Digitisation/Populating databases
- 4. Migration/Training & Education in new systems
- 5. Operation and maintenance

Repositioning Vakrangee in e-governance initiatives

During the year in review, we increased our organizational focus toward offering Systems Integration support to various projects in the e-governance sector.

Our consolidation in the Systems Integration domain in e-governance is strategic, given the immense scope and the opening up of large projects in the sector and our unique capabilities in handling these. Vakrangee's involvement in the e-governance initiatives go back to the very first project of the Government of India. For the past 17 years we have partnered the Election Commission in their drive to issue voters identity cards, update the electoral rolls etc. We have proven experience and expertise in managing large scale rollouts requiring extensive infrastructure, people and management skills.













Other bookmarks

Vakrangee – Systems Integrator for e-governance Projects

Today Vakrangee approaches the market as a Systems Integrator bringing together all the hardware, software as well as on ground activation for e-governance schemes. Towards this goal, we have tied up with major software and hardware companies in the world. We have an exclusive tie up with India's top IT company, for joint bidding and executing the projects in the state of Rajasthan, which alone has USD 1 billion of e-governance schemes on the anvil.

These include the following areas:

- Reform programmes of the Energy- Generation and Distribution Companies
- Core Banking Solutions for the Co operative Banking sector
- State Public Sector Undertakings in Rajasthan
- State Wide Area Networks
- Unique Identification Database Authority
- National Rural Employment Guarantee Scheme
- Public Distribution Scheme
- Education & Health
- Land Records Digitising

Diversified Business Domains

Vakrangee Softwares Ltd. operates in two broad lines of business. It acts as a Systems Integrator and it offers a range of IT Enabled Services including Document Management Services and Print Management Services.

The verticals it serves include:

- Government
- BFSI
- Education
- Utilities Telecom & Power sector
- Retail and Transport etc

While our core strength is supporting e-governance initiatives, we have not excluded the untapped business opportunities in the private sector. While the industry at large caters to increased efficiency levels, customer satisfaction and customer retention, statutory compulsions require some sectors to implement a very efficient customer lifecycle management system. Vakrangee has identified few of those strong private sector opportunities in the following areas.

Telecom	End to end Management of customer acquisition to retention process.		
Insurance	Managing the acquisition process right up to the delivery of printed insurance policies		
E-publishing	Creation of content and streamlining distribution		
Financial Services	Facilitating adherence to KYC and other regulatory norms		
Banking	Security and Customer Life Cycle Management		
Education	Content and student record management		









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Vakrangee Strengths:

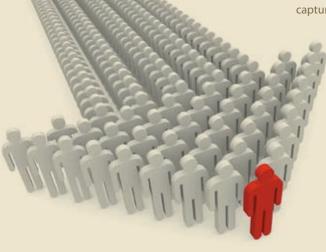
- · Proven capability in large scale ITeS enrollment programs across several states
- Tie-ups with IT majors for systems integration capabilities
- · Immense capacity to manage truly large number of documents
- Largest variable data printing capacity
- · Established working relationships with several key government departments and ministries
- · Comprehensive portfolio of Software and integration capabilities in BFSI, Utilities, Retail, Aviation and other sectors
- · Bidding competency for large contracts as Systems Integrator in e-governance
- 3,000 trained staff, with a seasoned management team handling project execution across the country with the ability to readily scale operations

Experience and Capabilities:

- Proudtobepart of "Award Winning" e-governance initiative of Government of India MCA21
- Spearheading the e-governance initiative of Election Commission of India involving billions of records since 1994
- Catered to 95 million people across 38,475 Gram Panchayats of Uttar Pradesh (the largest state in India) for data capture using multilingual (Hindi, English and Urdu) capabilities
- Experience of managing over 100,000 Citizen Centric locations for election I-card project for the State governments of Maharashtra, Rajasthan, Gujarat and UP
- Managing whole of Philippines's e–governance initiative of Land Title Computerisation Project supporting 168 Registrar of Deeds Offices, handling 20 Million title deeds and providing employment to 2200 locals
- Executed the enrollment process for "Below Poverty Line" families in the states of UP, Rajasthan and Haryana using our own infrastructure capturing beneficiary "Bio-Metrics" details and

issuance of "Smart Card" over the counter

• Successfully executed 6 Pilot sites for Passport Seva Kendra (PSK) project as a build partner with TCS













Benefits of our positioning



As a Systems Integrator and a major player in the ITeS segment catering to e-governance, BFSI, Power, Retail and Transport sectors, the Company has de-risked its operations while ensuring ample headroom for accelerated growth.

The Company has the capability to bid and manage larger projects more efficiently at competitive prices. Our background, built up capacities, as well as our track record can catapult us into the big league of IT/ITeS companies in the country.







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Derisking Philosophy

All businesses have an element of uncertainty developing from within or outside the organization. It is our constant endeavour to estimate, control, quantify and counter these uncertainties.

Government policies are subject to change, and any such change can adversely impact the Company plans for growth.

Risk Mitigation

All the e-governance projects are announced as a mid to long term programs and are adequately funded by the budget. As India's economic growth is robust and its industrial and service sectors are powering economic development, the government is unlikely to face any setbacks in implementation and funding of these e-governance projects. The Company is also not solely dependent on the Government business and has an ongoing agenda to expand its business in the private sectors of BFSI, Telecom and Power Utilities, Retail and Aviation etc. These will adequately de-risk our operations.

Risk from Increasing Competition

The entry of large players will result in fierce competition and rising the bar for eligibility. This will impact the business of the Company.

Risk Mitigation

The Company has already entered into tie-ups with leading IT companies from India and abroad to be a build partner in e-governance projects. This will help us meet rising eligibility norms and climb the value chain. Simultaneously in several sectors where the Company has the competency, it will undertake projects on its own strength. This will help the Company meet increasing eligibility norms, and enable it to win large projects that the government plans to award to single consortiums, as against dividing the project amongst several players.

Margin Pressure

The margins in the Systems Integration business in e-governance are under pressure and this will impact the bottom-line of the Company.

Risk Mitigation

The margins are normally under pressure when a large number of bidders vie for a single project. With the government's initiatives to award projects to single consortiums or company, this trend is likely to reverse. Vakrangee Softwares' exclusive tie-ups with some of the leading IT companies as partner ensure that we have access to projects. While the margins may be low, e-governance Systems Integration projects offer a 5-7 year sustained pipeline of revenues. In the long run since the revenues come from pure service, the margins will be much healthier.

Funding Requirements

The e-governance projects include long gestation projects that will require to be funded with secure financing over the project lifespan. This will also increase our debtor's cycle.

Risk Mitigation

The Company has taken a very practical view of the risk and has kept the same at a very high risk scale.

In order to mitigate the risk, the co has taken following steps

1) The Company has decided to take such huge projects on System Integration basis, rather than on BOOT basis, for the next three years, hence the funding requirement of the Company will be more by way of









Other bookmark

Working Capital as against long term investments.

- 2) The Company has already tied up its working capital requirement and is adequately geared to execute the projects.
- 3) The Debtor Cycle is going to be extended, but the Company is making back to back tie ups with its major suppliers so that the strain of the delay is not coming completely on the Company.

Time and Cost overruns

As all e-governance projects are funded and controlled by the Government, there are possibilities of delay in implementation, which could adversely impact the Company's bottom-line.

Risk Mitigation

The management is aware of the risk, and has framed a policy to de risk the same.

- 1) The Company has kept different segments such as PMS and DMS still alive so that the dependency on e-governance is not very high.
- 2) The Company has intelligently bid for projects in a manner that it recovers the cost and margins in the first stage of supply and integration itself.

3) During the remaining period of the project, the billing is mainly for services rendered to the citizens and public at large.

Since the Government cannot afford negative publicity caused due to service interruptions, they are bound to pay for the services in time. Moreover the present trend is to recover the cost of service from the citizens, and in these cases there is no risk.

Manpower capabilities

The implementation of e-governance projects requires large scale manpower mobilisation, training and deployment for the duration of the project. Finding and training such manpower may be difficult.

Risk Mitigation

The Company has adequate experience in large scale mobilisation of manpower across different geographies and it has access to a pool of such talent. The Company management has proven time and again that it has the bandwidth to recruit, train, deploy and manage such distributed teams within short notice.









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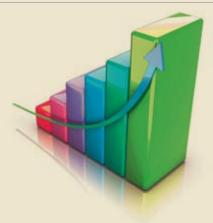
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Business Outlook and Future Plans

Vakrangee Software's primary focus is the e-governance business, wherein we have the experience, capability, expertise and track record to undertake truly large projects and execute them in a time bound manner.

We also seek opportunities in select private sector business verticals such as BFSI, Utilities (Power and Telecom), Education, Transport and Retail.

We envision that e-governance projects will be the engine that will power our ambitious growth plans, with private sector projects running a close second. It will help us achieve our goal of becoming a ₹ 1000 Crore company in the next 3 years.



FINANCIAL OVERVIEW

Profit & Loss Statement Analysis

Revenue & Expenditure

The total revenues earned by the Company increased by 39.11% over last year, rising from ₹ 294.74 crore in the year 2008-09 to ₹ 410.02 in FY 2009-10.

The Total Operating costs increased by 82.13% from last year's ₹ 181.96 crore to ₹ 331.40 crore this year as a result of increase in scale and higher ratio of revenues from the System Integration segment. Operating cost as a proportion of Total Income also rose from 61.74 % to 80.83% due to the same reason.

While there has been an increase in the revenues, the EBITDA was lower at ₹ 78.62 Crore as against ₹ 112.78 Crore in the FY 2008-2009. This is because looking to huge opportunity coming up in the e-governance projects we focused on the System Integration and the company expects

better performance in the coming years. The Management has taken a conscious decision to realign focus in keeping with the truly large scale business opportunity available in the new domain. The lower EBITDA margin will be more than compensated by the scaling up of the volumes of business we handle.

Cash profit has come down from ₹ 108.58 crore in 2008-09 to ₹ 68.02 Crore in the F.Y 2009-10 for the above reason.

Revenues

The Company registered a revenue growth of 39% in 2009-10. Our entry into the System Integration segment is contributing to our growth in Revenues.











Other bookmark

Operating expense matrix (₹ in Crore)

	2008-09		2009-10	
Operating expense matrix	Amount	% of Total	Total	% of Total
Cost of consumables	143.19	78.70	312.98	94.44
Direct expenses	6.03	3.31	13.19	2.16
Administrative & selling expenses	32.74	17.99	11.25	3.40
Total	181.96	100	331.40	100

Balance Sheet Analysis

Capital employed

During the year, the Company funded growth via internal accruals, working capital facilities from banks and a fresh infusion of funds by promoter by way of Warrant issue on preferential basis. The Capital Employed increased by 22.84% rising from ₹ 325.69 crore as on 31st March, 2009 to ₹ 400.09 crore as on 31st March 2010. We have ensured judicious use of every rupee invested in the business.

The very nature of our business dictates a significant initial investment during project initiation, the returns of which will be reflected progressively in our financials over the coming years.

Equity capital

During the year, the Company has issued 34, 70,000 fully convertible warrants with face value of ₹10/- each at a premium of ₹ 60/- per share, on preferential basis to M/s NJD Holdings Private Limited, a promoter group company. Of these, the Company has converted 11,00,000 warrants into equity shares on 29th March, 2010 and issued equivalent fully paid equity shares at an exercise

price of ₹ 70 per share. The Company has received an amount aggregating to ₹ 770.00 lacs against allotment of Equity Shares and ₹ 414.75 lacs as 25% upfront money against allotment of balance 23,70,000 convertible Warrants.

Reserves and surplus

Free Reserves of the Company stood at ₹ 274.14 crore as on 31st March 2010 which was higher than the Free Reserves of ₹ 247.34 crore as on 31st March 2009. The increase reflects accrual of share premium to the tune of ₹ 6.60 Crore and rest by internal accruals. The entire Capex of ₹ 55.45 crore was funded out of cash accruals.

External debt

Except for working capital finance from banker company had negligible external debts during the year.

Deployment of funds

As a matter of prudence, the company deployed funds in business assets i.e. IT assets and Working Capital.











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Funding equation (₹ in Crore)

	2008-09		2009-10	
Funding equation	Amount	% of Total	Amount	% of Total
Equity capital	21.40	6.58	22.50	5.62
Reserves & surplus	247.34	75.94	274.14	68.52
Warrant Application money	-	-	4.15	1.03
Loan funds	22.45	6.89	61.51	15.38
Deferred tax liability	34.50	10.59	37.79	9.45
	325.69	100.00	400.09	100.00

Fixed assets

During the year, the company invested ₹ 55.45 crore in Enrollment Kits, STPI related equipments, high-speed, printers and computers among other IT hardware.

Working capital requirement:

In view of the huge opportunity avialble in e-governance sector and system integration project the company is estimating enhancement in working capital requirement and has accordingly approached the bankers enhancement in working capital facilities.

The Working Capital requirement of the company during the year increased from ₹ 57.75 crore to ₹ 116.18 crore which was mainly met by our bankers and rest by our internal resources.

Outstanding Debtors increased from ₹ 42.54 crore as on 31st March 2009 to ₹ 142.25 crore as on 31st March, 2010. The average debtor's cycle was 126 days of turnover equivalent in 2009-10 compared with 53 days in 2008-09.

Creditors increased from ₹ 11.96 crore as on 31st March 2009 to ₹ 49.51 crore as on 31st March 2010. The average creditors' cycle was 57 days of purchases as compared to 29 days in 2008-09.

Internal controls

The company has an adequate system of internal controls to see that all the assets are safeguarded and productive. Checks and balances are in place to ensure that transactions are adequately authorised and reported correctly. The internal auditor of the Company conducts audit of the various departments and every transaction is pre-audited before entering it into the system. The Audit Committee of the Board reviews these and the company is taking corrective actions as and when required.











Other bookmarks

Human resources

Human resource continues to be our biggest asset. The team has maintained utmost commitment and produced significant results. Quality, quick delivery and resolving customer issues are the hallmarks of performance. There is a strong focus

on teamwork and teambuilding; during the year, many events were conducted to achieve this objective. Employee relations continued to be cordial.













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DIRECTORS' REPORT

Dear Shareholders.

We are pleased to present the 20th Annual Report together with the audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2010.

1. PERFORMANCE OF THE COMPANY

The Company's performance is summarized below:

• FINANCIAL RESULTS

(₹ in Crores)

	2009-2010	2008-2009
Sales and other income	410.02	294.74
IT Assets Write off (Exceptional Item)	-	49.29
Profit before tax	32.15	7.11
Provision for Income Tax & FBT	4.75	1.00
Provision for Deferred Tax	3.30	1.68
Profit after tax	24.10	4.43
Appropriations:		
Proposed dividend on equity shares	15%	10%
Transfer to General Reserve	1.21	0.11

PERFORMANCE

Sales of the Company for the year ended March 31, 2010 was ₹ 409.35 Crores (previous year ₹ 294.31 Crores) up by 39.09% and Profit after Tax was ₹ 24.10 crores (previous year ₹ 4.43 Crores). The reason for last years low profits was exceptional item of ₹ 49.29 Crore. The EBITDA was lower at ₹ 78.62 Crore as against ₹ 112.77 Crore in the previous year. This is because the Company having an eye on the future is focusing on system integration business wherein the scope is huge, though the margins are lower in initial years. We expect Better performance in coming years in this segment. The Management Discussion and Analysis that forms part of the Annual Report provides a detailed analysis of the Company's financials.

2. DIVIDEND

The Directors recommend a dividend of ₹ 1.50 per equity share of ₹ 10/- each to be appropriated from the profit of the year 2009-10, subject to the approval by the shareholders at the ensuing Annual General Meeting.

3. SHARE CAPITAL

During the year, the company has allotted 34,70,000 Warrants of which 11,00,000 Warrants were converted into equivalent number of equity shares having face Value of ₹ 10/- on Preferential basis, hence share capital of the Company stands increased to ₹ 22,49,61,650, than was during the last fiscal.

4. SUBSIDIARIES

The Company has the following subsidiaries:

Vakrangee IT Solutions Limited

We hold 100% of Equity Share capital of the Company. Originally incorporated as V-Techno Services Limited, Vakrangee IT Solutions Limited has proprietary softwares like Document Management Services (DMS), Human Capital Management (HCM) and School ERP which are ready to be utilized in years to come.

• e-Doc Vision Infotech Private Limited

We hold 100% of Equity Share capital of the Company which is incorporated to focus on consultancy on document and business process outsourcing to various customers. e-Doc Vision provides state of the art technology solutions. The Company has been allotted an Industrial plot admeasuring to 5 Acres from HSIIDC at IMT Manesar, Haryana, where the Company is planning to develop an IT Centre. The project shall be financed partly by Vakrangee Softwares Limited in form of equity and partly by debt from outsiders.

Vakrangee e-Solutions INC.

We hold 100% of Equity Share capital of the Company which is incorporated in the financial











Other bookmarks

DIRECTORS' REPORT

year 2009-10 at Philippines. For implementing the project we have clutched for Digitisation of critical records for Govt. of Philippines by setting up digitisation centers all over Philippines.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and Analysis Report, as required under the Listing Agreement with Stock Exchanges, is enclosed earlier in the document (refer page no. 16)

6. LISTING AT STOCK EXCHANGE

The equity shares of the Company continue to be listed on BSE and NSE. The annual listing fees for the year 2010-11 have been paid to these Exchanges.

7. DISCLOSURE OF PARTICULARS

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, the relevant information is given hereunder;

· Conservation of Energy

The Operations of the Company are not energy intensive. However, measures have been taken to reduce energy consumptions by using efficient computers, IT Assets and other equipments with latest technologies. The expense on power in relation to income is nominal and under control and the use of the same is under continued surveillance with strict security measures.

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 Earning and Outgo

Foreign Exchange Earning :₹677.71 Lakhs
Foreign Exchange Outgo :₹0.97 Lakh

8. FIXED DEPOSITS

The Company has not invited / received any fixed deposits during the year.

9. DIRECTORS RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that;

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company, as at the end of the financial year and of the profits of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company, and necessary checks and balances are in place for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.

10. RE-APPOINTMENT OF DIRECTORS

As per the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mr. Brij Kishor Gupta, and Mr. Anil Patodia retire by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting.

11. CORPORATE GOVERNANCE

It is the on going process for us to comply with the recommendations of the Narayana Murthy Committee constituted by Securities Exchange Board of India (SEBI). For the financial year ended

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DIRECTORS' REPORT

31st March, 2010, report on Corporate Governance along-with the Certificate of the Auditors, M/s S. K. Patodia & Associates, confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

12. AUDITORS

M/s. S. K. Patodia & Associates, Chartered Accountants, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors, if re-appointed.

13. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, are given in annexure appended hereto and forms part of this report. In terms of Section 219(1)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

14. ACKNOWLEDGEMENT AND APPRECIATION

The Directors take this opportunity to thank Company's customers, shareholders, suppliers, bankers, Central and State Government for their consistent support to the Company. The Board also wishes to place on record their appreciation for the hard work, dedication and commitment of the employees at all levels. The enthusiasm and unstinting efforts of the employees have enabled the Company to grow in the competitive environment. The Board looks forward to their

continued support and understanding in the years to come.

