Vakrangee
सशक्त परिवर्तन

Vakrangee Limited 'Vakrangee House', Plot No. 66, Marol Co-op.
Indl. Estate, Off. M. V. Road, Marol, Andheri (East), Mumbai 400059
W: www.vakrangee.in | L: +91 22 2850 3412 / +91 22 6776 5100
F: +91 22 2850 2017 | CIN : L65990MH1990PLC056669

September 29, 2017

To,

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001	**Corporate Relationship Department** **National Stock Exchange of India Ltd.** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051.

Dear Sir/Madam,

Sub: Submission of Annual Report under Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Ref.: Vakrangee Limited - Scrip Code- 511431/VAKRANGEE

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed herewith Annual Report 2016-17 of Vakrangee Limited for your reference and records.

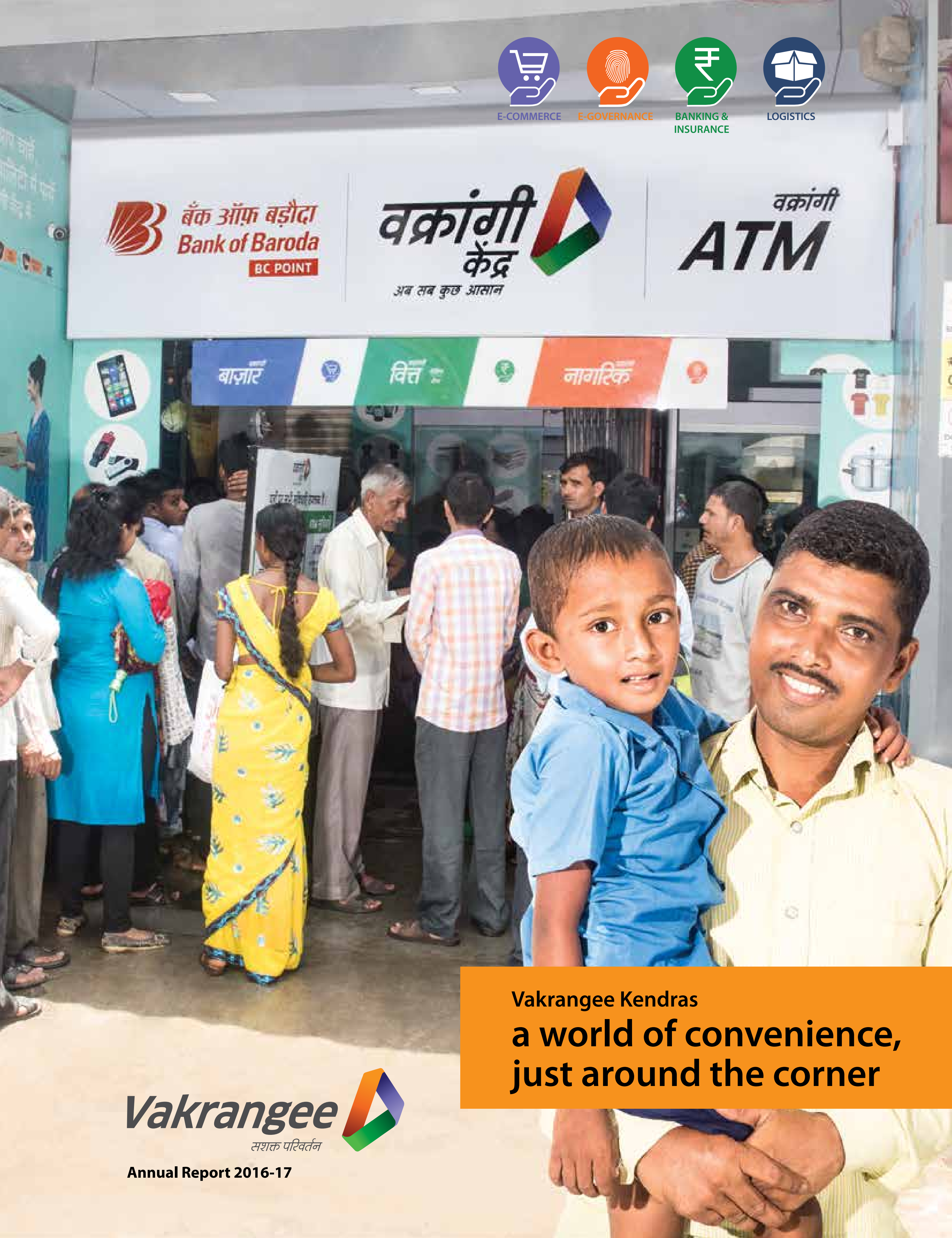
Thanking You,

Yours Faithfully,

For **Vakrangee Limited**

Mehul

Mehul Raval
Company Secretary & Compliance Officer
(Mem. No.: A18300)



Vakrangee Kendras

a world of convenience, just around the corner

Vakrangee
सशक्त परिवर्तन

Annual Report 2016-17

Vakrangee Kendras

a world of convenience, **just around the corner**

At Vakrangee, we have successfully developed our technological expertise and grass-root presence in every nook and corner of India to execute time-bound Mission Mode projects of the Government. Leveraging these capabilities, we have evolved into an asset light, franchisee-based business model – with Vakrangee Kendras being the central to our theme.

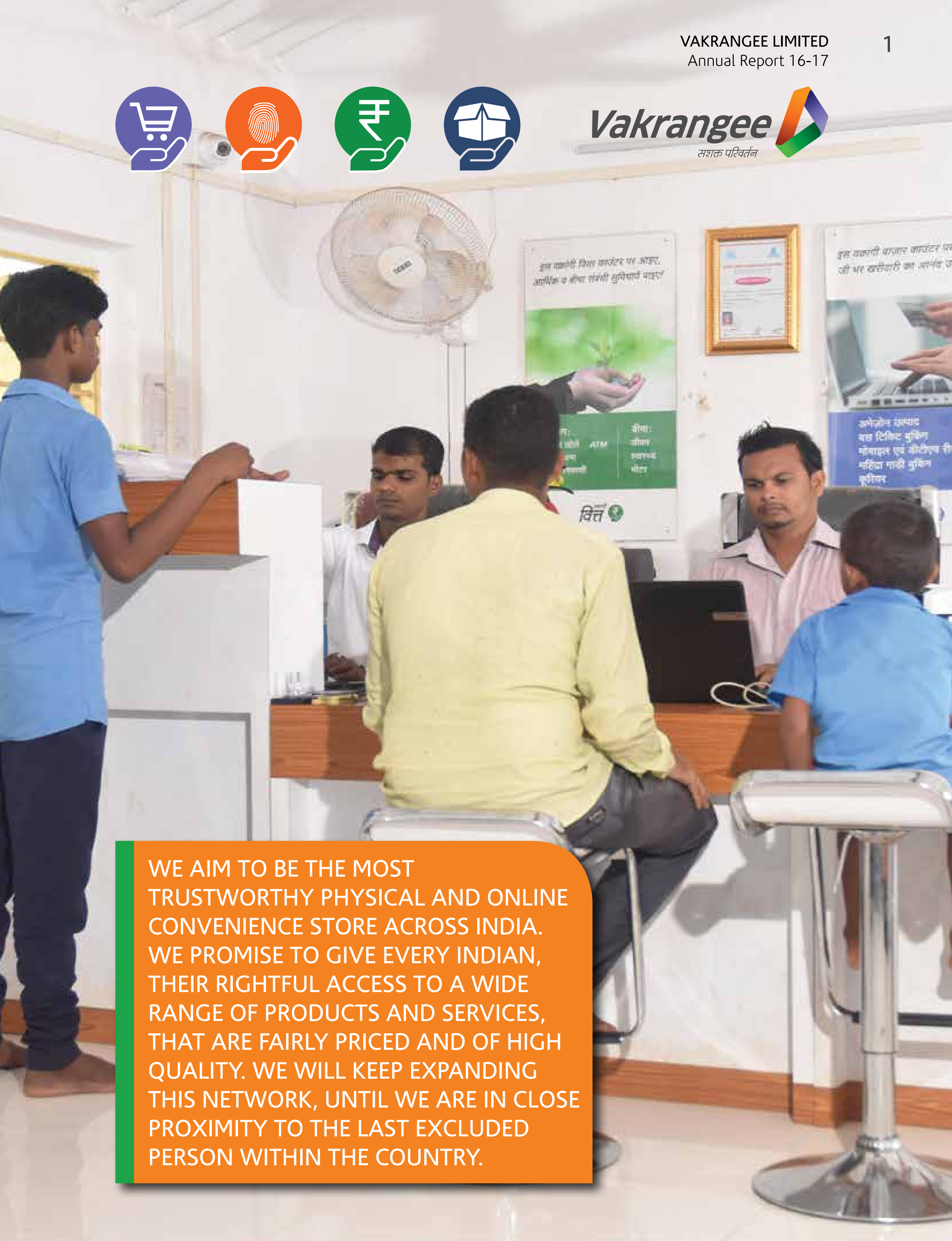
We have built a vast franchisee-based network of 35,000+ "Vakrangee Kendras" across 16+ states of India. These are strategically located to provide last-mile access into the remotest of areas and deliver real-time services across Banking & ATM, Insurance, e-Governance, e-Commerce and Logistics. Today, our Kendras are essentially multi-purpose "Convenience Stores" located across rural, urban and "difficult to reach" areas of India.

We are creating the world's largest franchisee-based distribution channel, offering millions of products and thousands of services. We leverage tech-enabled platforms to offer a range of banking and financial products, including real-time paperless, inter-operable banking, biometric-enabled e-KYC services and insurance plans. We partnered with the best-of-breed partners for each of these segments.

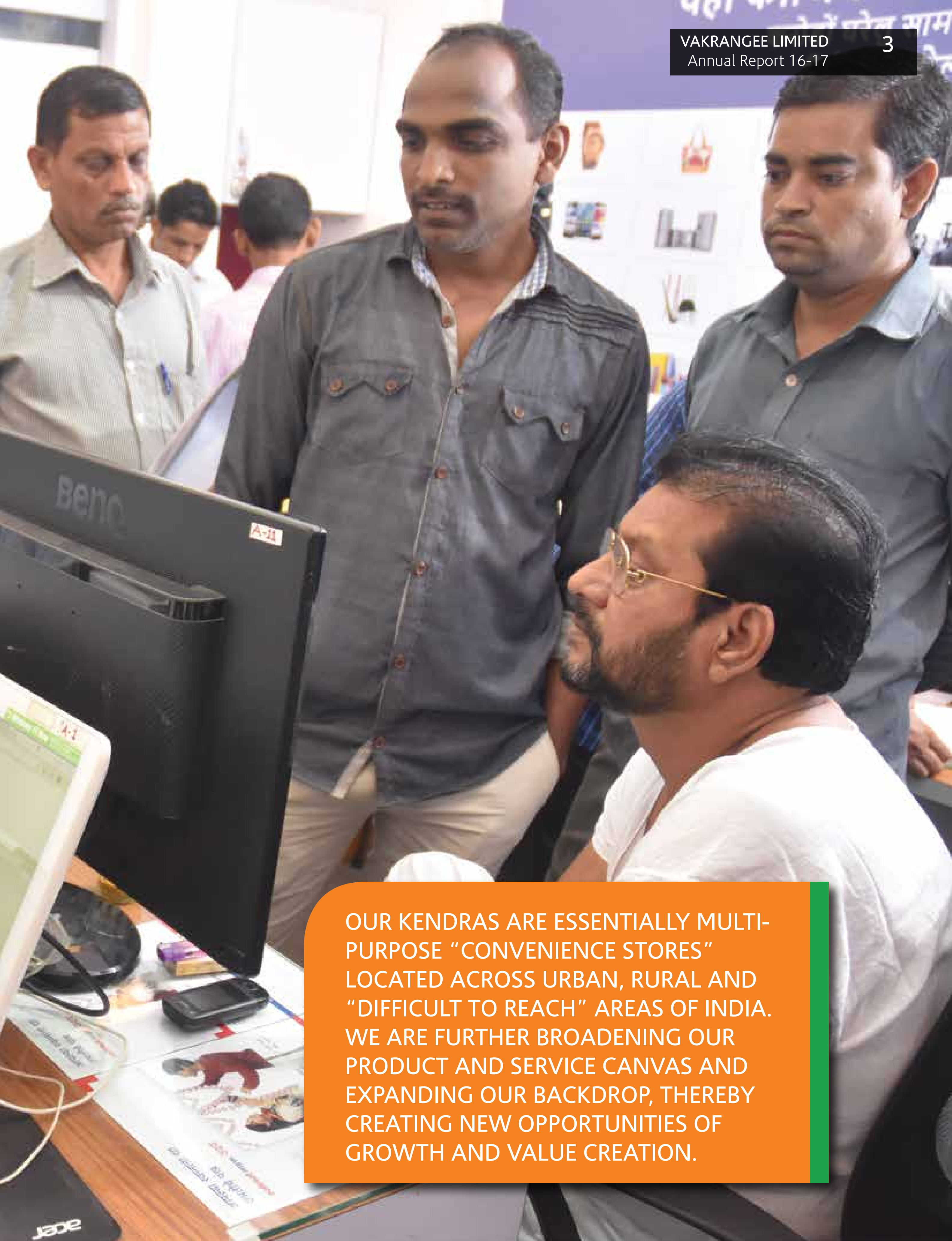
In our stated vision of setting up 75,000 such Kendras by 2020, we joined hands with one of India's largest commercial enterprise to set up these Kendras across its 20,000 plus fuel stations. We have clear visibility of exceeding our target. We also use the network to provide front-end logistics booking services. We also tied up with the world's largest e-Commerce player, as part of our assisted e-Commerce model, enabling customers to choose and buy from over 100 million products. These Kendras are a hub for physical ordering, making payments and collecting ordered products. The Kendras are modern-day "Convenience Stores" with deep presence.

Encouraged from our first hand pioneering successes, we are creating further significance as we embark on our onward journey, aimed at producing quantum growth. We are entering a new era of self-development by moving beyond our 2020 horizon and expanding our canvas for opening new opportunities of growth and value creation. Firstly, we are deepening our physical presence on a larger scale by ensuring there is a Vakrangee Kendra branch within the walking distance of each citizen. At the same time, we plan to launch "Vakrangee Kendra on Mobile", through which all the partner products and services will become conveniently available at the touch of a finger. This will bring all the benefits of a Vakrangee Kendra at the doorstep of every citizen. These additional channels will become a part of a more comprehensive ecosystem, making our network universally ubiquitous.

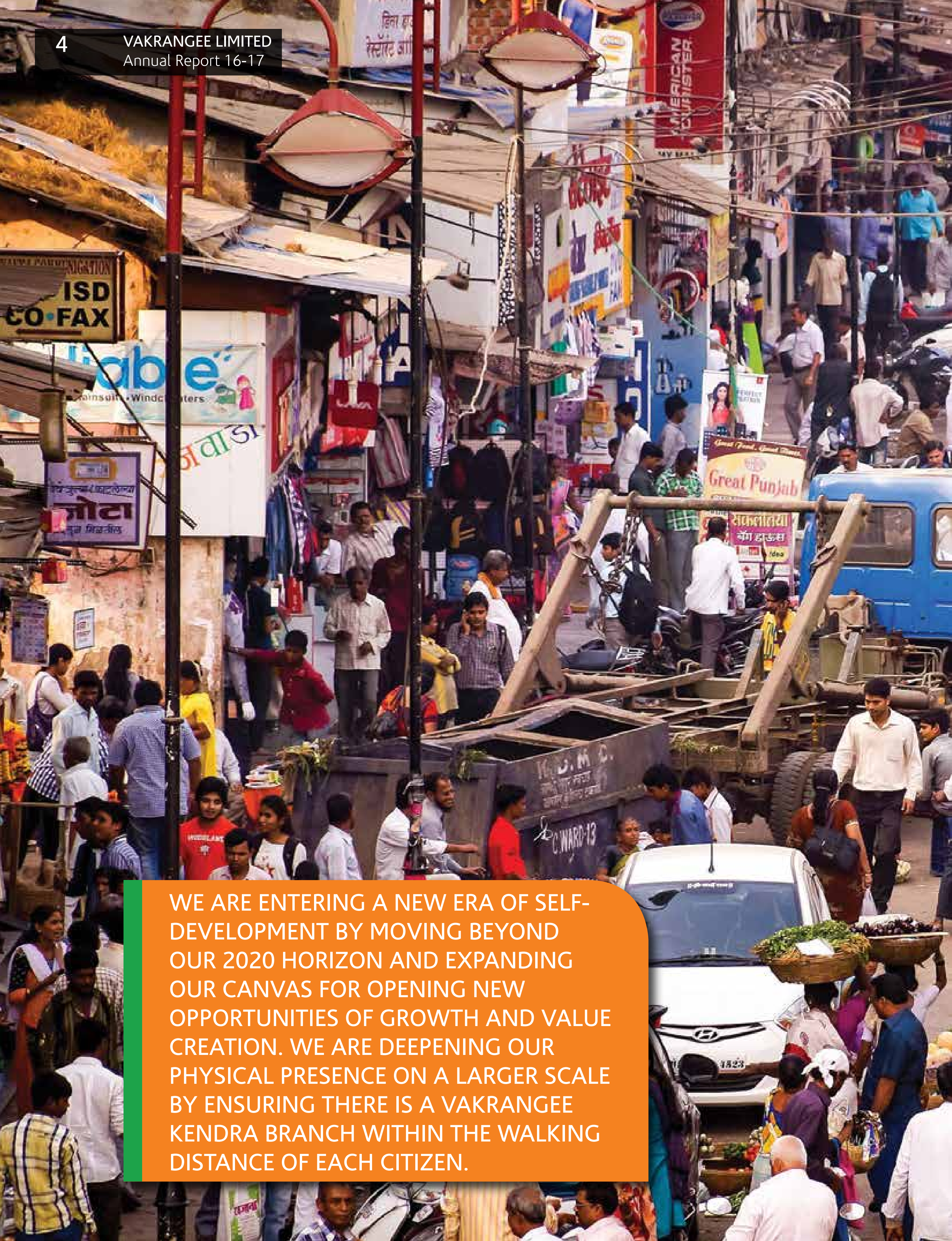
Secondly, we also plan to offer an integrated and unified solution for all kinds of different payment mechanism, including the Aadhaar Pay, which will enable consumers make easy payments through multiple platforms. We also plan to broaden our canvas of products and services. These include the addition of lead generation of loan products, GST registration and B2B E-Commerce solutions for trade customers looking for a more convenient buying experience.



WE AIM TO BE THE MOST TRUSTWORTHY PHYSICAL AND ONLINE CONVENIENCE STORE ACROSS INDIA. WE PROMISE TO GIVE EVERY INDIAN, THEIR RIGHTFUL ACCESS TO A WIDE RANGE OF PRODUCTS AND SERVICES, THAT ARE FAIRLY PRICED AND OF HIGH QUALITY. WE WILL KEEP EXPANDING THIS NETWORK, UNTIL WE ARE IN CLOSE PROXIMITY TO THE LAST EXCLUDED PERSON WITHIN THE COUNTRY.



OUR KENDRAS ARE ESSENTIALLY MULTI-PURPOSE "CONVENIENCE STORES" LOCATED ACROSS URBAN, RURAL AND "DIFFICULT TO REACH" AREAS OF INDIA. WE ARE FURTHER BROADENING OUR PRODUCT AND SERVICE CANVAS AND EXPANDING OUR BACKDROP, THEREBY CREATING NEW OPPORTUNITIES OF GROWTH AND VALUE CREATION.



WE ARE ENTERING A NEW ERA OF SELF-DEVELOPMENT BY MOVING BEYOND OUR 2020 HORIZON AND EXPANDING OUR CANVAS FOR OPENING NEW OPPORTUNITIES OF GROWTH AND VALUE CREATION. WE ARE DEEPENING OUR PHYSICAL PRESENCE ON A LARGER SCALE BY ENSURING THERE IS A VAKRANGEE KENDRA BRANCH WITHIN THE WALKING DISTANCE OF EACH CITIZEN.

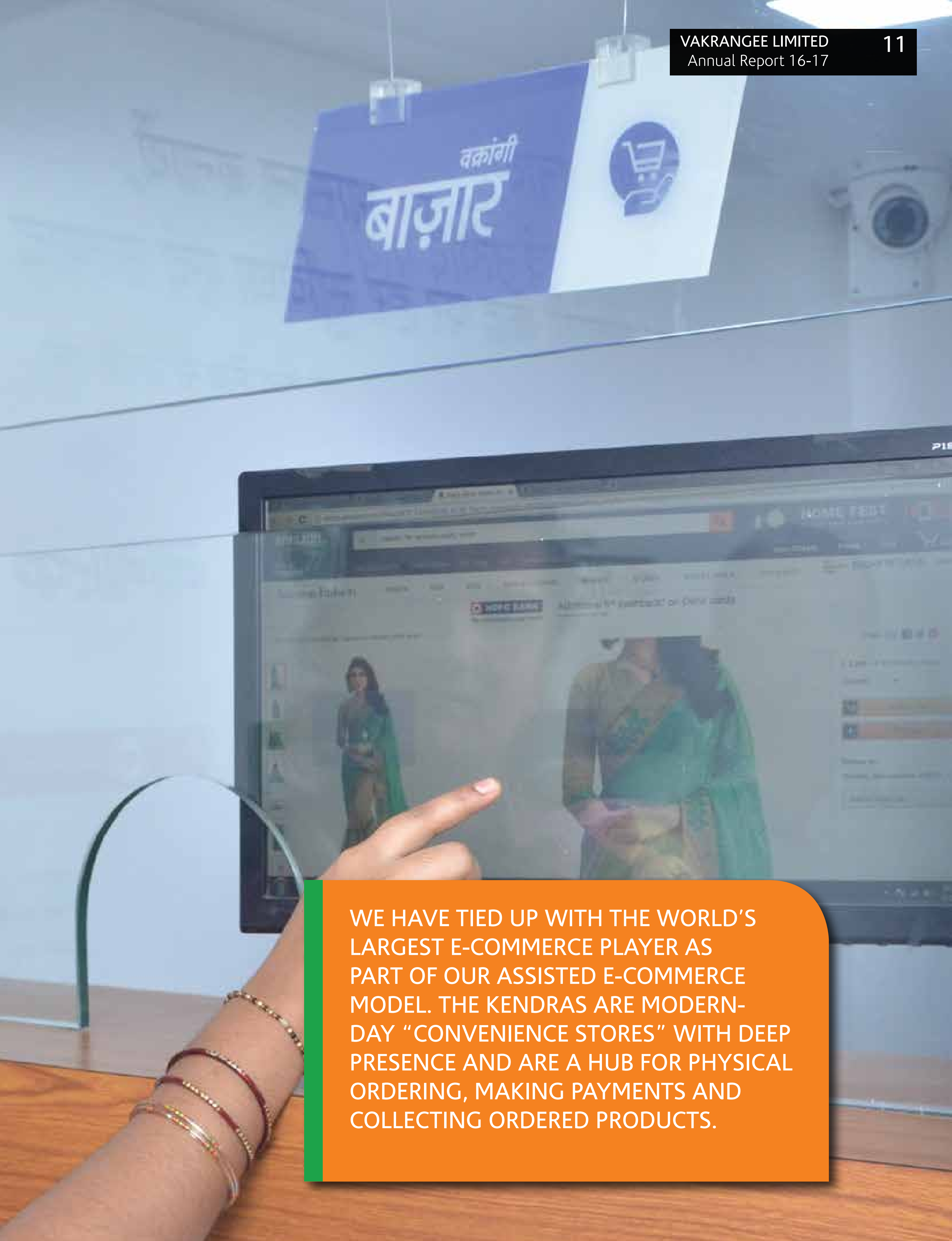

URGENT
RUBBER STAMP
शिलाई मशिन

NO MATTER HOW REMOTE, EXCLUDED OR POOR THEY MIGHT BE, WE PROMISE TO GIVE EVERY UNDER-SERVED INDIAN THEIR RIGHTFUL ACCESS TO BASIC MODERN BANKING WITHIN WALKING DISTANCE FROM THEIR HOMES. WE ALSO PROMISE TO BRING CLOSER TO THEM AFFORDABLE AND QUALITY PRODUCTS & SERVICES THAT IMPROVE THEIR ESSENTIAL LIVING STANDARDS.

OUR VAST NETWORK FINANCIALLY EMPOWERS A LARGE SECTION OF THE SOCIETY, THAT, TILL NOW, HAD BEEN COMPLETELY EXCLUDED FROM THE MAINSTREAM ACTIVITIES OF AN EMERGING ECONOMY - NAMELY, CONSUMPTION, SAVINGS AND INVESTMENT.


जब मिले इतनी सुविधायें,
तो कहीं और क्यूँ जायें!
बाज़ार
वित्त


वक्रांगी
कार्ड सेवायें



WE HAVE TIED UP WITH THE WORLD'S LARGEST E-COMMERCE PLAYER AS PART OF OUR ASSISTED E-COMMERCE MODEL. THE KENDRAS ARE MODERN-DAY "CONVENIENCE STORES" WITH DEEP PRESENCE AND ARE A HUB FOR PHYSICAL ORDERING, MAKING PAYMENTS AND COLLECTING ORDERED PRODUCTS.

Contents

ANNUAL REPORT 2016-17

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 realised, 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 materialise, 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.

Corporate Information

Board of Directors

Mr. Dinesh Nandwana
Managing Director & CEO

Dr. Nishikant Hayatnagarkar
Whole Time Director

Mr. Ramesh Joshi

Mr. Sunil Agarwal

Mr. B. L. Meena

Mr. Avinash Vyas

Mr. Thangavelu Sitharthan

Mrs. Sujata Chattopadhyay

Compliance

Statutory Auditors

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

Company Secretary & Compliance Officer

Ms. Darshi Shah

Bankers

HDFC Bank Limited

Axis Bank Limited

Indusind Bank Limited

RBL Bank Limited

Union Bank of India

IDBI Bank Limited

Indian Overseas Bank

Dhanlaxmi Bank Limited

State Bank of India

Bank of Baroda

Bank of Maharasthra

Punjab National Bank

Security Trustee

Axis Trustee Services Limited

Registrars

M/s Bigshare Services Pvt. Ltd.
1st Floor, Bharat Tin works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri (E),
Mumbai – 400059.
Telephone No. : 022-62638200
Fax No.- : 022-62638299
Email : info@bigshareonline.com

Registered Office

Vakrangee Limited
'Vakrangee House'
Plot No. 66,
Marol Co-op. Indl. Estate,
Off. M. V. Road, Marol,
Andheri (East),
Mumbai - 400 059.
Phone No: +91 22 2850 4028 / 3412,
+91 22 6776 5100
Fax No: +91 22 2850 2017
Email: info@vakrangee.in
Website: www.vakrangee.in

Vakrangee
सशक्त परिवर्तन

At a Glance

WE ARE A UNIQUE TECHNOLOGY DRIVEN COMPANY WITH AN EXPERIENCE OF OVER TWO DECADES. WE ARE FOCUSED ON BUILDING INDIA'S LARGEST NETWORK OF LAST-MILE RETAIL OUTLETS TO DELIVER OUR SERVICES TO THE UNSERVED & UNDERSERVED RURAL, SEMI-URBAN AND URBAN MARKETS. WE CONTINUE TO LEVERAGE OUR "FIRST MOVER" ADVANTAGE TO LEVERAGE THE HUGE OPPORTUNITY FROM THE ₹1.1 TRILLION DIGITAL INDIA MISSION. WE HAVE A CLEAR FOCUS TO DEEPEN OUR PRESENCE AND REACH, ENHANCE OUR PRODUCT AND SERVICE PORTFOLIO AND CREATE A SEAMLESS CUSTOMER EXPERIENCE.

We are also India's largest e-Governance player functioning as a systems integrator and an end-to-end service provider in Banking, Insurance, ATM, E-Governance, E-Commerce and Logistics. We have set up an extensive delivery network and franchisee model of Vakrangee Kendras in 16+ states in India through our network of 35,000+ Vakrangee Kendras. As on 31st March 2017, our Market Capitalisation stood at ₹ 17,419 Crore.

We continue to leverage our competitive strengths of a tech-enabled platform, domain expertise and distribution network and our strong track record of handling time-bound Mission Mode Projects to foray into newer areas.

Our Current Presence

35,206
Vakrangee Kendras set up till March 31st, 2017

25,131
Vakrangee Kendras in Rural India

10,075
Vakrangee Kendras in Urban India

16+
States

365+
Districts

5,000+
Postal Codes

Our Vision 2020

- US$ 2 Billion — Targeted Revenues
- 200 Million — Potential Customers to be served across India
- 75,000 — Vakrangee Kendras to be set up across India
- 650 + — Districts
- 50,000 — Vakrangee Kendras to be set up in Rural India
- 25,000 — Vakrangee Kendras to be set up in Urban India
- Last Mile Coverage:
  - Service offerings across India
  - Each Postal Code being serviced
- 19,000+ — Postal Codes

Our Key Business Verticals

Existing Verticals

- Banking, Financial Services, ATM & Insurance
- E-Commerce (B2C)
- e-Governance (G2C)
- Logistics

Planned Services

- Vakrangee Kendra on Mobile
- Aadhaar Pay
- E-Commerce (B2B)

Reinforcing Market Leadership

- Last mile reach with nationwide and grassroot level footprint to deliver Mission Mode projects
- Deep understanding of rural customer mindset
- Experience of handling on-ground complexities till the grassroot level
- Expertise from data digitisation to technology management
- Strong workforce capable of driving end-to-end project execution

Our Vision

Vakrangee aims to be the most trustworthy Physical as well as Online Convenience Store across India. We promise to give every Indian their rightful access to a wide range of products and services, that are fairly priced and of high quality. We will keep expanding this network, until we are in close proximity to the last excluded person within the country.

Our Mission

Vakrangee intends to become India's No. 1 retailer by offering innovative ideas and proven modern technologies for facilitating universal financial and social inclusion.

Our Brand Promise

Vakrangee aims to be the most trustworthy local convenience-store across India. We promise to give every Indian, their rightful access to a wide range of modern-day products and services, that are fairly priced and of high quality. We also aim to be present within a short travelling distance of every Indian, and will continue keep expanding our network until we are close to the last excluded person within the country.

Our Presence

The Vakrangee Effect

Our vast network financially empowers a large section of the society that, till now, had been completely excluded from the mainstream activities of an emerging economy: namely consumption, savings and investment. This increased participation will in turn support further industrialisation, more agriculture and a wider market for goods and services. With the potential financial inclusion of a large section of the society responsible for more than half of India's GDP, the Indian economy can be further enlarged and energised.

We call this "The Vakrangee Effect".

Our Brand Principles

Trust
The value that binds all our stakeholders – Government, Banks, Partners, Businesses and Franchisees.

Perseverance
The attitude we have to accomplish the unprecedented feat of creating the world's largest retail network, even in the most remote and inhospitable areas without electricity and connectivity.

Unyielding Rigor
The way we train our people and set high standards of quality in our systems and processes is the backbone of our success. We take ordinary individuals and train them with skill sets that help them yield remarkable results.

Entrepreneurial
An entrepreneurial spirit in our approach to business – both in our employees and our franchisees – our key business partners.

Prudent
Our basic approach to scalability, security, confidentiality, planning, risk management and value creation.

Our Business Verticals

VAKRANGEE KENDRAS

OUR COMPANY HAS BEEN APPOINTED AS BUSINESS CORRESPONDENT (BC) BY VARIOUS BANKS UNDER THE "COMMON BC" AND "NATIONAL BC" AGREEMENTS. VAKRANGEE INTENDS TO SET UP AND MANAGE 75,000 VAKRANGEE KENDRAS BY 2020 ACROSS INDIA. IT WILL ACT AS A BC TO BANKS IN ANY ALLOCATED SSA – SUB SERVICE AREA (CATCHMENT AREA WITH MINIMUM 1,500 HOUSEHOLDS OR 5,000 POPULATION). FURTHER, IN ADDITION TO BANKING SERVICES, VAKRANGEE KENDRA ALSO OFFERS VARIOUS E-GOVERNANCE, ATM, INSURANCE, LOGISTICS AND E-COMMERCE SERVICES & PRODUCTS.

KEY SERVICES

BANKING	• Bank A/C Opening - Savings, Current, SHG
	• Cash Deposits, Withdrawals, Money Transfer
	• Fixed / Recurring Deposits
	• Retail Loans
	• Balance Enquiry, Statement of Accounts
	• Disbursement of money under Direct Benefit Transfer
ATM	• Real time cash withdrawals from all banks through WLA (White Label ATM)
	• Co-located ATM in urban/semi-urban branches to cater to holistic banking needs of customers, while optimising cost of operations
INSURANCE	• Corporate agency tie-up for Life / General & Health Insurance
	• Micro Insurance schemes under Atal Pension Yojna, Jeevan Jyoti Bima Yojna & Pradhan Mantri Suraksha Bima Yojna
E-GOVERNANCE	• Enrolments-UID Card, NREGA Job Card, Election Card
	• Land Record Digitisation, Electoral Rolls
	• Payment of Utility Bills, Taxes, Levies
	• Railway Tickets, Certificates, Hall tickets
	• Exam Fee Payments
	• Online Form Filling
	• Partnered with MMPL for rendering bill payment collection solution
E-COMMERCE	• Telecom – Mobile recharge
	• DTH service - Recharge, bill payments
	• Assisted E-Commerce Model
	• Alliance with Amazon India to facilitate sale of products
	• Alliance with Augmont for Sales of Gold Products
	• Alliance with Reliance Jio for Sale of Mobile Handsets and Issuance of Sim Cards
	• Alliance with Redbus for offering bus ticketing services
	• Alliance with "Mahindra eMarket Limited", a subsidiary of M&M, for promoting and booking automobile products
LOGISTICS	Alliance with Aramex India Private Limited, Delhivery Private Limited, First Flight Couriers Limited and FedEx Express for courier and logistics services (Forward Delivery as well as Reverse Pick Up services)

Our Growth Matrix

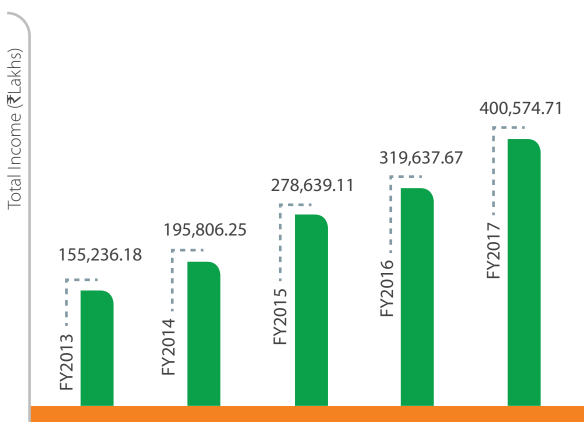
Our Financial Scorecard

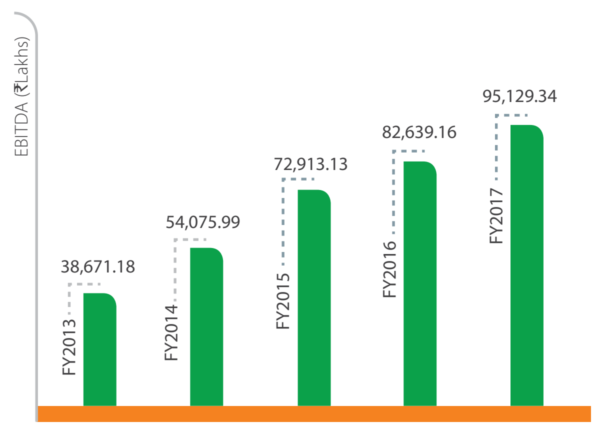
OUR FINANCIAL PERFORMANCE CONTINUES TO BE ON A PROGRESSIVE TREND. WITH MORE NUMBER OF VAKRANGEE KENDRAS BEING SET UP ACROSS INDIA AND WITH OUR FORAY INTO NEW BUSINESS VERTICALS, OUR TOTAL INCOME GREW 25.4% DURING FY2017. EBITDA GREW 15.1% DURING THE YEAR. PROFIT AFTER TAX WAS HIGHER BY 34.5%, EVEN AS PAT MARGIN GREW 7.3%. OUR EARNINGS PER SHARE WAS HIGHER BY 31.6%.

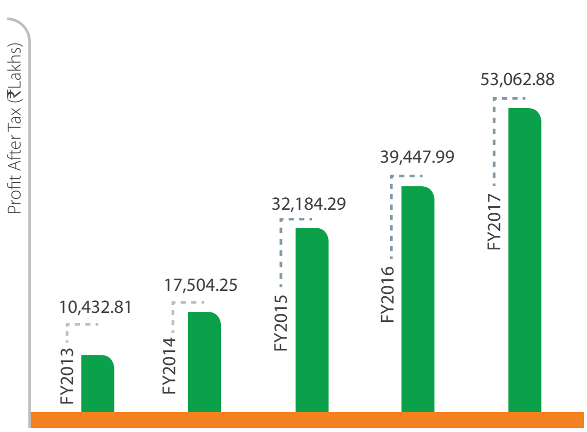
43.42%
5-year CAGR in Total Income

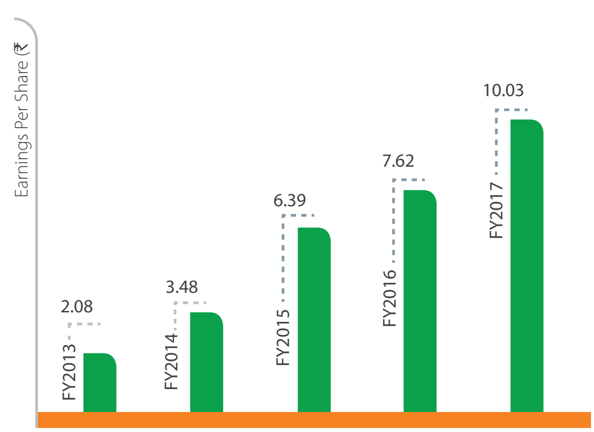
56.93%
5-year CAGR in EBITDA

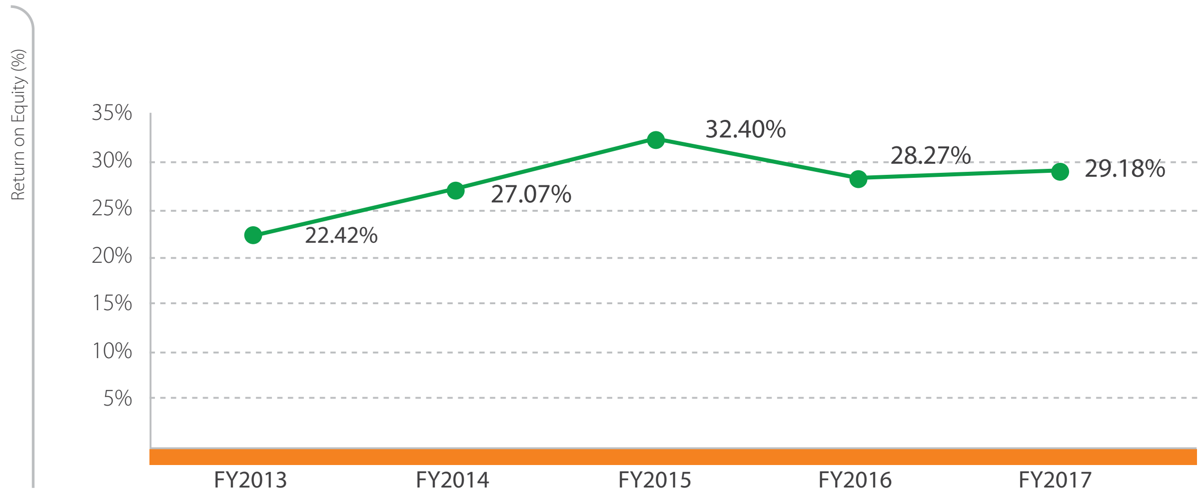
95.63%
5-year CAGR in PAT

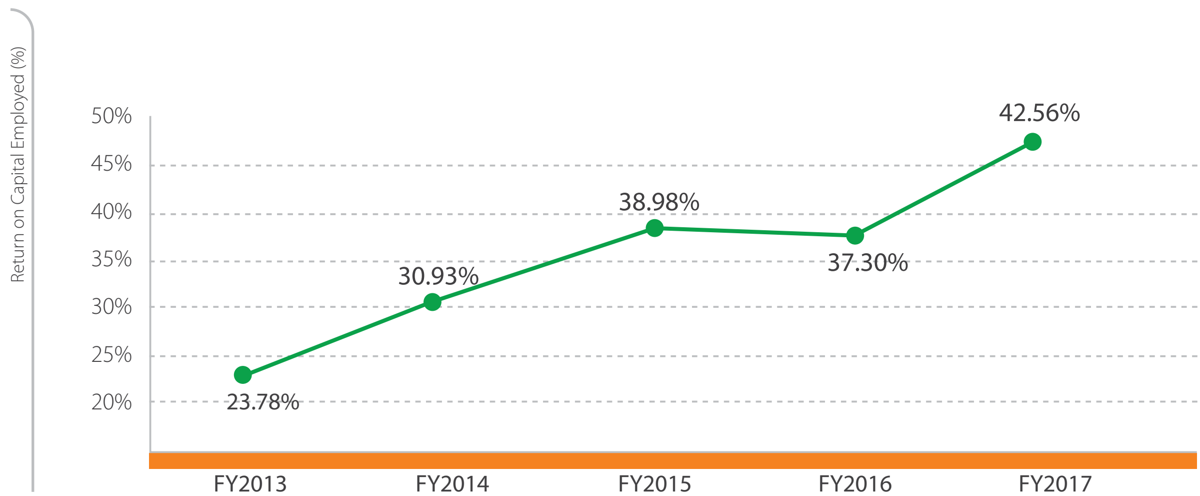












Our Operational Scorecard

- 35,206 Vakrangee Kendra outlets made operational across 16+ states
- 135+ Vakrangee Kendras operational at retail outlets of Indian Oil Corporation Limited in the States of Maharashtra, Rajasthan, Uttar Pradesh, Gujarat, Madhya Pradesh, Orissa, Jharkhand, Chhattisgarh and Delhi NCR; 75+ outlets under Go Live stage

Corporate Tie-Ups:

1. **Insurance:**

a. **Life Insurance:** Tie-up with Life Insurance Corporation of India (LIC), HDFC Standard Life Insurance Company and Bajaj Allianz Life Insurance Company to distribute life insurance products.

b. **General Insurance:** Tie-up with HDFC Ergo General Insurance Company, Reliance General Insurance Company and TATA AIG General Insurance Company to distribute general insurance products.

c. **Health Insurance:** Tie-up with Aditya Birla, Religare and Cigna TTK to distribute health insurance products.

2. **Logistics:** Tie-up with Fedex Express, Aramex India Private Limited, Delhivery Private Limited and First Flight Couriers Limited (FFCL) to offer last-mile delivery for domestic and international courier services.

3. **Ticket Booking:** Tie-up with Indian Railway Catering and Tourism Corporation Limited (IRCTC) to offer booking of railway e-Tickets.

4. **Financial Services:** Tie-up with DMI Finance Pvt. Ltd. for offering loan products and collection of EMIs.

Managing Director & CEO's Message to Shareholders

Dinesh Nandwana
Managing Director & CEO

OUT-PERFORMANCE IS EMBEDDED DEEPLY INTO OUR DNA. OUR PERFORMANCE THIS YEAR AND OUR STRONG POSITION FOR FUTURE GROWTH ARE DEEPLY ROOTED IN A PROVEN STRATEGY FOCUSED ON CREATING LONGTERM SHAREHOLDER VALUE.

₹ 40,004.60
Million
Net Sales in FY2017

Dear Shareholders,

It is with great satisfaction and pride that we look back on FY2017. It was the year we fulfilled our promises and took affirmative steps to produce sustainable financial performance on a consistent basis and delivered solid results.

Today, we have evolved into an asset-light franchisee-based business model, with Vakrangee Kendras central to our theme, strategically located to provide last-mile access in the remotest areas of India.

We are essentially multi-purpose convenient stores located across urban, rural and "difficult to reach" areas of India. We provide more than 100 million products and a wide range of real-time services under a single roof across Banking & ATM, Insurance, E-Governance, E-Commerce and Logistics. We offer a world of convenience just around the corner. We are the "go-to-place" for everyday things. We make essential things and services accessible to every person across India.

Vakrangee Kendras have become the hubs for ordering, making payments, and delivering ordered products for Amazon. Among other E-Commerce services, these Kendras also deliver B2C digital services, such as the sale of mobile handsets and services, tickets for bus journeys, low-value gold jewellery and Mobile & Direct-To-Home recharge.

Our Financial Performance

Out-performance is embedded deeply into our DNA. Our performance this year and our strong position for future growth are deeply rooted in a proven strategy focused on creating long-term shareholder value. Our net sales stood at ₹ 40,004.6 million in FY2017, as against ₹ 31,907.4 million in the earlier fiscal year, registering a growth of 25.4%. EBITDA stood at ₹ 9,512.9 million, up 15.1% as against ₹ 8,263.9 million earlier. PAT grew by 34.5% at ₹ 5,306.3 million, compared with ₹ 3,944.8 million.

What an Exciting Year

FY2017 was an important year in our history as we focused on further stabilising our legacy business. We are proud of our remarkable journey and of having set a legacy of successfully developing our technological expertise and establishing our grassroot presence in every nook and corner of India to execute Mission Mode Projects of the Government.

We lived up to the promises we made to our stakeholders for the year. We achieved a "debt free" status with peak long-term debt of ₹ 3,920 million w.e.f. January 5, 2017 and short-term debt of ₹ 7,500 million w.e.f. May 30, 2017 We also stuck to our policy of maintaining our dividend pay-out in the range of 15% to 25% of Consolidated Profit After Tax. For FY2017, we declared a dividend of 200%, amounting to ₹ 2 per equity share on a face value of ₹ 1 each. The dividend pay-out amounted to 24.0% of PAT in FY2017, against 20.2% of PAT in FY2016. Our pre-tax cash flow generation stood at ₹ 9,617.2 million in FY2017. As promised, the Board has appointed a new Statutory Auditor, Price Waterhouse & Co., as our new Statutory Auditor from the year FY2018, subject to regulatory approvals.

In addition to this, what is equally pleasing is the progress recorded by the asset-light, franchisee-based business model of Vakrangee Kendras. The network today consists of 35,206 such Kendras spread across 16+ states of India, as on 31st March, 2017. These Kendras have essentially become multi-purpose "Convenience Stores", and are located across urban, rural and "difficult to reach" rurban areas of India. We have partnered with the "best of breed" partners for each of these segments. In fact, the Company has emerged as a modern-day Convenience Store with a deep presence.

We also deliver real-time services across Banking & ATM, Insurance, E-Governance, e-Commerce, and Logistics. We leverage our technology-enabled platforms to offer a range of banking and financial products. This includes real-time paperless inter-operable banking, biometric enabled e-KYC services, and insurance plans across life, general and healthcare.

Our Central Theme - Vakrangee Kendras

Vakrangee is set to create the world's largest franchisee-based distribution channel, offering millions of products and thousands of different services. In 2015, we declared a stated mission for setting up 75,000 Kendras by 2020, and eventually grow this number to cover each and every postal code of India. Of these, 50,000 Kendras will be in rural India, while the remaining 25,000 will be set up in urban India. As a key catalyst towards achieving this goal, Vakrangee has established an exclusive agreement with one of India's largest commercial enterprises to set up as many new Vakrangee Kendras across 20,000 of its 25,000+ fuel stations over the next 2-3 years. The Company is well on its way towards completing its 2020 vision, with a clear visibility of exceeding its target of 75,000 outlets.

Managing Director & CEO's Message to Shareholders

Other Strategic Developments

The past year witnessed a slew of strategic developments in all our verticals. Our total number of Vakrangee Kendras has increased to 35,000+ at the end of March 31st, 2017. Our assisted e-Commerce business model, in tie-up with Amazon India, is running on track with customers gaining access to a range of 100 million products. Till March 2017, these services were rolled out in more than 1,200 Kendras.

Our Kendras have been made active at 135 retail outlets of Indian Oil Corporation Limited (IOCL), while 75+ are under "Go Live" stage in the states of Maharashtra, Rajasthan, Uttar Pradesh, Gujarat, Madhya Pradesh, Orissa, Jharkhand, Chhattisgarh and Delhi NCR. With 20,000+ outlets of IOCL under our radar for setting up Kendras, the canvas is huge. Our association with IOCL will enable us expand our presence in urban India, besides enlarging our presence in rural India.

35,000+
Vakrangee Kendras set up till March 31st, 2017

New Growth Drivers

During the year, we set another new milestone in our progress as we entered new territories, new states and geographies and identified new growth drivers. Encouraged by our first-hand pioneering successes, we are now entering a new era of self-development. We are moving beyond the 2020 horizon and expanding our canvas, exploring new opportunities for growth and value creation.

Firstly, our objective is to significantly deepen our physical presence on a larger scale. Our primary aim is to ensure there is a Vakrangee Kendra branch within walking distance of each citizen, no matter where he or she lives. We also plan to launch "Vakrangee Kendra on Mobile". This will literally bring all the benefits of a Vakrangee Kendra at the doorstep of every citizen. With an entrenched and deep logistics support for physical delivery and collection, these additional channels will become part of a more comprehensive ecosystem, making the Vakrangee Kendra network universally ubiquitous.

Secondly, we plan to offer an integrated and unified solution for all kinds of payment mechanisms, including Aadhaar Pay. This will enable consumers to easily make payments across multiple platforms.

Thirdly, we plan to significantly broaden our canvas of products and services offered. These include the addition of lead generation for loan products, Railway Ticket Booking, GST Registration and Return Fillings and new B2B E-Commerce solutions for trade customers looking for a more convenient buying experience.

Our strategy has been refined and our focus on performance and profitability is clear. Vakrangee Kendras aim to be the most trustworthy Physical as well as Online convenience-store across India. We promise to give every Indian their rightful access to a wide range of products and services, that are fairly priced and of high quality. We will keep expanding this network, until we are in close proximity to the last excluded person within the country.

Future Strategies

We are well positioned to deliver on our commitment to stakeholders. We will grow and strengthen our core businesses, while exploring new revenue streams. Our strategy of adding new states, territories and states will continue.

To better serve our customers and to grow returns for our shareholders, we understand that we must continue to invest in our people and capability. This past year has seen a continuation of our mission to make Vakrangee a great company to work for. This means building deep leadership talent pipelines and investing to build capacity across all levels of the organisation in an environment that fosters high performance and high engagement across the workforce.

WE AIM TO BE THE MOST TRUSTWORTHY PHYSICAL AS WELL AS ONLINE CONVENIENCE-STORE ACROSS INDIA. WE PROMISE TO GIVE EVERY INDIAN, THEIR RIGHTFUL ACCESS TO A WIDE RANGE OF PRODUCTS AND SERVICES, THAT ARE FAIRLY PRICED AND OF HIGH QUALITY.

Board Matters

We have a dividend payout policy in the range of 15.0% to 25.0% of the consolidated Profit After Tax as dividend to our shareholders. We stand committed to create sustainable shareholder wealth for all our shareholders.

We wish to express our gratitude and appreciation to our employees, customers, partners and shareholders for their commitment, confidence and support.

We look forward to a prosperous FY2018.

Dinesh Nandwana
Managing Director & CEO

Our Board of Directors

Dinesh Nandwana

Managing Director & CEO

DIN: 00062532

Mr. Dinesh Nandwana is a Chartered Accountant by profession. He has been the driving force behind moulding the Company from a modest consultancy company to a well renowned and prominent e-governance Company. His vast experience is backed by astute and dynamic leadership qualities. Mentoring the core management team and to carry the team to deliver the best in the class e-governance and IT & IT enabled services has been his forte over the years. His vision to take the Company to the new orbit has helped the Company scale greater heights.

Dr. Nishikant Hayatnagarkar

Whole - Time Director

DIN: 00062638

Dr. Nishikant Hayatnagarkar is a Doctorate in Computer Science from IIT, 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 used widely in applications such as Tele Banking, Tele Gas Booking among others, and has conceptualised and built the Multilingual Keyboard. He is a consultant to Media Labs Asia at the Kamal Rekhi School for Information Technology (IIT Mumbai) for development of Multilingual data input device, that being a Marathi language Key Board (Key – Lekh) and E-Lekh (Tablet based Marathi language Input).

Ramesh Joshi

Non Executive Independent Director

DIN: 00002683

Mr. Ramesh Joshi is a graduate in Economics & Law from the University of Nagpur. In his long and illustrious career he held several leadership positions in the Reserve Bank of India. He has been Nominee Director on behalf of RBI on the Boards of various Banks, and retired as an Executive Director of SEBI. Currently is serving as a senior corporate consultant to various companies. He is on the panel of Arbitrators for NSE, BSE and MCX.

Sunil Agarwal

Non Executive Independent Director

DIN: 00062767

Mr. Sunil Agarwal has completed his Bachelor of Commerce and has over 26 years strong experience in business management and administration. He is a successful businessman with good leadership qualities to control huge projects and explore new business opportunities.

B. L. Meena

Non Executive Independent Director

DIN: 03281592

Mr. B. L. Meena has rich experience of having worked in different Government departments, including being Chief Commercial Manager NW Railway Jaipur of Indian Railway Traffic Service where he served for 28 years.

Avinash Vyas

Non Executive Independent Director

DIN: 06869633

Mr. Avinash Vyas has wide experience in Audit Certification for externally aided projects funded by foreign agencies such as World Bank and its extended arms. He holds a Bachelor's Degree in Commerce and is LL.B (professional) which adds to his business acumen.

Sujata Chattopadhyay

Non Executive Independent Director

DIN: 02336683

Sujata Chattopadhyay is a fellow member of the Institute of Cost Accountants of India and the Associate member of the Institute of Company Secretaries of India. She has over 27 years of rich experience across various industries and geographies. Presently, in full time practice as a Company Secretary, Sujata was a whole time director with Choice Capital Advisors Private Limited, a Merchant Banking company. She is an independent director at Polygenta Technologies Limited, Arysta LifeScience India Limited and Steel Exchange India Limited.

T. Sitharthan

Nominee Director

DIN: 07028265

Mr. T. Sitharthan represents the Life Insurance Corporation of India on the Board of our Company. He holds a Bachelor's degree in Law from the University of Madras and a Master's degree in Sociology from Annamalai University. Currently, he is a Manager for LIC's Southern Zone. In a career spanning more than three decades, he has held many positions and has wide exposure in both administrative and marketing assignments. His vision is to continually strive to achieve excellence both in marketing and administrative areas.

Our Key Management

Mr. Dinesh Nandwana

Managing Director & CEO

Mr. Dinesh Nandwana is a Chartered Accountant with over 25+ years of experience in overall Management, Operations, Finance & Corporate Affairs. He has led the evolution of Vakrangee since inception by ensuring continuous advance and improved e-Governance solutions leveraging world-class technologies, processes and people.

Dr. Nishikant Hayatnagarkar

Whole - Time Director

Dr. Nishikant Hayatnagarkar is a Doctorate in Computer Science from IIT, 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 used widely in applications such as Tele Banking, Tele Gas Booking, among others, and has conceptualised and built the Multilingual Keyboard. He is a consultant to Media Labs Asia at the Kamal Rekhi School for Information Technology (IIT Mumbai) for development of a multi-lingual data input device for Marathi language Key Board (Key – Lekh) and E-Lekh (Tablet based Marathi language Input).

Mr. Sumit Jain

CEO – E-Commerce

Mr. Sumit Jain joined Vakrangee as Sr. Vice President and is currently heading the E-Commerce vertical. Prior to joining Vakrangee Limited, Mr. Sumit Jain worked with the Barclays Bank in the equity research division, the Credit Suisse and Intel Corporation in USA for a span of 6 years. He has deep knowledge about the Indian and Indonesian banking sectors. Mr. Jain has completed his MBA from Stern School of Business at New York University. He also holds a B. Tech degree in Computer Science from Indian institute of Technology (IIT) Bombay.

Mr. Rajeev Ranjan

CEO – E-Governance

Mr. Rajeev Ranjan joined Vakrangee as Sr. Vice President and is currently the Head – E Governance. Mr. Ranjan is a Post-graduate and former Tata group senior executive, having vast experience with excellent record of delivering simultaneous National level, large scale and mission–critical projects, on time and within budget. Former Chief Executive Officer, with Vakrangee e-Solutions INC at Manila, Philippines, he has led an 8,500 strong team of professionals and technical resources to deliver world-class and high-quality Land Registration project for Government of Philippines. He has demonstrated superlative IT service delivery for most acclaimed projects for Government of India in Population Census management, PDS management, MCA 21, IGNOU management, Electoral management systems, Artisans Computerisation.

Mr. Rahul Dev Pal

CEO – Banking

Mr. Rahul Dev Pal is an economics graduate with a rich experience of almost 26 years in the field of sales and marketing. Starting his career with HCL, he went on to work with companies such as Xerox, Pertech Computers, BPL and Godrej. He is the former National Head of Godrej. From the very beginning of his career, he has dealt with different Government departments and has done a lot of work in the BFSI segment. He has an in-depth knowledge of the banking segment, and on joining Vakrangee, he has successfully contributed to this division in the capacity of Senior Vice President.

Mr. Harish Mani

Sr. Vice President – Insurance

Mr. Harish Mani is a commerce graduate with PGDRM from IRMA. He has 14+ years of rich experience in Insurance & Micro-Finance Industry. Prior to joining Vakrangee he worked for Bharti Axa Life Insurance company for 8 years in various functions like distribution finance, channel development etc where he worked on distribution blueprint, strategy, planning and cost management. Prior to Bharti Axa Life he worked for ICICI Lombard General Insurance company for 4+ years as product manager handling Two Wheeler and Retail Motor-Health verticals at different points of time. He worked on digital systems like ICICI Lombard Point of Sale (ILPOS) which is an pioneering industry leading application for policy issuance today.

Mr. Nitin Sharma

CEO – ATM

Mr. Nitin Sharma has completed his Master's in Business Management from IIM Kolkata and Masters in Operations, IR and Social Work from Premier Institute, Udaipur. With over 17 years of cross-cultural experience in Operations, Implementation, Retail and Project Management, he has evolved into a competent professional. He joined the organisation as a Vice President, handling ATM business vertical. Prior to this, he worked as a Chief Operational Officer with Vakrangee's Foreign Subsidiary Vakrangee e-Solutions INC. Manila, Philippines, from 2009-12. He has previously been associated with Next Retail India Ltd (Videocon group) heading the HR – Operations.

Mr. Subhash Singhania

Chief Financial Officer

Mr. Subhash Singhania is a Fellow Chartered Accountant (FCA) with over 12+ years of experience in overall Finance, Accounts & Taxation. He has vast experience in Accounts, Direct and Indirect Taxation matters and in-depth knowledge of financial management matters. He helps maintain financial well-being of the organisation by providing accounting services and developing financial projections.