On behalf of the Board of Directors

Sd/-

Dinesh Nandwana

Chairman & Managing Director

Place: Mumbai

Date: 10 August, 2010











Other bookmark



CEO AND CFO CERTIFICATION

To the Board of Directors of Vakrangee Softwares Limited

Dear Sirs,

Sub: CEO / CFO Certificate

(Issued accordance with provisions of Clause 49 of the Listing Agreement)

We have reviewed the financial statements, read with cash flow statement of Vakrangee Softwares Limited for the year ended March 31, 2010 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Yours sincerely,

Prem Meiwal Finance Head

Dinesh Nandwana Chairman & Managing Director

Place: Mumbai Date: 27 May, 2010









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CORPORATE GOVERNANCE

Corporate Governance:

Corporate Governance is observance of certain basic principles of ethical growth and not mere compliance of prescribed standards of governance and disclosures. Corporate Governance is set of policies, processes and practices governing the affairs of the Company in pursuit of its business goals. Corporate Governance is based on the principles of integrity, equity, transparency, accountability and commitment to values. It is a mechanism which ensures Company's accountability to all the stakeholders in the company. Vakrangee has created a distinct organization that is focused to protect, strengthen and align together the interest of all its stakeholders. This is also a tool for shareholder protection and maximization of their long term values. Corporate Governance is concerned with both the internal aspects of the company, such as internal checks and control, and the external aspects as disclosures and regulatory compliances. Vakrangee strives to adhere to the best practices and codes of conduct in letter and spirit in its attempt to realize optimum returns to its shareholders.

The Board of Directors manages the affairs of the company in the best of interest of the shareholders, providing necessary guidance and strategic vision. The Board is also responsible to ensure that the

Company's management and employees operate with the highest degree of ethical standards.

Over the years, governance processes and systems have been strengthened and institutionalised at Vakrangee. The driving forces of Corporate Governance at Vakrangee are its core values - Belief in people, Entrepreneurship, Customer Orientation and the Pursuit of Excellence. Towards implementation and continuation of sound code of corporate governance practices, 4 committees are operating for specific purposes: viz. Audit Committee, Remuneration and Compensation Committee, Corporate Governance Committee and Shareholders/Investor Grievance Committee.

Your Company is committed to maintain the highest standards of Corporate Governance. Your directors adhere to the stipulations set out in the listing agreements with the Stock Exchanges. A report on Corporate Governance as stipulated under clause 49 of the listing agreements forms part of Annual Report.

Your Board of Directors present the Corporate Governance Report for the year 2009-10 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2010.

BOARD OF DIRECTORS

Composition

The Board comprises of 7 directors including the Chairman and Managing Director. The details of the Board of Directors as on March 31, 2010 are given below:

Name	Category	Designation	Date of appointment	Director- ship in other companies	Chairmanship in Committees of Boards of other companies	Membership in Committees of Boards of other companies
Mr. Dinesh Nandwana	Promoter & Executive	Chairman & Managing Director	28/05/1990	11	0	1
Dr. Nishikant Hayatnagarkar	Executive	Whole Time Director	27/08/1999	2	Nil	Nil
Mr. Brij Kishor Gupta	Non Executive Independent	Director	28/06/2002	7	Nil	Nil
Mr. Anil Patodia	Non Executive Independent	Director	02/04/1994	8	Nil	Nil
Mr. Sunil Agarwal	Non Executive Independent	Director	28/06/2002	Nil	Nil	Nil
Mr. K. L. Varma	Non Executive Independent	Director	30/11/2002	Nil	Nil	Nil
Mr. Ramesh M. Joshi	Non Executive Independent	Director	20/10/2006	5	Nil	Nil







Other bookmark



CORPORATE GOVERNANCE

The Chairman is the Executive Director and the number of Independent / Non-Executive Directors constitutes more than 50% of the Board at any point of time. All Independent Non-Executive Directors comply with the legal requirements of being "independent".

According to Clause 49 of the Listing Agreement with the Indian stock exchanges, an independent director means a person other than an officer or employee of the company or its subsidiaries or any other individual having a material pecuniary relationship or transactions with the company which, in the opinion of the Board of Directors would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

BRIEF RESUMES OF THE BOARD OF DIRECTORS:

MR. DINESH NANDWANA

Chairman and Managing Director

One of the main promoters of the company, Mr. Dinesh Nandwana is a Chartered Accountant. He has nursed and nurtured the company from a humble consultancy company to a well renowned software company. His vast experience is backed by astute and dynamic leadership qualities. His forte is his ability to carry his team along and timely delivery of quality goods. His imposing and affirmative policies and hard work has helped the company in achieving its present status.

DR. NISHIKANT HAYATNAGARKAR

Executive Director - R&D

He is a Doctorate in computer science from I. I. T., Powai, Mumbai. He is associated with the company since 1994. He is a well-known personality in the field of microchip designing. He has developed a voice recognition system, which is widely used in various applications like Tele Banking, Tele Gas Booking etc. He has also designed & developed Multilingual Keyboard and is consultant to Media Labs Asia – Kamal Rekhi School for Information Technology (IIT Mumbai) for development of Multilingual data input device – Marathi language Key Board (Key – Lekh) and E-Lekh

(Tablet based Marathi language Input).

MR. RAMESH M. JOSHI

Non Executive Independent Director

Mr. Ramesh M. Joshi is a graduate in Economics & Law from the University of Nagpur. He had held various important positions in the Reserve Bank of India. He had the privilege of being nominated as a nominee of RBI on the Boards of various Banks. He had retired as an Executive Director of SEBI. He is also practicing as a senior corporate consultant.

MR. BRIJ KISHOR GUPTA

Non Executive Independent Director

Mr. Brij Kishor Gupta is a qualified Chartered Accountant having total experience of more than 23 years in corporate affairs, taxation, audits and financial matters with various organisations.

MR. ANIL PATODIA

Non Executive Independent Director

He has a Bachelor's degree in commerce with over 18 years experience of administration and has good leadership qualities to control huge projects involving large manpower.

MR. SUNIL AGARWAL

Non Executive Independent Director

Mr. Sunil Agarwal is Bachelor of Commerce with over 23 years experience in business administration. He is a very successful businessman with good leadership qualities to control huge projects and explore new business opportunities.

MR. K. L. VARMA

Non Executive Independent Director

Mr. K. L. Varma is retired Financial Advisor and Chief Accounts Officer, Western Railway. He has vast experience in handling financial management and financial planning and introducing and implementing internal control systems.









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CORPORATE GOVERNANCE

BOARD MEETINGS

As per the Listing agreement, the Board of Directors must meet at least four times in a year, at an interval of not more than three months between any two meetings.

During the last financial year, our Board met twelve times, on 29th June, 2009, 28thJuly 2009, 31st July 2009, 18th August 2009, 4th September, 2009, 29th September, 2009, 26th October, 2009, 29th January 2010, 8th February 2010, 9th February 2010, 22nd March 2010 and 29th March 2010. All the Board meetings were held at the Company's registered office at Mumbai, India. The gap between two Board meetings did never exceed three months.

The attendance of the directors at the board meeting held during the year is given below:

Director	Number of meetings held	Number of meetings attended	Attended Last AGM
Dinesh Nandwana	12	11	Yes
Ramesh M Joshi	12	7	Yes
Dr. Nishikant Hayatnagarkar	12	3	Yes
Brij Kishor Gupta	12	12	Yes
Anil Patodia	12	6	Yes
Sunil Agarwal	12	1	Yes
K. L. Varma	12	8	Yes

Director's membership in Board Committees

As per the Listing Agreement, no Director can be a member in more than ten Committees or act as Chairman of more than five Committees across all companies in which he is a director.

In terms of the Listing Agreement, none of the Directors of our Company were members in more than ten Committees nor acted as Chairman of more than five Committees across all Companies in which they are Directors.

Details of Directors being re-appointed and appointed.

Two of the existing Directors who retire by rotation are proposed to be re-appointed as Directors at the ensuing Annual General Meeting.

BOARD COMMITTEES

As of March 31, 2010 your Company has four Board Committees. These are:

- 1. Audit Committee
- 2. Remuneration and Compensation Committee
- 3. Corporate Governance Committee
- 4. Shareholders/ Investor Grievance Committee

AUDIT COMMITTEE

Terms of reference

The terms of reference stipulated by the Board to the Audit Committee are, as contained under Clause 49 of the Listing Agreement, as follows:

Overseeing the Company's financial reporting process and the disclosure of its financial information. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

Reviewing with management the annual financial statements before submission to the board, focusing primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgment by management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchange and legal requirements concerning financial statements and (viii) any related party transaction i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

Reviewing with the management, external and internal auditors, the adequacy of internal control systems.









CORPORATE GOVERNANCE

Reviewing the adequacy of internal audit functions. Discussion with internal auditors any significant findings and follow up there on. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board. Discussion with external auditors before the audit commences nature and scope of audit as well as post-audit discussion to ascertain any area of concern. Reviewing the Company's financial and risk management policies. To look into the reasons for substantial defaults in the payment to the creditors.

Composition

The Audit Committee comprises solely of independent directors. Shri K. L. Varma is the Chairman of the Audit Committee; Shri Sunil Agarwal and Shri Brij Kishor Gupta are the other members of the committee.

Meetings and Attendance during the year

There were four meetings of the Audit Committee viz. on 29th June, 2009, 31st July 2009, 26th October 2009 & 29th January 2010 and following is the attendance for the same.

Member Name		Meeting Date				
	29.06.2009	31.07.2009	26.10.2009	29.01.2010		
Mr. K. L. Varma	Attended	Attended	Attended	Attended		
Mr. B. K. Gupta	Attended	Attended	Attended	Attended		
Mr. Sunil Agarwal	Attended	Not At- tended	Not At- tended	Not At- tended		

REMUNERATION AND COMPENSATION COMMITTEE

The Remuneration and Compensation Committee comprises of three non-executive independent directors, Shri K.L.Varma, Shri Sunil Agarwal and Shri Brij Kishor Gupta (Chairman).

The remunerations paid to the Executive Directors are in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

Executive Directors are paid remuneration within the limits envisaged under Schedule XIII of the Companies Act 1956. The remuneration payable is always recommended by the Remuneration Committee to the Board and is approved by the Board.

The details of remuneration paid to Executive Directors during the financial year 2009-2010 are as under:

Particulars	Dinesh Nandwana Chairman & Managing Director	Dr. Nishikant Hayatnagarkar Executive Director
Salary (₹)	44,05,645	13,05,000
Allowances and perquisites	NIL	NIL

Non-Executive Director

Non-Executive Directors have been paid sitting fee of ₹ 20,000/- for attending every Board meetings. Sitting fee of ₹ 5000/- was paid for attending Committee meeting to the non-executive directors.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Company has the Shareholders / Investors Grievance Committee in accordance with the requirements of Clause 49 of the Listing Agreement comprising of two non-executive independent directors and one executive director. Shri Sunil Agarwal is the Chairman of the Committee. Shri Brij Kishor Gupta and Dr. Nishikant Hayatnagarkar are the other members of the committee. Shri Pratik Bhanushali is the Company Secretary and compliance officer of the committee. The committee met seven times during the year on 17.04.2009, 17.07.2009, 18.09.2009, 20.11.2009, 18.12.2009, 26.12.2009 and 15.01.2010 and all the members attended the meeting.

The functions of the committee include:

To specifically look into redressing investors' grievances pertaining to:

Transfer of Shares











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CORPORATE GOVERNANCE

- Dividends
- De-materialization of Shares
- Replacement of lost/stolen/mutilated share certificates
- Non-receipt of right/bonus/split share certificates
- Any other related issues

COMPLAINTS:

Sr. No.	Nature of the complaint	Received	Replied	Pending
1	Non-receipt of shares certificates lodged for transfer	6	6	0
2	Non-receipt of dividend warrants	18	18	0
3	Non-receipt of share certificates lodged for split/ Bonus shares	0	0	0
4	Non Receipt of duplicate shares certificates	0	0	0
5	Letters from SEBI / stock Exchange	0	0	0
6	Letters from Department of Company Affairs / Other Statutory Bodies	0	0	0
7	Non Receipt of Demat Credit	2	2	0
	Total	26	26	0

The company had no transfers pending at the close of 31.03.2010.

Annual General Meeting

Date, Venue and Time for the last three Annual General Meeting

Date	Venue	Time	No. of Special Resolutions
25th September, 2009	Chancellor Suite, Hotel Le Royal Meridien, Sahar Airport Road, Andheri (East), Mumbai 400 099	11.00 AM	2
23rd September, 2008	The Oyster, Sahara Star Domestic Air Port, Vile Parle (East) Mumbai – 400 099.	11.00 AM	5
8th. September, 2007	The Oyster, Sahara Star Domestic Air Port, Vile Parle (East), Mumbai – 400 099.	11.00 AM	2

DISCLOSURES

Disclosure on material significant related party transactions with its promoter, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

There is no material transaction with any related party, which may have potential conflict with the interest of the company at large.

During the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authorities for non-compliance of any matter related to the capital markets.

MEANS OF COMMUNICATION

1	Quarterly Results	- News Paper Advertisement
2	Newspaper wherein results are normally published	- Economic Times (English and Gujarati), Times of India (English), Free Press Journal (English) & Navshakti (Marathi)
3	Any Website where displayed	- www.vakrangee.in
4	Whether it also displayed of- ficial news releases	- Yes
6	The presentation made to Institutional Investor or to the Analyst	- Yes

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

The next Annual General Meeting of the company will be held on 10 September, 2010 at 11.00 a.m. at Chancellor Suite, Hotel Le Royal Meridien, Sahar Airport Road, Andheri (East), Mumbai 400 099









CORPORATE GOVERNANCE

Financial Calendar for 2010-11

Tentative Schedule	Likely Board Meeting Schedule
Financial reporting for the quarter ending June 30, 2010	Second fortnight of July 2010
Financial reporting for half year ended September 30, 2010	Second fortnight of October 2010
Financial reporting for the quarter ending December 31, 2010	Second fortnight of January 2011
Financial reporting for the year ended March 31, 2011	Second fortnight of April 2011
Annual General Meeting for the year ending March 31, 2011	Second fortnight of August 2011

Book Closure

The Company's register of members and share transfer books will remain closed from 4th September, 2010 to 10th September, 2010 (both days inclusive).

Dividend payment

i. Payment date

Dividend, when declared at the AGM, will be paid before 30th October, 2010.

ii. Payment Entitlement

Dividend will be paid to those members whose name would appear;

a. For shares in demat form: As beneficial owner as at the end of the business hours on 3rd September, 2010 as per the list to be provided by the Depositories to the Company.

b. For shares in physical form: As a member in the Register on Member of the Company as on 10th September, 2010.

Listing on Stock Exchanges:

Your company's securities are listed on the following stock exchanges.

Equity Shares
Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 023
National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block Bandra East, Mumbai - 400 051.

Listing fees for the year 2010-11 have been paid to the Indian Stock Exchanges.

Stock Code

Stock Exchange	Code
Bombay Stock Exchange Ltd.	511431
National Stock Exchange of India Ltd.	VAKRANSOFT
ISIN no. for Equity Shares (NSDL)	INE051B01013
ISIN no. for Equity Shares (CDSL)	INE051B01013

Stock Market Data relating to Equity Share listed in India

Month (2009-10)	Price on BSE during each month		Volume traded	Price on NSE during each month		Volume traded
	High	Low		High	Low	
April	39.90	24.80	2472991	39.10	24.60	1788397
May	57.95	30.60	1751318	55.65	30.55	808477
June	77.40	53.50	4778272	74.75	53.70	3269043
July	67.85	46.30	2325064	69.95	46.25	2148893
August	76.65	54.75	2796160	76.70	54.60	2280077
September	75.10	64.75	1774421	75.25	65.05	1473362
October	73.85	53.55	947655	74.00	53.50	968770
November	70.00	49.80	1550021	70.15	49.75	1254054
December	73.05	62.10	2021158	73.30	62.70	2232829
January	81.90	59.00	4354125	82.00	59.05	3787748
February	84.35	63.00	7722873	84.20	59.20	4816177
March	110.70	71.00	13245645	110.70	71.10	10862268









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CORPORATE GOVERNANCE

Registrar and Share Transfer Agent

The Board has delegated the power of share transfer to Registrar and Share transfer agents for processing of share transfers to Big Share Services Pvt. Ltd. Their complete address is as follows:

Big Share Services Pvt. Ltd.

E-2, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai – 400072. Telephone No.: 022-28470652 / 40430200 Fax No: 022-28475207 Email: info@bigshareonline.com

Distribution of shareholding: Face Value ₹ 10/Share

As on March 31, 2010						
Category	No. of shareholders	% of shareholders	No. of shares	% total equity		
0-500	3,665	26.46	110277	0.49		
501-1000	3,824	27.61	368244	1.64		
1001-2000	2,078	15.00	379865	1.69		
2001-3000	930	6.71	260562	1.16		
3001-4000	441	3.18	169040	0.75		
4001-5000	768	5.54	378307	1.68		
5001-10000	977	7.05	800918	3.56		
10001 & above	1,168	8.43	20028952	89.03		
Total	13851	100	22496165	100		

Category of Shareholders

	0.	March 31, 2	2010	March 31, 2	2009
	Category	No. of shares held	% of Holding	No. of shares held	% of Holding
(A)	Shareholding of Promoter and Promoter Group				
(a)	Individuals/ Hindu Undivided Family	2652195	11.79	2748402	12.85
(b)	Bodies Corporate	2439456	10.84	1339456	6.26
	Total(A)	5091651	22.63	4087858	19.11
(B)	Public Shareholding				
B1	Institutions				
(a)	Financial Institutions / Banks	400	0.00	425	0.00
(b)	Foreign Institutional Investors	2746893	12.21	3590204	16.78
	Sub-Total (B)(1)	2747293	12.21	3590629	16.78
B 2	Non-institutions				
(a)	Bodies Corporate	6489972	28.85	4578274	21.40
b(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh	4397603	19.55	5436315	25.41
b(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	3427700	15.24	3305135	15.45
(c)	Clearing members	186178	0.83	114851	0.54
(d)	Non Residents Indians(NRI)	155768	0.69	283103	1.32
	Sub-Total (B)(2)	14657221	65.15	13717678	64.11
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	17404514	77.37	17308307	80.89
	GRAND TOTAL (A)+(B)	22496165	100.00	21396165	100.00











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CORPORATE GOVERNANCE

Dematerialization of shares and liquidity

Over 93.32% of outstanding equity has been dematerialized upto March 31st 2010.

Fully Convertible Warrants issued on preferential basis, pending conversion

The Company had issued 34,70,000 Fully Convertible Warrants on 22nd March, 2010 to M/s. NJD Holdings Private Limited, a promoter group Company, convertible each into equivalent number of fully paid equity shares having face value of ₹ 10/- each at a premium of ₹ 60/- per share, convertible at the sole option of the allottee but before expiry of 18 months from the date of allotment. 11,00,000 Fully Convertible Warrants out of the above got converted into equivalent number of equity shares by allotment of the equivalent number of fully paid equity shares on 29th March, 2010 in lieu thereof. 23,70,000 Fully Convertible Warrants are still pending conversion.

Address of Correspondence

The address of correspondence:

Vakrangee Softwares Limited

"Vakrangee House", Compartment No. 66, Plot No. 10/52, Marol Co-op Industrial Estate, Off. M. V. Road, Marol, Andheri (E), Mumbai 400 059. Shareholders can contact the following officials for Company secretarial matters related to the company:

Name	Telephone No.	Email ID	Fax No.
Pratik	67765102,	pratikb@	022-
Bhanushali	67765101	vakrangee.in	28502017

Vakrangee Softwares Ltd's Code of Conduct

Vakrangee Softwares Ltd's Code of Conduct, as adopted by the Board of Directors, is applicable to the Directors, senior management and employees of the Company. The Code of Conduct is available on the Company's corporate website.

Vakrangee Softwares Ltd's Code of Insider Trading

Vakrangee Softwares Ltd has Code of Conduct for Prevention of Insider Trading ('VSL Code') in the shares of the Company and same is available on the Company's corporate website.