01 Our Strategies Behind our Out-Performance

Our vision is to be present in every postal code of India and remain in close proximity to the last financially excluded person. To achieve this, we are deepening our presence and enhancing our product & service portfolio with the aim of creating a seamless customer experience. We are broadening our product and service canvas and expanding our backdrop, thereby creating new opportunities of growth and value creation.

Encouraged by our first-hand pioneering successes, we are now entering a new era of self-development, moving beyond our 2020 horizon. We broadly envision some focus areas. Firstly, our plan is to significantly deepen our physical presence over the next few years. With an entrenched and deep logistics support for physical delivery and collection, these additional channels shall become part of a more comprehensive ecosystem, making the Vakrangee Kendra network universally ubiquitous.

Our New Value-Added Services:

1. We are providing user-friendly facilitation of Aadhaar enrolment, updation and printing of PVC Card services for senior and physically challenged people. Along with Union Bank of India and UIDAI, we have launched a fully equipped Mobile Aadhaar Van to offer enrolment of Aadhaar Card service at the customers' doorstep.

2. We have joined hands with Indian Railway Catering and Tourism Corporation Limited (IRCTC) to offer railway e-Tickets through Vakrangee Kendras. Citizens in unserved and under-served areas can visit a Vakrangee Kendra to book railway e-Tickets.

3. We aim to provide services of GST Registration, Filing of Tax Returns and Payment of Taxes through Vakrangee Kendra outlets.

4. We are working towards providing lead generation for loan products, including consumer loans, SME loans or housing loans.

5. We also plan to provide B2B E-Commerce solutions for trade customers looking for a more convenient buying experience.

Other Value-Added Services Planned:

Vakrangee Kendra on Mobile

Over the next few years, we aim to launch "Vakrangee Kendra on Mobile", through a wallet-based application, leading to an omni-presence – from physical to online. With this, we intend to offer our customers an option to utilise various partner services at our physical outlets and online platform to customers transact seamlessly.

02 Our Strategies Behind our Out-Performance

We are pleased with the progress we made in FY2017, aiming at continuing our progress on the path to excellence. It was a year in which we remained fully committed to fulfilling our endeavour; our performance underscored our inherent strengths; and our business model created further optimism. It was a year in which we remained passionately committed towards delivering our promises and strategic initiatives, while maximising the return on investment.

One of our primary goals for the year under review was to deliver on the promises we made to all our stakeholders. We are pleased to share our accomplishments and report that we made significant progress on all the fronts. In our commitment to provide a maximum return on investment, we practice good stewardship and effective financial management. Moving ahead, we continue to focus on quality, consistently aiming high and delivering outstanding results. We are laying the ground work to build on that momentum in future years.

Aim 1: To expand the Vakrangee Kendra network

Progress:

One of the things we promised was to expand our Vakrangee Kendra network to 75,000, covering all of India's postal codes, by FY2020. With this, we reiterate our mission of creating India's largest network of last-mile retail points-of-sale to benefit the customer. These Kendras are essentially multi-purpose "Convenience Stores", and are located across urban, rural and "difficult to reach" areas of India.

We made significant progress towards the achievement of this expansion. Today, we have built a vast franchisee-based network of 35,000+ "Vakrangee Kendras" in more than 16+ states of India. Of these, 25,131 are rural outlets and 10,075 are urban outlets. Our Vakrangee Kendras are contributing a larger share to our consolidated revenues. From 39% in FY2014, the contribution of our Kendra business to total revenues has risen exponentially to 64% in FY2017.

Our arrangement with Indian Oil Corporation (IOCL) has provided us with a ready platform of more than 25,000+ retail distribution outlets on a pan-India basis, enabling significant synergy with the partner. We project our EBITDA margin to settle at 17% to 18% by FY2020, with these Kendras becoming the main contributor to revenues.

Aim 2: Appointment of Statutory Auditor

Progress:

During the year, we appointed a new Statutory Auditor. Our Board has approved the appointment of PriceWaterhouse Coopers & Co. as the new auditor from FY12018, subject to regulatory approvals.

Aim 3: Achieving a Debt-Free Status

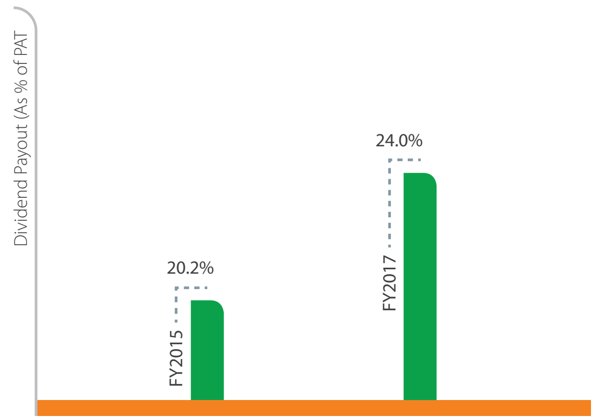
Progress:

With a higher focus on low-capex Vakrangee Kendra, our working capital situation is constantly on an uptrend. We achieved a debt-free status through early repayment of outstanding long-term and short-term credit facilities. This is in line with our growth strategy. Our peak long-term debt stood at ₹3,920 million w.e.f. January 5, 2017, while our peak short-term debt was ₹7,500 million w.e.f. May 30, 2017.

Aim 4: Maintaining our Dividend Pay-out Policy

Progress:

We instituted a dividend pay-out policy during FY2016. We aim to maintain a dividend payout in the range of 15% to 25% of our consolidated Profit After Tax. For FY2017, our Board of Directors have recommended a dividend of ₹2 per equity share (200%). This amounts to 24.0% of our Consolidated Profit After Tax during the year.



Leveraging these capabilities, the Company has today evolved into an asset-light, franchisee-based business model, in which Vakrangee Kendras are central to its theme. Through our remarkable journey, we directly employ more than 1,600 highly motivated people. Strategically located to provide last mile access into the remotest of areas, we continue to deliver real-time services across Banking & ATM, Insurance, E-Governance, E-Commerce and Logistics.

24%
Dividend Payout in FY2017

64%
Contribution of Vakrangee Kendra Business to Total Revenues

35,000+
Network of Franchisee Base as on March 31st, 2017

03 Our Strategies Behind our Out-Performance

ENDURING OUR SOCIAL IMPACT FOR SYNERGISTIC GROWTH

We are firm on our vision. A vision to enable acceleration of India's economic transformation and socio-economic development. A vision to ensure an unswerving focus on new entrepreneurship. We are serving as the biggest equaliser by bridging the gap between the urban and rural population of India. We are providing every citizen of India the same products and services, irrespective of their location, leading to social inclusiveness.

Financial inclusion is the process of ensuring access to appropriate financial products and services needed by all sections of the society, at an affordable price, in a fair and transparent manner. This will include vulnerable groups such as the weaker sections and low income groups. At Vakrangee, we have grown into one of the leading social and inclusive banking service provider, impacting the economy positively.

Our business strategy is to radically move the needle on social progress. We are harnessing technology in providing quality financial products and services, empowering the marginalised part of our society and fostering shared prosperity, thus pushing inclusiveness and sustainability. We endeavour to widen financial and social access and technology adoption in the realm of banking and financial services. We are working towards making Indian citizens earn the benefit of India's rising prosperity. We are giving our partners and associates an opportunity to expand their presence across India and tap a bigger market, thereby enabling economic growth.

A. SOCIAL INCLUSION

a Enhancing Skill-Sets:

Our business model facilitates skill enhancement. We take ordinary individuals and train them with skill-sets that helps them yield remarkable results. There is basic certification needed for rendering Aadhaar services and banking services, thereby enhancing his skill-sets.

b. Creating Jobs:

Till date, we have provided entrepreneurial opportunities to more than 35,000+ franchisees. Each franchisee employs minimum of 1-3 resources, creating employment opportunities and financial stability. Our business model thus creates a ripple effect in the larger society.

B. DIGITAL INCLUSION

We ensure the last-mile link that will connect India's rural and urban citizens to E-Commerce. We are taking digital literacy to the bottom of the socio-economic pyramid by offering E-Commerce services at our Kendras. We provide the same products and services to the urban and rural population of India at an affordable price at the same time and of the same quality.

C. FINANCIAL INCLUSION

Our vast network financially empowers a large section of the society that, till now, had been completely excluded from the mainstream activities of an emerging economy: namely consumption, savings and investment. This increased participation will in turn support further industrialisation, more agriculture and a wider market for goods and services. It will also enable transfer of Government subsidies into the bank accounts of citizens and empower them with core banking facilities. With the potential financial inclusion of a larger section of the society responsible for more than half of India's GDP, the Indian economy can be further enlarged and energised. We call this the "Vakrangee Effect".

D. ENVIRONMENTAL INCLUSION

Use of disruptive technology such as e-KYC, inter-operability and real-time transactions and use of advanced features such as paperless banking, real-time banking and use of biometric evaluation results in environmental impact. We also provide insurance products, E-Governance services, logistics services and E-Commerce products and services. We serve as a "one-stop solution" to customers by offering them a bouquet of products and services within walking distance, thereby saving on time and fuel cost.

HOW WE CREATE SOCIAL IMPACT:

04 Our Strategies Behind our Out-Performance

MAXIMISING WEALTH AND VALUE CREATION FOR OUR STAKEHOLDERS

Maximising shareholder wealth has been our key and appropriate goal. We have a clear focus on our overall strategic objective of creating sustainable shareholder wealth for our stakeholders. Given our unique asset light franchisee-based business model, high cash reserves and free liquidity, we are growing further without any need for fund raising.

₹441.65 on BSE
Market Price of Vakrangee Limited as on July 31, 2017

Creating shareholder value is the key to success in today's marketplace. The key idea behind our approach of maximising shareholder wealth is to align all decisions with the objective of making maximum profit and generating optimum growth in the business.

Our long-term economic goal is to maximise the average annual rate of gain in intrinsic business value on a per-share basis. In an increasingly competitive market, we measure, manage and report creation of shareholder value on a regular basis. In the emerging field of shareholder value analysis, we have developed various measures to quantify our creation of shareholder value and wealth.

1. Rise in Institutional Shareholding:

The concentration of institutional investors in the equity ownership of the stock of Vakrangee Limited has been escalating over the years. Equity holding by institutional investors has grown substantially and makes about 29.20% of the total shareholding landscape in FY2017, compared to 17.90% in FY2016.

2. Low Capex:

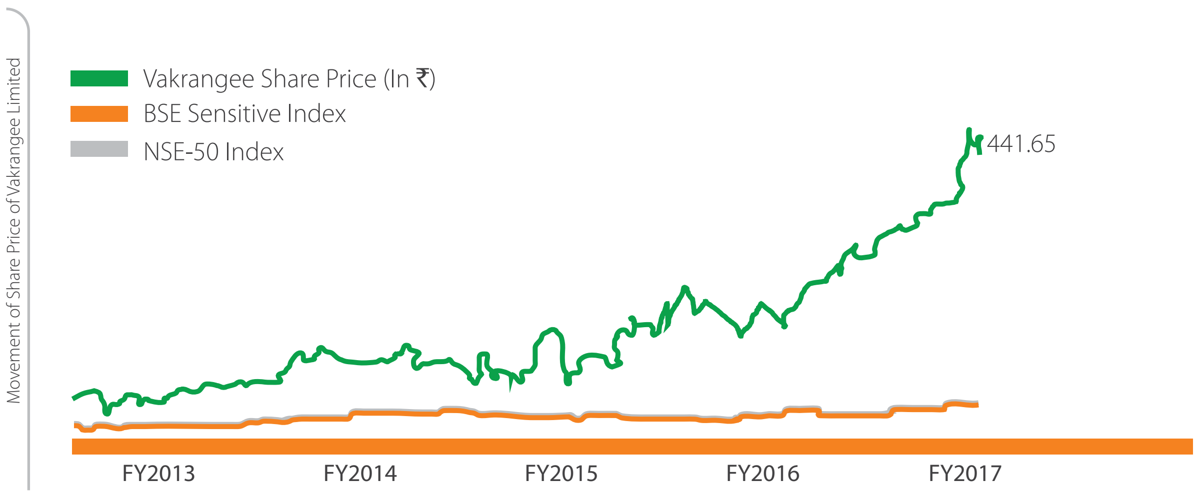
Our legacy business of e-Governance been capex and working capital intensive, with limited free cash flow generation. As the Vakrangee Kendra business model requires low capex and working capital requirement, we have been successfully generating profits, without needing too much capital.

3. Dividend Payout:

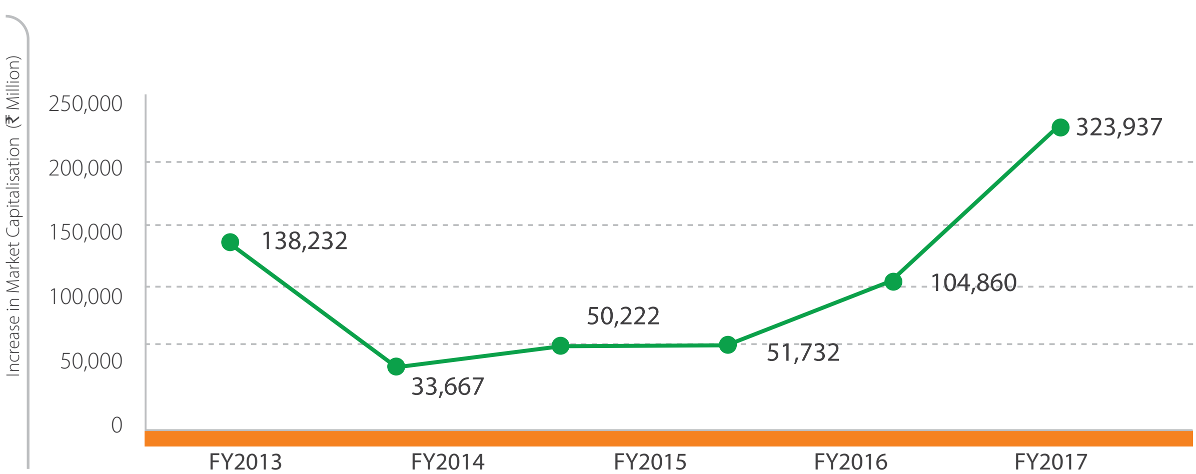
We have received our Board's approval to distribute an optimal and appropriate level of profits earned through the business to shareholders in the form of dividend, as per our pre-decided dividend payout policy.

4. Rise in Market Capitalisation and Share Price:

The market capitalisation of the Vakrangee stock has multiplied four times in the past three years – from ₹51,732 million in FY2014 to ₹232,937 million in FY2017. Its share price has also risen substantially, offering investors significant opportunities to create and multiply their wealth. The closing price of the share of ₹16.25 on the day of listing stands risen to ₹441.65 as on July 31, 2017. In short, a capital of ₹1 Lakh invested in the Vakrangee stock on listing would have earned the investor 6,154 shares. Over the past 23 years since listing, the capital may have burgeoned to ₹27 Lakh, amounting to 2,600% rise in the share price.



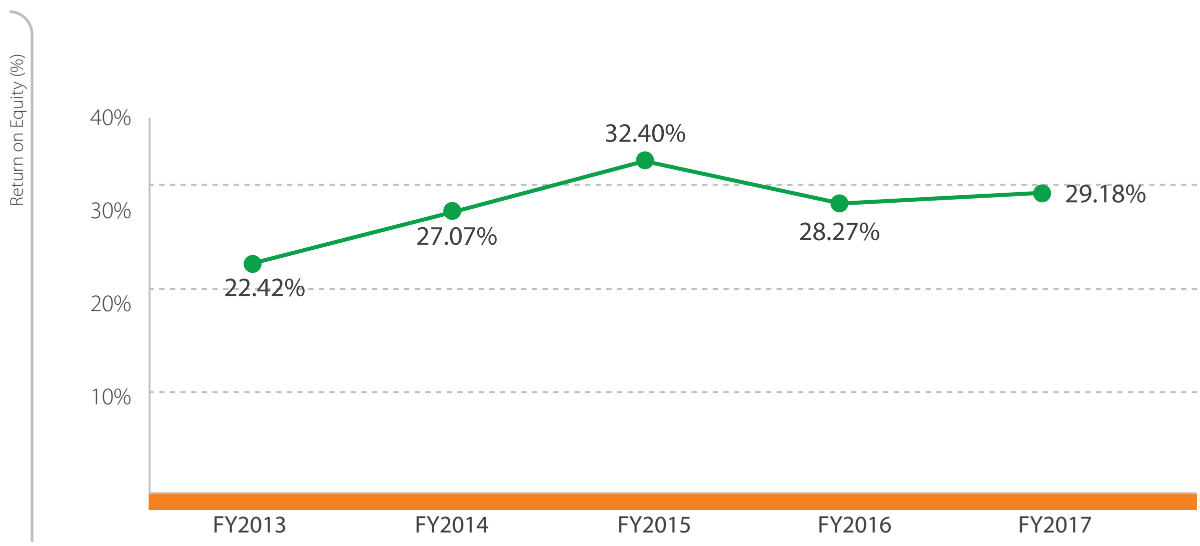
Note: Share price taken is the average of the Financial Year

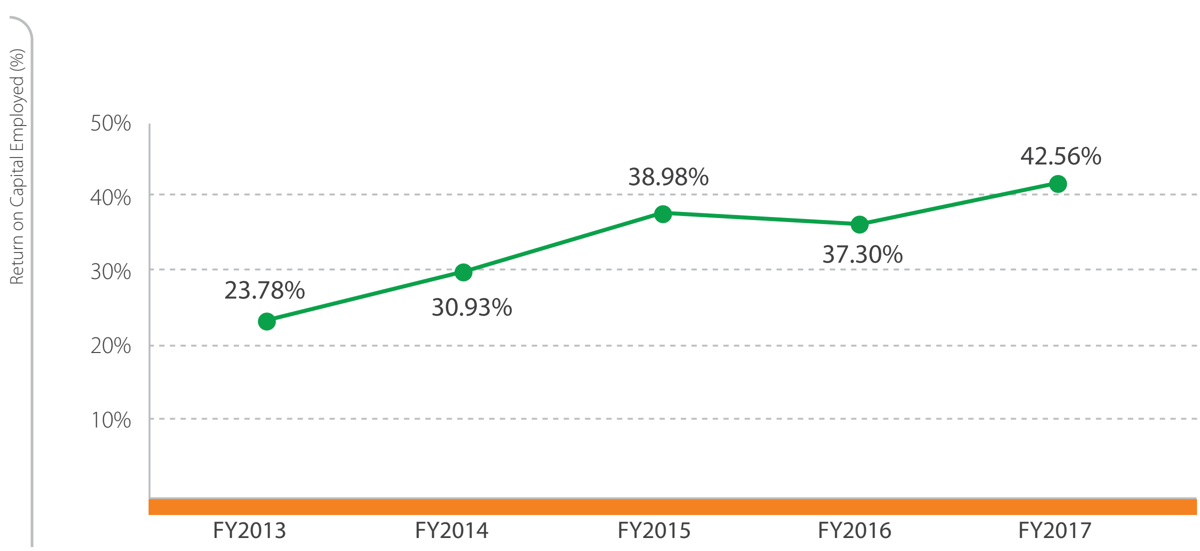


04 Our Strategies Behind Our Out-Performance

5. Improving ROE and ROCE:

At Vakrangee, our ROE and ROCE have been consistently rising over the years. The rising ROE is a measure of efficiency and indicates our ability to generate profit, without needing as much capital. Our growing ROCE demonstrates that we have maintained efficiency over the years and derived extra profitability from the resources available.



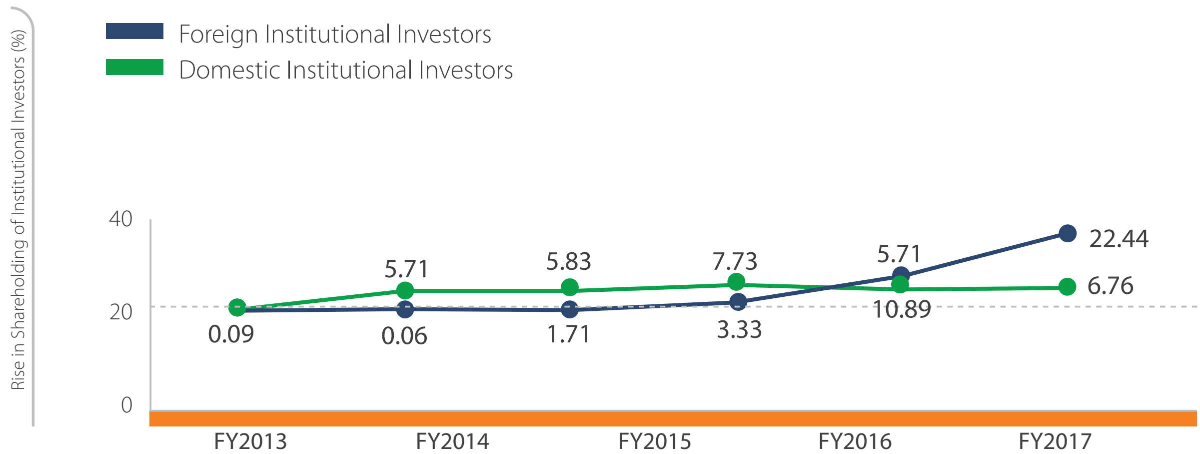


Our 5-Year CAGR

43.42% Total Income

56.93% EBITDA

95.63% PAT



Capital Evolution since Listing

Year	Investment in Equity (No. of Shares)	Type of Investment	Face Value Per Share Investment (In ₹)	Premium Per Share (in ₹)	Total Investment (In ₹)	Cumulative Equity Shares	Dividend Rate (Per Share ₹)	Dividend Amount (In ₹)
1994	100	IPO	10	--	1,000	100	0.3	300
1995	50	Rights Issue	10	25	1,750	150	0.3	525
1996	50	Rights Issue	10	35	2,250	200	--	--
1997	50	Warrants exercise	10	--	500	250	--	--
1998	250	--	10	--	--	250	--	--
1999	250	--	10	--	--	250	--	--
2000	250	--	10	--	--	250	1	250
2001	250	--	10	--	--	250	--	--
2002	250	--	10	--	--	250	--	--
2003	250	--	10	--	--	250	--	--
2004	250	--	10	--	--	250	--	--
2005	250	--	10	--	--	250	1	250
2006	250	--	10	--	--	250	1.2	300
2007	250	--	10	--	--	250	1.5	375
2008	250	--	10	--	--	250	2	500
2009	250	--	10	--	--	250	1	250
2010	250	--	10	--	--	250	1.5	375
2011	250	--	10	--	--	250	2	500
2012	2,500	Split	1	--	--	2,500	--	--
2012	2,500	Bonus	1	--	--	5,000	0.2	1,000
2013	5,000	--	1	--	--	5,000	0.2	1,000
2014	5,000	--	1	--	--	5,000	0.25	1,250
2015	5,000	--	1	--	--	5,000	0.25	1,250
2016	5,000	--	1	--	--	5,000	1.25	6,250
Total Valuation					**5,500**	**5,000**		**14,375**

₹ 5,500
Funds Invested

₹ 341.2
Market Price (BSE)
As on March 31, 2017

₹ 1,706,000
Market Value
As on March 31, 2017

05 Our Strategies Behind our Out-Performance

SUSTAINABLE DEVELOPMENT GOALS TO TRANSFORM THE WORLD

We are mobilising efforts to achieve our Sustainable Development agenda to build a better world, with no one left behind, and long lasting development. This agenda, which is universal, inclusive and indivisible, calls for action to improve the lives of people everywhere and be the springboard for change to enable sustainable development.

There is an imperative today to foster sustainable development. At Vakrangee, we have adopted a set of comprehensive sustainable development goals to drive progress and support the nation on its path to development. This encompasses the key areas of social inequality and technology innovation for sustainable development and consumption. Our goals have an inclusive agenda aimed at making a positive change for both people and the planet. Through these goals, we aim to meet our core objectives of financial inclusion, digital inclusion, social inclusion, employment generation and skills development.

OUR SUSTAINABLE DEVELOPMENT GOALS

GOAL 1: Reduce Inequalities

INITIATIVES TAKEN:

Financial inclusion is not just about reaching the unbanked population of India. It is equally about providing quality financial services and products to the society's marginalised section. It is about fostering shared prosperity through the dimensions of sustainable development – economic, social and environmental. At Vakrangee, we are reducing inequalities for transformative change. We are the greatest human equalisers of life, bridging the gap between India's urban and rural population. Our Vakrangee Kendras are essentially "One Stop Shop Convenience Stores", offering the urban and rural citizens goods & services at the same price, same time and of the same quality.

GOAL 2: End Poverty

INITIATIVES TAKEN:

Eradicating poverty in all its forms and dimensions remains one of the greatest challenges facing humanity and an indispensable requirement for sustainable development. At Vakrangee, we are targeting the most vulnerable, increasing access to basic resources and services. We are redefining social impact – globally, locally and individually, with the capability to radically move the needle on social progress. Our ultimate goal is to implement nationally appropriate social protection systems and measures. We are contributing towards poverty eradication by enabling creation of jobs and facilitating citizens to directly benefit from the Government's subsidy programmes through our scheme of Direct Benefit Transfer.

05 Our Strategies Behind Our Out-Performance

Through the Direct Benefit Transfer scheme, we facilitate the unserved and under-served citizens delivery of social benefits and transfer of subsidies through direct credit into their bank accounts, thereby eliminating the middleman. All the social security payments are being made through the banking network using the Aadhaar-based platform as a unique identifier of beneficiaries. With each Vakrangee Kendra employing around 1-3 resources at the outlet, we provide employment opportunities, indirectly leading to financial stability of several families. We also facilitate skills enhancement with our resources procuring certification for becoming a provider of Aadhaar services. The Business Correspondent enrolls for a certification with the Indian Institute of Banking & Finance (IIBF), thereby enhancing skill-sets while conducting banking services.

With each Vakrangee Kendra employing around 2-3 resources at the outlet, we provide employment opportunities, indirectly leading to financial stability of several families. We also facilitate skills enhancement with our resources procuring certification for becoming a provider of Aadhaar services.

GOAL 3: Build Resilient Infrastructure and Foster Innovation

INITIATIVES TAKEN:

Growth in productivity and income requires investment in infrastructure. At Vakrangee, we are building resilient infrastructure and fostering technology innovation through real-time paperless biometric-enabled banking. Inter-operable banking is also being achieved by connecting the core banking servers of major banks. We also leverage our technology platform to provide a one-stop solution and real-time access to over 100+ million products and 1,000+ services under a single roof. Through our framework of Vakrangee Kendras, we provide the basic banking services and products – account opening, cash withdrawal, cash deposit, account balance enquiries and funds transfer, among others.

GOAL 4: Promote Decent Work and Sustainable Economic Growth

INITIATIVES TAKEN:

At Vakrangee, we promote inclusive and sustainable economic growth, decent work and productive employment for all. We provide decent work opportunities to people – opportunities to get work that is productive, with stable and well-paid jobs. The work also delivers a fair income, security at the workplace, social protection for families, better prospects for personal development and social integration. Our franchisees create localised work opportunities by hiring resources and also leading to skills development, with certification for banking and UIDAI services. We make people contribute to India's economic growth to achieve fair globalisation and poverty reduction.

GOAL 5: Being Responsible in Environmental Protection

INITIATIVES TAKEN:

Sustainable consumption and production is about promoting resource and energy efficiency and providing access to a better quality of life for all. At Vakrangee, we have a better understanding of the environmental and social impact of products and services. The implementation of our goals is helping reduce future economic, environmental and social costs and strengthen economic competitiveness. Vakrangee Kendras serve as a "one-stop solution" by offering customers a bouquet of products & services in their vicinity. Citizens do not have to travel long distances for basic needs, thereby saving on fuel and reducing carbon emissions. We also enable paperless and real-time banking. Customer transactions are authenticated on the basis of Aadhaar No. with biometric evaluation. This eliminates filling paper slips, also saving on paper and ink.

GOAL 6: Achieve Gender Equality

INITIATIVES TAKEN:

Women and girls represent half of the world's population, and therefore, half of its potential. Gender equality is not only a fundamental right, but a necessary foundation for a peaceful, prosperous and sustainable world. At Vakrangee, we practice gender equality at the workplace to empower women and benefiting the society at large. We establish guidelines and policies that ensure both genders are compensated equally for performing the same work. Beyond equal pay for equal work, our policies ensure that both genders are treated equally in recruitment, training, hiring and promotion. We provide them with decent work and representation in the decision-making processes. We also provide training on gender equality to our workforce, publicise the efforts to promote gender equality.

Our franchisees create localised work opportunities by hiring resources and also leading to skills development, with certification for banking and UIDAI services. We make people contribute to India's economic growth to achieve fair globalisation and poverty reduction.

06 Our Strategies Behind our Out-Performance

GREENING THE ROAD AHEAD

At Vakrangee, there is no conflict between economic prosperity and environmental stewardship. To address climate change and environmental sustainability, we remain committed towards implementing environmental practices into our business strategy and operations.

We also foster environmental awareness and responsibility among our employees, clients, partners and suppliers.

100 Million
Access to Products from any Vakrangee Kendra

At Vakrangee, we embrace sustainability as a key to our economic future, and consider the environment as one of our key stakeholders. Our technology-driven business model endeavours to take advantage of digitalisation to move towards environment sustainability. Being a technology driven company, we continue to be significantly low emitters of Green House Gases (GHGs).

We are leveraging the trends in green technology to create a significant impact on energy consumption and greenhouse gas emissions. Our objective is to apply these trends into our business operations to enable customers reduce their carbon footprint. As we envision our future, we are proud of our current green initiatives, and are always on the lookout for ways to increase our environmental sustainability.

Our Unique Benefits:

1. One-Stop-Shop for all Goods and Services

Through a tie-up with Amazon India, Vakrangee Kendras also offer E-Commerce services. A customer has access to about 100 million products under a single roof, thus reducing the carbon footprint.

2. Reducing Carbon Footprint

Vakrangee Kendras are contributors in reducing carbon footprint. Being equipped with electronic banking, they enable citizens to take advantage of core banking facilities without having to travel long distances.

3. Paperless Banking

We offer paperless banking at our Kendras. Bank transactions are done electronically through AEPS, without any manual intervention. This reduces ink and paper wastage.

4. E-Governance Services

Vakrangee Kendras are equipped to provide Aadhaar and G2C services. This makes it convenient for all citizens to avail these services, while they conduct banking operations or shopping activities at the Kendra.

5. "BBB" Rating from MSCI ESG

MSCI ESG Ratings has granted us an ESG rating of BBB to Vakrangee as on July 14, 2016 Also, MSCI has provided an Impact Monitor Report dated July 14, 2016 which is available on company's website at http://vakrangee.in/pdf/MSCI-ESG-Reports/Vakrangee%20Limited%20ESG%20Impact%20Monitor%20Report-2016.pdf

Thus, we are categorised into the highest scoring range for all the companies assessed relative to global peers. This indicates that our corporate governance practices are well aligned with the interests of our shareholders. Our business lines and the geographic distribution suggests moderate potential for growth through the expansion into unserved and under-served market .

Our ESG Performance Scorecard

10/10 Environment

10/10 Social

10/10 Governance

Our Key Goals on Environment Management

- Environmental Responsibility Policy
- Measuring and monitoring carbon footprint
- Technologies to reduce carbon footprint
- Measuring waste and water generation

07 Our Strategies Behind our Out-Performance

At Vakrangee, we understand that maintaining healthy employee relations is a pre-requisite for organisational success. In order to deliver the best possible services to our customers, we invest in our employees, ensuring that their relationship with the Company is healthy and mutually beneficial.

27 Years
Average Employee Age at Vakrangee Limited

Cultivating strong employee relations are required for high levels of productivity and human satisfaction. At Vakrangee, we ensure a healthy, safe, inclusive and balanced work environment, with incentives for employee motivation, and an effective organisational communication system. We believe in working collectively to achieve our organisational goals, and encourage the sharing of different points of view to pave a quicker path to realising our vision.

Our Human Resources department works tirelessly to create innovative ways of ensuring a collaborative relationship that boasts approachability and openness, as well as being flexible and fair. Good employee relations signify that our employees feel positive about their identity and are committed to their job, and are therefore proud to be a valued member of our team.

At Vakrangee, we put our customers at the centre of everything we do, and we recognise that we are only as strong as the employees representing us. Trainings and skill enhancement is the primary activity of our Human Resource Development, and the timely completion of a task is one of their fortes. The open-door policy at Vakrangee helps us bridge the gap between new employees and senior management, helping the junior teams benefit from first-hand experience from our leadership team.

As a means of encouragement, Vakrangee's Employee Stock Option Plan is made available to the entire ecosystem, enabling our employees to build their own personal asset portfolio.

Employees need the right environment to grow and achieve their career aspirations. Our organisation is youth oriented, with an average age of 27 years. All of our Human Resource policies are framed with a special focus on our employees' work life balance, providing them with a platform to excel in all aspects of life.

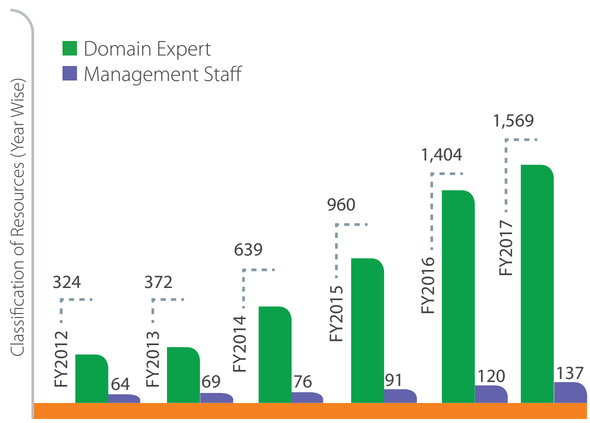
Innovative HR

Our Human resource team at Vakrangee is constantly thinking of innovative means to maintain relations between the organisation and our employees. Their goal is to create an environment for efficiency and creativity, while boasting a high level of employee satisfaction. Vakrangee is one of the few organisations that, since inception, offers Employee Stock Option plans to the entire work force: an explicit expression of the appreciation we have for our all employees.

Additionally, we have continued to transform our HR-IT landscape by implementing the 'HR Spine' application, which introduces modules to handle human resource management which increase work efficiency by reducing the time consumption of respective heads. Our 'High Performance in HR' initiative aims to support the Company's business goals with our domain and functional knowledge. Furthermore, we have organised 'People's Week': a two-week programme designed for employees to learn from one another and exchange ideas, cultivating a greater connection across cultures, genders and generations.

We follow a 180-degree (now moving to 360-degree format) appraisal mechanism, in which the reporting manager appraises his team members. We need leaders, at every level, who internalise our strategic goals, have the mindset to amplify the intelligence and capabilities of everyone around them, and the ability to accelerate our business transformation.

Periodically, we conduct programs for our top leaders that resulted in each leader creating an individual plan on how they will adhere to Vakrangee's transformation and achieve targets. We have also launched a flagship program for first-level leaders, responsible for guiding 75% of our workforce.



Efficient HR

Another important function for a fast growing organisation is to appoint the right talent, in the right position, at the right time. Vakrangee has varied business verticals and Allied Partners. Due to multiple services offered through the Vakrangee Kendra, our key focus has been in recruiting and retaining the most job specific employees, which will directly contribute to Vakrangee's focus on customer satisfaction.

Resourceful HR

Upon hiring new talent, we aim to create an engaging and inpiring induction experience for all our employees. Each new employee experiences an extensive training session with the leadership, ensuring that they perform well from day one. The Head of HR explicitly underlines our Company's ethics and compliance policies, and highlights all career opportunities within the organisation. The Product Head enriches new employees with first-hand experience using the products. We also promote the concept of "Train the Trainer" in order to ensure compliance with the Vakrangee way of doing the business. With this, we maintain a standard outcome across India - a customer visiting the franchisee in the rural areas of Nandurbar (a district in Maharashtra) gets the same experience as in the most urban areas of Mumbai.

08 Our Strategies Behind our Out-Performance

STRENGTHENING OUR INFORMATION TECHNOLOGY AND CONNECTIVITY

Our IT systems, infrastructure and connectivity experienced rapid changes in complexity owing to consolidation of multi-protocol communication through a single network. To stay competitive, efficient and for-profit in business, we ensure keeping up with the latest technology. System management efficiency and implementation of virtualisation coupled with application clusters, enterprise software and other technology has resulted in complexity and cost reduction.

At Vakrangee, our businesses are undergoing a growth phase, hence it is in need of additional security. Our connectivity relates to trusted networks only, which prevent in exposing our networks to cyber-attacks. They seek to compromise confidentiality, integrity and availability of Information & Communications Technologies (ICT) and the information stored and processed. We have policies and risk management approaches to protect our networks by applying security controls that are commensurate with identified risks.

Vakrangee Information Security solutions protects physical, virtualised and cloud-based infrastructure. We monitor network traffic and defend data at rest, in motion, and in use. We ensure comprehensive and scalable security management and provide connected intelligence for advanced insight and action to stay ahead of threats. Our networks are protected against both internal and external threats and risks which protect leakage of sensitive information. We adopt a controller-based approach for enabling software-defined security for software-defined infrastructure.

We have given limit access to network ports, protocols and applications filtering and inspecting all traffic at the network perimeter. This is to ensure that only traffic required to support the business is being exchanged. We control and manage all inbound and outbound network connections and deploy technical controls to scan for malware and other malicious content.

Our Advanced Technology

We have commissioned highly secure P2P and MPLS links from CtrlS Datacenter Tier-4, along with redundancy to Banks and other partners Datacenter, where no other IP address traffic will route except Private IP addresses. We have implemented L3 Switch, Firewall and SSL certificate encryption on software level. The firewalls deployed to form a buffer zone between the untrusted external network and the internal network used by business users. The firewall rules are set to deny traffic by default and a whitelist is applied that only allows authorised protocols, ports and applications to communicate with authorised networks and network addresses. This reduces the exposure of ICT systems to network based attacks.

We have no direct network connectivity between internal systems and systems hosted on untrusted networks (such as the Internet), limit the exposure of sensitive information and monitor network traffic to detect and react to attempted and actual network intrusions. We also identify, grouped and isolated critical business information assets and services and apply appropriate network security controls to them.

Implementing Antivirus Systems

We have deployed antivirus and malware checking solutions to examine both inbound and outbound data at the perimeter, in addition to antivirus and malware protection deployed on internal networks and on host systems. These are different from the ones used to protect internal networks and systems to provide additional defense in depth. Our database is an essential component in the management information system. We have the expertise in all the database handling as we manage a large database with proper back-up. We handle a high volume of data on a day to day basis, with memory balancing. Our Data Center has secure ILL connectivity. The network is protected with proactive, predictive, policy-based, and extensible management and control. The Data Center keeps applications and services safe and secure by using dozens of critical security features. It also maintains privacy and security, meeting standard and compliance requirements.

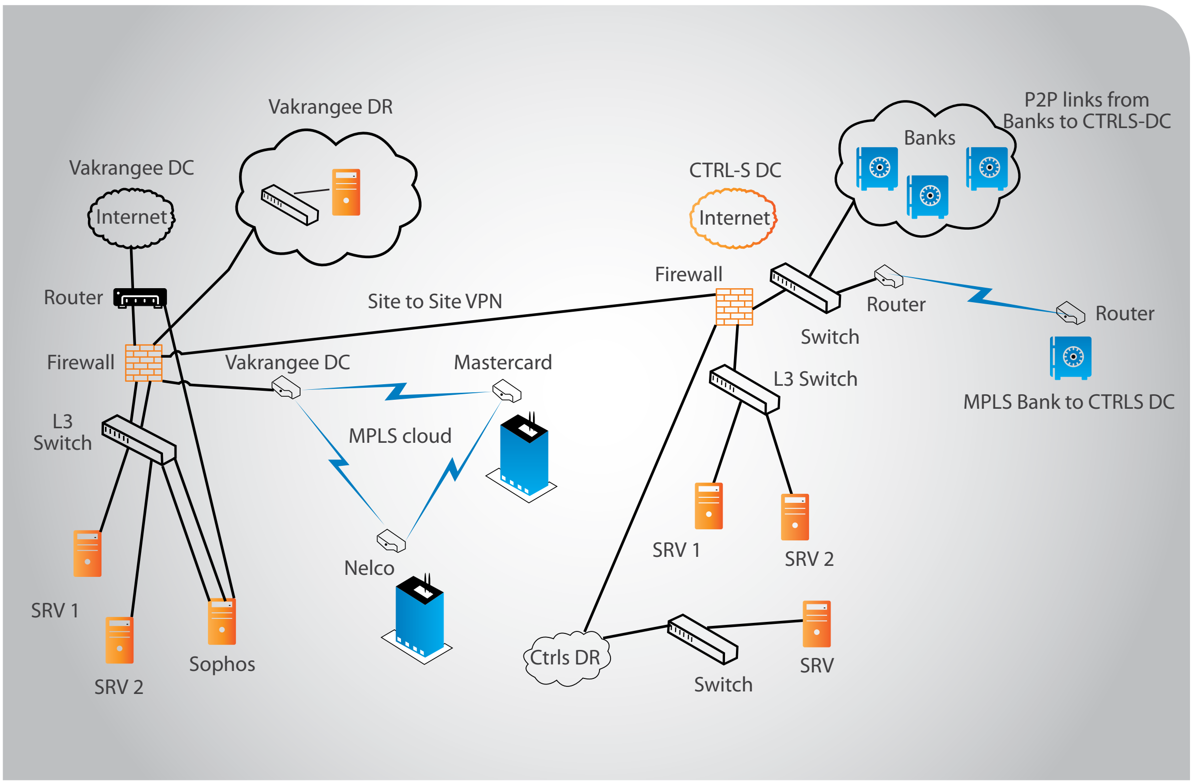
We have the Disaster Recovery (DR) measures in place. In the event of a fire or any other disruption, we shift data access automatically and seamlessly to another data center, so work cannot be interrupted. Our DR sites are in different geographical and seismic zones. We conduct regular penetration tests of the network infrastructure and undertake simulated cyber-attack exercises to ensure that all security controls have been implemented correctly and are providing the necessary levels of security.

Initiatives Undertaken

1. Installed a High-Quality IT System
2. Maintained IT systems professionally
3. Developing and sustaining an effective IT system
4. Big Data and Analytics
5. Business Intelligence
6. Artificial Intelligence
7. Internet of things (IoT)
8. Block Chain

08 Our Strategies Behind Our Out-Performance

Our IT Infrastructure Design



ISO 27001:2013 Certification

Vakrangee is an ISO 27001:2013 certified company. It has been independently verified and awarded the most rigorous, internationally recognised and most prestigious information security standard available. We remain committed to global standards for security best practices and also for implementing and managing security controls that protect information assets.

Vakrangee Information Security Management System (ISMS) is complaint with the latest ISO 27001:2013 best practices, controls and industry standards. Protecting information is a top priority, especially in regard to securing high volumes of sensitive online information.

ISO27001:2013 is a strategic attainment. Ultimately, we want to continuously improve the services we offer to our customers, and proving our readiness to meet customers' compliance requirements. We work continuously to ensure that we not only meet, but exceed the requirements of a growing organisation. We have a huge appetite for ensuring that our customers receive the benefit of rigorous, yet swift, business processes and robust security systems. This is a major step forward in demonstrating our commitment to highly efficient IT Infrastructure and Information Security Management and also help in co-operating with customer's compliance requirements.

OUR INFORMATION SECURITY SOLUTIONS PROTECTS PHYSICAL, VIRTUALISED AND CLOUD-BASED INFRASTRUCTURE. WE MONITOR NETWORK TRAFFIC AND DEFEND DATA AT REST, IN MOTION, AND IN USE. WE ENSURE COMPREHENSIVE AND SCALABLE SECURITY MANAGEMENT AND PROVIDE CONNECTED INTELLIGENCE FOR ADVANCED INSIGHT AND ACTION TO STAY AHEAD OF THREATS.

Management Discussion & Analysis

THE INTERNATIONAL MONETARY FUND (IMF) EXPECTED INDIA'S ECONOMIC GROWTH TO SLOW FROM TO 6.6%, AS AN AFTER-EFFECT OF THE DEMONETISATION OF HIGH-VALUE CURRENCY NOTES IN NOVEMBER 2016. HOWEVER, DESPITE THIS IMPEDIMENT, THE ECONOMY RECEIVED AN OVERALL POSITIVE STIMULUS FROM DECLINING OIL PRICES, ENCOURAGING ECONOMIC ACTIVITY, FURTHER IMPROVING THE COUNTRY'S EXTERNAL CURRENT ACCOUNT, AND HELPING IN RELEASING THE STEAM OFF INFLATION.

ECONOMIC OVERVIEW

Although the Indian economy faced certain government induced speed breakers during the past year, its growth trend is expected to remain steady, if not improve. According to the Central Statistics Organisation (CSO), the Indian economy grew by 7.1% during FY2016-17, against 8.0% in the previous year. The International Monetary Fund (IMF) had expected growth to slow from to 6.6%, as an after-effect of the demonetisation of high-value currency notes in November 2016. However, despite this impediment, the economy received an overall positive stimulus from declining oil prices, encouraging economic activity, further improving the country's external current account, and helping in releasing the steam off inflation. In addition to this, continued fiscal consolidation by reducing government deficits and debt accumulation, and an anti-inflationary monetary policy stance, have helped cement macro-economic stability. According to the IMF, India is expected to resume its above 8% growth path in the medium term, as soon as the short-term dislocation to consumption from demonetisation passes.

World's 7th Largest Economy

India's US$ 2.2 trillion economy makes it the 7th largest in the world (nominal GDP). With a per capita income of US$1,700, India ranks behind some of the key emerging markets such as China, Russia, Brazil, Indonesia, Philippines, Mexico and Turkey. This gives ample room for per-capita income growth in the country within the medium term. As a country of around 1.25 billion people, and a market size of over US$ 4 trillion, India is amongst the fastest growing economies and amongst the top ten by size. With a GDP growth rate that appears to outpace that of China, it is already considered one of the fastest expanding markets in the world. According to a report by Price Waterhouse Coopers, the global economic order is expected to shift from advanced economies to emerging economies over the next few decades. The report by Price WaterhouseCoopers further projects that by 2040, India could potentially overtake the USA to become the world's second largest economy in terms of purchasing power parity (PPP).

INDUSTRY OVERVIEW

Financial inclusion in India – An Agenda for Holistic Growth

India is home to 21% of the world's unbanked population. It is the second most populous country globally with over 1.3 billion people, about 25% of which lives below the World Bank's international poverty line of US$ 1.90 per day. (The international poverty line was revised in October 2015, based on an average of the national poverty lines of the world's 15 poorest economies.) Even as India boasts of higher economic growth than several developed countries, it still has a large section of its population with no access to financial services and products due to the widespread inequality in income and opportunities between the urban and rural areas. Faster economic growth, reduction in equalities of income and increase in employment are some of the important benefits of financial inclusion.

India is still largely under-banked, with only 35.2% of the population having a bank account. There are only 11.4 bank branches per 100k population in India, of which hardly 30% are located in the rural areas. Around 70% of India's total population lives in the rural areas. About 46% of this figure has no banking access. Further, even in urban areas ~32% of the population does not have any banking access.

Importance of Financial Inclusion

a. Creating a platform for inculcating the habit to save money:

The lower income category has been living under the constant shadow of financial duress mainly because of absence of savings. Capital formation is expected to be boosted once financial inclusion measures materialise, as people move away from traditional modes of parking their savings in land, buildings and bullion.

b. Providing formal credit avenues:

Availability of adequate and transparent credit from formal banking channels will allow the entrepreneurial spirit of masses to increase output and prosperity.

Financial Inclusion – Progress and Initiatives

Financial inclusion is still a work in progress. There are about 28.9 crore accounts under the Pradhan Mantri Jan Dhan Yojana (PMJDY), according to data from the Finance Ministry. The Indian government has a strong focus and has chosen a unique route—beyond mandates, policies, and PSU banks—for bringing about financial inclusion. Through enabling frameworks and comprehensive financial inclusion initiative such as Pradhan Mantri Jan Dhan Yojana, RuPay card, and Direct Benefit Transfer scheme, it is ensuring that its financial inclusion drive benefits all strata of the society. Pradhan Mantri Jan Dhan Yojana aims to ensure at least one bank account per household, followed by roll-out of various financial services such as bank overdraft, insurance and pension schemes. Vakrangee is at forefront to leverage this growth opportunity and is set to become one of the leading players in implementation of financial inclusion in India. Vakrangee has signed Common BC and National BC agreements with various banks under the financial inclusion initiative.

Direct Benefits Transfer

The Government's Direct Benefits Transfer (DBT) programme promises to transform service delivery in India by transferring government benefits and subsidies directly into the hands of residents. This is being done through a biometric based identification system (Aadhaar), which will speed up payments, remove leakages, and enhance financial inclusion. The confluence of four trends—the maturing of biometric technology (which allows the technology to be applied at scale), increasing cost effectiveness of mobile devices, increased mobile penetration (over 75%), and exponential increases in cheap computing power and storage—makes it feasible for a DBT system to be implemented in a large country such as India. It allows the nation to 'leapfrog' generations of sub-optimal service delivery systems and migrate directly to a cutting-edge system.

Growth of ATMs in India

The ATM channel provides an opportunity for banks to opt for competent and cost effective models. There was a belief that Internet banking will make the ATM channel irrelevant. However, the channel continues to dominate the public technology segment, making the future of the India's ATM industry bright. New

Management Discussion & Analysis

US$ **103** Billion
Projected E-Commerce Opportunity in India by FY2020

INDIA IS A HIGHLY UNDER-PENETRATED MARKET WITH JUST 150 ATMS PER MILLION OF POPULATION COMPARED WITH CHINA AT 350. THERE IS ENOUGH ROOM FOR GROWTH IN TIER 3, 4 AND 5 CITIES WHICH ARE UNDER-SERVED.

technological innovations emerge in our society on a continuous basis. But the diffusion of this technological innovation by the members of the society determines its success and continuation. In that sense, Automated Teller Machine (ATM) is not an exception. With the advent of ATMs, banks are able to serve customers outside the banking halls. The most exciting experience for the customers as well as the bankers is that the plastic card is replacing all the hassles of bank transactions, personal attendance of the customers, banking hour constraints, and paper based validations.
(Source: Researchgate.net)

White Label ATMs

The Reserve Bank of India (RBI) granted payments bank license to 11 players and 10 applicants have been given the license for small finance banks. These guidelines on White Label ATMs (WLAs) were issued in June 2012, allowing non-banking entities to set up WLAs. These guidelines aimed to increase the footprint of ATMs in semi-urban and rural areas, where ATM penetration is low. These entities have a mandate to deploy 67% of ATMs in rural locations (Tier 3 & 4 cities) and 33% in urban locations (Tier 1 & 2 cities). India had 199,000 ATMs as on March 31, 2016, against 181,000 at the end of March 2015, growing just 9.7%, according to data from RBI. About 80% of the 2.15 lakh ATMs as of August 2016 are in metro, urban and semi-urban areas.

White Label ATMs are non-banking entities that own, set up and operate automated teller machines (ATMs) for banks. These can be used by any domestic debit, credit or prepaid cardholder. It can be used to withdraw cash, make a balance inquiry, change the personal identification number or ask for mini statements. If more WLA operators come in, it will bring synergy for bank accounts opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY). India is a highly under-penetrated market with just 150 ATMs per million of population compared with China at 350. There is enough room for growth in Tier 3, 4 and 5 cities which are under-served.

Foreign Direct Investment in WLAs

In September 2015, the Government approved 100% Foreign Direct Investment (FDI) under the automatic route for non-bank entities that operate cash machines, thereby improving financial inclusion in the country. The move will help improve the funding of the capital intensive WLA infrastructure business. This is a boost to the WLA business due to more long-term funds flowing into this business. The focus of PMJDY has moved from account opening to the provision of cash-out facilities at an approachable distance to reap the benefits. There has been an aggregate mobilisation upwards of ₹ 22,000 crore in these bank accounts. The move to allow FDI in WLA companies complements this stand of the Government.

E-Commerce Opportunity in India

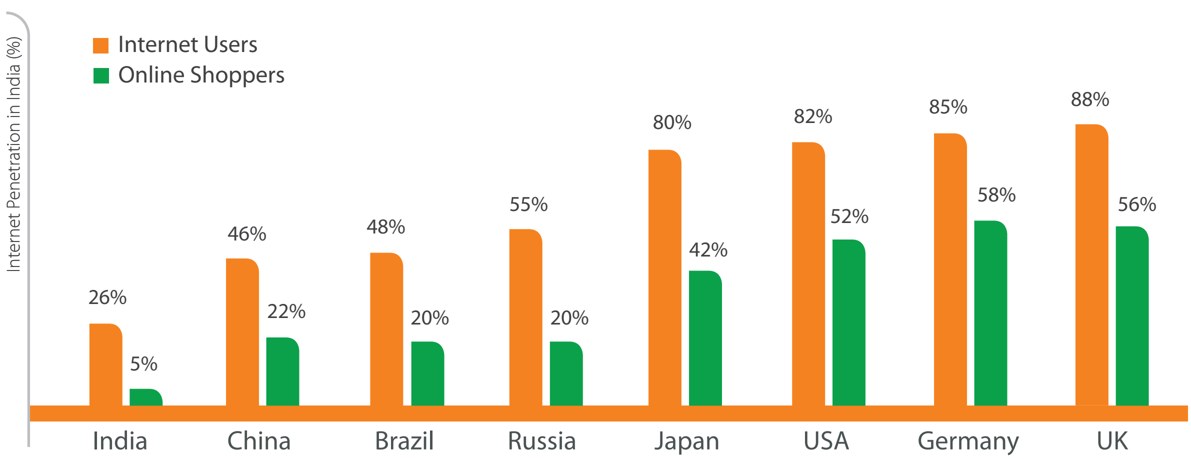
India's E-Commerce sector is projected to cross US$ 103 billion by 2020, whereas e-tailing is expected to account for 67% of this at US$ 68.8 billion, according to a joint report by Snapdeal and KPMG. Retail, both offline and online, is expected to touch a turnover of over US$ 1 trillion by 2020, as against US$ 600 billion in 2015. With a population of 1.3 billion that includes a large, young, mobile-first generation, the Indian E-Commerce industry is a land of opportunity for institutional investors. India's E-Commerce market is expected to grow due to the growing Internet population, improved logistics and an increase in online shoppers. With an internet user base of over 300 million, India has the 3rd largest Internet population after US and China. The country presents significant growth opportunities for retailers from across the globe. The online seller base is projected to grow to 1.3 million by 2020 and expected to add more than 10 million new jobs.

26%
Current Internet Penetration in India

WITH AN INTERNET USER BASE OF OVER 300 MILLION, INDIA HAS THE THIRD LARGEST INTERNET POPULATION AFTER US AND CHINA. IT PRESENTS SIGNIFICANT GROWTH OPPORTUNITIES FOR RETAILERS FROM ACROSS THE GLOBE.

Low Internet Penetration

India has low internet penetration of 26% of the total population, in comparison to 46% in China and over 80% in Japan and United States. E-Commerce is expected to increase sharply in India from the current US$ 18 billion to US$ 188 billion (CAGR of 34%) by 2025. India's E-Commerce market grew, riding on booming online retail trends and defying slower economic growth and spiralling inflation, according to a survey by ASSOCHAM. It is a rapidly expanding sector, throwing up thousands of new job opportunities every year. *(Source - IAMAI, Deloitte Analysis).*



Key Trends in E-Commerce

- Estimated revenue of Indian e-Commerce is projected to increase from US$ 38 billion in 2016 to US$ 120 billion by 2020, translating into an annual growth rate of 51%.
- Retail E-Commerce is attracting 65 million unique users a month, and is growing at a rate of 55%.
- Branded apparel, accessories, jewellery, gifts and footwear are the major hits for online shoppers. These products are also increasingly being shopped using mobile apps.
- The number of online shoppers is on the rise and expected to increase from 25 million up to 40 million in the next two years.
- The popularity of online grocery shopping is increasing, as customers in large cities attempt to avoid traffic on the roads and the heavy congested shopping centres.
- By 2020, India is expected to generate US$ 100 billion online retail revenue, of which US$ 35 billion will come from fashion E-Commerce.

Source: An Assocham-Forrester Study Paper

Rising e-Retail and Online Market in India

2007-08	15
2008-09	24
2009-10	38
2010-11	58
2011-12	91
2012-13	139
2013-14	224
2014-15	334
2015-16	504

Figures in ₹ Billion

Management Discussion & Analysis

BUSINESS OVERVIEW

About Us

We are a technology-driven company, focusing on creating India's largest network of last-mile retail points-of-sale. We have evolved from being an E-government project contractor handling government contracts to a provider of multiple services to the under-served and unserved population across India. Currently, we have 35,000+ Vakrangee Kendra outlets in 16+ states of the country.

Our aim is to potentially enable every Indian to seamlessly benefit from Financial Inclusion, Social Inclusion, Digital India, Skill Development, Employment, Government programmes and a wider access to basic goods and services. Our vision is to serve every postal code in India. We have more than 25+ years of consistent experience and have evolved from being a sub-contractor to a consortium partner to a prime independent bidder.

Our Project Execution Capabilities

- Last mile infrastructure & grass root level footprint to deliver Mission Mode Projects
- Experience of on-ground complexities in rurban regions – flexible timings, power and connectivity issues, manpower training
- Expertise from data digitisation to technology management
- Seamless real time VSAT connectivity and back-end integration with banks CBS, E-Commerce and e-Governance partner systems
- Deep understanding of rural India from grass-root level execution experience

Our Businesses/Services

a. Banking & ATM:

We offer robust technology, real time, paperless, inter-operability banking, which provides a unique service experience to citizens. We have the RBI license to set up and manage 15,000 White Label ATMs.

b. E-Governance:

We have over 25+ years of experience for providing various Government grass-root level services. We offer Government-to-Citizen services such as utility bill payment, Aadhaar enrolment, updation and printing of PVC card and other G2C services based on state to state from our Vakrangee Kendras spread across India.

c. Insurance:

We are the corporate agents to Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd., and Bajaj Allianz Life Insurance Company Ltd. for life insurance; and with Tata AIG General Insurance Company Ltd., Reliance General Insurance Company Ltd., and HDFC Ergo General Insurance Ltd. for general insurance. Through our tie-up with Cigna TTK Health Insurance Company Ltd., Religare Health Insurance Company Ltd., and Aditya Birla Heath Insurance Company Ltd. for health insurance, we also provide insurance under the Atal Pension Yojana, Jeevan Jyoti Bima Yojana, and Pradhan Mantri Suraksha Bima Yojana.

d. E-Commerce:

We offer various Business-to-Customer services such as mobile and DTH recharge. We have an alliance with Amazon India to facilitate sale of various goods and products; with Redbus for offering bus ticketing services; with Mahindra for promoting and booking automobile products; with Augmount for sale of gold products; and with Reliance Jio for the issuance of mobile sim connection and mobile handsets.

e. **Logistics:**

We have an alliance with FedEx Express, Aramex India Private Limited, Delhivery Pvt. Ltd. and with First Flight Couriers Ltd. for courier and logistics services (Forward Delivery as well as reverse pick-up services), using the last-mile distribution network of Vakrangee Kendra outlets.