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CERTIFICATE FROM THE COMPANY SECRETARY

- I, Pratik Bhanushali, Company Secretary of Vakrangee Softwares Limited, hereby confirm that the Company has:
- a. Filed the
- (i) Annual Return for the year 2008-09 as per the Provision of Section 159 of the Companies Act, 1956; and
- (ii) Balance Sheet and Profit and Loss Accounts for the financial year 2008-09 as per the Provisions of Section 220 of the Companies Act, 1956;
- b. Filed all other forms and returns and furnished all necessary particulars to the office of Registrar of Companies and / or authorities as required under the Companies Act, 1956.
- c. Maintained all the Books of accounts and Statutory register under the Companies Act, 1956;
- d. Conducted all the Board Meetings and Annual General Meeting as per the Companies Act, 1956 and the minutes thereof are properly recorded in the minutes Book;
- e. Effected the Share Transfers and dispatched the Share Certificates within the time limit prescribed by various authorities;
- f. Exercised all powers as per the Provisions of the Act and has not exceeded the borrowing powers;
- g. Not invited and hence not defaulted in payment of any interests and principals against any fixed deposits;
- h. Not issued and hence not defaulted in payment of

interest and principals against any fixed deposits;

- i. Paid dividend to the shareholders within the time limit prescribed and will transfer the unpaid / unclaimed dividends within the time limit prescribed to the Investor Education Protection Fund:
- j. Complied with the Regulations prescribed by the Stock Exchanges, SEBI, and other Statutory Authorities and Statutory requirement under the Companies Act, 1956 and other applicable statutes in force:

The Certificate is given by the undersigned according to the best of his knowledge and belief, knowing fully well that on the faith and strength of what is stated above, the Shareholders of the Company will place fully reliance on it.

Pratik Bhanushali Company Secretary Place: Mumbai

Dated: 10 August, 2010











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AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The members of Vakrangee Softwares Limited

We have examined the Compliance of the conditions of Corporate Governance procedures implemented by Vakrangee Softwares Limited, for the year ended on March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange in India.

The Compliance of the conditions of corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of corporate Governance. It is neither an audit nor an expression of opinion of the financial statement of the company.

In our opinion and to the best of our information and according to the explanation given to us, and the representations made by the Directors and management, we certify that the company has complied with the conditions of corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrars of the company to the Investors' Grievance Committee, as on March 31, 2010, there were no valid investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.K. PATODIA & ASSOCIATES

Chartered Accountants

Sunil Patodia

Partner

Membership No - 045489 Firm Regd. No.: 112723W

Place: Mumbai

Dated: 10 August, 2010









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Auditors Report

То

The Members of Vakrangee Softwares Limited

We have audited the attached Balance Sheet of Vakrangee Softwares Limited as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 2. As required by the Companies (Auditors Report) Order, 2003 and amendments thereto issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- 3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of
- b) In our opinion, proper books of accounts as required by law have been kept by the Company as it appears from our examination of those books.

- c) The said Balance Sheet, the Profit & Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of accounts.
- d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes appearing thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
- ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
- iii) In the case of Cash Flow Statement, of the Cash Flows of the company for the year ended on that date.

For S. K. Patodia & Associates **Chartered Accountants**

Sunil Patodia

Partner

Mem. No: 045489 Firm Regd. No:112723W

Place: Mumbai Date: 27th May, 2010









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Annexure to Auditors Report

Annexure referred to in Paragraph 2 of the Auditors Report to the members of **Vakrangee Softwares Limited** for the year ended 31st March 2010.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
 - b) All the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the company and the nature of business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
 - c) During the year, there is no substantial disposal of Fixed Assets.
- (ii) a) The inventories have been physically verified by the management during the year at reasonable intervals.
 - b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company has maintained proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material.
- (iii) a) The Company has granted loans to six parties including three subsidiary Companies covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis. The Maximum amount outstanding during the year was ₹ 672.39 Lacs and the year-end balance was ₹ 672.39 Lacs.
 - b) The said loans are interest free except in the case of Vakrangee e-Solutions Inc, Philippines, where interest has been charged. Other terms and conditions on which the loans have been granted are prima facie, not prejudicial to the interest of the Company;
 - c) In view of our comments in para (iii) (a) and (b) above, clauses (iii) (c), and (d) of the said Order are not applicable to the company.
 - d) The company has not taken unsecured loan from any party covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis.
 - e) In view of our comments in Para (iii) (d) above, clauses (iii) (e) and (f), of the said Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanation given to us there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.

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Annexure to Auditors Report

- a) Based on the audit procedures performed by us, we are of the opinion that particulars of (v) contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained in that section.
 - b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- (vi) The company has not accepted any public deposit.
- (vii) The Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the Company.
- (ix) Accordingly to the records of the Company, the undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty, Cess have regularly been deposited with the appropriate authorities. There are no significant undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2010 for a period more than six months from the date they became payable.
 - b) According to the records of the company and information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of its dues to banks and financial institutions.
- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
- (xiv) In respect of dealing in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.











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Annexure to Auditors Report

- (xv) The company has not given any guarantee for loans taken by others from banks and financial institutions except guarantee given in respect of loan granted to Vakrangee e-Solutions Inc., a subsidiary company, by Barclays Bank Plc. The outstanding amount of loan as on 31st March, 2010 is ₹704.36 lacs.
- (xvi) The Company has not taken any Term Loan during the year.
- (xvii) On an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investments.
- (xviii) The Company has made preferential allotment of share warrants to the parties covered in the register maintained under section 301 of the Companies Act, 1956. The same has been made in conformity with the guidelines issued by the Securities and Exchange Board of India relating to such preferential allotment and on that the basis of allotment is not prejudicial to the interest of the company. Further part of convertible warrants issued during the year has also been converted into the equity shares during the year at the pre determined rate as per SEBI Guidelines.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

For S. K. Patodia & Associates

Chartered Accountants

Sunil Patodia

Partner

Mem No: 045489 Firm Regd. No: 112723W

Place : Mumbai

Date: 27th May, 2010

				(₹ in Lacs)
Particulars	Schedules		As at	As at
			31st March 2010	31st March 2009
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
Share Capital	A	2,249.62		2,139.62
Warrant Application Money	В	414.75		2,133.02
Reserves & Surplus	C	27,413.64		24,733.63
110001 voo d ourpluo		27,110.01	30,078.01	26,873.25
2. LOAN FUNDS			00/070.01	20,070.20
Secured Loans	D	5,701.48		2,245.41
Unsecured Loans	E	450.00		•
			6,151.48	
3. Deferred Tax Liabilities (Net)	F		3,779.77	3,450.26
Total			40,009.26	32,568.92
APPLICATION OF FUNDS				
4. FIXED ASSETS	G			
Gross Block		31,764.79		26,219.59
Less: Depreciation		8,685.62		4,641.64
Net Block			23,079.17	21,577.9!
5. INVESTMENTS	H		5,312.00	5,215.9
6. CURRENT ASSETS, LOANS & ADVANCES				
Inventories	I	776.57		1,408.50
Sundry Debtors	J	14,225.08		4,253.94
Cash & Bank Balances	K	423.65		447.38
Loans & Advances	L	2,092.82		1,208.42
		17,518.12		7,318.2
7. CURRENT LIABILITIES & PROVISIONS	M	5,900.03		1,543.22
8. Net Current Assets [(6) less (7)]			11,618.09	5,775.02
Total			40,009.26	32,568.92
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACC	COUNTS R			

Schedule "A" to "M" and Schedule "R" referred to above form an integral part of the Balance Sheet.

As per our report of even date attached. For and on behalf of the Board

S K Patodia & Associates **Chartered Accountants**

DINESH NANDWANA - Chairman & Managing Director

B. K. GUPTA - Director

PRATIK BHANUSHALI - Company Secretary

SUNIL PATODIA

Partner Membership No: 045489 Firm Regd. No: 112723W

Place: Mumbai Date: 27th May, 2010



v, start



Particulars	Schedules		for the year ended	for the year ende
i di fiodidi 5	Odricadics		31st March 2010	31st March 200
			3 IST WIGHT ZUTU	313t Ividicii Zuc
INCOME				
1. Software & Database related Services		40,935.21		29,431.
2. Other Income	N	67.24		42.
			41,002.45	29,473.
EXPENDITURE				
3. Cost of Consumables	0	31,298.14		14,318.
4. Direct Expenses	P	715.85		603.
5. Administrative & Selling Expenses	0	1,125.92		3,273
6. Interest & Financial Expenses		586.27		319
7. Depreciation		4,061.34		5,318
8. IT Assets Disposed off		-		4,929
			37,787.52	28,762
Profit Before Tax			3,214.93	711.
9. Provision for Taxation			474.93	80
10. Provision for FBT			-	20
11. Deferred Tax Liabilities/(Assets)			329.50	167
Profit After Tax			2,410.50	442
12. Less/(Add): Prior Period Adjustment			(3.00)	422
(Refer Note "F", Schedule "R")				
Profit available for equity shareholders			2,413.50	20
13. Add: Profit Brought Forward Previous Year			6,886.58	7,124
14. Less: Transferred to General Reserve			120.53	11
15. Less : Proposed Dividend			337.44	213
16. Less : Corporate Dividend Tax			56.04	33.
Balance Carried to Balance Sheet			8,786.07	6,886
Earnings Per Share (FV ₹ 10/- each)				
- Basic (₹)			11.28	2
- Diluted (₹)			11.15	2

R

Schedule "N" to "Q" and Schedule "R" referred to above form an integral part of the Profit & Loss Account.

As per our report of even date attached. For and on behalf of the Board

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

S K Patodia & Associates DINESH NANDWANA - Chairman & Managing Director Chartered Accountants

B. K. GUPTA - Director SUNIL PATODIA

Partner PRATIK BHANUSHALI - Company Secretary Membership No: 045489

Firm Regd. No: 112723W Place: Mumbai Date: 27th May, 2010

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Particulars	(₹ in lacs)	(₹ in lacs)
	2009-10	2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	3,214.93	711.27
adjusted for:		
Depreciation	4,061.34	5,318.05
Interest Received	(39.83)	(35.85)
Interest & Financial Expenses	586.27	319.45
Loss on sale of fixed assets	17.86	
Other Income	(27.41)	(6.22
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	7,813.16	6,306.70
adjusted for:		
Inventories	631.93	(1,252.06)
Trade Receivables	(9,971.13)	(408.64
Loans & Advances	(782.02)	86.32
Current Liabilities & Provisions	3,755.46	(1,886.72)
CASH GENERATED FROM OPERATIONS	1,447.40	2,845.60
Other Income	27.41	6.22
Taxes Paid / Refund	(155.45)	(935.25
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	1,319.36	1,916.57
Prior period adjustments	3.00	(422.84
NET CASH FROM OPERATING ACTIVITIES(A)	1,322.36	1,493.73
B. CASH FLOW FROM INVESTING ACTIVITIES	(= 000 00)	10.404.74
Purchase of Fixed assets	(5,628.23)	(8,104.71
Sale of Fixed Assets	47.78	5,193.10
Purchase of Investments	(96.05)	(0.95
Interest Received	39.83	35.85
NET CASH USED IN INVESTING ACTIVITIES	(5,636.67)	(2,876.71
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend payment	(213.96)	(427.92
Issue of Share capital	110.00	(127102
Securities Premium	660.00	
Proceeds Warrant Application & Allottement Money	414.75	
Interest & Financial Expenses	(586.27)	(319.45
Proceeds from Borrownings	3,906.06	2,100.4
NET CASH USED IN FINANCIAL ACTIVITIES	4,290.58	1,353.04
	,	,
Net increase/(decrease) in Cash and Cash Equivalents	(23.73)	(29.94
Cash and Cash Equivalents as on 01.04.2009	447.38	477.32
Cash and Cash Equivalents as on 31.03.2010	423.65	447.38

1. Cash and cash Equivalents at the end of the year consists of Cash in hand and Balance with banks and are net of short term loans and advances from Banks as follows:-

(₹ in Lacs		
Particulars	As at 31.03.2010	As at 31.03.2009
Cash in Hand	39.58	0.37
Balance with Bank	384.06	447.01
	423.65	447.38

2. Previous year's figures have been regrouped, rearranged wherever necessary in order to confirm to current year's figures.

As per our report of even date attached. For and on behalf of the Board

S K Patodia & Associates Chartered Accountants

B. K. GUPTA - Director

SUNIL PATODIA Partner

Membership No: 045489

Firm Regd. No: 112723W Place: Mumbai Date: 27th May, 2010

PRATIK BHANUSHALI- Company Secretary

DINESH NANDWANA - Chairman & Managing Director



(₹ in La		
PARTICULAR	As at 31.03.2010	As at 31.03.2009
SCHEDULE A: SHARE CAPITAL		
Authorised		
4,50,00,000 (Previous Year 4,50,00,000) Equity Shares of ₹ 10/- each	4,500.00 4,500.00	4,500.00 4,500.00
ISSUED SUBSCRIBED AND PAID UP		
2,24,96,165 (Previous Year 2,13,96,165)		
Equity share of ₹ 10/- each fully paid up	2,249.62	2,139.6
	2,249.62	2,139.6
SCHEDULE B: SHARE WARRANTS (Refer Note "S", Schedule "R")		
23,70,000 warrants issued at a price of ₹ 70/- each fully paid up		
Upfront Money received @ ₹ 17.50 each warrant	414.75	
	414.75	
SCHEDULE C: RESERVES & SURPLUS		
1. General Reserves		
Opening Balance	780.82	769.7
Transfer from Profit & Loss Account	120.52	11.0
	901.34	780.8
2. Securities Premium Account		
Opening Balance	17,066.23	17,066.2
Add: On further issue of Shares	660.00	
	17,726.23	17,066.2
3. Profit & Loss Account	8,786.07	6,886.5
	8,786.07	6,886.5
	27,413.64	24,733.6
COUEDINE D. CECUDED LOANS (Defendate "F" Calcatale "D")		
SCHEDULE D: SECURED LOANS (Refer Note "E", Schedule "R") Cash Credit Facilities from Bank	4.425.41	2 2/15 /
Bills Payable Facilities from Bank	4,435.41 1,251.59	2,245.4
Vehicle Loan	14.48	
	5,701.48	2,245.4
SCHEDULE E: UNSECURED LOANS		
Inter Corporate Deposit	450.00	
	450.00	



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PREVIOUS

YEAR

30,563.73

8,104.72

12,448.86

26,219.59

(₹ in Lacs) **GROSS BLOCK DEPRECIATION NET BLOCK** Addition Addtions Deletion Deletion **ASSETS** As at As at As at As at As at As at During During during the during the 01.04.2009 31.03.2010 01.04.2009 31.03.2010 31.03.2010 31.03.2009 the Year the Year Year Year 22.35 **BUILDINGS** 663.96 686.31 54.25 11.28 609.71 65.53 620.78 PLANT & 755.53 755.53 35.89 120.42 635.11 671.00 84.53 **MACHINERY OFFICE** 530.19 4.95 535.14 179.63 25.31 204.93 330.20 350.56 **EQUIPMENTS FURNITURES** 544.18 549.27 236.07 313.20 342.38 7.21 2.12 201.81 34.56 0.30 & FIXTURES **MOTOR CARS** 33.10 41.30 53.63 86.73 12.33 6.47 18.80 67.93 **COMPUTERS** 23,672.08 5,560.61 80.88 29,151.81 4,109.09 3,947.84 17.07 8,039.86 21,111.95 19,563.00 & PRINTERS **TOTAL** 83.00 17.37 8,685.62 23,079.17 26,219.57 5,628.22 31,764.79 4,641.64 4,061.35 21,577.95

6,579.34

5,318.05

7,255.75

4,641.64

21,577.95

		(₹ in Lacs
	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'H': INVESTMENTS		
Long Term Investments		
TRADE, UNQUOTED		
Investments in Subsidiaries		
1,00,50,000 Equity Shares in Vakrangee IT Solutions Ltd.	-	
of ₹ 10/- each fully paid up (Previous Year 1,00,50,000)	5,005.00	5,005.0
9,999 Equity Shares of E-Doc Vision Infotech Pvt. Ltd.		
of ₹ 10/- each fully paid up (Previous Year 9,500)	1.00	0.9
96,000 Equity Shares of Vakrangee e-Solutions Inc.	96.00	
of Peso 100/- each fully paid up (Previous Year Nil)		
Investments in Others		
21,00,000 Equity Shares of Vakrangee Technologies Ltd.	210.00	210.0
of ₹ 10/- each fully paid up (Previous Year 21,00,000)		
	5,312.00	5,215.9
SCHEDULE 'I' : INVENTORIES		
Raw Materials, Consumables & Spares	741.72	1,408.5
Work-in-Process: Projects	34.85	<u> </u>
	776.57	1,408.5
	.,,,,,	.,
SCHEDULE 'J' : SUNDRY DEBTORS		
Debts outstanding for more than 6 months (Unsecured)		
Considered Good	99.83	56.5
Considered Doubtful	-	
Other Debts (Unsecured, Considered Good)	14,125.25	4,197.4
	14,225.08	4,253.9
SCHEDULE 'K' : CASH & BANK BALANCES		
Balances with Scheduled Bank		
In Current Accounts	27.49	51.3
In Fixed Deposit Account	356.58	395.6
Cash in Hand	39.58	0.3
(As physically verified & certified by Management)		
(to project any common of common of the com	423.65	447.3
SCHEDULE 'L' : LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Loan to Subsidiaries	644.60	37.2
Loan to Others	652.79	701.7
Advance recoverable in cash or in kind or for value to be received	212.35	48.7



		(₹ in Lacs)
	As at 31.03.2010	As at 31.03.2009
Share Application Money	261.12	256.00
Deposits	34.11	20.57
Advance Tax & TDS	287.85	144.21
	2,092.82	1,208.42
SCHEDULE 'M' : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
- Due to Micro, Small & Medium Enterprises (Refer Note "0", Schedule "R")		
- Due to Others	4,597.71	786.42
Other Liabilities	353.32	409.16
	4,951.03	1,195.58
Provisions		
Provision for Taxation	555.51	80.59
Proposed Dividend	337.44	213.96
Provision for Corporate Dividend Tax	56.05	33.06
Provision for FBT	-	20.03
	949.00	347.64
	5,900.03	1,543.22

	As at 31.03.2010	(₹ in Lacs	
	A5 at 51.05.2010	AS at 31.03.2003	
SCHEDULE "F" : DEFERRED TAX LIABILITIES (NET)			
	3,450.26	2 202 5	
Opening Balance	3,450.26	3,282.5 167.7	
Adjustment during the year			
	3,779.77	3,450.2	
SCHEDULE 'N' : OTHER INCOME			
Interest Income (TDS ₹ 93,518/- P.Y ₹ 7,02,368/-)	39.83	35.8	
Gain on Foreign Exchange Fluctuation (net)	9.91		
Miscellaneous Income	17.50	6.2	
	67.24	42.0	
SCHEDULE '0' : COST OF CONSUMABLES			
Opening Stock	1,408.50	57.9	
Add : Purchased During The Year	30,666.21	15,669.2	
Less : Closing Stock	776.57	1,408.5	
	31,298.14	14,318.6	
SCHEDULE 'P' : DIRECT EXPENSES	745.05	200.4	
Printing & Binding Charges	715.85	603.4	
	715.85	603.4	
SCHEDULE 'Q' : ADMINISTRATIVE & SELLING EXPENSES			
Staff Costs	543.96	1,762.4	
Electricity Expenses	30.86	32.9	
Communication Costs	19.04	12.1	
Staff Welfare	6.40	8.0	
Repairs & Maintenance	21.82	10.6	
Printing & Stationery	12.45	13.6	
Conveyance & Travelling Expenses	197.96	930.9	
Rent	19.12	10.9	
Insurance Charges	7.77	14.6	
Advertisement & Publicity Expenses	33.03	5.8	
Business Promotion Expenses	20.87	32.2	
Vehicle Expenses	7.29	8.0	
Legal & Professional Charges	96.62	68.3	
Fees & Subscriptions	3.80	19.4	
Office & General Expenses	19.18	26.3	
Registrar & Share Transfer Expenses	3.28	0.2	
Auditor's Remuneration	2.50	2.7	
Directors' Remuneration	62.11	39.0	
Loss on Sale of Fixed Assets	17.86	5.0	
Bad Debts	17.00	233.2	
Liquidated Damage Cost	-	36.7	
Liquidated Dalliage 605t	-	30.7	











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Schedule "R": Significant Accounting Policies & Notes on Accounts

I. Significant Accounting Policies

A. Basis of Accounting

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act 1956. The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialise.