Current E-Governance Projects (Under NeGP)

- **UID** - Unique Identification Project
- **SSA** - Sarva Siksha Abhiyan
- **RSBY** - Rashtriya Swasthya Bima Yojna
- **PMS / DMS** – Computerisation of Election Commission

Our Potential Growth Drivers

- **Exclusivity:**
  - Exclusive BC in SSA under Financial Inclusion Project
  - Government empanelled agency to offer e-Governance services
  - Key E-commerce partner alliances with Amazon India
- **Operational Scalability:**

  Entire execution through the asset light franchisee model requiring minimal capex and working capital for the Company.
- **Economies of Scale & Scope:**

  Long term growth using the network to offer a wide range of services and products to more than 250 million potential customers across the under-served and unserved rural and urban India.

Management Discussion & Analysis

Vakrangee Kendras – From Financial Inclusion to Financial Security

Vakrangee Kendras are one-stop shops for availing banking and ATM, Insurance, E-Governance, E-Commerce and Logistic services. These Kendras are a hub for availing a bouquet of real-time services in a secure manner. Integration of E-Commerce services is resulting in incremental income from a Vakrangee Kendra outlet. To further monetise these Kendras, we rolled out digital signage space on a pilot basis in select outlets, where digital monitors will display merchant advertisements at these outlets. It is garnering significant interest from merchants.

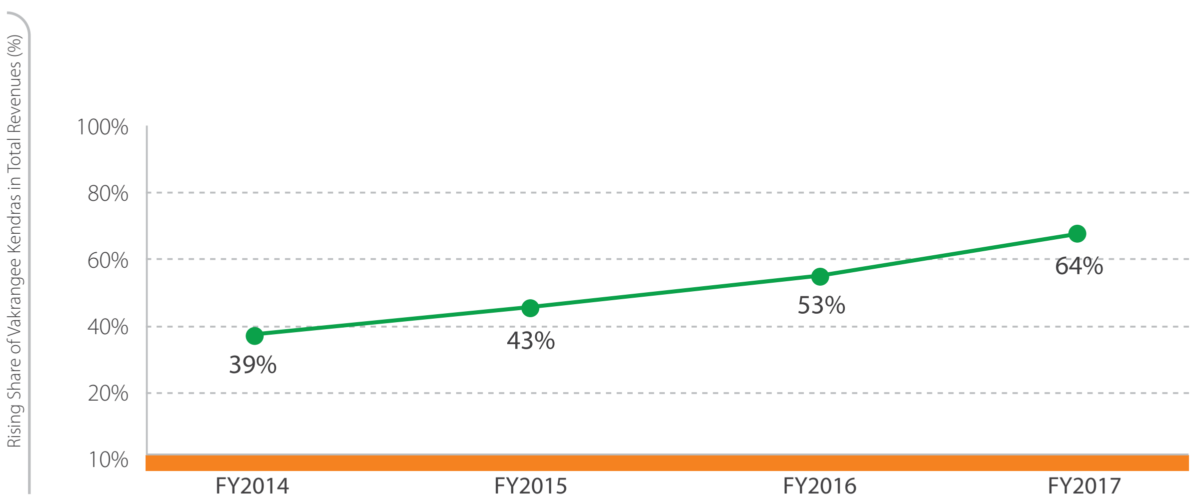
These Vakrangee Kendras run on a franchisee model – making it asset light and requiring minimal capex and working capital. They are equipped with un-interrupted connectivity even at the most rural locations, regularly conducting real-time banking transactions. The footfalls for various services would translate into awareness and marketing of the allied marketplace. There is handholding to ensure trust and adoption of Marketplace is greatly achieved at Kendras. We have penetrated into the unserved and under-served markets across most populous states, while allowing Cash on Delivery.

Current Reach

35,000+ Vakrangee Kendras	16+ States	365+ Districts	5,000+ Postal Codes

Advantage Vakrangee

Well established last mile reach	Enable cash-on-delivery service across all postal codes	Immediate cash remittance system using internal wallet	Dedicated resources for providing delivery services



Our Scope of Services under Vakrangee Kendras

We have been appointed as the Business Correspondent (BC) by various banks under the "Common BC" and "National BC" agreements. We intend to set up and manage 75,000 Vakrangee Kendras across India by 2020. Vakrangee will act as an BC to banks in any allocated SSA – Sub Service Area (catchment area with minimum 1,500 households or 5,000 population). Further, in addition to Banking services, Vakrangee Kendra also offers various e-Governance, Insurance, Logistics and E-Commerce products and services.

BANKING	• Bank A/C Opening - Savings, Current, SHG
	• Cash Deposits, Withdrawals, Money Transfer
	• Fixed/ Recurring Deposits
	• Balance Enquiry, Statement of Accounts
	• Disbursement of money under Direct Benefit Transfer
ATM	• Real time cash withdrawals from all banks through WLA (White Label ATM)
	• Co-located ATM in urban/semi-urban branches to cater to holistic banking needs of customers, while optimising cost of operations
INSURANCE	• Corporate agency tie-up for Life, General and Health Insurance
	• Micro Insurance schemes under Atal Pension Yojna, Jeevan Jyoti
	• Bima Yojna & Pradhan Mantri Suraksha Bima Yojna
E-GOVERNANCE	• UID – Enrolments, Updation and PVC card printing, NREGA job Card
	• Land Record Digitisation, Electoral Rolls
	• Payment of Utility Bills, Taxes, Levies
	• Railway Tickets, Certificates, Hall tickets
	• Exam Fee Payments
	• Online Form Filling
E-COMMERCE	• Telecom – Mobile recharge
	• DTH service - Recharge, bill payments
	• Assisted E-Commerce Model
	• Alliance with Amazon India to facilitate sale of products
	• Alliance with Augmont for Sales of Gold Products
	• Alliance with Reliance Jio for Sale of sim cards and Mobile Handsets
	• Alliance with Redbus for offering bus ticketing services
	• Alliance with "Mahindra eMarket Limited", a subsidiary of M&M, for promoting and booking automobile products
LOGISTICS	Alliance with Aramex India Private Limited, Delhivery Private Limited, FedEx Express and First Flight Couriers Limited for courier and logistics services (Forward Delivery as well as Reverse Pick Up services)

Management Discussion & Analysis

Our 2020 Vision

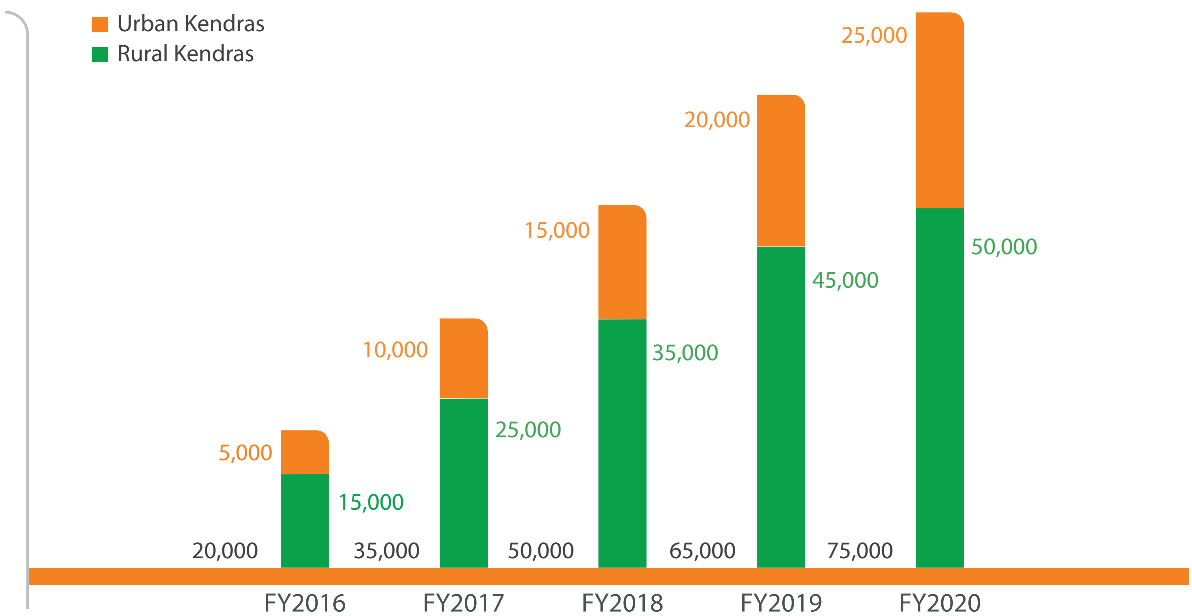
OUR VISION IS TO LEVERAGE OUR VAST NETWORK OF RETAIL ACCESS POINTS TO DELIVER REAL-TIME BANKING AND ATM SERVICES, INSURANCE SERVICES, E-GOVERNANCE SERVICES (G2C), E-COMMERCE SERVICES (B2C) AND LOGISTICS SERVICES TO THE UN-SERVED AND UNDER-SERVED RURAL, SEMI-URBAN AND URBAN MARKETS.

Progress Update on Vakrangee Kendras

We are on track to meet our roll-out targets of setting up 75,000 Kendras by 2020. These outlets are in areas un-served and under-served by banks. Over 70% of the outlets are in rural areas and the remaining in urban areas. We are well on track to deliver and achieve our planned expansion. As on 31st March 2017, our total number of operational outlets stood at 35,206 branches, which included 25,131 outlets in rural India and 10,075 outlets in urban India.

Post launch of PMJDY by the Government, there has been a strong push from banks to expand their BC network not only in rural, but also in the urban areas. This has led to a strong ramp-up in urban branches. From 1,288 Vakrangee Kendras in urban outlets at the end of FY2015, the total number of urban outlets has increased more than 7 times to 10,075 Vakrangee Kendras by the end of FY2017.

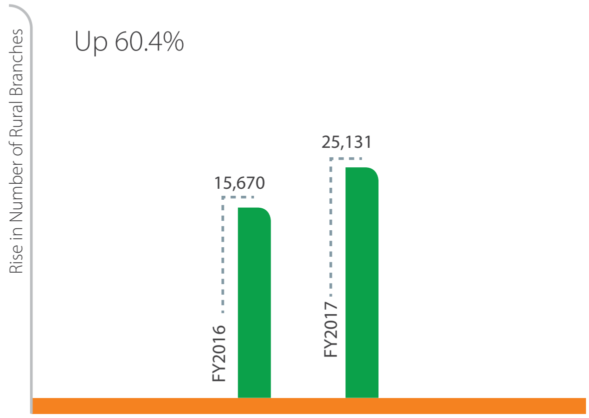
On Track with Expansion Plan

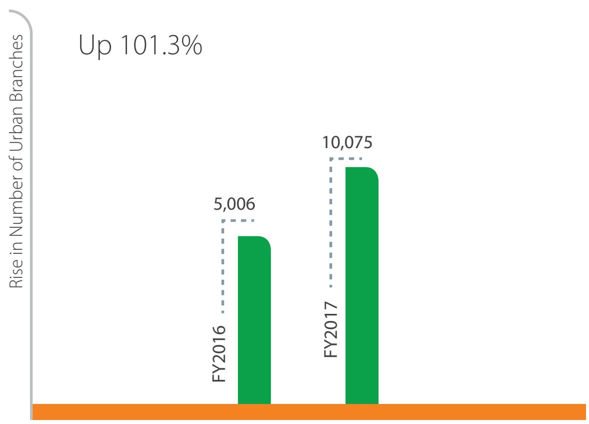


Roll-out Status as on March 31, 2017

States	Rural Branches	Urban Branches	Total
Rajasthan	10,058	3,014	13,072
Uttar Pradesh	6,648	3,374	10,022
Maharashtra	6,848	2,303	9,151
Madhya Pradesh	565	317	882
Gujarat	210	225	435
Bihar	314	88	402
Haryana	89	212	301
Punjab	71	210	281
Jharkhand	123	57	180
Odisha	70	56	126
Delhi	1	116	117
Chhattisgarh	46	23	69
Uttarakhand	36	31	67
Goa	31	20	51
Himachal Pradesh	15	12	27
Chandigarh (UT)	1	13	14
Karnataka	5	3	8
Dadar & Nagar Haveli (UT)	0	1	1
Total	**25,131**	**10,075**	**35,206**

Management Discussion & Analysis





A Renewed Vision

WE ARE MOVING BEYOND OUR 2020 HORIZON AND BROADENING OUR CANVAS, AS WE LOOK FOR NEW OPPORTUNITIES OF GROWTH AND VALUE CREATION. OUR VISION IS TO ENSURE THAT THERE IS A VAKRANGEE KENDRA WITHIN WALKING DISTANCE OF EACH CITIZEN, NO MATTER WHERE HE OR SHE LIVES.

We are deepening our physical presence on a larger scale, going well beyond our 2020 targets. With an entrenched and deep logistics support for physical delivery and collection, these additional channels will become a part of a more comprehensive ecosystem, making the network universally.

Firstly, our plan is to launch "Vakrangee Kendra on Mobile". This will enable us to become conveniently available at the touch of a finger, thus bringing Vakrangee Kendra at the doorstep of every citizen.

Secondly, we plan to offer an integrated and unified solution for different payment mechanisms, including Aadhaar Pay. This is aimed at enabling consumers to make payments easily across multiple platforms.

Thirdly, we also plan to significantly broaden our canvas of products and services offered. As part of this, we aim to provide services on lead generation for loan products, GST Registration and Tax Return Filings. We also aim to provide new B2B E-Commerce solutions for trade customers looking for a more convenient buying experience.

Our Strategic Tie-ups

Amazon India

We tied up with Amazon to sell 100 million products at our Vakrangee Kendras, which are a hub for availing a bouquet of real-time services in a secure manner. These Kendras will provide marketing, ordering, payment and pick-up services or collection of goods on behalf of Amazon. Our employees at the Kendras provide assistance in placing orders from the Amazon website, using a computer with dual screens. Customers in rural areas with poor internet connectivity or a phone with basic features are able to make use of these Vakrangee Kendras for browsing the Amazon website and placing the orders they desire. The tie-up enables Amazon solve the problem of last-mile delivery as the shipment is delivered at the Centre from where customers pick up the goods.

The service has been launched and activated in over 2,300+ Vakrangee Kendras. Our plan for the current year is to roll out the service in more than 10,000 Vakrangee Kendras. Owing to the large product availability, we foresee an increase in the number of customers visiting these Kendras through the E-Commerce route. Expansion of the Amazon service in Tier 1 & 2 cities catering to the incremental needs of the growing urban population is set to create a digital consumer revolution.

Benefits to Consumers

- Access to entire 100 million product range from Amazon
- Genuine products at competitive prices
- No delivery charges
- Ease of pick-up delivery and return service

Benefits to Amazon

- Access to New Customer Base (not conventional e-commerce users)
- Ability to penetrate beyond Tier 1 & Tier 2 cities
- Cost savings by virtue of leveraging Vakrangee's last-mile delivery network

Indian Oil Corporation Limited (IOCL)

Our strategic tie-up with Indian Oil Corporation Limited (IOCL) for setting up Vakrangee Kendras at its retail outlets (gas filling stations) is well on track. Through the tie-up, our target is to open Kendras at over 20,000 such retail outlets pan-India. We are in the process of conducting dealer roadshows to generate interest. We are selecting locations most suited to roll out the network. Through the tie-up, we plan to drastically increase our customer touch points, ensuring that we meet our core objective of financial inclusion, digital inclusion, social inclusion, employment generation and skill development. Till March 2017, over 135 outlets were made operational, while 75+ are under "Go Live" stage in the states of Maharashtra, Rajasthan, Uttar Pradesh, Gujarat, Madhya Pradesh, Orissa, Jharkhand, Chhattisgarh and Delhi NCR.

Other Tie-ups

We have tie-ups and alliances with several insurance companies for selling life, general and health insurance plans. We have licenses from prominent authorities such as UIDAI, Banks and RBI for providing E-Governance, Aadhaar, Banking, ATM services. In logistics, we have tie-ups with Aramex India, Delhivery, FedEx Express and First Flight Couriers for providing courier and logistics services.

We have also engaged into a project with telecommunications company Reliance Jio (a subsidiary of Reliance Industries) for the sale of smartphones and its Sim Cards.

More Tie-ups

a. **Insurance**

- **Life:** Life Insurance Corporation of India, Bajaj Allianz, HDFC Standard Life
- **General:** Tata AIG, Reliance General, HDFC ERGO
- **Health:** Aditya Birla, Religare, CIGNA TTK

b. **Logistics**
- Aramex India Private Limited
- Delhivery Pvt. Ltd.
- First Flight
- FedEx Express for Courier & Logistics Services

Business Outlook

Moving ahead, we expect our Vakrangee Kendras to drive growth through expansion of these outlets from 35,000+ to 75,000 by FY2020. Adding more services and products offered through outlets will help sustain high growth and also make the outlets mature.

We have repaid all our debts – short term and long term. The focus of the business is now towards outlets businesses, which require lower capex and working capital. The legacy business (i.e. Government projects) was capital intensive, which limited free cash flow generation. We will be in a better position to generate free cash flow as the business model skews towards the Vakrangee Kendra business, which is franchisee-based and does not require major capex or working capital investment.

Board Matters

In the previous year, the Board had instituted a dividend pay-out policy and decided to maintain its dividend payout in the range of 15% to 25% of the consolidated Profit After Tax. For FY2017, the Board recommended a dividend of ₹ 2 per equity share (200%), amounting to 24.0% of Consolidated Profit After Tax during the year.

The Board has considered and approved the appointment of Price Waterhouse & Co. Chartered Accountants LLP (PWC) as New Statutory Auditor on rotation of the existing auditor, i.e., S. K. Patodia & Associates, Chartered Accountants, subject to regulatory approvals.

Awards & Certifications

- Selected among Super 50 Companies by Forbes India 2017
- Selected among Top 50 BSE Companies by Growth in M-Cap – Forbes India 2017
- Featured in 11 Indian companies, up from an all-time low of eight last year by Forbes Asia's Best Under a Billion list for 2015
- MSCI ESG Research Inc. has scored Vakrangee 10 out of 10 for the research conducted for the assessment of performance across the three pillars i.e. environmental, social and governance. (Dated July 14, 2016)
- ET-500 Companies for 2013 as published by ET
- Nominated (Top 5) for the best CEO (IT & ITes) by Business Today in January 2014
- 26th in the Deloitte Technology Fast 50 companies in India, 2012
- 18th in the Deloitte Technology Fast 50 companies in India, 2011
- 226th rank in Deloitte Fastest 500 growing Asia Pacific companies in 2011
- CA. Business Leader - SME (3rd Rank) of the Year Award, 2008 to the Chairman by Institute of Chartered Accountants of India
- Economic Times ET 500 best companies in India in 2006-07

Risks & Concerns

a. Swiftness in Government Policies:

The Company's business is dependent on Government policy towards financial inclusion stand and the speed of implementation. Thus, any change in the policy framework and restrictions on the transaction may affect the profitability of business.

b. Rapid Changes in Technology:

Financial sector is undergoing rapid technological changes. Hence, the new technologies may change all the existing business models. The Company's margins may hit due to new cost effective disruptive innovations.

c. Heavy Dependence on Franchisee model:

Though franchise model enables aggressive expansion, the risks associated with the franchise model still persist. Any reputation loss in single franchise may suffer the brand name. Moreover, the margins on franchises are less and legal issues may disrupt the smooth operations.

Technology Absorption

Our IT systems, infrastructure and connectivity experienced rapid changes in complexity owing to consolidation of multi-protocol communication through a single network. To stay competitive, efficient and for-profit in business, we keep up with the latest technology. System management efficiency and implementation of virtualisation coupled with application clusters, enterprise software and other technology has resulted in complexity and cost reduction. Our in-house R&D team is closely involved in transfer of technology from the conceptual stage. We support prototype development and testing facilities and pilot studies for adaptation, absorption and upgradation of imported technologies, if there are any requirements, and also set up an information base for modern available technologies. We have a periodic training programme for our in-house development team for sharing technology updates.

Corruption and Instability

Vakrangee have a Bribery and Anti-Corruption Policy in place governed through a strict code of conduct. We also bid for e-Governance projects through e-tenders, a process which involves bidding through an online portal. This ensures an unbiased approach and transparency in the tender bidding project by the Government bodies. Vakrangee has been a strong player in the E-Governance sector for over two decades. It is the preferred choice of Central as well as State Governments for implementation of projects owing to timely delivery of projects and a clear track record free from unethical activities. It is involved in a number of projects covered under India's National e-Governance Plan (NeGP). Government bodies appoint a project management office for each project. We follow the scope of work and defined timelines governed by service-level agreements. Regular security and compliance audits are conducted by independent teams constituted by the project management office.

Energy Conservation

Energy conservation is the reduction of quantity of energy used. Our goal behind our energy conservation techniques is reducing demand, protect and replenish supplies, develop and use alternative energy sources. Our energy conservation audits, systems and customised solutions have been able to save energy and fuel costs for customers. Energy conservation steps do not just lead to a greener environment, it also reduces operating costs and prevent depletion of resources. Conserving energy is an important way to reduce strain on the environment and bring down energy expenses.

We promote energy conservation at work in the below manner:

1. Reducing energy wastage
2. Saving energy
3. Reduce paper wastage
4. Switch off equipment when not in use
5. Use technology to hold virtual meetings
6. Use network printer
7. Review energy rating
8. Energy audit
9. Discourage excessive use of lighting or electricity
10. Saving energy

People and Culture

Vakrangee is the ultimate people business and our ability to attract, retain and develop the best people is vital to our success. To achieve this, we focus on:

- Providing attractive career development paths for new recruits, starting with a structured induction programme and ongoing training as they progress their careers;
- Equipping consultants with the latest technology, tools and products and embrace digital technology as an enabler to make them as effective as possible;
- Encouraging employees to develop their careers by moving internationally;
- Continually investing in our leadership and development programmes which are aligned with the Company's strategy.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Vakrangee Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Vakrangee Limited Annual Report FY2017.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 27th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended March 31, 2017.

1. PERFORMANCE OF THE COMPANY

The Company's performance is summarized below:

FINANCIAL RESULTS

(₹ in Lakhs except EPS and per share data)

	Standalone			Consolidated		
	2016-2017	2015-2016	YoY growth (%)	2016-2017	2015-2016	YoY growth (%)
Sales and other income	394894.72	316861.27	24.63	400046.38	319073.66	25.38
EBITDA	94243.92	82256.08	14.57	95129.34	82639.16	15.11
Profit before tax	81969.48	60282.52	35.98	82781.40	60603.18	36.60
Provision for Income Tax	30954.26	24074.91	28.57	31111.63	24129.53	28.94
Provision for Deferred Tax	(1279.38)	(2950.06)	(56.63)	(1290.71)	(2957.41)	(56.36)
Tax for earlier Year	-	-	-	-	-	-
MAT Credit Entitlement	-	-	-	(119.04)	(54.62)	117.94
Profit after tax	52294.60	39157.67	33.55	53062.88	39447.99	34.51
EPS (₹)	9.88	7.53	31.21	10.03	7.62	31.63

PERFORMANCE

Standalone:

During the year, your Company recorded the total income of ₹ 394894.72 Lakhs from ₹ 316861.27 Lakhs in previous year, a growth of 24.63%. The EBITDA stood at ₹ 94243.92 Lakhs from ₹ 82256.08 Lakhs in previous year, an increase of 14.57%. Profit after Tax was increased to ₹ 52294.60 Lakhs from ₹ 39157.67 Lakhs in previous year, up by 33.55%.

Consolidated:

During the year, your Company recorded the total income of ₹ 400046.38 Lakhs from ₹ 319073.66 Lakhs in previous year, a growth of 25.38%. The EBITDA stood at ₹ 95129.34 Lakhs from ₹ 82639.16 Lakhs in previous year, an increase of 15.11%. Profit after Tax was increased to ₹ 53062.88 Lakhs from ₹ 39447.99 Lakhs in previous year, up by 34.51%.

INDIAN ACCOUNTING STANDARD

The Ministry of Corporate Affairs (MCA) on February 16, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of companies from April 1, 2016 with a transition date of April 1, 2015. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable to the Company from April 1, 2016. The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been set out in the Notes to Financial Statements (Standalone and Consolidated).

2. DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2/- per equity share i.e. 200% on each equity share having Face value of ₹ 1/- each (previous year ₹ 1.25 per share), subject to the approval by the shareholders at the ensuing Annual General Meeting. The total dividend payout will be of ₹ 12739.43 Lakhs including Dividend Distribution tax of ₹ 2154.79 Lakhs. Dividend (including dividend tax) as a percentage of consolidated Net Profit After Tax will be 24.00% as compared to 20.20% in the previous year.

The dividend payout is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy as adopted by the Company is annexed herewith as "**Annexure 1**".

3. SHARE CAPITAL

During the year,
Your Company issued and allotted 36,250 Equity Shares having face value ₹ 1/- each upon conversion of options granted, vested and exercised under the Employee Stock Option Schemes (ESOP Schemes) of the company on November 9, 2016 to the employees of the Company.

Directors' Report

After the aforesaid issue & allotment, the Paid-up Share Capital of the Company as on March 31, 2017 stood at ₹ 5292.32 Lakhs comprising of 52,92,32,420 equity shares of ₹ 1/- each from ₹ 5291.96 Lakhs comprising of 52,91,96,170 equity shares as on March 31, 2016.

4. PUBLIC DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

5. SUBSIDIARIES

As on March 31, 2017, the company has three Subsidiaries which are described in detail below. In accordance with Section 129(3) of the Companies Act, 2013, the company has prepared consolidated financial statements of the Company, which forms part of this Annual Report. Further, a statement containing the salient features of the Financial Statements of Subsidiary Companies in prescribed Format **AOC – 1** is annexed herewith as **"Annexure 2"**. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the company and its Subsidiaries are available on the website of the Company. These documents will also be available for inspection during the business hours at the Registered Office of the Company. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company. As on March 31, 2017 the Company does not have any material subsidiary companies. However, the Company has adopted Policy on determining Material Subsidiaries which is available on the website of the Company at www.vakrangee.in

During the Financial Year 2016-17, Company had the following subsidiaries:

Vakrangee e-Solutions INC.

The Company holds 100% of Equity Share Capital of Vakrangee e-Solutions INC which was incorporated in the financial year 2009-10 in Philippines for exploring various e-Governance opportunities in Philippines. The first contract under the initiative was "Land Titling Computerization Project", under which it completed scanning, digitization and encoding of more than 15 million title deeds for the Government of Philippines.

Vakrangee Finserve Limited

Vakrangee Finserve Limited is a 100% Subsidiary of the Vakrangee Limited, incorporated in September 2011 with a focus on working as Business Correspondent for various Banks under the Business Correspondent (BC) Model of Reserve Bank of India (2006) in the area of Financial Inclusion.

The Company has already signed agreements with various PSU Banks and their Rural Regional Branches for carrying out BC services for these banks in identified Rural, Semi-Urban and Urban areas. The services include opening of Bank Accounts, Deposits, Withdrawals and Remittances. Besides, the Company would provide Business Facilitator Services to these Banks which involve mobilization of deposits and loans.

Vakrangee Logistics Private Limited

Vakrangee Logistics Private Limited, incorporated in March 2016, is a wholly owned subsidiary of Vakrangee Limited. Vakrangee Logistics is building for its alliance partners, an unparalleled last-mile delivery capabilities and thus expanding their reach to unserviceable pincodes, where the logistics challenges are the maximum for traditional logistics companies. Vakrangee Logistics leverages the physical presence of Vakrangee Kendras to offer the last-mile delivery services. Vakrangee Logistics is currently building delivery capabilities of more than 35,000 Vakrangee Kendras covering more than 5000 pincodes and is planning to setup and manage a total of 75,000 centers covering all pincodes in India. The key services offered by Vakrangee Logistics include forward delivery, reverse pick-ups and courier booking. Vakrangee Logistics through its network ensures a hassle-free experience to its partners and end-customers.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and Analysis Report, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), is enclosed separately with this Annual Report.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Your Board of Directors hereby states:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

b) they have selected such accounting policies and applied them consistently and made judgments and

Directors' Report

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

8. CORPORATE GOVERNANCE

Your Company is in compliance with the governance requirements under the Companies Act, 2013 and SEBI LODR. The Company has adopted the policies in line with new governance requirements including the Policy on Related Party Transactions, Policy on Material Subsidiaries, Corporate Social Responsibility Policy and Whistle Blower Policy. These Policies are available on the website of the Company at http://vakrangee.in/company_policies.php. A separate Section on Corporate Governance Practices followed by the Company, together with a Certificate from the Company's Auditors M/s. S K Patodia & Associates, Chartered Accountants, confirming Compliance with the conditions of Corporate Governance as stipulated under SEBI LODR is provided herewith this report. A Certificate from the CEO and CFO of the Company in terms of SEBI LODR, inter alia, confirming the correctness of the Financial Statements and Cash Flow Statements, adequacy of the internal control for financial reporting, and reporting of matters to the Audit Committee, is also annexed herewith the Report.

Morgan Stanley Capital International Inc. (MSCI), a leading provider of global indices and benchmark related products and services to investors worldwide has provided an ESG (Environment, Social and Governance) rating of 'BBB' to Vakrangee as on July 14, 2016.