C. Recognition of Income & Expenditure

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

The Company follow the accrual basis of accounting except in the following cases, where the same are recorded on cash basis on ascertainment of right and obligation.

- i) Leave encashment
- ii) Insurance Claim
- iii) Dividend Income, if any.

D. Fixed Assets

Fixed Assets are stated at actual cost of acquisition less accumulated depreciation. Cost includes all incidental expenses related to acquisition and attributable cost of bringing the asset to its working condition for its intended use.

E. Impairment of Fixed Assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made.

F. Depreciation

- i) Depreciation on Fixed Assets has been provided on 'Straight Line Method' as per the rates specified in Scheduled XIV of the Companies Act, 1956.
- ii) Depreciation on assets acquired/sold during the year is provided on prorata basis.

G. Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investment and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

H. Employee Benefits

- i) Company's contribution to Provident Fund and other funds for the year is accounted on accrual basis and charged to the Profit and Loss Account for the year.
- ii) Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

I. Valuation of inventories

Inventories are valued at lower of cost or net











Other bookmarks



Schedule "R":- Significant Accounting Policies & Notes on Accounts

realizable value.

J. Miscellaneous Expenditure

Preliminary expenses are amortised in the year in which they are incurred.

K. Foreign Currency Transactions

- i) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Profit and Loss Account.
- iii) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Profit and Loss Account.

L. Treatment of Contingent Liabilities

Contingent liabilities are disclosed by way of notes to accounts. Disputed demands in respect of income tax and other proceeding are disclosed as contingent liabilities. Payments in respect of such demands, if any are shown as advances.

M. Accounting for Taxation of Income Current taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Incometax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. The effect of a change in tax rates on deferred tax and assets or liabilities are recognized in the period that includes

the enactment date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

II. Notes on Accounts

- A) Liabilities in respect of leave encashment are accounted for on cash basis which is not in conformity with Accounting Standard (AS) 15 (Revised 2005) on Employee Benefits as notified by the Companies (accounting Standard) Rules, 2006 which requires that Leave Encashment Liabilities be accounted for on accrual basis.
- B) Loans include ₹ 27.79 lacs (Previous Year ₹ Nil) due from companies in which directors are interested as directors.
- C) In the opinion of the Board the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equaling the amount at which they are stated in the books of account. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- D) Confirmation letters have been sent by the Company in respect of balances reflected under Sundry Debtors, Sundry Creditors and Loans and Advances. In view of confirmations having not been received from some of the parties, the balances under these heads have been shown as per books of accounts and are subject to reconciliation and adjustment if any.

E) Secured Loans

- a) Cash Credit & Bills Payable Facilities from Bank:
- ₹ 5687.00 lacs (Previous Year ₹ 2245.41 lacs) secured by Hypothecation of Book debts, Stock in Trade Stores & spares, collaterally Secured by office Premises of the Company and of Vakrangee Technologies Limited, situated at Marol Co-

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Schedule "R": Significant Accounting Policies & Notes on Accounts

Operative Indl. Society, Marol, Andheri (East), Mumbai.

The above working capital facilities are further collaterally secured by personal Guarantee of Mr. Dinesh Nandwana, the Chairman cum Managing Director of the Company.

b) Vehicle Loan:

- ₹ 14.48 lacs (Previous Year ₹ Nil) Secured by Hypothecation of specific vehicle financed.
- F) Prior Period Items ₹ 3.00 lacs (Previous Year ₹ 422.84 lacs) includes Prior Period Expenses ₹ 0.86 lacs (Previous Year ₹ 6.88 lacs).

G) Contingent Liabilities not Provided for:

- a) Guarantees amounting to ₹ 265.52 lacs (Previous Year ₹ 395.66 lacs) given by the bank on behalf of the Company.
- b) The amount of liabilities, which may occur on levying of penalty and/or charges by clients for delays in execution of contracts within the time prescribed in the agreement, is unascertained.
- c) The Company has provided Guarantee to Barclays Bank Plc. In respect of working capital loan of USD 20,50,000 granted to Vakrangee e-solutions Inc. (Wholly owned subsidiary of the Company). The outstanding amount of the loan as on 31st March, 2010 is ₹ 704.36 lacs.

H) Details of Auditors remuneration (Excluding Service Tax) is as under:

		Amount (₹)
Particulars	2009-2010	2008-2009
Statutory Audit Fees	2,00,000	2,00,000
Tax Audit Fees	50,000	50,000
Certification & Other Services	1,42,500	24,115
Total	3,92,500	2,74,115

I) Loans and Advances in the nature of loans given to subsidiaries and associates as required to be disclosed in the annual accounts of the company

pursuant to clause 32 of the listing agreement is as under:

a) Details of loans to subsidiaries:

(₹ In Lacs)				
Name of the subsidiary	2009-2010		2008	-2009
	Amount Max. Amount		Amount	Max. Amount
Vakrangee IT Solutions Ltd	35.42	35.42	34.26	34.26
E Doc Vision Infotech Pvt. Ltd.	183.90	183.90	2.95	2.95
Vakrangee e-Solutions Inc.	425.28	425.28	Nil	Nil

b) Details of Investment in subsidiaries:

Name of the Subsidiary	No of shares	% of share Holding
Vakrangee IT Solution Limited	100,50,000	100.00%
E Doc Vision Infotech Pvt. Ltd.	9,999	99.99%
Vakrangee e-Solutions Inc.	96,000	100.00%

J) Other liabilities include unclaimed dividends amounting to ₹ 9.79 lacs (Previous year ₹ 35.84 lacs).

K) Managerial Remuneration:

		(₹ In Lacs)
Particulars	2009-2010	2008-2009
Directors' Remuneration	57.11	39.03
Total	57.11	39.03

L) Earnings Per Share (As per AS – 20)

In accordance with Accounting Standard 20-Earning per Share, the computation of earning per share is set out below:

			(₹ In Lacs)
Sr. No	Particulars	2009-2010	2008-2009
i)	Weighted average number of Equity Shares of ₹ 10 each		
a)	Number of shares at the beginning of the period	2,13,96,165	2,13,96,165











Other bookmark

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Schedule "R": Significant Accounting Policies & Notes on Accounts

b)	Number of shares at the end of the period	2,24,96,165	2,13,96,165
c)	Weighted average num- ber of shares outstand- ing during the period	2,14,05,206	2,13,96,165
ii)	Net Profit after tax available for equity shareholders	2413.50	442.89
iii)	Basic Earnings Per Share (₹)	11.28	2.07
iv)	Diluted Earnings per Share (₹)	11.15	2.07

The Company does not have any dilutive potential equity shares in the previous year. Consequently the basic and diluted earning per share of the Company remain the same.

M) Employee Benefits:

The Company has provided for Gratuity, covering eligible employees, in accordance with the Payment of Gratuity Act, 1972 only during the year. Accordingly, the previous year's figures relating to actuarial assumptions and liabilities have not been given below. In accordance with revised AS-15, "Employee Benefits", the company has provided the liability on actuarial basis. As per the actuarial certificate the details of unfunded post employment defined benefit plan in respect of Gratuity are as follows:

Actuarial assumptions:

Particulars	2009-10
Mortality Table (LIC)	1994-96 (Ultimate)
Withdrawal Rate	1% to 3% depending on age
Discount rate	8% p.a.
Salary Escalation	3%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as demand and supply in employment market.

Amount recognized in the Profit and Loss account:

	(₹ In Lacs)
Particulars	2009-10
PV of Past Service Benefit	10.78
Current Service Cost	3.33
Actuarial (gains)/losses recognized in the period	10.47
Obligation at the end of the year	24.58

N) Taxes on Income

- a) Provision for Taxation for the year has been made in accordance with the provision of the Income Tax Act, 1961.
- b) In terms of Accounting Standard 22 on "Accounting for Taxes on Income" as notified by the Companies (Accounting Standard) Rules, 2006 the Company has recognized Deferred Tax liabilities ₹ 329.50 lacs for the year ended 31st March, 2010 in the Profit & Loss A/c.

The accumulated balance in Net Deferred Tax Liability/ (Assets) comprises of:

(₹ In Lacs)			
Particulars	Deferred Tax Li- ability/ (Asset) as at 1st April 2009	Current Year change	Deferred Tax Liability/ (Asset) as at 31st March 2010
Difference between Book & Tax Depre- ciation	3450.26	1159.58	4609.84
Provision for Gratuity	Nil	(8.16)	(8.16)
Un-absorbed Depreciation	Nil	(379.35)	(379.35)
MAT Credit	Nil	(442.56)	(442.56)
Deferred Tax Liabil- ity/ (Assets) (Net)	3450.26	329.50	3779.77

O) Amounts due to Micro, Small and Medium Enterprises:

The Company has not received any intimation from the suppliers under the The Micro, Small & Medium Enterprises Development Act 2006 and therefore disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

P) Additional information pursuant to the provision









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Schedule "R": Significant Accounting Policies & Notes on Accounts

of Part II of the Schedule VI of the Companies Act 1956 to the extent applicable:

i)	Installed Capacity	Not Applicable
----	--------------------	----------------

Since the Company is engaged in providing various project-related services, the quantitative details with respect to Opening Stock, Purchases, Sales and Closing Stock are not applicable to the Company and hence not given.

Q) Foreign Exchange Earnings & Outgo:

(₹ In Lacs)		
Particulars	2009 – 2010	2009 – 2008
Earnings:		
FOB value of exports	651.23	Nil
Interest on loans	26.48	Nil
Outgo:		
Travelling Expenses	0.97	Nil

R) Related Party Disclosures:

a) Key Management Personnel

Mr. Dinesh Nandwana	Chairman & Managing Director
Dr. Nishikant Hayatnagarkar	Whole-Time Director

- b) Relative of key management personnel and Name of the enterprises having same key management personnel and / or their relatives as the reporting enterprises with whom the company has entered into transactions during the year.
 - Dream River (Neral) Developers Private Limited
 - Vakrangee Technologies Limited
 - Vakrangee Energy Private Limited
 - · Vakrangee Infraprojects Limited
 - NJD Holdings Private Limited
 - NJD Biotech Private Limited
 - · Mr. Manoj Nandwana
- c) Subsidiary Companies with whom the Company has entered in to transactions during the year.
 - Vakrangee IT Solutions Limited
 - E Doc Vision Infotech Private Limited
 - Vakrangee e-Solutions Inc., Philippines (w.e.f. 8th May, 2009)

₹ In Lacs)							
Nature of transactions	For the yea	For the year ended 31st March, 2010			For the year ended 31st March, 2009		
	In relation to (a) above	In relation to (b) above	In relation to (c) above	In relation to (a) above	In relation to (b) above	In relation to (c) above	
Director Remuneration	57.11	Nil	Nil	39.03	Nil	Nil	
Salary	Nil	3.68	Nil	Nil	Nil	Nil	
Rent received	3.00	Nil	Nil	1.00	Nil	Nil	
Loans granted	Nil	27.90	841.61	Nil	1.58	24.90	
Loans received back	Nil	0.11	260.70	Nil	1.58	15.59	
Interest received on loans granted	Nil	Nil	26.48	Nil	Nil	Nil	
Sale of Softwares	Nil	Nil	651.23	Nil	Nil	Nil	
Equity Contribution	Nil	770.00	Nil	Nil	Nil	Nil	
Application Money received for issuance of Warrants	Nil	414.75	Nil	Nil	Nil	Nil	
Application Money Paid for Shares	Nil	Nil	5.12	Nil	Nil	Nil	
Investment in Shares	Nil	Nil	96.05	Nil	Nil	0.95	
Amount outstanding as at 31st March:							
Loans Receivable	Nil	27.79	644.60	Nil	Nil	37.21	
Investments	Nil	210.00	5102.00	Nil	210.00	5005.95	











Other bookmarks



Schedule "R": Significant Accounting Policies & Notes on Accounts

S) During the year, the Company has, by way of Postal Ballot pursuant to Section 192A of the Companies Act, 1956, passed a special resolution on 11th March, 2010 authorizing issue of 34, 70,000 fully convertible warrants having face value of ₹ 10/- each at a premium of ₹ 60/- per share, on preferential basis to M/s NJD Holdings Private Limited, a promoter group company.

The Company has converted 11,00,000 warrants into equity shares on 29th March, 2010 and issued equivalent fully paid equity shares at an exercise price of ₹ 70 per share. The Company has received an amount aggregating to ₹ 770.00 lacs against allotment of Equity Shares and ₹ 414.75 lacs as 25% upfront money against allotment of balance 23, 70,000 convertible Warrants.

Total proceeds as above amounting ₹ 1184.75 lacs after deducting the issue expenses will be utilized for Business and Development purposes.

T) The Company has, during the year, formulated Employees Stock Option Scheme, 2008 (ESOP Scheme) which was approved by the members of the Company at their meeting held on 23rd September, 2008. The resolutions were passed by the Remuneration & Compensation Committee on 30th July, 2009 and 30th December, 2009 granting options for 2, 70,700 and 20,600 options respectively. The ESOP Scheme provides for the grant of stock options to eligible employees. The options granted vests after the expiry of a period of one year from the date they are granted. The options vested should be exercised within four years from the date they are vested. The options lapse if they are not exercised prior to the expiry date.

U) The figures of the previous year have been re-arranged, re-grouped and re-classified wherever necessary.

As per our report of even date attached.

S K Patodia & Associates Chartered Accountants

SUNIL PATODIA

Partner Membership No: 045489 Firm Regd. No: 112723W

Place : Mumbai Date : 27th May, 2010 For and on behalf of the Board

DINESH NANDWANA - Chairman & Managing Director

B. K. GUPTA - Director

PRATIK BHANUSHALI - Company Secretary

I.	Registration Details					
	Registration No.	:	56669	State Code		11
	Balance Sheet Date	:	31	3	2010	
			Date	Month	Year	
II.	Capital raised during the year	(₹ in Lacs)				
	Public Issue	:	NIL	Rights Issue	:	NIL
	Bonus Issue	:	NIL	Private Placement/Promoter's Contribution	:	NIL
	Preferential Issue	:	11.00			
	Share Application Money	:	414.75	Share Premium	:	660.00
III.	Position of Mobilization and D	eployment of F	unds (₹ in l	acs)		
	Total Liabilities	40009.26		Total Assets	40009.26	
	Source of Funds:					
	Paid-up Capital	2249.62		Warrant Application Money	414.75	
	Reserves & Surplus	27413.65		Secured Loans	5701.48	
	Unsecured Loans	450		Deferred Tax Liability	3779.77	
	Application of Funds:					
	Net Fixed Assets	23079.19		Capital Work in Progress	-	
	Investment	5312		Net Current Assets	11618.07	
	Miscellaneous Expenditure	-		Deffered Tax Assets	-	
IV.	Performance of Company. (₹	in Lacs)				
	Turnover and Income	41002.45		Total Expenditure	27707 52	
	Tulliovel dilu ilicoffie	41002.45		iotal Experiulture	37787.52	
	Profit/(Loss) Before Tax	3214.93		Profit/(Loss) After Tax	2410.50	
	From (Loss) Denote lax	3214.93		Fromy (Luss) After fax	2410.50	



SCHEDULES ANNEXED TO AND FORMING PART OF FINAL ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH 2010.

	Earning Per Share in (₹)	11.28		Dividend Rate %	15.00	
V.	Generic Names of Three Principa	l Products/Se	ervices of Cor	mpany (As Per monetary Terms)		
	Item Code No. (ITC Code)			Not Applicable		
	Product Description			Software		

As per our report of even date attached.

For and on behalf of the Board

S K Patodia & Associates *Chartered Accountants* **DINESH NANDWANA** - Chairman & Managing Director

SUNIL PATODIA

B. K. GUPTA - Director

Partner Membership No: 045489 Firm Regd. No: 112723W **PRATIK BHANUSHALI** - Company Secretary

Place : Mumbai Date : 27th May, 2010











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Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Company

1.	Name of the Company	:	Vakrangee IT Solutions Limited, Mumbai	e-Doc Vision Infotech Private Limited, Mumbai	Vakrangee e-Solutions INC, Philippines
2.	The Financial Year of the Subsidiary Company Ended on	:	31st March, 2010	31st March, 2010	31st December, 2009
3.	Extent of Interest of Vakrangee Softwares Limited in the Capital of the Subsidiary at the end of the financial year of the Subsidiary	:	1,00,50,000 Equity Shares of ₹ 10/- each fully paid-up in the total of 1,00,50,000 Equity Shares (100% Subsidiary Company).	9,999 Equity Shares of ₹ 10/- each fully paid-up in the total of 10,000 Equity Shares (100% Subsidiary Company).	96000 Equity Shares of Peso 100/- each fully paid-up in the total of 96000 Equity Shares (100% Subsidiary Company).
4.	The net aggregate amount of Profit / Loss of the Subsidiary so far as it concerns the members of Vakrangee Softwares Limited	:			
	a. Not dealt with in the Company's accounts for the year ended 31st March, 2010 amounted to		-	-	-
	i) For the Subsidiary's financial year ended as in (2) above		NIL	NIL	Peso 8697284
	ii) For the previous financial year of the Subsidiary since it became the holding Company's Subsidiary		NIL	NIL	Peso 8697284
	b. Dealt with in the Company's accounts for the year ended 31st March, 2010 amounted to				
	i) For the Subsidiary's financial year ended as in (2) above		NIL	NIL	NIL
	ii) For the previous financial year of the Subsidiary since it became the holding Company's Subsidiary		NIL	NIL	NIL
5.	Change in holding Company's interest in the subsidiary between the end of financial year of the subsidiary Company and the end of holding Company's financial year [as per section 212 (5) of the Companies Act, 1956]	:	N.A.	N.A.	NIL
6.	Material changes between end of financial year of the subsidiary Company and the end of holding Company's financial year [as per section 212 (5) of the Companies Act, 1956]	:			
	a) Fixed Assets		N.A.	N.A.	NIL
	b) Investments		N.A.	N.A.	NIL
	c) Money lent by the subsidiary		N.A.	N.A.	NIL
	d) Money borrowed by the subsidiary for the purpose other than meeting current liability.		N.A.	N.A	NIL

For and on behalf of the Board of Directors

Dinesh Nandwana Chairman & Managing Director B. K. Gupta Director

Pratik Bhanushali Company Secretary















Other bookmark



Auditors' Report

To,
The Members of **Vakrangee Softwares Limited**

We have audited the attached Consolidated Balance Sheet of Vakrangee Softwares Limited (hereinafter referred as "the Company"), the holding company, and its subsidiaries (hereinafter collectively referred to as "the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- 1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 2. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements" notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the

Company and its subsidiaries included in the Consolidated Financial Statements.