Excerpts from the MSCI Report -

"The company's access to finance initiatives include the provision of core banking, insurance and financial services to underserved populations in rural, semi-rural, and urban populations in India, a country where the penetration of banking services is low. ***Further, the company's corporate governance practices are well aligned with shareholder interests."***

Corporate Governance Analysis – "Vakrangee falls into the highest scoring range for all the companies we assess relative to global peers, *indicating that the company's corporate governance practices are generally well aligned with shareholder interests."*

Access to Finance Analysis *– "The company's business lines and the geographic distribution of its revenues suggest moderate potential for growth through the expansion into underserved market segments.* ***Our analysis finds robust initiatives in this area. The company therefore appears well positioned to capitalize on this opportunity. In the context of global industry peers, Vakrangee ranks above average."***

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, required information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given as hereunder:

Conservation of Energy

The Operations of the Company are not energy intensive. However, measures have been taken to reduce energy consumption by using efficient computers, IT Assets and other Equipments with latest technologies. The expenses 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. Further details on the conservation of energy have been given under the Management and Discussion Analysis of this report.

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. Further details on the technology absorption have been given under the Management and Discussion Analysis of this report.

Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings: ₹ 571.72 Lakhs
Foreign Exchange Outgo: ₹ 126.97 Lakhs

Directors' Report

10. PARTICULARS OF EMPLOYEES AND OTHER DISCLOSURE

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as **"Annexure 3"**.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the information required in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, with regard to a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules, is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and shall not be liable to retire by rotation.

As per the requirements of Section 152(6) of Companies Act, 2013, Mr. Dinesh Nandwana retires by rotation and being eligible, offers himself for re-appointment as the Director of the company in the ensuing Annual General Meeting.

The Directors are reputed professionals with diverse functional expertise, industry experience, educational qualifications and a gender mix relevant to fulfilling the company's objectives and strategic goals.

The details of Training and Familiarization Programmes and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.

As per the information available with the Company, none of the Directors of the Company are disqualified for being appointed as a Directors as specified in Section 164(2) of the Companies Act, 2013.

Mr. Subhash Singhania has been designated as Chief Financial Officer vide Resolution passed at the Board Meeting of the company dated May 11, 2016.

12. DECLARATION OF INDEPENDENCE

The Independent Directors of your Company have given the Certificate of Independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

13. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS

During the year, four Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI LODR.

b. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the Evaluation of the working of its various Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on August 27, 2016.

c. Audit Committee

The Board has well-qualified Audit Committee, the composition of which is in line with the requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI LODR. All the Members, including the Chairman of the Audit Committee are Independent. They possess sound knowledge on Accounts, Audit, Finance, Taxation, Internal Controls etc. The details of the Composition of the Audit Committee are given in the Corporate Governance Report.

The Company Secretary of the Company acts as Secretary of the Committee.

During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee.

Directors' Report

d. Nomination & Remuneration and Compensation Committee

The Company has duly constituted Nomination and Remuneration and Compensation Committee as per the requirements prescribed under the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR.

The Board has framed a Nomination and Remuneration Policy and Policy on fixation of criteria for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel. The same has been annexed herewith as **"Annexure 4"**.

The details of the Composition of the Nomination and Remuneration and Compensation Committee are given in the Corporate Governance Report.

e. Risk Management

The Company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board has formulated Risk management policy to ensure that the Board, its Audit Committee and its Executive Management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy/ strategy.

The common risks inter alia are: Regulations, Credit Risk, Foreign Exchange and Interest Risk, Competition, Business Risk, Technology Obsolescence, Investments, Retention of Talent and Expansion of Facilities etc. Business risk, inter-alia, further includes financial risk, political risk, legal risk, etc. The Board reviews the risk trend, exposure and potential impact analysis and prepares risk mitigation plans, if necessary.

A detailed note on risk management policy is given under Management Discussion and Analysis Report annexed to this Annual Report.

f. Corporate Social Responsibility (CSR)

The Company is required to contribute towards CSR under Section 135 of the Companies Act, 2013 read with rules thereunder.

The Board of Directors of the Company has constituted a CSR Committee. The details of the Composition of the CSR Committee are given in the Corporate Governance Report.

The disclosures required to be given under Section 135 of Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **"Annexure 5"** forming part of this Board's Report. The Company also has in place a CSR Policy and the same is available on the website of the Company at http://vakrangee.in/pdf/company-policies/Corporate%20Social%20Responsibility_Policy.pdf

14. AUDITORS AND REPORTS

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

Statutory Auditor

The term of M/s. S K Patodia & Associates, Chartered Accountants would expire at the conclusion of 27th Annual General Meeting of the Company under Section 139(2) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014. The Board of Directors in its meeting held on February 4, 2017, identified and recommended appointment of Price Waterhouse Company LLP, a reputed Firm of Chartered Accountants, who have confirmed their eligibility and qualification required under the Act for holding the office as the Statutory Auditors of the Company, subject to approval of the Members in the ensuing Annual General meeting.

The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditor

M/s. S. K. Jain & Co., Practicing Company Secretaries, was appointed to conduct Secretarial Audit of the Company for the financial year 2016-2017 as required under Section 204 of the Companies Act, 2013 and the rules thereunder. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith as **"Annexure 6"** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per the provision of Section 177 (9) of the Companies Act, 2013, the Company is required to establish an effective Vigil Mechanism for Directors and Employees to report genuine concerns. In line with this the Company has framed a Vigil Mechanism Policy through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees

Directors' Report

and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company at http://vakrangee.in/pdf/company-policies/Whistle%20Blower%20&%20Vigil%20Mechanism.pdf

16. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All women employees (permanent, contractual, temporary and trainee) are covered under this Policy.

The following is a summary of Sexual Harassment complaints received and disposed off during the year:

a) No. of Complaints received: NIL
b) No. of Complaints disposed off: NIL

17. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the Financial Position of the Company have occurred between the end of the Financial year of the Company to which the Financial Statement relate and the date of this report. There was no change in company's nature of business during the FY 2016-17.

18. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year, all contracts / arrangements / transactions entered by the company were in Ordinary Course of the Business and on Arm's Length basis. There were no material transactions with any related party as defined under Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Policy of the Company on materiality of related party transactions.Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. The members may refer Note. 47 to the Financial Statements which sets out Related Party disclosures pursuant to Ind AS. There are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on the Company's website http://vakrangee.in/pdf/company-policies/Risk%20Management%20Policy.pdf. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

19. BUSINESS RESPONSIBILTY REPORT

As stipulated under the SEBI LODR, the Business Responsibility Report describing the initiatives taken by the Company from an Environmental, Social and Governance perspective is separately provided in this Annual Report.

20. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITIES PROVIDED BY THE COMPANY

During the year under review, the Company has not given any loans and guarantees nor provided securities. Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

21. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.
The internal control systems, comprising of policies and procedures are designed to ensure sound management of your Company's operations, safekeeping of its Assets, optimal utilization of Resources, reliability of its financial information and compliance. Based on the report of Internal Audit function, corrective actions are undertaken in the respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. During the Financial year, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

Directors' Report

22. EMPLOYEES STOCK OPTION SCHEME

The Company has implemented the Employees Stock Option Scheme ("ESOP Scheme") in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines'). The Nomination and Remuneration and Compensation Committee, constituted in accordance with the requirements of Companies Act 2013 and SEBI LODR, administers and monitors the Scheme. In 2014, with the implementation of the new Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (SEBI Regulations) the company has aligned its ESOP scheme 2008 as per the requirements of the said Regulations. Also, on May 23, 2014, the company vide a Special Resolution passed through Postal Ballot, adopted a new ESOP Scheme 2014 in pursuance of the said Regulations.

The ESOP Schemes have been made applicable to all the permanent employees including Directors, whether whole-time or not but excluding Independent Directors of the Company working in India or abroad. The ESOP Schemes of the Company is also made applicable to all the permanent employees of its subsidiaries including Directors, whether whole-time or not but excluding Independent Directors working in India or abroad. Provided however those persons who are "Promoters" or part of the "Promoter Group" and a Director holding, either by himself or through his relative or through any body corporate, directly or indirectly, more than 10% of the outstanding equity shares of the company shall not be entitled to participate in the ESOP Schemes of the company.

The objects the ESOP Schemes are:

1. To provide means to enable the Company and its subsidiaries to attract and retain talent in the Company in the long run.
2. To enhance the performance potential of the employees in achieving the success goals of the company.
3. To motivate the employees of the Company with incentives and reward opportunities and to enable them to participate in the future growth and success of the Company.
4. To achieve sustained growth of the Company and the enhance shareholder value by aligning the interests of the Employees with the long term interests of the Company.
5. To maintain a sense of good management and discipline in the company.
6. To create a sense of ownership and participation amongst the Employees.
7. To reduce the cost by providing non-cash compensation.

The applicable disclosures as stipulated under the SEBI Regulations as at March 31, 2017 are given below:

Date of all grants as at 31.03.2017	Price per options*	No. of total options granted
31.07.2009	₹ 3.10	5414000
30.12.2009	₹ 3.39	412000
18.05.2010	₹ 7.33	3124000
24.11.2010	₹ 7.50	1735000
12.08.2011	₹ 7.50	1297000
20.07.2012	₹ 20.00	1190000
20.07.2012	₹ 10.00	2000000
26.11.2014	₹ 64.70	1069100
11.03.2016	₹113.08	967200
Total		**17208300**

Directors' Report

Total Options Vested as at 31.03.2017	Price per options*	No. of total options Vested
31.07.2009 grant	₹ 3.10	4293240
30.12.2009 grant	₹ 3.39	196000
18.05.2010 grant	₹ 7.33	2262920
24.11.2010 grant	₹ 7.50	999540
12.08.2011 grant	₹ 7.50	599440
20.07.2012 grant	₹ 20.00	130250
20.07.2012 grant	₹ 10.00	500000
26.11.2014 grant	₹ 64.70	170000
11.03.2016 grant	₹ 113.08	31250
Total		**9182640**

Total Options Exercised as at 31.03.2017	Price per options*	No. of total options Exercised
31.07.2009 grant	₹ 3.10	3254960
30.12.2009 grant	₹ 3.39	193000
18.05.2010 grant	₹ 7.33	1723660
24.11.2010 grant	₹ 7.50	642000
12.08.2011 grant	₹ 7.50	497000
20.07.2012 grant	₹ 20.00	98500
20.07.2012 grant	₹ 10.00	500000
26.11.2014 grant	₹ 64.70	NIL
11.03.2016 grant	₹ 113.08	NIL
Total		**6909120**
The total number of shares arising as a result of exercise of Options during FY 2017	36,250	
Options Lapsed during FY 2017	4,49,505	
Money realised by exercise of Options during FY 2017	₹ 7.25 Lakhs	
Total number of Options in force as at 31.03.2017	15,62,775	
Employee wise details of Options granted during the year to:		
i. Senior managerial personnel	NIL	
ii. Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted	NIL	
iii. Identified employees, who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	

* Price per options has been rounded off to the nearest decimal places.

Directors' Report

The Company has obtained a certificate from the Auditors of the Company that the Schemes have been implemented in accordance with the SEBI Regulations and the resolutions passed by the shareholders.

23. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2017 made under the provisions of Section 92(3) of the Companies Act, 2013 in Form **MGT-9** is annexed herewith as **"Annexure 7"**.

24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, no Significant and Material orders were passed by the Regulators, Securities Exchange Board of India, Stock Exchanges, Tribunal or Courts.

25. HUMAN RESOURCES INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of Business.

The Company is committed to nurturing, enhancing and retaining top talent through superior Learning and Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the Organisation's growth and its sustainability in the long run.

ACKNOWLEDGEMENT AND APPRECIATION

The Directors take this opportunity to thank Company's customers, shareholders, suppliers, banks, Central and State Government authorities, Regulatory authorities and Stock Exchanges 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/-	**Sd/-**
Dinesh Nandwana	**Dr. Nishikant Hayatnagarkar**
Managing Director & CEO	*Whole-Time Director*
(DIN:00062532)	(DIN:00062638)

Place: Mumbai
Date: July 31, 2017

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 1

DIVIDEND DISTRIBUTION POLICY

The Company stands committed to create sustainable Shareholder wealth to all its shareholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business to the shareholders, in the form of "Dividend".

1. Interpretation

1.1 "The Company" refers to Vakrangee Limited.

1.2 "Dividend (s)" refers to either an interim or final Dividend(s).

2. Introduction

The Corporate dividend policy of the Company shall be governed by the applicable provisions of Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rule, 2014 and any modifications made therein from time to time.

3. Objectives

To define the policy and procedures of the Company in relation to the calculation, declaration and settlement of Dividends and the determination of the form and time periods within which Dividends are paid.

To ensure that the Company has sufficient distributable profits and/or general reserves, as determined by a review of the Company's audited financial statements, prior to any declaration and/or payment of Dividends.

To create a transparent and methodological Dividend policy, adherence to which will be required on annual basis, with any deviations clearly identified and promptly communicated to appropriate stakeholders.

4. Provisions of Companies Act, 2013

Section 123 –Declaration of Dividend:

1. No dividend shall be declared or paid for any financial year except—
   (a) out of the profits of the company for that year arrived at after providing for depreciation, or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or
   (b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:
      - The company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company.
      - No dividend shall be declared or paid by a company from its reserves other than free reserves.
2. For the purposes of clause (a) of sub-section (1), depreciation shall be provided in accordance with the provisions of Schedule II.
3. The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared.

5. Factors to be Considered

- The liquidity position of the Company.
- Need to repay debt – often times there are negative covenants that restrict the dividends that can be paid as long as the debt is outstanding.

Directors' Report

- The rate of asset expansion – the greater the rate of expansion of the firm, the greater the need to retain earnings to finance the expansion.
- Control of the firm – if dividends are paid out today, equity may have to be sold in the future causing a dilution of ownership.

Financial Parameters / Internal Factors :

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- Consolidated net operating profit after tax.
- Working capital requirements.
- Capital expenditure requirements.
- Resources required to fund acquisitions and / or new businesses.
- Cash flow required to meet contingencies.
- Outstanding borrowings.
- Past Dividend Trends.

External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws; and
- Dividend pay-out ratios of companies in the same industry.

6. Circumstances under which the Shareholders may or may not expect Dividend

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company apart from other parameters set out in this Policy. The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

7. Utilization of retained earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

8. Rational for Dividend Payout range

- Historically the Dividend Payout for the last four fiscal years has been in the range of 4-10% of Profit after Tax (PAT).
- Company's Legacy Business (E-Governance vertical) has been Capex Intensive as well as Working Capital Intensive, thus limiting the Free Cash Flow generation.
- Going forward, the Company's plans to focus on Vakrangee Kendra outlet Business which currently contributes 63%+ of the Total Revenues.
- Vakrangee Kendra business has Low Capex requirement, Low Working Capital requirement.

Taking into consideration the aforementioned factors, the Board shall endeavour to maintain a Dividend pay-out in the range of 15% - 25% of Profit After Tax (PAT) on Consolidated financials from FY 2016-17 onwards.

This Policy will be reviewed periodically by the Board.

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 2

FORM AOC-I

(pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the Financial statement of subsidiary companies

(in Lakhs)

Name of the Subsidiary Company	Vakrangee Finserve Limited		Vakrangee e-Solutions Inc.		Vakrangee Logistics Private Limited**
Financials as on	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017
Reporting Currency	INR (₹)	INR (₹)	Pesos (P)	Pesos (P)	INR (₹)
Exchange Rate	-	-	*1P = 1.2886	#1P = 1.4354	-
Capital	1500.00	25.00	P 96.00	P 96.00	200.00
Reserves	58.93	(684.85)	P 3.85	P 4.05	(69.04)
Total Assets	2276.48	1429.34	P 5205.72	P 4817.45	181.35
Total Liabilities	2276.48	1429.34	P 5205.72	P 4817.45	181.35
Investment Other than Investment in Subsidiary	NIL	NIL	NIL	NIL	NIL
Turnover	4469.79	2244.29	P 480.87	NIL	92.93
Profit before Taxation	770.77	320.66	P (0.19)	NIL	(69.04)
Provision for Tax	27.00	(7.35)	NIL	NIL	NIL
Profit after Tax	743.77	328.01	P (0.19)	NIL	(69.04)
Proposed Dividend	NIL	NIL	NIL	NIL	NIL
% of Holding	100	100	100	100	100
Country	India	India	Philippines	Philippines	India

*Exchange rate as on March 31, 2017
#Exchange rate as on March 31, 2016
**Vakrangee Logistics Private Limited incorporated on March 18, 2016.

Note:

1. Names of Subsidiaries which are yet to commence operations - Nil
2. Names of Subsidiaries which have been liquidated or sold during the year - Nil

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 3

DISCLOSURE UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 ARE GIVEN BELOW:

1	The ratio of the remuneration of each Director to the median Remuneration of the employees of the company for the financial year;	Mr. Dinesh Nandwana (Managing Director & CEO) 172.06:1	Dr. Nishikant Hayatnagarkar (Whole-time Director) 27.09:1
2	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr. Dinesh Nandwana – 300% Dr. Nishikant Hayatnagarkar - NIL Ms. Darshi Shah – Company Secretary - 57.32% Mr. Subhash Singhania - Chief Financial Officer – 60.67%	
3	the percentage increase in the median remuneration of Employees in the financial year	26.64%	
4	the number of Permanent Employees on the rolls of the Company;	1573(excluding Managing Director & CEO and Whole-time Director)	
5	average percentile increase already made in the Salaries of Employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average percentile increase already made in the Salaries of Employees other than the Managerial Personnel in the last financial year is NIL and percentile increase in the managerial remuneration is 300%.	
6	The key parameters for any variable component of remuneration availed by the Directors;	The employees are paid variable components only after ascertaining their individual performance rating for the year in addition to their jobs fundamentals.	
7	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms remuneration is as per the remuneration policy of the Company.	

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 4

A. Nomination and Remuneration and Compensation Policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration and Compensation Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Key Managerial Personnel" means:

i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;

ii) Chief Financial Officer;

iii) Company Secretary; and

iv) such other officer as may be prescribed.

"Senior Managerial Personnel" mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

Directors' Report

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM / TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

Directors' Report

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

   i) The Services are rendered by such Director in his capacity as the professional; and

   ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

B. APPOINTMENT POLICY

THE APPOINTMENT POLICY FOR INDEPENDENT DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR EXECUTIVES WILL BE AS UNDER-

(A) Independent Directors:
Independent Directors will be appointed based on the criteria mentioned under section 149(6) of the Companies Act, 2013 and in accordance with other applicable provisions of the Companies Act, 2013, rules made thereunder & Listing Agreements entered with Stock Exchanges.

(B) Key Managerial Personnel (KMP):
KMP will be appointed by the resolution of the Board of Directors of the Company, based on qualifications, experience and exposure in the prescribed field. Removal of the KMP will also be done by the resolution of Board of Directors of the Company. Appointment/ Removal will be in accordance with the provisions of the Companies Act, 2013, rules made thereunder and Listing Agreements entered with Stock Exchanges.

(C) Senior Executives:
Senior Executive will be appointed by the Chairman and the Managing Director and/or Executive Director of the Company based on their qualifications, experience and exposure. Removal of the Senior Executives will also be by Chairman, Managing Director and/or Executive Director. Further, appointment and removal will be noted by the Board as required under clause 8(3) of Companies (Meeting of Board and its Powers) Rules, 2014.

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 5

STATEMENT CONTAINING INFORMATION AS PER SECTION 135 READ WITH RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014.

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The objectives of Company's CSR Policy are to demonstrate commitment to the common good through responsible business practices and good governance and to set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models. The projects the company has undertaken / proposes to undertake is mainly in eradicating hunger, poverty and malnutrition, promoting preventive health care, promoting education including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecology balance, agro forestry, conservation of natural resources. Ecology balances, protection of natural heritage, art and culture, measures of the benefit of the armed forces, training to promote rural sports etc.
2.	The Composition of the CSR Committee	Mr. Dinesh Nandwana (Chairman) Mr. Ramesh Joshi (Member) Mr. Sunil Agarwal (Member)
3	Average net profit of the company for last three financial years	₹ 46,614.84 Lakhs
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 932.39 Lakhs
5.	Details of CSR spent during the financial year. (1) Total amount to be spent for the F.Y.2016-2017 (2) Amount unspent , if any;	 ₹ 932.39 Lakhs ₹ 721.30 Lakhs

(3) Manner in which the amount spent during the financial year is detailed below :

(₹ In Lakhs)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	(7) Cumulative Expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
1	Rajasthani Seva Sanstha	Health Care	Thane (Maharashtra)	2.00	2.00	4.75	Direct
2	My Home India	Social Awareness	Mumbai (Maharashtra)	150.00	150.00	450.00	Direct

Directors' Report

(₹ In Lakhs)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	(7) Cumulative Expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
3	ISKCON	Cultural Awareness	Mumbai (Maharashtra)	4.00	4.00	19.00	Direct
4	Dr. Hadgewar Smarak Samiti	Health Care	Agartala (Tripura)	25.00	25.00	25.00	Direct
5	Seva Bharati Meghalaya	Health Care	Meghalaya	15.00	15.00	15.00	Direct
6	Vipra Foundation	Cultural and Social Development	Churu, Jaipur, Udaipur (Rajasthan)	12.59	12.59	12.59	Direct
7	Rajasthani Seva Sangh	Education	Mumbai	1.50	1.50	1.50	Direct
8	Bharat Vikas Parishad	Education	Mumbai	1.00	1.00	1.00	Direct

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	Due to unfeasibility of better project options for CSR contribution, the company could not make contribution towards CSR as per the requirements of Section 135 of Companies Act, 2013. However, the company is in the process of identifying fair options for making CSR contribution.

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.

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

Sd/-
Dinesh Nandwana
Chairman of CSR Committee
(DIN:00062532)

Place: Mumbai
Date: July 31, 2017

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 6

Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANICAL YEAR ENDED MARCH 31, 2017

To,
The Members,
Vakrangee Limited
Vakrangee House, Plot No. 66,
Marol Co-Op. Industrial Estate,
M.V. Road, Andheri (E),
Mumbai-400 059.

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by **M/S VAKRANGEE LIMITED** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on my verification of the **M/S VAKRANGEE LIMITED's** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period 1st April, 2016 to 31st March, 2017 ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/S VAKRANGEE LIMITED** ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

(I) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(III) The Depositories Act, 1996 and Regulations & the Bye-laws, 1996 thereunder;

(IV) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment;

(V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

iii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

vi. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as the Company has not issued/listed/ propose to list its Debt Securities to any Stock Exchange during the Financial Year under review)**

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not listed/propose to delist its Equity Shares from any Stock Exchange during the Financial Year under review)**

iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the

Directors' Report

Company has not bought back/propose to Buy-back any of its securities during the Financial Year under review)

1. The Company has complied with following specific laws applicable to the Company
   i. Information Technology Act, 2000;
   ii. Payment And Settlement Systems Act, 2007;
   iii. Insurance Regulatory and Development Authority, 1999

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956;

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, guidelines, Standards etc. mentioned above.

I further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year.

Adequate Notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year/audit period under report, the Company has undertaken the following events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards, etc.

i. The Company has appointed Mr. Subhash Singhania as CFO w.e.f. 11th May, 2016.
ii. The Company has allotted 36,250 Equity Shares of ₹ 1/- each at ₹ 20/- per Share (including premium of ₹ 19/- per Share) upon exercise of options granted under ESOP Scheme 2008 on 09th November, 2016.

Place: Mumbai
Date: 18/07/2017

For **S. K. Jain & Co.**

(Dr. S.K.Jain)
Practicing Company Secretary
FCS: 1473
COP: 3076

Directors' Report

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-7

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the Financial year ended March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L65990MH1990PLC056669
Registration Date	28/05/1990
Name of the Company	Vakrangee Limited
Category / Sub-Category of the Company	Public Company/Limited by Shares
Address of the Registered Office and Contact Details	Vakrangee House, Plot No. 66, Marol Co-Op. Industrial Estate, Off. M. V. Road, Andheri (E), Mumbai – 400 059. Tel No.: 022-28504028, 62638200 Email Id: info@vakrangee.in Website: www.vakrangee.in
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400 059 Tel No.: 40430200, 62638200 Email Id: info@bigshareonline.com Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	E-governance	631,639	36.01
2	Vakrangee Kendra	631, 639, 662, 461, 479, 791, 641, 661, 649	63.99

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held*	Applicable section
1	Vakrangee Finserve Limited	Vakrangee House, Plot No. 66,Marol Co-op. IndlEst, Off. M.V. Road, Andheri (East), Mumbai-400059	U74930MH2011PLC221655	Subsidiary	100	2(87)(2)
2	Vakrangee e-Solutions INC	19th Floor, Octagon Center, San Miguel Avenue, Ortigas Center, Pasig City, Metro Manila, Philippines	-	Subsidiary	100	2(87)(2)
3	Vakrangee Logistics Private Limited	Vakrangee House, Plot No. 66,Marol Co-op. IndlEst, Off. M.V. Road, Andheri (East), Mumbai-400059	U60231MH2016PTC274618	Subsidiary	100	2(87)(2)

* Representing aggregate % of shares held by the Company

Directors' Report

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise shareholding

Category of Shareholder		No. of Shares held at the beginning of the year: 01/04/2016				No. of Shares held at the end of the year : 31/03/2017				
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	% Change
(A) Shareholding of Promoter and Promoter Group										
(1) Indian										
(a)	INDIVIDUAL / HUF	29865100	0	29865100	5.64	29865100	0	29865100	5.64	(0.00)
(b)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	BODIES CORPORATE	190311414	0	190311414	35.96	190311414	0	190311414	35.96	(0.00)
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)									
(i)	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(1) :	**220176514**	**0**	**220176514**	**41.61**	**220176514**	**0**	**220176514**	**41.60**	**(0.00)**
(2) Foreign										
(a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
(c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total holding for promoters									
	(A)=(A)(1) + (A)(2)	**220176514**	**0**	**220176514**	**41.61**	**220176514**	**0**	**220176514**	**41.60**	**(0.00)**
(B) Public shareholding										
(1) Institutions										
(a)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	2311431	8000	2319431	0.44	1760591	8000	1768591	0.33	(0.10)
(c)	MUTUAL FUNDS / UTI	23492	0	23492	0.00	266462	0	266462	0.05	0.05
(d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	INSURANCE COMPANIES	34780128	0	34780128	6.57	34011295	0	34011295	6.43	(0.15)
(f)	FII'S	12074711	0	12074711	2.28	23420394	0	23420394	4.43	2.14
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(i)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(j)	FOREIGN PORTFOLIO INVESTOR	45541937	0	45541937	8.61	95347208	0	95347208	18.02	9.41
(k)	ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(1) :	**94731699**	**8000**	**94739699**	**17.90**	**154805950**	**8000**	**154813950**	**29.25**	**11.35**
(2) Non-institutions										
(a)	BODIES CORPORATE	147526172	48000	147574172	27.89	83486234	44000	83530234	15.78	(12.10)
(b)	INDIVIDUAL									
(i)	(CAPITAL UPTO TO ₹ 1 Lakh)	18056414	2228001	20284415	3.83	17957190	2135000	20092190	3.80	(0.04)
(ii)	(CAPITAL GREATER THAN ₹ 1 Lakh)	27107911	0	27107911	5.12	26900651	0	26900651	5.08	(0.04)
(c)	ANY OTHERS (Specify)									
(i)	TRUSTS	10000	0	10000	0.00	471320	0	471320	0.09	0.09
(ii)	CLEARING MEMBER	13494440	0	13494440	2.55	19099012	0	19099012	3.61	1.06
(iii)	NON RESIDENT INDIANS (NRI)	593813	0	593813	0.11	432741	0	432741	0.08	(0.03)
(iv)	NON RESIDENT INDIANS (REPAT)	3491313	0	3491313	0.66	2006739	0	2006739	0.38	(0.28)
(v)	NON RESIDENT INDIANS (NON REPAT)	108087	0	108087	0.02	138384	0	138384	0.03	0.01
(vi)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00

Directors' Report

Category of Shareholder		No. of Shares held at the beginning of the year: 01/04/2016				No. of Shares held at the end of the year : 31/03/2017				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(vii)	EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
(viii)	OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
(ix)	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e)	FOREIGN PORTFOLIO INVESTOR	0	0	0	0.00	2635	0	2635	0.00	0.00
(f)	NBFCs registered with RBI	1615806	0	1615806	0.31	1568050	0	1568050	0.30	(0.01)
	SUB TOTAL (B)(2) :	**212003956**	**2276001**	**214279957**	**40.49**	**152062956**	**2179000**	**154241956**	**29.14**	**(11.35)**
	Total Public Shareholding									
	(B)=(B)(1) + (B)(2)	**306735655**	**2284001**	**309019656**	**58.39**	**306868906**	**2187000**	**309055906**	**58.40**	**0.00**
(C) Shares held by Custodians and against which Depository Receipts have been issued										
(a)	SHARES HELD BY CUSTODIANS									
(i)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (C)(1) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	(C)=(C)(1)		**0**		**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Grand Total (A) + (B) + (C)	**526912169**	**2284001**	**529196170**	**100.00**	**527045420**	**2187000**	**529232420**	**100.00**	**(0.00)**

(ii) Shareholding of Promoters

Sr. No	NAME	Shareholding at the beginning of the year 01/04/2016			Shareholding at the end of the year 31/03/2017			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	DINESH NANDWANA (HUF)	98000	0.02	0.00	98000	0.02	0.00	0.00
2	DINESH NANDWANA	29767100	5.63	0.00	29767100	5.62	0.00	(0.00)
3	VAKRANGEE HOLDINGS PRIVATE LIMITED	125375194	23.69	0.00	125375194	23.69	0.00	0.00
4	NJD CAPITAL PRIVATE LIMITED (ERSTWHILE VAKRANGEE CAPITAL PRIVATE LIMITED)	64936220	12.27	0.00	64936220	12.27	0.00	0.00
		220176514	**41.61**	**0.00**	**220176514**	**41.60**	**0.00**	**(0.00)**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Share holding at the beginning of the year 01/04/2016		Cumulative Share holding during the year 31/03/2017	
	Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
At the beginning of the year	220176514	41.61	220176514	41.61
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
At the end of the year	220176514	41.60	220176514	41.60

Note:There is no change in the total shareholding of the Promoters between 01/04/2016 and 31/03/2017.