- 3. We did not audit the financial statements of two subsidiaries, which have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on those reports. The financial statements of these subsidiaries reflect the group's share of total assets of ₹ 77.39 lacs as at 31st March, 2010 and total revenues of ₹ 2468.64 lacs for the year ended 31st March, 2010.
- 4. In our opinion and to the best of our information and according to the explanations given to us and on the consideration of the separate audit reports on individual financial statements of the Company and its subsidiaries, we are of the opinion that the consolidated financial statements give a true and fair view:
 - i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010,
 - ii) In the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date
 - iii) In the case of Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For S. K. Patodia & Associates

Chartered Accountants

Sunil Patodia

Partner

Mem. No: 045489 Firm Regd No: 112723W

Place: Mumbai Date: 27th May, 2010

A	2,249.62		2,139.62
В	414.75		
С	27,357.49		24,731.02
	-		0.0
		30,021.86	26,870.69
D	6,405.84		2,245.4
E	450.00		
		6,855.84	
F		3,779.76	3,450.2
		40,657.46	32,566.3
G			
	37.548.85		31,219.5
	8,822.60		4,641.6
		28,726.25	26,577.9
Н		210.00	210.0
1	2.085.45		1,408.5
			4,253.9
			448.0
			1,172.3
	21,459.18		7,282.8
M	9.738.01		1,544.7
	-,	11,721.17	5,738.0
		0.0003	
		0.04	40.3
		40,657.46	32,566.3
	B C C D E E D D E D D D D D D D D D D D D	B 414.75 C 27,357.49 D 6,405.84 E 450.00 F G 37,548.85 8,822.60 H H I 2,085.45 J 16,967.00 K 489.39 L 1,917.34 21,459.18 M 9,738.01	B 414.75 C 27,357.49 - 30,021.86 D 6,405.84 E 450.00 6,855.84 F 3,779.76 40,657.46 G 37,548.85 8,822.60 H 210.00 I 2,085.45 J 16,967.00 K 489.39 L 1,917.34 21,459.18 M 9,738.01 11,721.17 0.0003 0.004

Schedule "A" to "M" and Schedule "R" referred to above form an integral part of the Balance Sheet. As per our report of even date attached.

As per our report of even date attached.

For S. K. Patodia & Associates

Chartered Accountants

Sunil Patodia
Partner

Mem. No: 045489

Firm Regd. No: 112723W

Place : Mumbai Date : 27th May, 2010 For and on behalf of the Board

Dinesh Nandwana

Chairman & Managing Director

B. K. Gupta

Director

Pratik Bhanushali

Company Secretary



v start



Particulars	Schedules		for the year ended 31st March 2010	for the year ended 31st March 2009
INCOME				
Software & Database related Services		42,752.62		29,431.8
2. Other Income	N	52.75		42.0
3. Increase/(Decrease) in Stock		1,308.88		
			44,114.25	29,473.9
EXPENDITURE				
3. Cost of Consumables	0	31,333.61		14,318.6
4. Direct Expenses	Р	715.85		603.4
5. Administrative & Selling Expenses	Q	4,051.44		3,276.5
6. Interest & Financial Expenses		658.66		319.4
7. Depreciation		4,198.33		5,318.0
8. IT Assets Written off		-		4,929.0
			40,957.89	28,765.2
Profit Before Tax			3,156.36	708.6
9. Provision for Taxation			474.92	80.5
10. Provision for FBT			-	20.0
11. Deferred Tax Liabilities/(Assets)			329.50	167.7
Profit After Tax			2,351.94	440.2
12. Less/(Add): Prior Period Adjustment			(3.00)	422.8
Profit available for equity shareholders			2,354.94	17.4
14. Less/(Add) : Minority Interest			(0.0002)	
13. Add: Profit Brought Forward Previous Year			6,883.97	7,124.6
14. Less: Transferred to General Reserve			120.53	11.0
15. Less : Proposed Dividend			337.44	213.9
16. Less : Corporate Dividend Tax			56.04	33.0
Balance Carried to Balance Sheet			8,724.90	6,883.9
Earnings Per Share (FV ₹ 10/- each)				
- Basic (₹)			11.00	2.0
- Diluted (₹)			10.87	2.0
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUN	ITS R			

Schedule "N" to "Q" and Schedule "R" referred to above form an integral part of the Profit & Loss Account. As per our Report of even date attached.

As per our report of even date attached.

For S. K. Patodia & Associates
Chartered Accountants

Sunil Patodia Partner

Mem. No: 045489 Firm Regd. No: 112723W

Place : Mumbai Date : 27th May, 2010 For and on behalf of the Board

Dinesh Nandwana

Chairman & Managing Director

B. K. Gupta

Director

Pratik Bhanushali

Company Secretary





Particulars	2009-10	(₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES	2009-10	2000-09
	3,156.38	708.6
Net profit before tax & extraordinary items adjusted for:	3,130.30	700.0
Depreciation	4.198.33	E 210 N
Interest Received	,	5,318.09 35.89
	(14.44)	
Interest & Financial Expenses	658.66	319.46
Loss on sale of fixed assets	17.86	
Other Income	(38.31)	(6.22
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	7,978.48	6,375.81
adjusted for:	(676.05)	/4 050 00
Inventories	(676.95)	(1,252.06)
Trade Receivables	(12,713.05)	(408.64
Loans & Advances	(667.89)	94.54
Current Liabilities & Provisions	7,591.92	(1,892.42
CASH GENERATED FROM OPERATIONS	1,512.51	2,917.23
Other Income	38.31	6.22
Taxes Paid / Refund	(130.25)	(935.25
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	1,420.57	1,988.20
Prior period adjustments	3.00	(422.84
NET CASH FROM OPERATING ACTIVITIES (A)	1,423.57	1,565.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(6,412.27)	(8,104.73
Sale of Fixed Assets	47.78	5,193.11
Interest Received	14.44	(35.85
Foreign Currency Translation	5.00	
Pre-Operative Expenses	40.28	(0.79)
NET CASH USED IN INVESTING ACTIVITIES	(6,304.77)	(2,948.26
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend payment	(213.96)	(427.92)
Issue of Share capital	110.00	-
Securities Premium	660.00	-
Proceeds Warrant Application & Allotment Money	414.75	
Interest & Financial Expenses	(658.66)	(319.46
Proceeds from Borrowings	4,610.42	2,100.41
Payment from Minority Interest	(0.05)	0.05
NET CASH USED IN FINANCIAL ACTIVITIES	4,922.50	1,353.08
	/1 20	(29.82
Net increase/(decrease) in Cash and Cash Equivalents	41.30	(23.02
Net increase/(decrease) in Cash and Cash Equivalents Cash and Cash Equivalents as on 01.04.2009	448.09	477.90

1. Cash and cash Equivalents at the end of the year consists of Cash in hand and Balance with banks and are net of short term loans and advances from Banks as follows:-

		(< In Lacs)
Particulars	As at 31.03.2010	As at 31.03.2009
Cash in Hand	40.93	0.58
Balance with Bank	448.46	447.51
	489.39	448.09

2. Previous year's figures have been regrouped, rearranged wherever necessary in order to confirm to current year's figures.

As per our report of even date attached.

For S. K. Patodia & Associates

Chartered Accountants

Sunil Patodia

Partner

Mem. No: 045489

Firm Regd. No: 112723W

Place: Mumbai Date: 27th May, 2010

For and on behalf of the Board Dinesh Nandwana

Chairman & Managing Director

B. K. Gupta

Director

Pratik Bhanushali

Company Secretary



		(₹ in Lacs)
PARTICULAR	As at 31.03.2010	As at 31.03.2009
SCHEDULE A: SHARE CAPITAL		
Authorised		
4,50,00,000 (Previous Year 4,50,00,000) Equity Shares of ₹ 10/- each	4,500.00	4,500.00
	4,500.00	4,500.00
ISSUED SUBSCRIBED AND PAID UP		
2,24,96,165 (Previous Year 2,13,96,165)		
Equity share of ₹ 10/- each fully paid up	2,249.62	2,139.62
	2,249.62	2,139.62
SCHEDULE B: SHARE WARRANTS (Refer Note "8", Schedule "R")		
23,70,000 warrants issued at a price of ₹ 70/- each fully paid up		
Upfront Money received @ ₹ 17.50 each warrant	414.75	-
	414.75	
SCHEDULE C: RESERVES & SURPLUS		
1. General Reserves		
Opening Balance	780.82	769.75
Transfer from Profit & Loss Account	120.52	11.07
	901.34	780.82
2. Securities Premium Account		
Opening Balance	17,066.23	17,066.23
Add: On further issue of Shares	660.00	-
	17,726.23	17,066.23
3. Profit & Loss Account		
Brought forward from Profit & Loss Account	8,724.92	6,883.97
Add/(Less) : Movement in Minority Interest	0.00017	· -
	8,724.92	6,883.97
4. Foreign Currency Translation Reserve	5.00	- -
3 /	27,357.49	24,731.02
COMEDINE D. CECHDED LOANS		
SCHEDULE D: SECURED LOANS Cash Credit Facilities from Bank	A A25 A1	2 24E 41
	4,435.41	2,245.41
Bills Payable Facilities from Bank	1,251.59	-
Working Capital Loan	320.44	-
Vehicle Loan	14.48	
Term Loan	383.92	-
	6,405.84	2,245.41
SCHEDULE E: UNSECURED LOANS		
Inter-Corporate Deposit	450.00	-
	450.00	-

(₹ in Lacs)

										(₹ in Lacs)
	GROSS BLOCK	K			DEPRECIATIO	N			NET BLOCK	
ASSETS	As at 01.04.2009	Addtions During the Year	Deletion During the Year	As at 31.03.2010	As at 01.04.2009	Addition during the Year	Deletion during the Year	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
BUILDINGS	663.96	22.35	-	686.31	54.25	11.28		65.53	620.78	609.71
PLANT & MACHINERY	755.53	-	-	755.53	84.53	35.89	-	120.42	635.11	671.00
OFFICE EQUIPMENTS	530.19	4.95	-	535.14	179.63	25.31	-	204.93	330.20	350.56
FURNITURES & FIXTURES	544.18	127.76	2.13	669.81	201.81	54.99	0.30	256.50	413.31	342.37
MOTOR CARS	53.64	47.40	-	101.04	12.33	8.44	-	20.77	80.28	41.31
COMPUTERS & PRINTERS	23,672.09	6,209.81	80.88	29,801.02	4,109.09	4,062.43	17.08	8,154.44	21,646.58	19,563.00
INTELLECTUAL PROPERTY RIGHT	5,000.00	-	-	5,000.00	-	-	-	-	5,000.00	5,000.00
TOTAL	31,219.59	6,412.27	83.01	37,548.85	4,641.64	4,198.34	17.38	8,822.60	28,726.25	26,577.95
PREVIOUS YEAR	35,563.72	8,104.73	12,448.86	31,219.59	6,579.34	5,318.05	7,255.75	4,641.64	26,577.95	

	As at 31.03.2010	(₹ in Lacs As at 31.03.2009
	A3 at 31.00.2010	A3 8t 31.03.2003
SCHEDULE 'H' : INVESTMENTS		
Long Term Investments		
	_	
TRADE, UNQUOTED		
Investments in Others		
21,00,000 Equity Shares of Vakrangee Technologies Ltd.	210.00	210.0
of ₹ 10/- each fully paid up (Previous Year 21,00,000)		
	210.00	210.0
SCHEDULE 'I' : INVENTORIES		
Raw Materials, Consumables & Spares	741.72	1,408.5
Work-in-Process: Projects	1,343.73	
	2,085.45	1,408.5
SCHEDULE 'J' : SUNDRY DEBTORS		
Debts outstanding for more than 6 months (Unsecured)		
Considered Good	99.83	56.5
Considered Doubtful	-	
Other Debts (Unsecured, Considered Good)	16,867.17	4,197.4
	16,967.00	4,253.9
SCHEDULE 'K' : CASH & BANK BALANCES		
Balances with Scheduled Bank		
In Current Accounts	41.38	51.8
In Fixed Deposit Account	407.08	395.6
Cash in Hand	40.93	0.5
(As physically verified & certified by Management)		
	489.39	448.09
SCHEDULE 'L' : LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Loan to Others	652.79	700.6
Advance recoverable in cash or in kind or for value to be received	762.29	342.7
Advance against Property	180.25	
Deposits	34.11	20.5
Advance Tax & TDS	287.90	108.3
	1,917.34	1,172.3
SCHEDULE 'M' : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
- Due to Micro, Small & Medium Enterprises		
- Due to Others	4,688.65	787.6
Other Liabilities	4,100.36	409.4
0	8,789.01	1,197.0
Provisions Provision for Tracking	555.50	60.5
Provision for Taxation	555.52	80.5
Proposed Dividend	337.44	213.9
Provision for Corporate Dividend Tax	56.04	33.0
Provision for Gratuity	-	
Provision for FBT	949.00	20.09 347.6
	0/0/0/	2/17 61

		(₹ in Lacs
	As at 31.03.2010	As at 31.03.2009
SCHEDULE "F": DEFERRED TAX LIABILITIES (NET)		
Opening Balance	3,450.26	3,282.50
Adjustment during the year	329.50	167.70
	3,779.76	3,450.2
SCHEDULE 'N': OTHER INCOME		
Interest Income (TDS ₹ 93,518/-, P.Y ₹ 7,02,368/-)	14.44	35.8
Gain on Foreign Exchange Fluctuation (net)	20.81	
Miscellaneous Income	17.50	6.22
	52.75	42.07
SCHEDULE '0' : COST OF CONSUMABLES / SERVICES		
Opening Stock	1,408.50	57.95
Add : Purchased During The Year	30,701.68	15,669.22
Less : Closing Stock	776.57	1,408.50
	31,333.61	14,318.67
SCHEDULE 'P' : DIRECT EXPENSES		
Printing & Binding Charges	715.85	603.49
Triming C Briding Charges	715.85	603.49
SCHEDULE 'Q' : ADMINISTRATIVE & SELLING EXPENSES		
Staff Costs	2,825.06	1,762.58
Electricity Expenses	91.10	32.93
Communication Costs	59.35	12.13
Staff Welfare	47.74	8.07
Repairs & Maintenance	26.39	10.9
Printing & Stationery	65.83	13.72
Conveyance & Travelling Expenses	267.86	931.5
Rent	144.67	0.22
Insurance Charges	7.84	14.60
Advertisement & Publicity Expenses	33.36	5.89
Business Promotion Expenses	63.12	32.23
Vehicle Expenses	7.29	8.00
Legal & Professional Charges	115.13	70.1
Fees & Subscriptions	3.98	19.43
Office & General Expenses	159.29	26.7
Registrar & Share Transfer Expenses	3.28	10.6
Auditor's Remuneration	6.87	2.8
Directors' Remuneration	62.13	39.0
Loss on Sale of Fixed Assets	17.86	5.0
Bad Debts	-	233.20
Liquidated Damage Cost	- 40.00	36.7
Preliminary Expenses written off	43.30	0.0











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Schedule "R": Significant Accounting Policies & Notes on Accounts

I. Significant Accounting Policies

A. Basis of Consolidation:

The Consolidated financials results comprise of the results of Vakrangee Softwares Limited (hereinafter referred to as "the Company" and its subsidiaries Vakrangee IT Solutions Limited, E-Doc Vision Infotech Private Limited and Vakrangee e-Solutions Inc., Philippines, which are consolidated in accordance with Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI).

The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognised in the financial statements as goodwill. When the cost to the parent of its investment in subsidiaries is less than the parent's portion of equity, the difference is recognized in the financial statements as capital reserve.

B. Basis of Accounting

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act 1956. The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialise.

D. Recognition of Income & Expenditure

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

The Company follow the accrual basis of accounting except in the following cases, where the same are recorded on cash basis on ascertainment of right and obligation.

- i) Leave encashment
- ii) Insurance Claim
- iii) Dividend Income, if any.

E. Fixed Assets

Fixed Assets are stated at actual cost of acquisition less accumulated depreciation. Cost includes all incidental expenses related to acquisition and attributable cost of bringing the asset to its working condition for its intended use.

F. Impairment of Fixed Assets

At the end of each year, the Company determines









Schedule "R": Significant Accounting Policies & Notes on Accounts

whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made.

G. Depreciation

- i) Depreciation on Fixed Assets has been provided on 'Straight Line Method' as per the rates specified in Scheduled XIV of the Companies Act, 1956.
- ii) Depreciation on assets acquired/sold during the year is provided on prorata basis.

H. Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investment and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

I. Employee Benefits

- i) Company's contribution to Provident Fund and other funds for the year is accounted on accrual basis and charged to the Profit and Loss Account for the year.
- ii) Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

J. Valuation of inventories

Inventories are valued at lower of cost or net realizable value.

K. Miscellaneous Expenditure

Preliminary expenses are amortised in the year in which

they are incurred.

L. Foreign Currency Transactions

- i) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Profit and Loss Account.
- iii) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Profit and Loss Account.

M. Treatment of Contingent Liabilities

Contingent liabilities are disclosed by way of notes to accounts. Disputed demands in respect of income tax and other proceeding are disclosed as contingent liabilities. Payments in respect of such demands, if any are shown as advances.

N. Accounting for Taxation of Income

Current taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. The effect of a change in tax rates on deferred tax and assets or liabilities are recognized in the period that includes the enactment date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in











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Schedule "R": Significant Accounting Policies & Notes on Accounts

the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

II. NOTES ON ACCOUNTS

1) Companies considered in the consolidated financial statement are:

Subsidiaries

Name of the	Country of	% voting power held		
Company	Incorporation	As on 31.03.2010	As on 31.03.2009	
Vakrangee IT Solutions Limited	India	100.00	100.00	
E-Doc Vision InfoTech Private Limited	India	99.99	99.99	
Vakrangee e–Solutions Inc.	Philippines	100.00	-	

The subsidiary company, Vakrangee e-Solutions Inc., Philippines, has been incorporated during the year on 8th May, 2009 as a wholly owned-subsidiary.

The audited financial statements of the Company and its subsidiaries are drawn for the twelve-month period ending on 31st March, 2010, except for the subsidiary company, M/s Vakrangee e-Solutions Inc., Philippines, whose audited accounts are for the period from 8th May, 2009 to 31st December, 2009. For the purpose of consolidation, unaudited financial statements for the period from 8th May, 2009 to 31st March, 2010 have been considered so as to incorporate adjustments for the effect of transactions or other events that occurred between 1st January, 2010 to 31st March, 2010.

- 2) Contingent Liabilities not Provided for:
- a) Guarantees amounting to ₹ 265.52 lacs (Previous Year ₹ 395.66 lacs) given by the bank on behalf of the Company.
- b) The amount of liabilities, which may occur on levying of penalty and/or charges by clients for delays in execution of contracts within the time prescribed in the agreement, is unascertained.
- c) The Company has provided Guarantee to Barclays

Bank Plc. In respect of working capital loan of USD 20,50,000 granted to Vakrangee e-Solutions Inc. (Wholly owned subsidiary of the Company). The outstanding of the loan as on 31st March, 2010 is ₹ 704.36 lacs.

3) Earnings Per Share (As per AS – 20)

In accordance with Accounting Standard 20- Earning per Share, the computation of earning per share is set out below:

(₹ in Lacs)

Sr. No.	Particulars	2009-2010	2008-2009
i)	Weighted average number of Equity Shares of ₹ 10 each		
a)	Number of shares at the beginning of the period	2,13,96,165	1,92,63,288
b)	Number of shares at the end of the period	2,24,96,165	2,13,96,165
c)	Weighted average number of shares outstanding during the period	2,14,05,206	2,13,96,165
ii)	Net Profit after tax available for equity shareholders	2354.96	440.27
iii)	Basic Earnings Per Share (₹)	11.00	2.06
iv)	Diluted Earnings per Share (₹)	10.87	2.06

4) Employee Benefits:

The Company has provided for Gratuity, covering eligible employees, in accordance with the Payment of Gratuity Act,1972 only during the year. Accordingly, the previous year's figures relating to actuarial assumptions and liabilities have not been given below. In accordance with revised AS-15, "Employee Benefits", the company has provided the liability on actuarial basis. As per the actuarial certificate the details of unfunded post employment defined benefit plan in respect of Gratuity are as follows:







Schedule "R": Significant Accounting Policies & Notes on Accounts

Actuarial assumptions:

Particulars	2009-10
Mortality Table (LIC)	1994-96 (Ultimate)
Withdrawal Rate	1% to 3% depending on age
Discount rate	8% p.a.
Salary Escalation	3%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as demand and supply in employment market.

Amount recognized in the Profit and Loss account:

(₹ In Lacs)

Particulars	2009-10
PV of Past Service Benefit	10.78
Current Service Cost	3.33
Actuarial (gains)/losses recognized in the period	10.47
Obligation at the end of the year	24.58

- 5) Taxes on Income
- a) Provision for Taxation for the year has been made in accordance with the provision of the Income Tax Act, 1961.
- b) In terms of Accounting Standard 22 on "Accounting for Taxes on Income" as notified by the Companies (Accounting Standard) Rules, 2006 the Company has recognized Deferred Tax liabilities ₹ 329.50 lacs for the year ended 31st March, 2010 in the Profit & Loss A/c.

The accumulated balance in Net Deferred Tax Liability/ (Assets) comprises of:

(₹ In Lacs)

Particulars	Deferred Tax Liability/ (Asset) as at 1st April 09	Current Year change	Deferred Tax Liability/ (Asset) as at 31st March 10
Difference between Book & Tax Depreciation	3450.26	1159.58	4609.84
Provision for Gratuity	Nil	(8.16)	(8.16)
Un-absorbed Depreciation	Nil	(379.35)	(379.35)
MAT Credit	Nil	(442.56)	(442.56)
Deferred Tax Liability/ (Assets) (Net)	3450.26	329.50	3779.77

6) Related Party Disclosures:

a) Key Management Personnel

Mr. Dinesh Nandwana	Chairman & Managing Director	
Dr. Nishikant Hayatnagarkar	WholeTime Director	

- b) Relative of key management personnel and Name of the enterprises having same key management personnel and / or their relatives as the reporting enterprises with whom the company has entered into transactions during the year.
- Dream River (Neral) Developers Private Limited
- Vakrangee Technologies Limited
- Vakrangee Energy Private Limited
- · Vakrangee Infraprojects Limited
- NJD Holdings Private Limited
- NJD Biotech Private Limited
- Mr. Manoj Nandwana

(₹ in Lacs)

		ear ended rch, 2010	For the year ended 31st March, 2009		
Nature of transactions	In relation to (a) above	In relation to (b) above	In relation to (a) above	In relation to (b) above	
Director Remuneration	57.11	Nil	39.03	Nil	
Salary	Nil	3.68	Nil	Nil	
Rent received	3.00	Nil	1.00	Nil	
Loans granted	Nil	27.90	Nil	1.58	
Loans received back	Nil	0.11	Nil	1.58	
Equity Contribution	Nil	770.00	Nil	Nil	
Application Money for issuance of Shares / Warrants	Nil	414.75	Nil	Nil	
Amount outstanding as at 31st March:					
Loans Receivable	Nil	27.79	Nil	Nil	
Investments	Nil	210.00	Nil	210.00	

7) Segment Reporting:

The Gross Turnover of the company is from Software and Database related service segment.











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Schedule "R": Significant Accounting Policies & Notes on Accounts

8) During the year, the Company has, by way of Postal Ballot pursuant to Section 192A of the Companies Act, 1956, passed a special resolution on 11th March, 2010 authorizing issue of 34, 70,000 fully convertible warrants having face value of ₹ 10/- each at a premium of ₹ 60/per share, on preferential basis to M/s NJD Holdings Private Limited, a promoter group company.

The Company has converted 11,00,000 warrants into equity shares on 29th March, 2010 and issued equivalent fully paid equity shares at an exercise price of ₹ 70 per share. The Company has received an amount aggregating to ₹ 770.00 lacs against allotment of Equity Shares and ₹414.75 lacs as 25 % upfront money against allotment of balance 23, 70, 000 convertible Warrants.

Total proceeds as above amounting ₹ 1184.75 lacs after deducting the issue expenses will be utilized for Business and Development purposes.

9) The Company has, during the year, formulated Employees Stock Option Scheme, 2008 (ESOP Scheme) which was approved by the members of the Company at their meeting held on 23rd September, 2008. The resolutions were passed by the Remuneration & Compensation Committee on 30th July, 2009 and 30th December, 2009 granting options for 270,700 and 20,600 options respectively. The ESOP Scheme provides for the grant of stock options to eligible employees. The options granted vests after the expiry of a period of one year from the date they are granted. The options vested should be exercised within four years from the date they are vested. The options lapse if they are not exercised prior to the expiry date.

10) The figures of the previous year have been re-arranged, re-grouped and re-classified wherever necessary.

As per our report of even date attached.

For S. K. Patodia & Associates

Chartered Accountants

Sunil Patodia Partner Mem. No: 045489

Firm Regd. No: 112723W

Place: Mumbai

Date: 27th May, 2010

For and on behalf of the Board

Dinesh Nandwana

Chairman & Managing Director

B. K. Gupta

Director

Pratik Bhanushali

Company Secretary













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Report of Independent Auditors

The Board of Directors Vakrangee e-solutions, Inc. Octagon Plaza, Ortigas Centre, Pasig City

Report on the Financial Statements

We have audited the accompanying financial statements of Vakrangee e-Solutions, Inc., which comprise the statement of financial position as at December 31, 2009 and the statement of comprehensive income, statement of changes in stockholders' equity and the statement of cash flow for the eight (8) months ended December 31, 2009 and a summary of significant accounting policies and other explanatory notes.

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Management's Responsibility for the Financial Statements

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Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or errors; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The company was incorporated and registered with the Securities & Exchange Commission (SEC) on May 8, 2009 and started operations on the same date.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.













Report of Independent Auditors

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Vakrangee e-Solutions, Inc. as of December 31, 2009 and of its financial performance and its cash flows for the period ended in accordance with Philippine Financial Reporting Standards.

Rodriguez, Britanico & Co., CPAs (formerly Rodriguez, Suan & Co., CPAs)

By:

Anita C. Rodriguez
Managing Partner
Certificate No. 91525
Tin No. 172-699-808
PTR No. 9014280, January 13, 2010, Paranaque City
IC Accreditation No. F-037-R (March 4, 2009 to 2012)
BIR An 08-002220-1-2009 (Feb. 6, 2009 to 2012)
April 12, 2010

Board of Accountancy (BOA) Accreditation No. 0647 Insurance Commission Accreditation No. F-0014-R

Bangko Sentral ng Pilipinas (BSP) – accredited external auditors for thrift banks, rural banks, quasi-banks, trust entries, national cooperative banks, local cooperative banks and non-stock savings and loan associations, their subsidiaries and affiliates engaged in allied activities and other financial institutions which under special laws are subject to BSP supervision.

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	Note	Amount in Pesos
ASSETS		
CURRENT ASSETS		
Cash and cash euquivalents	7	2,919,670
Trade and other receivables	8	207,906,492
Interest receivable		73,802
Prepayments		156,000
Other Current Assets	9	4,236,285
Total Current assets		215,292,249
NON-CURRENT ASSETS		
Property and equipment - Net	10	63,687,825
Other non current assets	9	4,756,940
Total non-current assets		68,444,765
TOTAL ASSETS		283,737,014
LIAIBILITIES AND STOCKHOLDERS' EQUITY (CA	APITAL DEFICIEN	CY)
CURRENT LIABILITIES		
Obligations under foreign loans – current	12	76,023,841
Other payables	11	10,804,628
Total current liabilities		86,828,469
NON CURRENT HARMITIES		
NON-CURRENT LIABILITIES	10	0.005.040
Obligations under foreign loans – non current	12	6,335,319
Advance from officers and affiliates	6	189,157,366 195,492,685
		,
TOTAL LIABILITIES		282,321,154
STOCKHOLDERS' EQUITY (CAPITAL DEFICIENC		
Capital stock	13	9,600,000
Deposit for future subscription		513,144
Retained earning (deficit)		(8,697,284)
Total Equity		1,415,860
TOTAL LIBILITIES AND STOCKHOLDERS' EQUITY		283,737,014

See Accompanying Notes to Financial Statements.

	Note	Amount in Pesos
REVENUE		36,477,463
FINANCIAL INCOME (CHARGES)	14	
Finance income		92,628
Finance Charges		(5,637,108)
Forex gain		1,015,305
		(4,529,175)
ADMINISTRATIVE AND OPERATING EXPENSES	15	(40,645,572)
PROFIT (LOSS) BEFORE TAX		(8,697,284)
INCOME TAX EXPENSE – CURRENT		-
NET INCOME (LOSS) FOR THE YEAR		(8,697,284)

See Accompanying Notes to Financial Statements.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIENCY) FOR THE EIGHT MONTHS ENDING DECEMBER 31, 2009

	Note	Amount in Pesos
CAPITAL STOCK – P100 par value per share	13	
Authorized – 384,000 shares		
Issued – 96,000 shares		9,600,000
DEPOSIT FOR FUTURE SUBSCRIPTION		513,144
RETAINED EARNING (DEFICIT)		
Income (Loss)		(8,697,284)
		(8,697,284)

See Accompanying Notes to Financial Statements.



	Note	Amount in Pesos
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss)		(8,697,284)
Adjustments For:		
Depreciation	10	9,239,682
Interest expense	14	5,637,108
Interest Income	14	(92,628)
Operating Loss before Working Capital Changes		6,086,878
Decrease (Increase) in:		
Trade and Other receivables	8	(37,769,571)
Prepayments		(156,000)
Other Current Assets	9	(4,236,285)
Other Non Current Assets	9	(4,756,940)
Increase (Decrease) in:		
Other payables	11	10,804,628
Cash used in operation		(30,027,290)
Interest paid	14	(5,637,108)
Interest received	14	92,628
Net cash used in operating activities		(35,571,770)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from capital investments		10,113,144
Acquisitions of property plant and equipment	10	(72,927,507)
Addictions of property plant and equipment	10	(62,814,363)
CASH FLOW FROM FINANCING ACTIVITIES		(02,011,000)
Proceeds from (payment of) foreign loans	12	82,359,160
Interest receivable		(73,802)
Net increase in advances from stockholder	6	(170,136,921)
Net increase in advances from officers and affiliates	6	189,157,366
		101,305,803
NET INCREASE (DECREASE) IN CASH		2,919,670
CASH AT THE BEGNING OF YEAR		-
CASH AT END OF YEAR		2,919,670
ONOTI AT LIND OF TEAT		2,313,070

See Accompanying Notes to Financial Statements.













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TO THE SECURITIES AND EXCHANGE COMMISSION

RODRIGUEZ, BRITANICO & Co., CPA (formerly: Rodriguez, suan & Co., CPAs) Unit 515 Crowne Bay Tower Roax Boulevard Paranaque City Tel 852-5332 Fax 852-5366

TO THE SECURITIES AND EXCHANGE **COMMISSION**

In connection with our examination of the financial statements of Vakrangee e-Solutions, Inc. which are to be submitted to the Commission, we hereby represent the following:

- 1. That we are in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);
- 2. That said financial statements are presented in conformity with Philippine Financial Reporting Standards in all cases where we shall express an unqualified opinion; Except that in case of any departure from such principles; we shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact:
- 3. That we shall fully meet the requirement of independence as provided for in Section 14 of the code of Professional Ethics for CPAs;
- 4. That in the conduct of the audit, we shall comply with the generally accepted auditing standards promulgated by the board of Accountancy; in case of any departure from such standards or any limitations in the scope of our examination,

we shall indicate the nature of departure and the extent of the limitation, the reasons thereof and the effects thereof on expression of our opinion or which may necessitate the negation of the expression of an opinion;

- 5. That we shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements: and
- 6. that relative to the expression of our opinion on the said financial statements, we shall not commit any act discreditable to the profession as provided for in Section 23 of the code of Professionals Ethics for CPAs.

As a CPA engaged in public practice, I make these representation in my individual capacity and as the Managing Partner of Rodriguez, Britanico & Co., CPAs.

> Rodriguez, Britanico & Co., CPAs (Formerly Rodriguez, Suan & Co., CPAs)

> > By:

Anita C. Rodriguez

Managing Partner CPA Certificate No. 91525 Tin No. 172-699-808 PTR No. 9014280, January 13, 2010, Paranaque City IC Accreditation No. F-037-R (March 4, 2009 to 2012) (BIR An 08-002220-1-2009 (Feb. 6, 2009 to 2012) April 12, 2010

Board of Accountancy (BOA) Accreditation No. 0647 Insurance Commission Accreditatio No.F-0014-R

Bangko Sentraling Pilipians (BSP)-accredited external auditor for thrift banks, rural banks, quasi-banks, trust entities, national cooperative banks, local cooperative banks and non-stock savings and loan associations, their subsidiaries and affiliates engaged in allied activities and other financial institution which under special laws are subject to BSP supervision.













NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

1. CORPORATE INFORMATION

Vakrangee e-Solutions, Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 8, 2009 primarily to engage in the business of providing digitalization, computerization and all types of related high technology services for the public and private sector.

The Company is a wholly owned subsidiary of Vakrangee Softwares Ltd., a corporation duly organized and registered in India. The registered office Address of the Company is at the 37th Floor, GT Tower International, Ayala Avenue, Makati City.

The Company started commercial operations on May 8, 2009.

The Company's Financial statement as of and for the eight months ended December 31, 2009 were reviewed and authorized for issue by the management, as designated by the Board of Directors, on April 12, 2010.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of Preparation

The financial statement have been prepared in accordance with accounting standards generally accepted in the Philippines as set forth in Philippine Financial Reporting Standards (PFRSs)

The financial statements have been prepared on historical cost basis. The measurement basis are more fully described in the accounting policies below.

The accounting estimate and assumption are used in preparing the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ

from those estimates.

The financial statements are presented in Philippine pesos, the Company's functional currency, and all the values represent absolute amounts except when otherwise indicated.

Use of estimates

The Company financial statements are prepared in conformity with accounting principles generally accepted in the Philippines which require management to make estimates and assumptions that affect the amounts reported in the company financial statements and accompanying notes. The estimates and assumptions used in the accompanying company financial statement are based on management's evaluation of relevant facts and circumstances as of the date of the company financial statements. Actual results could differ from such estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash include cash in bank and cash on hand.

Trade receivables

After initial recognition at fair value, short-duration receivable with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant. Trade receivables are stated after provision for impairment. A trade receivable amount is regarded as impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition and that loss event has an impact on the estimated future cash flows of the financial assets that can be reliably estimated. The carrying amounts of trade receivables are assumed to approximate their fair value. The amount of the provision is recognized in the income statement. Normally no interest is charge on trade receivables.











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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

Property and equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts less their residual values over their estimated useful lives of each part of an item of property and equipment.

Furniture and fixtures and equipment are sated at cost less accumulated depreciation and any impairment in value.

The annual rates of depreciation are as follows:

Number of Years

Transportation equipment 5 5 Computer equipment Office furniture, fixtures and equipment

An assets is depreciated when it is available for use until it is derecognized even if during that period the items is idle. Fully depreciated assets still in use are retained in the financial statements.

Property and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses. The residual value and the useful life of an asset is reviewed at least at each financial year-end and if expectation differ from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted. The gain and loss arising from the derecognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the items and is recognized in the income statement.

Financial Liabilities

Financial liabilities including bank and other borrowing when recognized initially are measured at fair value plus, in the case of items not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. After initial recognition these are measured at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method expect for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are measured at fair value. Liabilities are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Liabilities and provisions

A liability and provision is recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These include trade and other payables and where the effect of the time value of money is material, the amount recognized is the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Leases as a lessee

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased assets are classified as operating leases. For operating leases lease payments are recognized as an expense in the income statement on straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognized in the income statement as an integral part of the total lease expense.

Share Capital

Ordinary shares are classified as equity.











NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Where the company reacquires its own equity instrument as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the company's equity holders until the share are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction cost and the related income tax effects, is included in the equity attributable to the company's equity holders and no gain or loss is recognized in the income statement.

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the period arising from the course of the ordinary activities of the entity and it is shown net of related tax, estimated returns, discount and volume rebates. Revenue from rendering of service that are of short duration is recognized when the service are completed.

Service Income is recognized when the service has been performed and the amount of revenue can be measured reliably.

Interest income is recognized on a timeproportion basis using the effective interest rate that takes into account the effective yield on the asset.

Foreign currency translation

The functional currency is the Philippine peso as it reflects the primary economic, environment in which the entity operates. Transactions in foreign currencies are initially recorded in Philippine peso at the rate ruling at the date of the transactions. At each balance sheet date, recorded monetary balances and balances measured at fair value that are denominated in foreign currencies are

retranslated at the functional currency rate of exchange ruling at the balance sheet and fair value dates respectively. All realized and unrealized exchange adjustment gains and losses are dealt with in the income statement expect when deferred in equity as qualifying cash flow hedges. The presentation is in the functional currency.

Related party

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also include member of the key management personnel or close members of the family of any individual referred to herein and others, who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans if any.

Income tax

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax

Deferred income tax is provided using the balance sheet liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized









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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

for all taxable temporary differences, including assets revaluations. Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductable temporary differences can be utilized.

The carrying amount of differed income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred income tax assets and liabilities are measure at the tax rates are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

4. SIGNIFICANT ACCOUNTING ESTIMATES. ASSUMPTIONS AND JUDGMENT USED

The critical judgments made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognized in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of non-financial assets

At each reporting date an assessment is made whether there is any indication that a depreciable asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognized in the income statement unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each reporting date non financial assets other than goodwill with impairment loss recognized in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Fair value of financial instruments

The carrying values of current financial assets and financial liabilities including cash accounts receivable, short-term borrowings, accounts payable approximate their values due to the short-term maturity of these instruments. The fair values of long-term debts are not determined unless there are significant items at the end of the year and are disclosed in the relevant notes.











NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

5. FINANCIAL RISK MANAGEMENT

General risk management principles

The entity's financial instruments comprise cash and liquid resources and various items, such as trade and other receivables, trade and other payables that arise directly from its operations. The main risk arising from the entities financial instruments are credit risk, interest risk, liquidity risk and foreign currency risk. The management reviews and agrees policies for managing each of these risks and they are summarized below:

Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. It is the Company's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Company ensures that services rendered are made to customers with appropriate credit history and has internal mechanism to monitor the granting of credit and management of credit exposures. The Company has made provisions, where necessary, for potential losses on credits extended.

The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments, net of the value of the collaterals, if any.

Interest and liquidity risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments. The main risks arising from the entity's financial instruments are interest risk and liquidity risk. The operations are financed through a mixture of advances from stockholders and borrowings. Borrowings are in the desired currencies at both and floating rates of interest. The policy is to retain flexibility in selecting

borrowings at both fixed and floating rates interest. There is exposure to interest rate price risk for financial instruments with a fixed interest rate and to interest rate or cash flow risk for financial instruments with a floating interest rate that is reset as market rates change. There is also exposure to liquidity. As regards to liquidity, the policy has to ensure continuity of funding and where necessary a certain percentage of the borrowings should mature in two to five years. Short-term flexibility is achieved by the bank credit.

Interest rate risk management

The Company is exposed to interest rate risk as entity borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Interest expense incurred in 2009 amounted to P473,598.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserve of borrowing facilities.

Foreign currency risk

There is exposure to changes in foreign exchange rates arising from foreign currency transactions and balances and changes in fair values. Majority of the Company's purchases are denominated in US dollar. As a result, the Company's income statement can be affected significantly by movements in the US dollar/Philippine Peso exchange rates.

6. RELATED PARTY TRANSACTION

Related parties are entities with common direct or indirect shareholdings and or directors or











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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

management and if one party has the ability to control the other party to exercise significant influence over the other party in making financial and operating decision. They include the individual persons. Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are without fixed repayment terms and interest unless stated otherwise. It is impracticable to reliably estimate the fair value of the balances when there are no maturity dates and interest.