The decrease in the Percentage holding of Promoters from 41.61% to 41.60% is due to allotment of 36,250 equity shares upon conversion of options under the ESOP Scheme of the company.

Directors' Report

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year (01/04/2016)		Cumulative Shareholding during the year (31/03/2017)	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
1	**LIFE INSURANCE CORPORATION OF INDIA**				
	At the beginning of the year	3,23,20,128	6.11	3,23,20,128	6.11
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	-	-	-	-
	At the end of the year	3,23,20,128	6.11	3,23,20,128	6.11
2	**BLUEPEARL TRADING COMPANY PRIVATE LIMITED**				
	At the beginning of the year	2,55,61,799	4.83	2,55,61,799	4.83
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	(3802723)	(0.72)		
	At the end of the year	2,17,59,076	4.11	2,17,59,076	4.11
3	**NEWTREE TRADING COMPANY PRIVATE LIMITED**				
	At the beginning of the year	2,15,17,315	4.07	2,15,17,315	4.07
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	(2,14,82,315)	(4.06)		
	At the end of the year	35,000	0.01	35,000	0.01
4	**CREDIT SUISSE (SINGAPORE) LIMITED**				
	At the beginning of the year	6,899	0.00	6,899	0.00
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	19599338	3.70		
	At the end of the year	1,96,06,237	3.70	1,96,06,237	3.70
5	**SMEATON DEVELOPERS PRIVATE LIMITED**				
	At the beginning of the year	1,60,00,000	3.02	1,60,00,000	3.02
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	(1,60,00,000)	(3.02)	-	-
	At the end of the year	-	-	-	-
6	**HIGHPOINT TRADING COMPANY PRIVATE LIMITED**				
	At the beginning of the year	1,77,25,708	3.35	1,77,25,708	3.35
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	(85,08,212)	(1.61)		
	At the end of the year	92,17,496	1.74	92,17,496	1.74
7	**ASHTVAKRA PROPERTIES PRIVATE LIMITED**				
	At the beginning of the year	1,16,29,472	2.20	1,16,29,472	2.20
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	(65,05,765)	(1.23)		
	At the end of the year	5123707	0.97	5123707	0.97
8	**JANUS OVERSEAS FUND**				
	At the beginning of the year	1,07,72,960	2.04	1,07,72,960	2.04
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	(1,07,72,960)	(2.04)	-	-
	At the end of the year	-	-	-	-
9	**WELLINGTON TRUST COMPANY, NATIONAL ASSOCIATION MULTIPLE COMMON TRUST FUNDS TRUST, EMERGING**				
	At the beginning of the year	82,38,505	1.56	82,38,505	1.56
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	(18,01,190)	(0.34)		
	At the end of the year	64,37,315	1.22	64,37,315	1.22
10	**GLOBE CAPITAL MARKET LIMITED**				
	At the beginning of the year	16,66,266	0.31	16,66,266	0.31
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	55,42,903	1.05		
	At the end of the year	72,09,169	1.36	72,09,169	1.36
11	**DB INTERNATIONAL (ASIA) LTD**				
	At the beginning of the year	26,36,568	0.50	26,36,568	0.50
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	28,34,793	0.53		

Directors' Report

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year (01/04/2016)		Cumulative Shareholding during the year (31/03/2017)	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
	At the end of the year	54,71,361	1.03	54,71,361	1.03
12	**INDUS INDIA FUND (MAURITIUS) LIMITED**				
	At the beginning of the year	0	0	0	0
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	53,99,649	1.02		
	At the end of the year	53,99,649	1.02	53,99,649	1.02
13	**SEAHORSE MERCANTILE COMPANY PRIVATE LIMITED**				
	At the beginning of the year	43,49,190	0.82	43,49,190	0.82
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	7,48,175	0.14		
	At the end of the year	50,97,365	0.96	50,97,365	0.96
14	**ANAND RATHI SHARE AND STOCK BROKERS LIMITED**				
	At the beginning of the year	18,51,453	0.35	18,51,453	0.35
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	33,33,252	0.63		
	At the end of the year	51,84,705	0.98	51,84,705	0.98
15	**SANJEEV T BOHRA**				
	At the beginning of the year	48,64,661	0.92	48,64,661	0.92
	Transactions (purchase / sale) from April 1, 2016 upto March 31, 2017	(5,00,000)	(0.10)		
	At the end of the year	43,64,661	0.82	43,64,661	0.82

Note : The date-wise increase / decrease in shareholding of the Top 10 shareholders is available on our website www.vakrangee.in

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Share holding at the beginning of the year 01/04/2016		Cumulative Share holding during the year 31/03/2017	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
1	MR. DINESH NANDWANA				
	At the beginning of the year	2,97,67,100	5.63	2,97,67,100	5.63
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	2,97,67,100	5.62	2,97,67,100	5.62
2	MR. RAMESH MULTANCHAND JOSHI				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
3.	DR. NISHIKANT HAYATNAGARKAR				
	At the beginning of the year	37,144	0.00	37,144	0.00
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	37,144	0.00	37,144	0.00

Directors' Report

Sr. No.	Name	Share holding at the beginning of the year 01/04/2016		Cumulative Share holding during the year 31/03/2017	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
4.	MR. SUNIL AGARWAL				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
5	MRS. SUJATA CHATTOPADHYAY				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
6	MR. BABU LAL MEENA				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
7	MR. AVINASH CHANDRA VYAS				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
8	MR. THANGAVELU SITHARTHAN				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
9	MR. SUBHASH SINGHANIA				
	At the beginning of the year	50	0.00	50	0.00
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	50	0.00	50	0.00
10	MS. DARSHI SHAILESH SHAH				
	At the beginning of the year	7,260	0.00	7,260	0.00
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc): Sale	(450)	(0.00)	-	-
	At the end of the year	6810	0.00	6810	0.00

Directors' Report

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	31977.32	-	-	31977.32
ii) Interest accrued and due	-	-	-	-
iii) Interest accrued but not due	25.28	-	-	25.28
Total (i+ii+iii)	**32002.60**			**32002.60**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	17587.44	-	-	17587.44
Net Change	**(17587.44)**	**-**	**-**	**(17587.44)**
Indebtedness as at the end of the financial year				
i) Principal Amount	14401.89	-	-	14401.89
ii) Interest accrued and due	-	-	-	-
iii) Interest accrued but not due	13.26	-	-	13.26
Total (i+ii+iii)	**14415.15**	**-**	**-**	**14415.15**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Dinesh Nandwana	Dr. Nishikant Kishanrao Hayatnagarkar	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	171.24	40.74	211.98
	(b) Value of Perquisites u/s 17(2) Income Tax Act	-	-	-
	(c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	-as % of profit	-	-	-
	-others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	**171.24**	**40.74**	**211.98**
	Ceiling as per the Act (being 10% of the Net Profit computed in the manner laid down in Section 198 of Companies Act, 2013)	8196.95		

Directors' Report

B. Remuneration to other Directors:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
1.	Independent Directors	Mr. RAMESH MULTANCHAND JOSHI	MR. SUNIL AGARWAL	MRS. SUJATA CHATTOPADHYAY	MR. BABU LAL MEENA	MR.AVINASH CHANDRA VYAS	
	Fee for attending Board / Committee Meetings	1.00	0.80	2.00	1.00	0.95	5.75
	Commission	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--
	Total (1)	**1.00**	**0.80**	**2.00**	**1.00**	**0.95**	**5.75**
2.	Other Non-Executive Directors	MR. THANGAVELU SITHARTHAN					
	Fee for attending Board / Committee meetings	-	-				-
	Commission	-	-				-
	Others, please specify	-	-				-
	Total (2)	**-**	**-**				**-**
	Total (B)=(1+2)	**1.00**	**0.80**	**2.00**	**1.00**	**0.95**	**5.75**
	Total Managerial Remuneration						**217.73**
	Overall Ceiling as per the Act (being 11% of the Net Profit computed in the manner laid down in Section 198 of Companies Act, 2013)						9016.64

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO	Company Secretary	
1.	Gross Salary				
	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	171.24	26.57	8.16	205.97
	Value of Perquisites u/s 17(2) Income Tax Act	-	-	-	-
	Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	
4.	Commission				
	-as % of profit	-	-	-	-
	-others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (C)	**171.24**	**26.57**	**8.16**	**205.97**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act): None

On behalf of the Board of Directors

Sd/-
Dinesh Nandwana
Managing Director & CEO
(DIN:00062532)

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

Place: Mumbai
Date: July 31, 2017

Corporate Governance Report 2016-17

PHILOSOPHY OF THE COMPANY ON THE CODE OF CORPORATE GOVERNANCE

Vakrangee's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices. Corporate Governance is that crucial muscle which encourages and moves a viable and accessible financial reporting structure and which enables a transparent system. Through the Governance mechanism in the Company, the Board along with its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in its decision making.

Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders. Strong corporate governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection.

At Vakrangee, our aspirations have always been of protecting, strengthening and aligning together the interest of all the stakeholders and to satisfy that we strive hard to implement and continue to follow our core values which are "Belief in people, Entrepreneurship, Customer orientation and pursuit of excellence". Your Company endeavors to put in the right pedestal blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner with strict adherence to best corporate governance practices.

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations.

At Vakrangee, we are committed to meeting the aspirations of all our stakeholders. This is demonstrated in shareholder returns, our credit ratings, governance processes and an entrepreneurial and performance focused work environment. As a matter of pride, Morgan Stanley Capital International Inc. (MSCI), a leading provider of global indices and benchmark related products and services to investors worldwide has provided an ESG (Environment, Social and Governance) rating of 'BBB' to Vakrangee as on July 14, 2016.

Excerpts from the MSCI Report -
"The company's access to finance initiatives include the provision of core banking, insurance and financial services to underserved populations in rural, semi-rural, and urban populations in India, a country where the penetration of banking services is low. **Further, the company's corporate governance practices are well aligned with shareholder interests.**"

Corporate Governance Analysis – "Vakrangee falls into the highest scoring range for all the companies we assess relative to global peers, *indicating that the company's corporate governance practices are generally well aligned with shareholder interests."*

Access to Finance Analysis – "The company's business lines and the geographic distribution of its revenues suggest moderate potential for growth through the expansion into underserved market segments. ***Our analysis finds robust initiatives in this area. The company therefore appears well positioned to capitalize on this opportunity. In the context of global industry peers, Vakrangee ranks above average.***"

The Board of Directors manages the affairs of the company in the best 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 institutionalized at Vakrangee. Towards implementation and continuation of sound code of corporate governance practices, 7 committees are operating for specific purposes: viz. Audit Committee, Nomination and Remuneration and Compensation Committee, Stakeholders Relationship Committee, Resource Committee, Corporate Social Responsibility Committee, Corporate Governance Committee and Bank Account Committee.

Your Company is committed to maintain the highest standards of Corporate Governance. Your directors adhere to the stipulations set out in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). A report on Corporate Governance as stipulated under the SEBI LODR forms part of Annual Report.

Corporate Governance Report 2016-17

Your Board of Directors present the Corporate Governance Report for the year 2016-17:

BOARD OF DIRECTORS

Composition:

The Board comprised of 8 directors. The details of the Board of Directors as on March 31, 2017 are given below:

Name	Category	Designation	Date of appointment	No. of Outside Directorship held #	Chairmanship in Committees of Boards of other companies*	Membership in Committees of Boards of other companies
Mr. Dinesh Nandwana	Promoter & Executive	Managing director & CEO	28/05/1990	4	NIL	NIL
Dr. Nishikant Hayatnagarkar	Executive	Whole-time director	27/08/1999	2	NIL	NIL
Mr. Sunil Agarwal	Non Executive, Independent	Director	28/06/2002	NIL	NIL	NIL
Mr. Ramesh M. Joshi	Non Executive, Independent	Director	20/10/2006	3	NIL	NIL
Mr. B. L. Meena	Non Executive, Independent	Director	25/10/2010	NIL	NIL	NIL
Mr. Thangavelu Sitharthan	Non Executive Director	Nominee Director	04/12/2014	NIL	NIL	NIL
Mr. Avinash Chandra Vyas	Non Executive, Independent	Director	14/11/2014	NIL	NIL	NIL
Mrs. Sujata Chattopadhyay	Non Executive, Independent	Director	31/03/2015	3	1	NIL

Excludes alternate directorship and directorship in Foreign Companies, Private Companies and Companies governed by Section 8 of the Companies Act, 2013

*for the purpose of calculating total membership and chairmanship, only Audit Committee and Stakeholders Relationship Committee in public limited companies, whether listed or not are considered as per Regulation 26(1) of the SEBI LODR

The Board comprised of a majority of Independent Directors. It has a good mix of Executive and Non-Executive Directors including Independent Directors with more than fifty percent of the board comprising of non-executive Independent Directors. As on date of this Report, the Board consists of Eight Directors comprising five non-executive Independent Directors (including one women director), one Nominee Director and two Executive Directors. None of the Directors of your Company are inter-se related to each other. The composition of Board is in conformity with the SEBI LODR.

Performance Evaluation of Board of Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR, the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on August 27, 2016.

Directors seeking re-appointment at the ensuing Annual General Meeting:

In accordance with Section 152 of the Companies Act, 2013, Mr. Dinesh Nandwana retires by rotation and being eligible, offers himself for re-appointment as the Director in the ensuing Annual General Meeting.

BOARD MEETINGS:

During the financial year 2016-17, your Board met Four times on May 11, 2016; August 27, 2016; November 7, 2016 and February 4, 2017 with a maximum time gap not exceeding one hundred and twenty (120) days intervening between two consecutive board meetings as per Section 173 of Companies Act, 2013 read with Regulation 17 of SEBI LODR. All the Board meetings were held at the Company's registered office at Mumbai, India.

Corporate Governance Report 2016-17

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

Name of the Director	Number of meetings attended	Attended Last AGM	Shareholding in the Company as of March 31, 2017 (no. of shares)
Mr. Dinesh Nandwana	4	Yes	29767100
Mr. Ramesh M Joshi	4	Yes	NIL
Dr. Nishikant Hayatnagarkar	4	Yes	37144
Mr. Sunil Agarwal	4	No	NIL
Mr. B. L. Meena	4	Yes	NIL
Mr. Thangavelu Sitharthan	0	No	NIL
Mr. Avinash Chandra Vyas	4	Yes	NIL
Mrs. Sujata Chattopadhyay	4	No	NIL

MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI LODR, a separate meeting of the Independent Directors of the Company was held on August 27, 2016 to review the performance of Non-Independent Directors, Chairman and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

BOARD COMMITTEES:

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice.

As of March 31, 2017 your Company had Seven Board Committees. These are:

1. Audit Committee
2. Nomination and Remuneration and Compensation Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Resource Committee
6. Corporate Governance Committee
7. Bank Account Committee

AUDIT COMMITTEE

The constitution of Audit Committee is in compliance with the requirements of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI LODR. The Chairman of the Audit Committee is an Independent Director. All the members of the Audit Committee are financially literate and at least one member has accounting or related financial management expertise.

Terms of reference

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the quarterly financial results before submission to the Board;
- reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon before submission to the board for approval with particular reference to:
    - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - (b) changes, if any, in accounting policies and practices and reasons for the same;
    - (c) major accounting entries involving estimates based on the exercise of judgment by management;

Corporate Governance Report 2016-17

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- valuating 'undertaking or assets' of the Company, wherever it is necessary;
- reviewing the functioning of the Whistle Blowing mechanism;

Composition

The current composition of Audit Committee is as follows:

Sr. No	Name of the Director	Designation
1.	Mr. B. L. Meena	Independent Director (Chairman)
2.	Mr. Ramesh Joshi	Independent Director
3.	Mr. Avinash Vyas	Independent Director

Corporate Governance Report 2016-17

Meetings & Attendance during the year

There were four meetings of the Audit Committee viz. on May 11, 2016, August 27, 2016, November 7, 2016 and February 4, 2017 and following is the table showing attendance for the same.

Meeting Date Member Name	Description	11.05.2016	27.08.2016	07.11.2016	04.02.2017
Mr. B. L. Meena	Chairman	Attended	Attended	Attended	Attended
Mr. Ramesh Joshi	Member	Attended	Attended	Attended	Attended
Mr. Avinash Vyas*	Member	NA	Attended	Attended	Attended
Mr. Dinesh Nandwana*	Member	Attended	NA	NA	NA

*Audit Committee re-constituted w.e.f. July, 30, 2016 wherein Mr. Avinash Vyas was inducted as member in place of Mr. Dinesh Nandwana.

NOMINATION AND REMUNERATION AND COMPENSATION COMMITTEE

The Nomination and Remuneration and Compensation Committee of the Company consists of all non-executive Independent Directors and its composition is as per the requirements of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI LODR. Its current composition is as follows:

Sr. No	Name of the Director	Designation
1.	Mr. B.L.Meena	Independent Director (Chairman)
2.	Mr. Sunil Agarwal	Independent Director
3.	Mr. Ramesh Joshi	Independent Director

Terms of Reference of the committee inter-alia includes:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Corporate Governance Report 2016-17

Meetings & Attendance during the year

The Committee met thrice during the Financial year 2016-17 and following is the table showing attendance for the same.

Meeting Date Member Name	Description	04.05.2016	19.08.2016	09.11.2016
Mr. B. L. Meena	Chairman	Attended	Attended	Attended
Mr. Sunil Agarwal	Member	Attended	Attended	Attended
Mr. Ramesh Joshi	Member	Attended	Attended	Attended

The Board of Directors has framed the Nomination and Remuneration Policy on Nomination and remuneration of Directors, Key Managerial Personnel and Senior Management and the same has been annexed herewith the Directors Report as **Annexure "3"** The remuneration paid to the Executive Directors is in accordance with the provisions of Section 197 and Part II of Schedule V of Companies Act, 2013.

The remuneration payable is always recommended by the Nomination and Remuneration and Compensation Committee to the Board and is approved by the Board.

Non-Executive Directors have been paid sitting fee as per the limit prescribed under the Companies Act, 2013 for attending Board Meetings and the meetings of the committees thereof.

The Directors, whether whole-time or not, but excluding Independent Directors and Promoters of the Company and its subsidiaries, working in India or abroad shall be eligible to participate in the ESOP Schemes of the Company, provided that a director holding, either by himself or through his relative or through any body corporate, directly or indirectly, more than 10% of the outstanding equity shares of the company shall not be entitled to participate in the ESOP Schemes of the company. The details of the options granted or exercised by the Directors other than those mentioned herein above have been given in the Directors' Report forming part of this Annual report. Apart from this, the ESOP schemes of the Company is applicable to all the permanent employees of the company and its subsidiaries.

The details of remuneration paid to Directors during the financial year 2016-2017 are as under:

(₹ In Lakhs)

Particulars	Annual Remuneration paid
Mr. Dinesh Nandwana#	171.25
Dr. Nishikant Hayatnagarkar#	40.74
Mr. Ramesh Joshi*	1.00
Mr. Sunil Agarwal*	0.80
Mr. B. L. Meena*	1.00
Mr. Thangvelu Sitharthan*	NIL
Mr. Avinash Vyas*	0.95
Mrs. Sujata Chattopadhyay*	2.00

Remuneration paid to Executive Directors

* Remuneration in the form of Sitting fees paid to Non-executive Independent Directors.

Mr. Dinesh Nandwana holds 2,97,67,100 equity shares in the company. Dr. Nishikant Hatanagarkar holds 37,144 equity shares in the company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI LODR, the company has a well constituted Stakeholders Relationship Committee.

The current composition of the Committee is as follows:

Sr. No.	Name of the Director	Designation
1.	Mr. Ramesh Joshi	Independent Director (Chairman)
2.	Mr. B. L. Meena	Independent Director
3.	Dr. Nishikant Hayatnagarkar	Executive Director

Corporate Governance Report 2016-17

The Terms of Reference of the committee include:
To specifically look into interalia redressing investors grievances pertaining to:

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

Ms. Darshi Shah, Company Secretary of the Company, has been designated as the Compliance Officer for resolution of Shareholders/Investors Complaints.

During the financial year ended March 31, 2017, 5 complaints were received from the shareholders. All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on March 31, 2017.

COMPLAINTS:

Sr. No.	Nature of the complaint	Received	Replied	Pending
1	Non-receipt of shares certificates lodged for transfer	1	1	Nil
2	Non-receipt of dividend warrants	2	2	Nil
3	Non-receipt of Bonus shares	1	1	Nil
4	Non receipt of exchange shares certificates	Nil	Nil	Nil
5	Non receipt of Demat rejection documents	Nil	Nil	Nil
6	Letters from Department of Company Affairs / Other Statutory Bodies	Nil	Nil	Nil
7	Non Receipt of Demat Credit	Nil	Nil	Nil
8	Stock Exchange letters	Nil	Nil	Nil
9	Non receipt of Annual Report	Nil	Nil	Nil
10	SEBI Complaints	1	1	Nil
11	Non Receipt of Refund order after correction	Nil	Nil	Nil
12	Legal Cases / Court Cases	Nil	Nil	Nil
	Total	**5**	**5**	**Nil**

The Company had no transfers pending at the close of 31.03.2017.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As per the requirements of Section 135 of the Companies Act, 2013, the Company has, constituted a Corporate Social Responsibility Committee (the "CSR Committee"). The company has adopted a CSR Policy which is available on the website of the Company.

Corporate Governance Report 2016-17

The current composition on the committee is as follows:

Sr. No	Name of the Director	Designation
1.	Mr. Dinesh Nandwana	Executive Director (Chairman)
2.	Mr. Ramesh Joshi	Independent Director
3.	Mr. Sunil Agarwal	Independent Director

The role of Corporate Social Responsibility Committee is as follows:

- formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;
- recommending the amount of expenditure to be incurred on CSR activities of the Company;
- reviewing the performance of Company in the area of CSR;
- monitoring CSR Policy of the Company from time to time;
- monitoring the implementation of the CSR projects or programs or activities undertaken by the Company.

RESOURCE COMMITTEE

Resource Committee of the Board of Directors of the Company was constituted on February 8, 2010.

The current composition on the committee is as follows:

Sr. No	Name of the Director	Designation
1.	Mr. Dinesh Nandwana	Executive Director (Chairman)
2.	Mr. Ramesh Joshi	Independent Director
3.	Dr. Nishikant Hayatnagarkar	Executive Director

All the members attended all the meetings of the Committee.

CORPORATE GOVERNANCE COMMITTEE:

The Company has a Corporate Governance Committee to deal with the matters related to Corporate Governance and requirements as applicable to the company under the Corporate Governance and SEBI LODR.
The current composition on the committee is as follows:

Sr. No	Name of the Director	Designation
1.	Mr. Ramesh Joshi	Independent Director (Chairman)
2.	Mr. Dinesh Nandwana	Executive Director
3.	Dr. Nishikant Hayatnagarkar	Executive Director

All the members attended all the meetings of the Committee.

BANK ACCOUNT COMMITTEE:

The Company has a Bank Account Committee to authorize on behalf of the Board of Directors of the company the opening and operation of various Banking accounts opened/to be opened in various geographies of India for company's Business and to further delegate the powers of authorizing the bank account opening and operating. Initially the said committee was constituted under the nomenclature "Bank Account Opening and Operating Committee" on October 10, 2016 subsequent to which it was reconstituted as "Bank Account Committee" on February 9, 2017.

The current composition on the committee is as follows:

Sr. No	Name of the Director	Designation
1.	Mr. Dinesh Nandwana	Executive Director
2.	Dr. Nishikant Hayatnagarkar	Executive Director

All the members attended all the meetings of the Committee.

Corporate Governance Report 2016-17

ANNUAL GENERAL MEETING:

Date, Venue and Time for the last three Annual General Meetings.

Date	Venue	Time	Special Resolutions passed
September 30, 2016	The Leela Mumbai, Andheri Kurla Road, Sahar, Mumbai 400 059	11.00 AM	NIL
September 29, 2015	Chancellor Suite, Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai 400 099	11.00 AM	NIL
September 30, 2014	Victoria Suite, Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai 400 099	12.30 PM	Re-appointment of Mr. Dinesh Nandwana (DIN:00062532), as the Managing Director of the Company for a period of five years

SPECIAL RESOLUTION(S) PASSED THROUGH POSTAL BALLOT

No postal ballot was conducted during the financial year 2016-17. None of the businesses are proposed to be conducted through Postal Ballot.

DISCLOSURES

- **Disclosure on materially 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 were no material transaction with any related party, which may have potential conflict with the interest of the company at large. However, the company has a Policy for related Party Transactions which is available on the website of the company at http://vakrangee.in/pdf/company-policies/Related%20Party%20Transactions%20Policy.pdf. Suitable Disclosures as required by the Accounting Standard (AS-18) has been made in the notes to the Financial Statements.

- **Details of non-compliance by the listed entity, penalties, structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

  During the last three years, there were no structures 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.

- **Compliance with Discretionary requirements of SEBI LODR:**

  The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of SEBI LODR. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

  - Separate posts of Chairman and CEO: The positions of the Chairman and the CEO are separate.
  - Shareholders rights: The Quarterly Results along with the Press Release are uploaded on the website of the Company www.vakrangee.in.
  - Audit qualifications: The Company is in the regime of unqualified Statement.
  - Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee.
  - The Company has submitted Quarterly Compliance Report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the SEBI (LODR) Regulation, 2015.

- **Disclosure Requirements under Regulation 46 of the SEBI LODR**

  As per the requirement of Regulation 46 of SEBI LODR, the company has hosted following disclosures on the website of the Company www.vakrangee.in:

  (a) details of its business;

  (b) terms and conditions of appointment of independent directors;

Corporate Governance Report 2016-17

(c) composition of various committees of board of directors;

(d) code of conduct of board of directors and senior management personnel;

(e) details of establishment of vigil mechanism/ Whistle Blower policy;

(f) criteria of making payments to non-executive directors;

(g) policy on dealing with related party transactions;

(h) policy for determining 'material' subsidiaries;

(i) details of familiarization programmes imparted to independent directors including the following details:-

  (i) number of programmes attended by independent directors (during the year and on a cumulative basis till date),

  (ii) number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date)

(j) the email address for grievance redressal and other relevant details;

(k) contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;

(l) financial information including:

  (i) notice of meeting of the board of directors where financial results shall be discussed;

  (ii) financial results, on conclusion of the meeting of the board of directors where the financial results were approved;

  (iii) complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc;

(m) shareholding pattern;

(n) schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange;

(o) new name and the old name of the listed entity for a continuous period of one year, from the date of the last name change;

(p) items in sub-regulation (1) of Regulation 47 of SEBI LODR.

VIGIL MECHANISM / WHISTLE BLOWER

In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees may report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and no personnel has been denied direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company http://vakrangee.in/pdf/companypolicies/Whistle%20Blower%20&%20Vigil%20Mechanism.pdf.

MATERIAL SUBSIDIARIES

As on date the company do not have any material subsidiaries as stipulated under the SEBI LODR. However, the company has adopted a policy for determining Material subsidiaries and is made available on the website of the company at http://vakrangee.in/pdf/companypolicies/Policy%20on%20Material%20Subsidiary.pdf

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company at its various meetings held during the Financial year 2016-17 had familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the Business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarize then with the Company's policies, procedures and practices.

Periodic presentations are made to the Board and Board Committee meeting on Business and performance updates of the Company, Business strategy and risks involved.

Quarterly updates on relevant statutory changes and judicial pronouncements and encompassing important amendments are briefed to the Directors.

The Familiarization Policy along with the details of program imparted to the Independent Directors is available on the website of the Company at http://vakrangee.in/pdf/companypolicies/Familiarisation%20Programme%20for%20Independent%20Director.pdf

Corporate Governance Report 2016-17

MEANS OF COMMUNICATION:

1	Quarterly Results	- News Paper Advertisement
2	Newspaper wherein results are normally published	- Free Press Journal(English) & Navshakti(Marathi)
3	Website where displayed	- www.vakrangee.in, - www.nseindia.com, - www.bseindia.com
4	Whether it also displays official news releases	- Yes
5	The presentation made to Institutional Investor or to the Analyst	- Yes

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

The 27th Annual General Meeting of the Company will be held on Saturday, September 23, 2017 at Hotel Sofitel Mumbai BKC, C 57, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra-400051.

Financial Year

The financial year of the company is April 1 to March 31.

Financial Calendar for 2017-18

Tentative Schedule	Likely Board Meeting Schedule
Financial reporting for the quarter ending June 30, 2017	On or before August 14, 2017
Financial reporting for half year ended September 30, 2017	On or before November 14, 2017
Financial reporting for the quarter ending December 31, 2017	On or before February 14, 2018
Financial reporting for the year ended March 31, 2018	On or before May 30, 2018
Annual General Meeting for the year ending March 31, 2018	On or before September 30, 2018

Book Closure:

The Company's Register of Members and Share transfer books shall remain closed from September 16, 2017 to September 23, 2017 (both days inclusive).

Dividend payment:

i. Payment date:
Dividend, when declared at the AGM, will be paid within 30 days from the date of AGM i.e. September 23, 2017.

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 September 15, 2017 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 of Member of the Company as on September 15, 2017.

Listing on Stock Exchanges:
Your company's securities are listed on the following stock exchanges.

Equity Shares
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G BlockBandra East, Mumbai - 400 051.

Corporate Governance Report 2016-17

Listing fees for the year 2016-17 have been paid to the above Stock Exchanges.