Related party receivable/payable

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Amount in Pesos			
	Receivable	Payable	Net Payable
Officers	-	867,590	(867,590)
Stockholders	8,000,000	35,384,039	(27,384,039)
One Document	-	1,239,192	(1,239,192)
ITL	-	151,666,545	(151,666,545)
Innowin	162,136,921	-	162,136,921
	170,136,921	189,157,366	(19,020,445)

Compensation of key management personal:

The remuneration of directors and key executives is determined by the board of directors based on performance and results of operations.

7. CASH

Amount in Peso	
Cash on hand	987,165
Cash in bank	1,932,505
	2,919,670

Cash banks earn interest at the respective bank deposits rate. Interest income earned during the year amounted to P 16,159.

8. TRADE RECEIVABLES

Composition of this account consists of the following:

	Amount in Pesos
Outside parties	37,769,571
Related parties	170,136,921
	207,906,492

9. CURRENT AND NON-CURRENT ASSETS

This account consists of:

	Amount in Pesos
Current Assets	
Input Vat	2,417,419
Deferred Input Vat	1,818,866
	4,236,285
Non-current Assets	
Deposits – Barclay	3,680,000
Security deposits	1,076,940
	4,756,940
	8,993,225

Deposits - Barclay pertains to deposits related to loan facility (see Note 12).





NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

10. PROPERTY AND EQUIPMENT

Amount in Peso			nount in Pesos	
	Computer Peripherals	Transportation Equipment	Office Furniture and Equipment	Total
Beginning Balances	-	-	-	-
Additions	61,623,435	1,016,135	10,287,948	72,927,518
Depreciation charge for the year	(7,837,248)	143,952)	(1,258,492)	(9,239,692)
December 31, 2009, net of Accumulated depreciation	53,786,187	872,183	9,029,456	63,687,826
December 31, 2009, Cost Accumulated depreciation	61,623,435 (7,837,248)	1,016,135 (143,952)	10,287,948 (1,258,492)	72,927,518 (9,239,692)
Net carrying amount	53,786,187	872,183	9,029,456	63,687,826

Part of these property and equipment pertains to purchased equipment from One Document with book value of P 28,622,332 as of December 31, 2009.

11. TRADE PAYABLE

The normal credit period taken by the company to settle trade payables is about 30 days. Other payable are with short term durations. The notional amount is deemed to reflect the fair value.

12. LOAN PAYABLE

	Amount in Pesos
Loan payable – 1	38,011,920
Loans payable – 2	44,347,240
	82,359,160
Current portion of loans	76,023,840
Non-current portion	6,335,320

On August 7, 2009 the Company applied for a facility loan from a foreign institution as described below:

Facility loan 1:

This is a long-term loan to be paid in 18 months. The purpose of the loan is to finance the purchase of plant and equipment. Interest is based from 1.25% per annum at the end of each interest period plus US\$3 months Libor at the London Inter-bank offer rate (LIBOR).

Facility Loan 2:

The purpose of the loan is to finance its working capital requirement payable within 12 months. Interest is based from 0.90% per annum at the end of each interest period plus US\$ 3 months Libor at the London Inter-bank offer rate (LIBOR).

Interest expense related to these account amounted to P 473,598.

13. SHARE CAPITAL

The Company has 384,000 authorized shares with par value of P 100 per share. Outstanding shares and paid-up as of December 31, 2009 is 96,000 shares amounting to P 9,600,000. The company has one class of ordinary share which carry no right to fixed income.

As of December 31, 2009 the Company has one (1) stockholder owning one hundred (100) or more shares.

14. FINANCIAL INCOME (EXPENSES)

	Amount in Pesos
Finance income	
Interest on Bank deposit	16,159
Interest on Time deposit	73,802
Others	2,667
	92,628
Finance cost	
Loan charges	(5,163,510)
Interest expenses	(473,598)
	(5,637,108)
Forex gain (loss)	1,015,305
	(4,529,175)









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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

15. ADMINISTRATIVE AND OPERATING EXPENSES

Amount in Pesos		
Depreciation	9,720,501	
Per Diem	4,611,601	
Rent expense (see Note 16)	3,999,357	
SSA set up	3,287,577	
Utilities expense	2,844,082	
Travel and transportation	2,399,595	
Software	2,397,980	
Office Supplies	2,341,884	
Other outside services	1,825,013	
Taxes and licenses	1,421,313	
Personal cost	850,045	
Professional fees	590,300	
Communication expenses	884,058	
Other administrative expense	3,472,266	
	40,645,572	

16. OPERATING LEASE PAYMENT COMMITMENTS

At the balance sheet date the total of future minimum lease payments under non-cancelable operating leases amounting to P 1,511,172

Rental expense during the year amounted to P 3,999,357 (see Note 15).

17. CONTRACTS AND AGREEMENTS

In 2009, the company entered into an agreement with 1Document Corporation (1DOC) and IL&S Technologies Limited (ITL) wherein the ITL was awarded by Land Registration Systems, Inc (LARES) the work of data conversion and the supply of Information technology (ITL) products for the Land Tilting Computerization Project (LTCP) of Land Registration Authority (LRA).

Under the initial agreement, the initial procedure (conversion phase) to be undertaken by ITL is the

conversion into digital form and/or electronic media of all hard copies of Original Certificate of Titles, Transfer Certificates of Title and other related titles to real property referred as "Land Titles" and all supporting documents to include expedients, Decrees and plans.

Under LTPC, ITL is granted the authority to engage the service of the 1DOC for the implementation of the conversion phase. In order to increase resources for the project they decided to include the company for the implementation of the project.

Per estimate, the volume of documents for conversion under this Agreement is 20,000,000 documents for Land Titles and 30% of Titles for supporting documents.

1DOC, ITL and the Company agree relative to the volume of documents that the average number of pages to be converted into digital form and/ or electronic media for each Land Title and Supporting Document is four (4) pages in every Land Title and three (3) pages will be subjected to conversion based on the discretion of or selection by the respective register of Deeds. The respective Register of Deeds may request for the conversion of additional supporting documents in excess of the aforementioned Thirty Percent (30%) and shall be subjected to additional fees.

It is agreed that from April 30, 2009, all the work in progress will be transferred from 1DOC to the Company and the Company will take the responsibility of the Company to complete the work in all respects.

The rates to be paid by ITL for the service to be rendered by 1DOC and/or the Company under this agreement are as follows:









NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

	Rates payable to 1DOC	Rates payables to the company
If the work related to the title is completed by 1D0C	45.00	Nil
If the work related to the title is completed by the Third party	5.00	37.00
If the similar work related to the title is completed by any other parties as may be decided by ITL	5.00	

If the work of the RDs allotted to the company is completed by the scheduled date agreed then an additional amount of P 3.00 per title will be paid to the company and conversion cost for additional pages is P 1.15 per page.

18. PROVISIONS, CONTINGENT ASSETS AND LIBILITIES

The Company is not aware of any pending or threatened litigation, claims or assessments or unasserted claims of assessments that are required by PAS 37 to be accrued or disclosed in the financial statements and the Company has not consulted a lawyer concerning litigation, claims or assessments.

19. SUBSEOUENT EVENTS

No events after the balance sheet date was identified in this financial statement that provides evidence of conditions that existed at that balance sheet date (adjusting events after the balance sheet date); and that are indicative or conditions that arose after the balance sheet date (non-adjusting events after the balance sheet date).









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Directors' report

TO,

THE MEMBERS

Your Directors have the pleasure in presenting their THIRD ANNUAL REPORT along with the Audited Annual Accounts for the period ended 31st March, 2010 and report that:

1. FINANCIAL PERFORMANCE

Your company has incurred a loss of ₹ 40,89,402/- during the current period.

2. DIVIDEND

In view of losses your Directors are unable to recommend any dividend for the period under review.

3. AUDITORS

M/s. S. K. Patodia & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting, being eligible offers for re-appointment.

4. AUDITOR'S REPORT

Observation made in the Auditor's Report is self-explanatory and therefore does not call any further comment under section 217(3) of the companies Act, 1956.

5. PARTICULARS OF EMPLOYEES

The information required u/s 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company,

as the company has not employed any employee whose salary exceeds ₹ 24,00,000/- per annum or ₹ 2,00,000/- per month during the year.

6. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217 (1) (a) of the Companies Act. 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is not being given, since the company is not engaged in manufacturing activity during the period under review, the company did not earn and spend any foreign exchange in the current period.

7. DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956 it is hereby stated that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgment 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













Directors' report

of the financial period;

- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The Directors had prepared the annual accounts on a going concern basis.

gratitude for the support & assistance to the Company's Banker, Shareholders and Customers, your Directors place on record their deep sense of appreciation for the devoted service of the executive and staff at all level of the company.

For and on behalf of the Board

Vakrangee IT Solutions Limited

8. RE-APPOINTMENT OF DIRECTORS

As per the provisions of the Companies Act, 1956, read with Articles of Association of the Company, Mr. B. K. Gupta, retire by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting.

9. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and acknowledgement with

Dinesh Nandwana

Director

Place: Mumbai

Date: 27th May, 2010











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Auditors Report

To,

The Members of Vakrangee IT Solutions Limited

We have audited the attached Balance Sheet of Vakrangee IT Solutions Limited as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- 1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 2. As required by the Companies (Auditors Report) Order, 2003 and amendments thereto issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- 3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that: a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company as it appears from our examination of those books.

- c) The said Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes appearing thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010, ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date. iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SK Patodia & Associates

Chartered Accountants

Sunil Patodia Partner

Mem. No: 045489 Firm Regd. No: 112723W

Place: Mumbai Date: 27th May, 2010

















Annexure to Auditors Report

Annexure to Auditors Report

Annexure referred to in Paragraph 2 of the Auditors Report to the members of **Vakrangee IT Solutions Limited** for the year ended 31st March 2010.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details & situation of fixed assets.
- (ii) a) Since the Company is a service provider company and does not maintain any inventory clause 4(ii) (a), (b), and (c) of the said order are not applicable.
- (iii) a) The Company has not granted any loan to any party covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis.
 - b) In view of our comments in para (iii)(a) above, clauses (iii)(c), and (d) of the said Order are not applicable to the company.
 - c) The company has taken unsecured loan from the Holding Company covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis. The Maximum amount outstanding during the year was ₹ 35.41 Lacs and the year-end balance was ₹ 35.41 Lacs.
 - d) The said Loan is interest free and, other terms and conditions on which the loans have been taken are prima facie, not prejudicial to the interest of the Company;
 - e) In view of our comments in para (iii) (c) and (d) above, clause (iii) (e), (f) and (g) of the said Order is not applicable to the company.
- (iv) In our opinion and according to the information and explanation given to us there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) a) Based on the audit procedures performed by us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained in that section.

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Annexure to Auditors Report

- b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- The company has not accepted any public deposit. (vi)
- The Company does not have formal internal Audit systems but its financial and Internal checks ensures proper recording of financial transactions.
- The Central Government has not prescribed for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the Company.
- (ix) Accordingly to the records of the Company, the undisputed statutory a) dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty, Cess have regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2010 for a period more than six months from the date they became payable.
 - b) There are no disputed amount in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess.
- Since the company has been registered for a period less then 5 years, clause(x) is (χ) not applicable to the company.
- The Company has not defaulted in repayment of its dues to banks and financial institutions.
- The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- (xiv) In respect of dealing in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.











Annexure to Auditors Report

- (xv) The Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) The Company has not taken any Term Loan during the year.
- (xvii) On an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investments.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

For SK Patodia & Associates

Chartered Accountants

Sunil Patodia

Partner

Mem. No: 045489

Firm Regd. No: 112723W

Place : Mumbai

Date : 27th May, 2010



				(Amount in ₹)
	Particulars	Schedule	As at 2009-10	As at 2008-09
I.	SOURCES OF FUND			
	Shareholders Fund			
	Share Capital	1	100,500,000	100,500,000
	Reserves & Surplus	2	400,000,000	400,000,000
	Loan Funds			
	Secured Loans		-	-
	Unsecured loans	3	3,541,690	3,426,190
	Total		504,041,690	503,926,190
II.	APPLICATION OF FUND			
	Fixed Assets	4	500,000,000	500,000,000
	Investments		-	-
	Current Assets, Loans & Advances			
	Inventories		-	-
	Sundry Debtors		-	-
	Cash & Bank Balances	5	23,360	9,941
			23,360	9,941
	Less : Current Liabilities & Provisions	6	71,072	110,615
	Net Current Assets		(47,712)	(100,674)
	Miscellaneous Expenditure			
	(To the extent not written off or adjusted)	7	-	4,026,864
	Profit & Loss A/c		4,089,402	-
	Total		504,041,690	503,926,190
	Singificant Accouting Policies & Notes on Accounts	8		

As per our Report of even date attached

For and on behalf of the board

For SK Patodia & Associates

Chartered Accountants

Sunil Patodia
Partner

Mem No: 045489

Firm Regd. No: 112723W

Place : Mumbai Date : 27th May, 2010 Dinesh Nandwana

Director

B. K. Gupta

Director



				(Amount in ₹)
	Particulars	Schedules	Year Ended 2009-10	Year Ended 2008-09
Α.	Income			
	Income From Operation		-	
			-	
В.	Expenditure			
	Administrative & Other Expenses		-	
	Miscellaneous Exp. Written Off		4,089,402	
			4,089,402	
	Profit /(Loss) before Taxation (A - B)		(4,089,402)	
	Less : Provision For Tax			
	- Current Tax		-	
	Profit /(Loss) After Tax		(4,089,402)	
	Balance brought forward from previous year		-	
	Balance carried to Balance Sheet		(4,089,402)	
	Singificant Accouting Policies & Notes on Accounts	8		

As per our Report of even date attached

For and on behalf of the board

For SK Patodia & Associates

Dinesh Nandwana
Director

Chartered Accountants

B. K. Gupta Director

Sunil Patodia
Partner
Mam No. 0454

Mem No: 045489 Firm Regd. No: 112723W

Place : Mumbai Date : 27th May, 2010

(



	(Amount in				
Particulars	Schedule	As at 31/03/2010	As at 31/03/2009		
Α	CASH FLOW FROM OPERATION ACTIVITIES				
	Net Profit Before Tax	(4,089,402.00)	-		
	Adjustment For :				
	Misc. Exps Written Off	4,089,402.00	-		
	Net Change in W/C				
	Increase in Misc. Exp.	62,537.88	(73,495.00)		
	Decrease in Provision	3,408.00	-		
	Decrease in Creditors	36,135.00	(610,314.00)		
	NET CASH FLOW from Operating Activities (A)	(102,080.88)	(683,809.00)		
В	CASH FLOW FROM INVESTING ACTIVITIES				
	NET CASH FLOW from Investing Activities (B)	-	-		
С	CASH FLOW FROM FINANCIAL ACTIVITIES				
	Loan taken	115,500.00	636,000.00		
	Shares Issued	-	-		
	Cash Flow from Financial Activities (C)	115,500.00	636,000.00		
	NET INCREASE IN CASH & CASH EQUIVALENTS	13,419.12	(47,809.00)		
	Add: Opening Balance of Cash and Cash Equivalents	9,941.00	57,750.00		
	CLOSING CASH & CASH EQUIVALENTS (A+B+C)	23,360.12	9,941.00		

Note:

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2. Figures in brackets denotes cash outflows.

As per our Report of even date attached

For and on behalf of the board

Dinesh Nandwana

For SK Patodia & Associates

Director

Chartered Accountants

B. K. Gupta Director

Sunil Patodia Partner

Mem No: 045489

Firm Regd. No: 112723W

Place: Mumbai

Date: 27th May, 2010





Particulars	As at 2009-10 (₹)	As at 2008-09 (₹)
Schodula 1 · Shara Capital		
Schedule 1 : Share Capital Authorised		
3,00,00,000 Equity Shares of ₹ 10 /- each	300,000,000	300,000,000
3,00,00,000 Equity Shales of C 10/- each	300,000,000	300,000,00
	300,000,000	300,000,00
Issued, Subscribed and Paid up		
100,50,000 Equity Shares of ₹ 10 /- each fully Paid up	100,500,000	100,500,00
130,00,000 Equity charge of CTO / Such fairly Fair ap	100,500,000	100,500,00
Schedule 2 : Reserves & Surplus		
Securities Premium Account		
Opening Balance	400,000,000	400,000,00
Addition during the year	-	
Closing Balance	400,000,000	400,000,00
	400,000,000	400,000,00
Schedule 3: Unsecured Loans		
From Holding Company	3,541,690	3,426,19
	3,541,690	3,426,19
Schedule 4 : Fixed Assets		
Intellectual Property Rights- Software	500,000,000	500,000,00
	500,000,000	500,000,00
Cabadula F. Caab C Daul Dalaman		
Schedule 5 : Cash & Bank Balances Cash in Hand	277	2.06
Balance with Schedule Bank	377	2,96
Current Account	22,983	6,98
Current Account	23,360	9,94
	20,000	0,01
Schedule 6 : Current Liabilities		
Current Liabilities		
Due to others	71,072	107,20
Other Liabilities	-	3,40
	71,072	110,61
Schedule 7 : Miscellaneous Expenditure		
Opening Balance	4,026,864	3,953,36
Add : Expenses during the year	62,538	73,49
Less : Written off during the Year	4,089,402	
	0	4,026,86









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Schedule "8": Significant Accounting Policies & Notes on Accounts

I. Significant Accounting Policies

A. Basis of Accounting

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act 1956. The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

B. Recognition of Income & Expenditure

The Company follow the accrual basis of accounting except in the following cases, where the same are recorded on cash basis on ascertainment of right and obligation.

- i) Payment of Bonus
- ii) Insurance Claim
- iii) Gratuity Liability, if any.

C. Fixed Assets

All fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes all incidental expenses related to acquisition.

D. Impairment of Fixed Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made

E. Depreciation

- i) Depreciation on Fixed Assets has been provided on 'Written down Method' as per the rates specified in Scheduled XIV of the Companies Act, 1956.
- ii) Depreciation on acquired/sold during the year is

provided on prorata basis.

F. Investment

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investment and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower.

G. Miscellaneous Expenditure

Preliminary expenditures are amortised in the year in which incurred.

H. Treatment of Contingent Liabilities

Contingent liabilities are disclosed by way of notes to accounts. Disputed demands in respect of income tax and other proceeding are disclosed as contingent liabilities. Payments in respect of such demands, if any are shown as advances.

I. Accounting for Taxation of Income:

Current taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. The effect of a change in tax rates on deferred tax and assets or liabilities are recognized in the period that includes the enactment date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.









Other bookmarks

Schedule "8": Significant Accounting Policies & Notes on Accounts

II. Notes on Accounts

A) In the opinion of the Board the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

B) Details of Auditors remuneration is as under:

		Amount (₹)
Particulars	2009-10	2008-09
Audit Fees	35000	30000
Add: Service Tax	3605	3090
Total Fees	38605	33090

C) Earning Per Share:

In accordance with Accounting Standard 20-Earning Per Share, the computation of Earning Per Share is set out below:

Sr No.	Particulars	31st March 2010	31st March 2009
i)	Weighted average num- ber of equity shares of ₹ 10 each		
a)	Number of shares at the beginning of the period	10050000	10050000
b)	Number of the shares at the end of the period	10050000	10050000
c)	Weighted average number of the shares outstanding during the period	10050000	10050000
ii)	Net Profit available for the equity shareholders	(4089402)	NIL
iii)	Basic Earning Per Share(In.₹)	(0.41)	N.A.

The company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the company remains same.

D) Related Party Disclosures:

i) For the year ended 31st March, 2010

a) Key Management Personnel

Mr. Dinesh Nandwana	Director
Dr. Nishikant Hyatnagarkar	Director
B. K. Gupta	Director

b) Holding Company

■ Vakrangee Softwares Limited

Nature of Transactions	In relation to (a) above	In relation to (b) above
Directors Remuneration	NIL	NIL
Loan Taken	NIL	3541690
Loan Repayment	NIL	NIL

Nature of Transactions	In relation to (a) above	In relation to (b) above		
Balance at the end of the year				
Unsecured Loans	NIL	3541690		

Note: Related Parties are as disclosed by the Management and relied upon by the Auditors

E) The figures of the previous year have been re-arranged, re-grouped and re-classified wherever necessary.

As per our Report of even date attached For and on behalf of the board

For SK Patodia & Associates Dinesh Nandwana
Chartered Accountants Director

Sunil Patodia B. K. Gupta
Partner Director

Mem No: 045489 Firm Regd. No: 112723W

Place : Mumbai Date : 27th May, 2010





Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile			
I. Registration Details			
Registration No. :	175824	State Code	11
Balance Sheet Date :	31	3	2010
	Date	Month	Year
II. Capital raised during the year (₹ in Lacs)	1		
Public Issue)	Pighta Jagua	
Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement/Promoter's Contribution	-
Chara Application Manage		Share Premium	
Share Application Money	-	Snare Premium	-
III. Position of Mobilization and Deployment	t of Funds (₹ in Lac	;c)	
Total Liabilities	5,040	Total Assets	5,040
10000 20000000	3,010		370.10
Source of Funds:			
Paid-up Capital	1,005	Share Application Money	_
		,	
Reserves & Surplus	4,000	Secured Loans	-
·			
Unsecured Loans	35	Deffered Tax Liability	
Oliseculeu Loalis	33	Delicied lax Liability	
Application of Funds :			
Net Fixed Assets	5,000	Capital Work in Progress	_
Net Fixed Assets	3,000	Capital Work III Frogress	
Investment		Net Current Assets	
Miscellaneous Expenditure	_	Deffered Tax Assets	_
2.,27446419			



N	
П	
_	

IV. Performance of Company. (₹ in Lacs)			
Turnover and Income	-	Total Expenditure	41
Profit/(Loss) Before Tax	(41)	Profit/(Loss) After Tax	(41)
Earning Per Share in (₹)	(0.41)	Dividend Rate %	-
V. Generic Names of Three Principal Products/Se	rvices of Co	mpany (As Per monetary Terms)	
Item Code No. (ITC Code)		Not Applicable	
Product Description		Software	

As per our Report of even date attached

For SK Patodia & Associates Chartered Accountants

Sunil Patodia Partner Mem No: 045489

Firm Regd. No: 112723W

Place : Mumbai Date : 27th May, 2010 For and on behalf of the board

Dinesh Nandwana

Director

B. K. Gupta Director











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E-Doc Vision Infotech Pvt. Ltd. DIRECTORS' REPORT

To,

The Members

Your Directors have the pleasure in presenting their SECOND ANNUAL REPORT along with the Audited Annual Accounts for the period ended 31st March, 2010 and report that:

1. FINANCIAL PERFORMANCE

Your company has incurred a loss of ₹ 162,775/- during the current period.

2. DIVIDEND

In view of losses your Directors are unable to recommend any dividend for the period under review.

3. AUDITORS

M/s. MVK Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting, being eligible offers for re-appointment.

4. AUDITOR'S REPORT

Observation made in the Auditor's Report is self-explanatory and therefore does not call any further comment under section 217(3) of the companies Act, 1956.

5. PARTICULARS OF EMPLOYEES

The information required u/s 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, as the company has not employed any employee whose salary exceeds ₹ 24,00,000/- per annum or ₹ 2,00,000/- per month during the year.

6. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN **EXCHANGE EARNING AND OUTGO.**

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217 (1) (a) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules,

1988 is not being given, since the company is not engaged in manufacturing activity during the period under review, the company did not earn and spend any foreign exchange in the current period.

7. DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956 it is hereby stated that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgment 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 period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The Directors had prepared the annual accounts on a going concern basis.

8. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and acknowledgement with gratitude for the support & assistance to the Company's Banker, Shareholders and Customers, your Directors place on record their deep sense of appreciation for the devoted service of the executive and staff at all level of the company.

For and on behalf of the Board E-Doc Vision Infotech Pvt. Ltd.

Dinesh Nandwana

Director

Place: Mumbai Date: 27th May, 2010











Other bookmarks



E-Doc Vision Infotech Pvt. Ltd. AUDITORS' REPORT

To, The Members of E-Doc Vision Infotech Pvt. Ltd.

- 1. We have audited the attached Balance Sheet of E-Doc Vision Infotech Pvt. Ltd. as at 31st March 2010 & Profit & Loss account of the Company for the period ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. The Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, is not applicable to the company within the meaning of clause (iv) of the paragraph 2 of the said order.

4. Further, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books.
- c. The Balance Sheet & Profit & loss account dealt with by this report is in agreement

- with the books of account.
- d. In our opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in sub–section (3C) of section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the accounts given the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st 2010;
- ii. In the case of the Profit & Loss account, of the Loss of the company for the period ended on that date; and
- iii. In the case of the Cash Flow statement, of the Cash Flow for the period ended on that date.

For MVK ASSOCIATES Chartered Accountants

Vishnu Garg

Partner
M. No. 045560

Firm Regn. No. 120222W

Place: Mumbai Date: 27th May, 2010



BALANCE SHEET AS AT 31ST MARCH, 2010

			(Amount in ₹)
	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	100,000	100,000
Unsecured Loan			
Vakrangee Software Ltd		18,389,673	294,573
Total		18,489,673	394,573
APPLICATION OF FUNDS			
Current Assets, Loans & Advances	2		
Cash & Bank Balance		55,860	60,985
Loans & Advances		18,030,829	108,854
		18,086,689	169,839
Less : Current Liabilities & Provisions	3	24,818	41,618
Net Current Assets		18,061,871	128,221
Miscelleneous Expenditure	4		
(to the extent not written off or adjusted)			
Preliminary Expenses		3,972	5,296
Profit & Loss A/c		423,830	261,056
Total		18,489,673	394,573
Significant Accounting Policies & Notes to the Accounts	6		

As per our report of even date attached

For E-Doc Vision Infotech Pvt. Ltd.

For MVK Associates

Chartered Accountants

Dinesh Nandwana

Director

Vishnu Garg

Partner M. No: 045560

Firm Regd. No. 120222W

Place: Mumbai Dated: 27th May, 2010 Satish Saundatti

Director



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2010

			(Amount in ₹)
	Schedule	As at 31.03.2010	As at 31.03.2009
INCOME			
Professioal Fees			45,000
Total		-	45,000
EXPENDITURE			
Business Expenditure	5	161,451	303,318
Preliminary expenses written off		1,324	1,324
Total		162,775	304,642
Net Profit / Loss before Tax		(162,775)	(259,642)
Provision for taxation		-	-
Provision for FBT		-	1,414
Net Profit / Loss after Tax		(162,775)	(261,056)
Add : Profit / (Loss) Brought Forward		(261,056)	-
Net Profit / Loss carried forward		(423,830)	(261,056)
Earnings per share		-42.38	-26.11
Significant Accounting Policies & Notes to the Accounts	6		

As per our report of even date attached

For E-Doc Vision Infotech Pvt. Ltd.

For **MVK Associates**

Chartered Accountants

Dinesh Nandwana

Director

Vishnu Garg

Partner M. No: 045560

Firm Regd. No. 120222W

Place: Mumbai Dated: 27th May, 2010 Satish Saundatti

Director



CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH 2010

(Amount in		
PARTICULARS	As at 31.03.2010	As at 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
1. Net Profit before tax & extraordinary items	(423,830.42)	(261,055.88)
Operating Profit Before Working Capital Changes		
2. Adjustments for -		
- Debtors, Loans & Advances	(18,030,829.00)	(108,854.00)
- Inventories	-	-
- Current Liabilities & Provisions	24,818.00	41,617.80
NET CASH FROM OPERATING ACTIVITIES	(18,429,841.42)	(328,292.08)
B. CASH FLOW FROM INVESTING ACTIVITIES		
1. Purchase of Fixed Assets.	-	-
2. Miscelleneous Expenditure	(3,972.00)	(5,296.00)
NET CASH USED IN INVESTING ACTIVITIES	(3,972.00)	(5,296.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
1. Issue of Share Capital	100,000.00	100,000.00
2. Proceed from Borrowings	18,389,673.00	294,573.00
NET CASH FROM FINANCIAL ACTIVITIES	18,489,673.00	394,573.00
Cash and Cash Equivalents as on 31.03.2009	-	-
Net increase / decrease in Cash and Cash Equivalents	55,859.58	60,984.92
Cash and Cash Equivalents as on 31.03.2010	55,859.58	60,984.92

As per our report of even date attached

For **E-Doc Vision Infotech Pvt. Ltd.**

For **MVK Associates**

Chartered Accountants

Dinesh Nandwana

Director

Vishnu Garg

Partner M. No: 045560

Firm Regd. No. 120222W

Place: Mumbai Dated: 27th May, 2010 **Satish Saundatti**

Director



SCHEDULES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2010

	A+ 24 02 2040	(Amount in ₹)
	As at 31.03.2010	As at 31.03.2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised Capital		
10,000 Equity shares of ₹ 10/- each	100,000	100,000
	100,000	100,000
Issued, Subscribed and Paid up capital		
10,000 Equity shares of ₹ 10/- each fully paid up	100,000	100,000
	100,000	100,000
SCHEDULE 2		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
Cash and Bank Balance		
Cash- in- Hand	525	17,565
Balance with Bank Accounts	55,335	43,420
	55,860	60,985
Loans & Advances		
EMD- Nehru Memorial Museum & Library	-	100,000
Prepaid Expenses (2009-10)	-	3,125
TDS Receivable (2008-09)	5,729	5,729
Haryana State Industrial & Infrastructure Development	18,025,100	
	18,030,829	108,854
Total	18,086,689	169,839
SCHEDULE 3		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors		
Kanchan Enterprises	_	416
S.K.Patodia & Associates	_	5,056
MVK Associates	24,818	11,030
Duties & Taxes Payable	27,010	11,000
FBT Payable		1,414
TDS on Contract	_	731
TDS on Professional Fees		17,965
Service Tax on Professional Fees		5,006
		5,000
	24,818	41,618



SCHEDULES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2010

SCHEDULE 4		
MISCELLENEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	5,296	6,620
Less: Preliminary Expenses W/off	1,324	1,324
	3,972	5,296
SCHEDULE 5		
BUSINESS EXPENDITURE		
Audit Fees	11,030	11,030
Bank Charges	1,406	1,432
Conveyance Charges	-	7,700
Registration Charges	-	458
Office Expenses	-	2,168
Printing & Stationery	-	7,538
Professional Fees	135,618	178,925
Legal Charges	1,355	-
ROC fees	2,200	-
Salary & Wages	-	13,015
Travellling Expenses	-	52,385
Web Design & Devp Charges	-	24,500
Interest on TDS	394	-
Service Tax Penalty	6,322	-
Web Hosting	3,125	4,167
	161,451	303,318

SCHEDULE - 6 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS:

A) Significant Accounting policies:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principle in India, the provisions of the Companies Act, 1956 and the applicable accounting standards issued by the ICAI.

2. FIXED ASSETS

Fixed Assets including Land are recorded at cost. The Company capitalises all costs relating to Fixed Assets acquisition and installation of the same.

3. DEPRECIATION / AMORTISATION

(a) Depreciation on additions to Assets is calculated Pro-rata from the date of such additions and similarly on deletion from

- assets is calculated pro rata up to the date of deletion.
- (b) Depreciation on assets except to the extent stated in (a) above, has been provided at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 on Straight Line Method and in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956.

4. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impaired loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

5. TAXATION

Tax expenses for a year comprise of current tax and deferred tax. Current tax is measured after taking into consideration, the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on



"Accounting for Taxes on Income", issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

6. RECOGNITION OF INCOME AND EXPENDITURE

Incomes & Expenditures are generally accounted on Accrual basis as they are earned or incurred except as stated otherwise.

7. INVESTMENT

There are no investments during the year. However investments are carried at Cost.

8. SUNDRY DEBTORS

Sundry debtors are carried at Book Value.

9. AMORTIZATION OF PRELIMINARY EXPENSES

Preliminary expenses are written off over a period of 5 years.

B) NOTES ON ACCOUNTS:

- 1. There is no contingent liability to be provided for.
- 2. Estimated value of contract remaining to be executed on capital account (net of advance) ₹ NIL.
- **3.** The balances of Sundry Debtors, Sundry Creditors and Loans and Advances are subject to confirmations and resultant reconciliation, if any.
- **4.** In the opinion of Board of Directors of the Company, the Current Assets, Loans and Advances have the value on realization in the ordinary course of business at least equal to the amount at which they are stated.

5. Segment Reporting:

The company primarily deals in the consultancy business in software sector and hence there is no Primary reportable segment in the context of Accounting Standard 17 issued by The Institute of Chartered Accountants of India. As the Company's Export Turnover is Nil, there is no reportable geographical segment.

6. Related Party Disclosures (As per AS-18)

(A) List of related parties:

Sr. No.	Name of The Related party	Relationship
1	Dream River (Neral) Developers Private Limited	Company having common Directors
2	Vakrangee Technologies Ltd.	Company having common Directors
3	Vakrangee Softwares Ltd.	Company having common Directors
4	Vakrangee IT Solutions Ltd.	Company having common Directors
5	NJD Holdings Pvt Ltd.	Company having common Directors
6	NJD Infrastructure Pvt Ltd	Company having common Directors
7	NJD Biotech Pvt. Ltd.	Company having common Directors
8	Mr. Dinesh Nandwana	Key Management Personnel
9	Mr. Satish Saundatti	Key Management Personnel

(B) Related Party Transactions:

Nature of Transaction	Name of related Party	Amount in ₹
Loans and advances Received during the year	Vakrangee Software Limited	18,389,673
Loans and advances Received during the year	Satish Saundatti	Nil
Professional Fees	Satish Saundatti	132360

7. Payment to Auditors included in legal & Professional Fees represents:

Particular	2009-10 (Amount in ₹)
For Audit Fees	10,000/-
Service Tax	1,030/-
Total	11,030/-

- **8.** Additional information as required to the pare 3 and 4 of part II to the schedule VI of the Companies Act, 1956 either NIL or Not Applicable.
- **9.** Additional information as required under part IV of schedule VI of the Companies Act, 1956 are given in ANNEXURE –1 herewith.

As per our report of even date attached.

For MVK Associates For and on the behalf of the board Chartered Accountants

Vishnu Garg	Dinesh Nandwana	Director
Partner		
M. No: 045560	Satish Saundatti	Director

Firm Regd. No: 120222W

Place: Mumbai Date: 27th May, 2010





ANNEXURE-I

ВА	BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE		
I)	REGISTRATION DETAILS		
	Registration No.	U72200MH2008PTC183113	
	State Code	11	
	Balance Sheet Date	31st March 2010	
II)	CAPITAL REISSUED DURING THE YEAR		
	Public Issue	NIL	
	Right Issue	NIL	
	Bonus Issue	NIL	
	Private Placement	NIL	
III)	POSITION OF MOBILISATION AND DEPLOYMENT OF FUND		
	Total Libilities	18,489,673.00	
	Total Assets	18,489,673.00	
	SOURCES OF FUND		
	Paid-up Capital	100,000.00	
	Reserve & Surplus	NIL	
	Secured Loans	NIL	
	Unsecured Loans		
	APPLICATION OF FUNDS		
	Investment	NII	
	Net Current Assets	18,061,870.58	
	Miscellaneous Expenditure	427,802.42	
	Profit & Loss Account	NIL	
IV	PERFORMANCE OF THE COMPANY		
	Turnover (Gross Receipt)		
	Total Expenditure	162,774.54	
	Profit / (Loss) before Tax	162,774.54	
	Provision For Taxation		
	Profit / (Loss) after Tax	162,774.54	
	Dividend (%)* Annualized	NIL	
V)	Generic Names of Principal Products. Services of the Company		
	Item Code No. (ITC Code)	Not Applicable	
	Product Description		

As per our report of even date attached.

For MVK Assoaciates

Chartered Accountants

For E-Doc Vision Infotech Pvt. Ltd

Vishnu Garg

Partner

M. No: 045560

Firm Regd. No. 120222W

Place: Mumbai

Date: 27th May, 2010

Dinesh Nandwana

Satish Saundatti

Director Director

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VAKRANGEE SOFTWARES LIMITED

"Vakrangee House", Plot No-66, Marol, Co-op. Industrial Estate, Off M. V. Road, Andheri (East), Mumbai- 400059

ATTENDANCE SLIP ANNUAL GENERAL MEETING - SEPTEMBER 10, 2010 AT 11.00 A.M

REGD. FOLIO NO. CLIENT ID:			
DP ID NO:	NO	. OF SHARES:	
NAME & ADDRESS OF REGISTERED SHARE HOLDER	₹:		
I certify that I am a registered shareholder/proxy fo	r the registered shareho	older of the Company.	
I hereby record my presence at the TWENTIETH ANI			oyal Meridien,
Sahar Airport Road, Andheri (East), Mumbai 400 09	9 on Friday, September	10, 2010.	
NAME OF THE SHAREHOLDER (IN BL	LOCK CAPITALS)	SIGNATURE OF THE SHAREHOLDER OR PF	ROXY
Note: Please complete this and hand it over at the entran	nce of the hall.		
			0
			····· ·/ ·
	VAKDANCEE COET	NAADEC LIAAITED	
	VAKRANGEE SOFT		
	gee House", Plot No-66, I Off M. V. Road, Andheri (I	Marol, Co-op. Industrial Estate, East), Mumbai- 400059	
VAKRONGEE			
ANNUAL CENEDA	PROXY FO		
ANNUAL GENERAL	L MEETING - SEPTI	EMBER 10, 2010 AT 11.00 A.M	
I/We		of	
in the district ofbe	eing a member/mem	bers of VAKRANGEE SOFTWARES LIMITED	
of			
us on my/our behalf at the TWENTIETH ANNUAL GE	NERAL MEETING of the	Company to be held on Friday, September 10, 201	0 at 11.00 a.m. at
the Chancellor Suite, Hotel Le Royal Meridien, Saha	r Airport Road, Andheri	(East), Mumbai 400 099 and at any adjournment	thereof.
Signed this day of	2010.		
Reg. Folio/Client ID No:			Affix a
DP ID No:			15 paise Revenue Stamp
No. of Shares:			

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Signature of the Proxy Holder: Signature of the Member:

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Registered Office

Mumbai Office

Vakrangee Softwares Limited 'Vakrangee House' Plot No. 66, Marol Co-op. Indl. Estate, Off. M. V. Road, Marol, Andheri (East), Mumbai 400059

Phone No: +91 22 2850 4028 / 3412,

+91 22 6776 5100 :+91 22 2850 2017

New Delhi Office

B-7/28, Safdarjung Enclave Extn., Opp. Deer Park, New Delhi 110029

Gurgaon Office

L - 31/1, DLF Phase II, Near Sahar Mall, Behind Private Hospital, Gurgaon 122002

Lucknow Office

B - 1/35, Sector D - 1, L.D.A. Colony, Kanpur Road, Lucknow 226012

Jaipur Office

105, Royal Ensign, Opposite Central Park, Statue Circle, C - Scheme, Jaipur 302001

Pune Office

Unit NO. 243/244, 2nd Floor, Akshay Complex Condominum, Dhole Patil Road, Near to Ganpati Mandir, Pune 411001

Philippines Subsidiary Office

Vakrangee e-Solutions INC, 19th Floor, Octogon, near Sanmigual Corp., Ortigas, Pasig city, Manila NCR