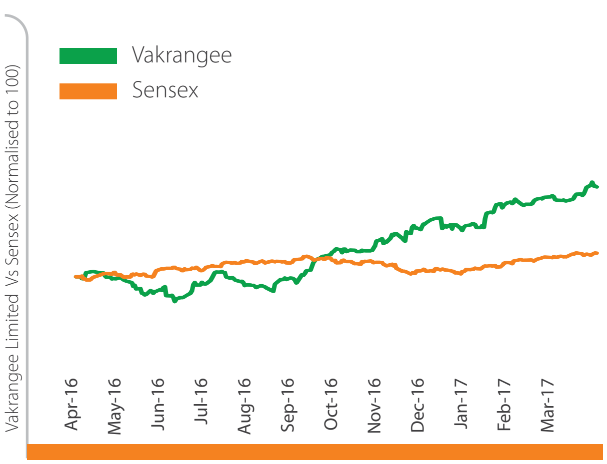
Stock Code

Stock Exchange	Code
BSE Ltd.	511431
National Stock Exchange of India Ltd.	VAKRANGEE
ISIN for Equity Shares (NSDL & CDSL)	INE051B01021

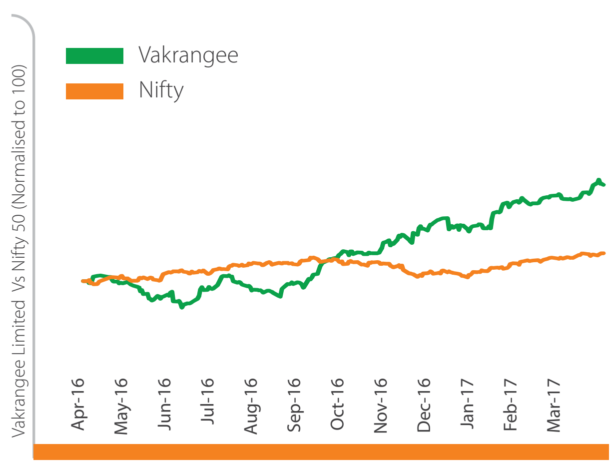
Stock Market Data relating to Equity Shares listed in India:

Month (2016-17)	Price on BSE during each month		Volume traded	Price on NSE during each month		Volume traded
	High	Low		High	Low	
April	208.70	190.00	71,56,315	209.00	189.00	19414496
May	199.00	162.90	2,05,44,652	199.30	162.00	36090841
June	195.00	160.10	3,91,37,943	194.90	162.00	62419091
July	211.05	184.00	4,40,74,456	210.70	183.50	21569910
August	204.55	163.80	5,26,85,734	204.80	162.80	22251283
September	240.00	187.90	2,98,47,900	240.70	188.10	28865223
October	254.70	232.70	2,03,96,257	254.70	232.45	17801649
November	280.00	240.30	2,16,56,279	284.60	240.00	33536590
December	287.30	260.00	1,24,08,715	288.00	252.80	40063430
January	310.00	269.50	58,49,204	309.45	269.10	20294287
February	318.70	298.20	24,89,667	319.00	297.95	21967706
March	337.90	307.50	18,77,698	337.65	307.20	22315464

Stock Performance of Vakrangee Limited v/s. Sensex Index:



Stock Performance of Vakrangee Limited v/s. Nifty Index:



Registrar and Share Transfer Agent:
Bigshare Services Pvt. Ltd.
1st Floor, Bharat Tin works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri (E),
Mumbai – 400059.
Telephone No. : 022-62638200
Fax No.- : 022-62638299
Email : info@bigshareonline.com

Share Transfer System

Transfers in physical form are registered by the Registrar and Share Transfer Agents immediately on receipt of completed documents and certificates are issued within stipulated time. All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days.

Corporate Governance Report 2016-17

The Company obtains half-yearly certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub division, consolidation and renewal as required under Regulation 40(9) of SEBI LODR and files a copy of the said certificate with the concerned Stock Exchanges.

Distribution of shareholding: - Face Value ₹ 1/- per Share

As on March 31, 2017

Category (No. of Shares)	No. of shareholders	% of shareholders	No. of shares	% total equity
0-5000	17086	93.6835	8516379	1.6092
5001-10000	423	2.3193	3219100	0.6083
10001-20000	209	1.1460	3126716	0.5908
20001-30000	69	0.3783	1726360	0.3262
30001-40000	39	0.2138	1382997	0.2613
40001-50000	38	0.2084	1774686	0.3353
50001-100000	109	0.5977	8048199	1.5207
100001- above	265	1.4530	501437983	94.7482
Total	**18238**		**529232420**	**100.0000**

Shareholding Pattern of the company as on March 31, 2017

	Category	March 31, 2017		March 31, 2016	
		No. of shares held	% of Holding	No. of shares held	% of Holding
(A)	**Shareholding of Promoter and Promoter Group**				
(a)	Individuals/ Hindu Undivided Family	29865100	5.64	29865100	5.64
(b)	Bodies Corporate	190311414	35.97	190311414	35.97
	Total(A)	**220176514**	**41.61**	**220176514**	**41.61**
(B)	**Public Shareholding**				
B1	**Institutions**				
(a)	Mutual Funds	266462	0.05	23492	0.00
(b)	Financial Institutions / Banks	1768591	0.33	2319431	0.44
(c)	Insurance Companies	34011295	6.43	34780128	6.57
(d)	Foreign Institutional Investors	118767602	22.44	35989316	6.80
	Sub-Total (B)(1)	**154813950**	**29.25**	**73112367**	**13.82**
B 2	**Non-institutions**				
(a)	Bodies Corporate	83530234	15.78	149091062	28.17
b (i)	Individual shareholders holding nominal share capital up to ₹ 2 lakh	24909256	4.71	25658545	4.85
b (ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	22083585	4.17	22449683	4.24
(c)	Clearing members	19099012	3.61	12882454	2.43
(d)	Non Residents Indians(NRI)	2577864	0.49	4188213	0.79
(e)	Overseas Bodies Corporates	-	-	21627332	4.08
(f)	NBFCs registered with RBI	1568050	0.30	-	-
(g)	Others	473955	0.09	10000	0.00
	Sub-Total (B)(2)	**154241956**	**29.15**	**253907289**	**44.58**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**309055906**	**58.39**	**309019656**	**58.39**
	GRAND TOTAL (A)+(B)	**529232420**	**100**	**529196170**	**100**

Dematerialization of Shares and Liquidity:

Mode of Holding	No. of shares (as on March 31, 2017)	%
Held with NSDL	497869094	94.08
Held with CDSL	29176326	5.51
Held in Physical Form	2187000	0.41
Total	**529232420**	**100.00**

Over 99.59% of outstanding equity has been dematerialized upto March 31, 2017.

Address of Correspondence:
The address of correspondence:
Vakrangee Limited
"Vakrangee House", Plot No.- 66,
Marol Co-op Industrial Estate,
Off. M. V. Road,Andheri (E),
Mumbai – 400 059.

Other regional office addresses are mentioned at the end of the Annual Report.

Shareholders can contact the following officials for Company secretarial matters related to the company:

Name	Telephone No.	Email ID	Fax No.
Darshi Shah	022-67765100	info@vakrangee.in	022-28502017

Vakrangee's Code of Conduct:
The Board of Directors of the Company has laid down a code of conduct for the Board and all senior management employees of the Company. The same has been posted on the website of the Company www.vakrangee.in. The Company confirms that all Board members and senior management personnel shall have and shall continue to affirm compliance with the code on an annual basis.

Vakrangee's Code for Preventing Insider Trading:
Vakrangee Ltd has Code of Conduct for Prevention of Insider Trading ('VL Code') in the shares of the Company which is line with SEBI (Prohibition of Insider Trading) Regulations, 2015 and same is available on the Company's corporate website.

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL
I, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and Senior Management Personnel of the company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the financial year 2016-17.

Sd/-
Dinesh Nandwana
Managing Director & CEO
(DIN:00062532)

Auditor's Certificate on Corporate Governance

To the members of Vakrangee Limited,

We have examined the Compliance of the conditions of Corporate Governance procedures implemented by Vakrangee Limited ('the Company'), for the year ended March 31, 2017 as stipulated under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015('Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountant of India, and was limited to 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 statements 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 the abovementioned Listing Regulations, as applicable.

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
FRN: 112723W

Arun Poddar
Partner
Mem. No.: 134572

Place : Mumbai
Date : July 31, 2017

CEO / CFO Certificate

To the Board of Directors of **Vakrangee Limited**

Dear Sirs,

Sub: CEO / CFO Certificate
(Issued in accordance with provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have reviewed the financial statements, read with cash flow statement of Vakrangee Limited for the year ended March 31, 2017 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 existing 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 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,
For **Vakrangee Limited**

Dinesh Nandwana
Managing Director & CEO
(DIN : 00062532)

Subhash Singhania
Chief Financial Officer

Place: Mumbai
Date: May 30, 2017

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L65990MH1990PLC056669
2	Name of the Company	Vakrangee Limited
3	Registered address	Vakrangee House, Plot No. 66, Marol Co-op. Indl. Estate, Off. M. V. Road, Andheri (East), Mumbai – 400059
4	Website	www.vakrangee.in
5	E-mail id	info@vakrangee.in
6	Financial Year reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	631 - Data processing, hosting and related activities; web portals 639 - Other information service activities 662 - Activities auxiliary to insurance and pension funding 461 - Wholesale on a fee or contract basis 479 - Retail trade not in stores, stalls or markets 791 - Travel agency and tour operator activities 641 - Monetary intermediation 661 - Activities auxiliary to financial service activities, except insurance and pension funding 649 - Other financial service activities, except insurance and pension funding activities
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	E-governance, E-commerce, Banking, Financial Services and Insurance
9	Total number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major 5) ii. Number of National Locations	 Company undertakes its business only in India. Company has 35206 Vakrangee Kendras across 16+ States
10	Markets served by the Company – Local/State/National/ International	Local/State/National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	5292.32 Lakhs
2	Total Turnover (INR)	394894.72 Lakhs
3	Total profit after taxes (INR)	52277.96 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.40%
5	List of activities in which expenditure in 4 above has been incurred	Social and Community Development Education Health Care Livelihood enhancement

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

   Yes. Company has three Subsidiary Companies, two are Indian subsidiaries and one is a Foreign Subsidiary

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

   Yes. Both the Indian Subsidiaries participate in BR Initiatives of Vakrangee Limited.

Business Responsibility Report

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

   No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The Corporate Governance Committee of the Board of Directors is responsible for implementation of BR policies. The members of the Corporate Governance Committee are as follows:

DIN	Name	Designation
00002683	Mr. Ramesh Joshi	Independent Director (Chairman)
00062532	Mr. Dinesh Nandwana	Executive Director
00062638	Dr. Nishikant Hayatnagarkar	Executive Director

b) Details of the BR head

S.No.	Particulars	Details
1	DIN	00062532
2	Name	Mr. Dinesh Nandwana
3	Designation	Managing Director & CEO
4	Telephone number	022 67765100
5	e-mail id	info@vakrangee.in

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of Compliance (Reply in Y/N)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
4	Has the policy being approved by the Board?	Y	N	Y	Y	Y	Y	-	Y	Y
5	If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
7	Indicate the link for the policy to be viewed online?	Y*#	Y#	Y*#	Y**	Y#	Y*#	-	Y*	Y*
8	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	-	Y	Y

Business Responsibility Report

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
10	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
11	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y$	Y$	Y$	Y$	Y$	Y$	-	Y$	Y$

*Code of Conduct - http://www.vakrangee.in/pdf/code-of-conduct/code-of-conduct-for-directors.pdf and http://www.vakrangee.in/pdf/company-policies/Ethics%20&%20Bribery%20And%20Corruption%20.pdf

These Policies are internal documents and not accessible to the public.

**Corporate Social Responsibility Policy – http://www.vakrangee.in/pdf/company-policies/Corporate%20Social%20Responsibility_Policy.pdf

$ Policies are evaluated internally. In addition to this, Morgan Stanley Capital International Inc. (MSCI), a leading provider of global indices and benchmark related products and services to investors worldwide has provided an ESG (Environment, Social and Governance) rating of 'BBB' to Vakrangee as on July 14, 2016. Also, MSCI has provided an Impact Monitor Report dated July 14, 2016 which is available on company's website at hhttp://vakrangee.in/pdf/MSCI-ESG-Reports/Vakrangee%20Limited%20ESG%20Impact%20Monitor%20Report-2016.pdf

b. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)		✓					✓		

P2 - Company's Procurement activity is handled by the Management and hence, the policy is approved by the management of the company in consultation with the Managing Director & CEO and not by the Board of Directors.

P7 – Company does not take part in any lobbying or policy advocacy.

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The "Corporate Governance" Committee reviews the Business Responsibility performance of the Company on annual basis.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

BR report is published on annual basis. Vakrangee Limited is publishing the said report for the first time for year ended on March 31, 2017.

Business Responsibility Report

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

   Yes, the company has an Ethics, Bribery and Corruption policy which covers all the subsidiaries and group companies or any other person associated with the company. This policy is available on the website - http://www.vakrangee.in/pdf/company-policies/Ethics%20&%20Bribery%20And%20Corruption%20.pdf

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   NIL

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   a. Promoting Financial Inclusion in underserved and unserved area through business correspondent Banking model. Nearly 30% of country's population is illiterate and Vakrangee does the most advanced form of banking which is biometric enabled which does not require form filling. Since, banking is paperless, it has a positive impact on the environment.

   b. Promoting Social Inclusion by enrolling citizens through the Unique Identification (Aadhaar) Scheme. With the help of Aadhaar, citizens get access to direct benefit transfer which gets directly deposited to their bank account thereby avoiding leakages.

   c. Promoting skill development of franchisees in underserved and unserved areas as they have to obtain IIBF certification for providing banking services and NSE IT UIDAI certification for providing Aadhaar services

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   NA

   a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. Does the company have procedures in place for sustainable sourcing (including transportation)? i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   NA

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   NA

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

   NA

Principle 3

1. Please indicate the Total number of employees - 1575 (as on March 31, 2017)

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 9

3. Please indicate the Number of permanent women employees - 73

4. Please indicate the Number of permanent employees with disabilities - 1

5. Do you have an employee association that is recognized by management - No

6. What percentage of your permanent employees is members of this recognized employee association?

   NA

Business Responsibility Report

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   a) Permanent Employees – 100%
   b) Permanent Women Employees – 100%
   c) Casual/Temporary/Contractual Employees – 100%
   d) Employees with Disabilities – 100%

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

   Vakrangee provides variety of goods and services to the most underserved and unserved locations of the country. The franchisees associated in these areas are disadvantaged and vulnerable due to absence of basic services in their region. With brick-and-morter outlets present in the rural locations, the company does not charge extra from the franchisees but charges them only for the hardware and branding. Also, a major percentage (65-80%) of commissions obtained from partners are shared with franchisees in a fair and transparent manner. In this way, the franchisee can provide services and goods to local underserved and unserved population in his/her vicinity at a very low CAPEX and OPEX. This also provides them with a constant and reliable source of livelihood and gives them an opportunity to develop their skills.

   Apart from this, Vakrangee also carries out CSR activities for various disadvantaged, vulnerable and marginalized stakeholders. The details of these activities can be obtained in CSR Report Annexed with Directors' Report in this Annual Report.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   It covers the company and its group.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   NIL

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   It covers the company and its group

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Vakrangee has a huge positive environmental impact in areas where it has its Kendras. All services and goods required by citizens of the area are easily available at one location which saves a lot of transportation cost as well as time for citizens. Also, banking services provided at these outlets are paperless and biometric enabled. Due to this these is no usage of paper and ink for carrying out these activities. This helps in significantly reducing the carbon footprints. For detailed information, refer page no. 50, Strategy 6: Greening the Road Ahead

3. Does the company identify and assess potential environmental risks?

   Yes

4. Does the company have any project related to Clean Development Mechanism?

   The company does not file any environmental compliance report, but an external independent audit was carried out by MSCI which gave Vakrangee a 10/10 on every key parameter related to environmental impact

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes. For detailed information refer page no. 50, Strategy 6: Greening the Road Ahead

Business Responsibility Report

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   We have a technology based business model in which we leverage the digitization of services. Due to this, the amount of emissions/waste generated are significantly low.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   NA

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   a. Associated Chambers of Commerce and Industry of India (AASOCHAM)
   b. Confederation of ATM Industry (CATMi)
   c. National Association of Software and Services Companies (NASSCOM)
   d. CSC e-Governance Services India Limited

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   No

Principle 8

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Vakrangee is the biggest equalizer providing services and products to the underserved and unserved population at par with their urban peers. Being a technology platform, these services are available to the customer at the same cost, of the same quality and in the same time. This provides an opportunity to customers to avail the services available at Vakrangee Kendras.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

   In house team.

3. Have you done any impact assessment of your initiative?

   Morgan Stanley Capital International Inc. (MSCI), a leading provider of global indices and benchmark related products and services to investors worldwide has provided an Impact Monitor Report dated July 14, 2016

4. What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.
   Apart from company's daily initiatives as mentioned in Principle 4 above, the company is also involved in CSR initiatives, detail of which is given in Annexure to the Directors' Report annexed with this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

   Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. The Company has engaged highly trained employees to drive and monitor the CSR activities.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   5.85%

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   Most of the services provided at the Vakrangee Kendra are free of cost for the customer. For services where the customer has to be charged, we display the actual costs chargeable to the customer at each Vakrangee Kendra. These rates are as per respective mandates and are included as a part of the branding at each Kendra. A helpline number is also provided to the customer to raise any complaints related to services provided.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

   NIL

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes

Independent Auditors' Report

To the Members of Vakrangee Limited,

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of Vakrangee Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

7. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an

Independent Auditors' Report

unmodified opinion dated May 11, 2016 and May 30, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by 'the Companies (Auditors' Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

9. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements - Refer Note No. 41 to the financial statements;

   (ii) The Company does not have long-term contracts, including derivative contracts, as at March 31, 2017;

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, during the year ended March 31, 2017;

   (iv) The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company - Refer Note No. 43.

For **S. K. Patodia & Associates**
Chartered Accountants
Firm Registration Number: 112723W

Arun Poddar
Partner
Membership No. : 134572

Place: Mumbai
Date: May 30, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Vakrangee Limited on the standalone financial statements as of and for the year ended March 31, 2017.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 5 and Note 6 on fixed assets to the financial statements are held in the name of the company.

ii. The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has granted unsecured loan, to three subsidiary companies covered in the register maintained under Section 189 of the Companies Act, 2013. The company has not granted any secured or unsecured loans to firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act.

(a) The terms and conditions of the grant of such loans were not, prima facie, prejudicial to the interest of the company.

(b) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(c) In respect of the aforesaid loans, amount is not overdue for more than 90 days.

iv. In our opinion and according to the information and explanation given to us, the Company has not given any loan, guarantee or security in respect of loans or made investments, as per the provisions of section 185 and 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section(1) of section 148 of the Companies Act.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any dispute except as below :

Name of the Statue	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service Tax	144.47	April 2009 to February 2013	Customs, Excise and Service Tax Appellate Tribunal
Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	449.47	FY 2011-12	Joint Commissioner of Sales Tax (Appeals)

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution, bank, government or dues to debenture holders as at the balance sheet date.

ix. According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the company.

Annexure A to Independent Auditors' Report

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Vakrangee Limited on the standalone financial statements as of and for the year ended March 31, 2017.

x. 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, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid / provided for Managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. In our opinion and as per information and explanations provided to us by management all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly the provisions of clause 3(xiv) of the order are not applicable to the Company.

xv. According to the records of the Company examined by us and the information and explanation given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **S. K. Patodia & Associates**
Chartered Accountants
Firm Registration Number: 112723W

Arun Poddar
Partner
Membership No. : 134572

Place: Mumbai
Date: May 30, 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Vakrangee Limited on the standalone financial statements as of and for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Vakrangee Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Generally Accepted Accounting Principles. A company's internal financial controls over financial reporting includes those policies and procedures that:

i. pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company;

ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

Annexure B to Independent Auditors' Report

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Vakrangee Limited on the standalone financial statements as of and for the year ended March 31, 2017.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial controls over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. K. Patodia & Associates**
Chartered Accountants
Firm Registration Number: 112723W

Arun Poddar
Partner
Membership No.: 134572

Place: Mumbai
Date: May 30, 2017

Balance Sheet
as at March 31, 2017

(Amount in ₹ lakhs)

Particulars	Note No.	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
I ASSETS							
1 Non - Current Assets							
Property Plant and Equipment	5		2,861.84		13,171.66		27,181.41
Capital Work-in-Progress	5		-		-		1,009.11
Investment Properties	6		8.68		8.86		9.02
Financial Assets							
(i) Investments	7	1,924.52		270.94		281.00	
(ii) Trade Receivables	8	-		965.36		93.86	
(iii) Other Financial Assets	9	83.61	2,008.13	417.15	1,653.45	119.23	494.09
Income Tax Assets (Net)	10		405.63		190.35		-
Other Non - Current Assets	11		34.12		1,100.97		459.94
Total Non-current Assets			**5,318.40**		**16,125.29**		**29,153.57**
2 Current Assets							
Inventories	12		44,112.07		46,447.38		13,352.59
Financial Assets							
(i) Investments	13	56.30		-		-	
(ii) Trade Receivables	14	83,969.61		86,917.57		121,508.59	
(iii) Cash and Cash equivalents	15	57,732.88		13,878.20		539.49	
(iv) Bank Balances other than (iii) above	15	1,641.44		2,661.62		3,138.35	
(v) Loans	16	4,066.78		5,189.69		2,932.34	
(vi) Other Financial Assets	17	1,135.76	148,602.77	2,302.73	110,949.81	1,863.44	129,982.21
Current Tax Assets (Net)	18		81.55		19.07		1.31
Other Current Assets	19		28,635.06		37,633.49		30,598.50
Total Current Assets			**221,431.45**		**195,049.75**		**173,934.61**
TOTAL			**226,749.85**		**211,175.04**		**203,088.18**
II EQUITY & LIABILITIES							
1 Equity							
Equity Share Capital	20		5,292.32		5,291.96		5,034.82
Other Equity	21						
(i) Reserves and Surplus		200,812.39		156,145.76		93,837.98	
(ii) Other Reserves		(54.33)		(37.69)		-	
(iii) Money received against Share warrants	44	-	200,758.06	-	156,108.07	25,000.00	118,837.98
Total Equity			**206,050.38**		**161,400.03**		**123,872.80**
2 Liabilities							
Non - Current Liabilities							
Financial Liabilities							
(i) Borrowings	22	-		1,221.98		3,698.55	
(ii) Trade Payables	23	98.89	98.89	216.62	1,438.60	157.17	3,855.72
Employee Benefit Obligations	24		231.46		178.30		117.85
Deferred Tax Liabilities (Net)	25		-		1,288.19		4,258.20
Total Non-Current Liabilities			**330.35**		**2,905.09**		**8,231.77**
3 Current Liabilities							
Financial Liabilities							
(i) Borrowings	26	14,401.89		28,275.04		29,968.80	
(ii) Trade Payables	27	2,458.58		11,087.87		21,079.56	
(iii) Other Financial Liabilities	28	101.07	16,961.54	2,541.93	41,904.84	6,483.62	57,531.98
Other Current Liabilities	29		418.00		564.51		1,107.24
Provisions	30		386.90		3,750.64		6,839.70
Employee Benefit Obligations	31		7.76		7.27		-
Current Tax Liabilities	32		2,594.93		642.66		5,504.69
Total Current Liabilities			**20,369.12**		**46,869.92**		**70,983.61**
Total Liabilities (2 + 3)			**20,699.47**		**49,775.01**		**79,215.38**
TOTAL			**226,749.85**		**211,175.04**		**203,088.18**
Significant Accounting Policies	1-4						

The accompanying notes forms an integral part of the standalone financial statements

As per our report of even date

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Arun Poddar
Partner
Membership No.: 134572

Place : Mumbai
Date : May 30, 2017

For & on behalf of the Board of Directors

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Darshi Shah
Company Secretary

Statement of Profit and Loss
for the year ended March 31, 2017

(Amount in ₹ lakhs)

	Particulars	Note No.		For the year ended March 31, 2017		For the year ended March 31, 2016
I	**Income**					
	Revenue from Operations	33	394,894.72		316,861.27	
	Other Income	34	1,357.29		1,203.00	
	Total Income			**396,252.01**		**318,064.27**
II	**Expenses**					
	Operating Expenses	35	294,780.34		230,789.38	
	Changes in Inventories	36	(491.55)		113.99	
	Employee Benefit Expenses	37	4,233.94		2,532.25	
	Finance Costs	38	4,978.93		5,620.21	
	Depreciation and Amortization Expense	5, 6	7,295.52		16,353.35	
	Other Expenses	39	3,485.35		2,372.57	
	Total Expenses			**314,282.53**		**257,781.75**
III	**Profit Before Tax**			**81,969.48**		**60,282.52**
IV	**Tax Expenses:**					
	(a) Current Tax		30,954.26		24,074.91	
	(b) Deferred Tax		(1,279.38)		(2,950.06)	
				29,674.88		**21,124.85**
V	**Profit for the year**			**52,294.60**		**39,157.67**
VI	**Other Comprehensive Income**					
	Items that will be reclassified subsequently to profit or loss					
	i) Exchange difference on translation of foreign exchange			-		-
	Items that will not be reclassified subsequently to profit or loss					
	i) Remeasurement of net defined benefit obligations (net of taxes)			(16.64)		(37.69)
	Other Comprehensive Income net of tax			**(16.64)**		**(37.69)**
	Total Comprehensive Income for the period			**52,277.96**		**39,119.98**
VII	**No. of equity shares for computing EPS (in lakhs)**	40				
	(1) Basic			**5,292.10**		**5,198.25**
	(2) Diluted			**5,303.51**		**5,304.25**
VIII	**Earnings Per Equity Share (Face Value ₹ 1/- Per Share):**	40				
	(1) Basic (₹)			**9.88**		**7.53**
	(2) Diluted (₹)			**9.86**		**7.38**
	Significant Accounting Policies	1-4				

The accompanying notes forms an integral part of the standalone financial statements

As per our report of even date

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

For & on behalf of the Board of Directors

Arun Poddar
Partner
Membership No.: 134572

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Subhash Singhania
Chief Financial Officer

Place : Mumbai
Date : May 30, 2017

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Darshi Shah
Company Secretary

Statement of changes in equity
for the year ended March 31, 2017

(Amount in ₹ lakhs)

Particulars	Equity Share Capital	Other Equity					Money received against share warrants	Total equity attributable to equity holders of the Company
		Reserves and surplus				Other reserves		
		Securities premium reserve	Retained earnings	General Reserve	Share Options Outstanding Account	Equity instruments through other comprehensive income		
Balance as at April 1, 2015	**5,034.82**	**16,997.11**	**71,621.42**	**4,585.95**	**633.50**	**-**	**25,000.00**	**123,872.80**
Increase in share capital on account of conversion of share warrants	250.00	-	-	-	-	-	(250.00)	-
Increase in share capital on account of conversion of ESOPs	7.14	-	-	-	-	-	-	7.14
Amount received on shares issued during the year	-	24,816.69	-	-	-	-	(24,750.00)	66.69
Transferred from Share Options Outstanding Account	-	181.85	-	-	(181.85)	-	-	-
Profit for the year	-	-	39,157.66	-	-	-	-	39,157.66
Dividends (including corporate dividend tax)	-	-	(1,587.39)	-	-	-	-	(1,587.39)
Transfer to General Reserve	-	-	(3,205.73)	3,205.73	-	-	-	-
Share-based payments (net)	-	-	-	-	(79.17)	-	-	(79.17)
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	(37.69)	-	(37.69)
Balance as at March 31, 2016	**5,291.96**	**41,995.65**	**105,985.95**	**7,791.68**	**372.48**	**(37.69)**	**-**	**161,400.03**
Increase in share capital on account of conversion of share warrants	-	-	-	-	-	-	-	-
Increase in share capital on account of conversion of ESOPs	0.36	-	-	-	-	-	-	0.36
Amount received on shares issued during the year	-	6.89	-	-	-	-	-	6.89
Transferred from Share Options Outstanding Account	-	7.29	-	-	(7.29)	-	-	-
Profit for the year	-	-	52,294.60	-	-	-	-	52,294.60
Dividends (including corporate dividend tax)	-	-	(7,961.60)	-	-	-	-	(7,961.60)
Transfer to General Reserve	-	-	(3,914.71)	3,914.71	-	-	-	-
Share-based payments (net)	-	-	-	-	326.74	-	-	326.74
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	(16.64)	-	(16.64)
Balance as at March 31, 2017	**5,292.32**	**42,009.83**	**146,404.24**	**11,706.39**	**691.93**	**(54.33)**	**-**	**206,050.38**

The accompanying notes forms an integral part of the standalone financial statements

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Arun Poddar
Partner
Membership No.: 134572

Place : Mumbai
Date : May 30, 2017

For & on behalf of the Board of Directors

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Darshi Shah
Company Secretary

Cash Flow Statement
for the year ended March 31, 2017

(Amount in ₹ lakhs)

S. No	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
I	**Cash flow from operating activities**		
	Profit before tax from continuing operations	81,969.48	60,282.52
	Profit before tax from discontinuing operations	-	-
	Profit before tax	**81,969.48**	**60,282.52**
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	7,295.34	16,353.19
	Depreciation of investment properties	0.17	0.17
	Employee share based payment expenses	326.74	(79.18)
	Net foreign exchange differences	155.66	(333.85)
	Allowance for credit losses	853.96	134.89
	Fair value gain on financial instrument at fair value through Profit and loss	(32.88)	-
	Remeasurement of defined benefit obligations	(25.45)	(57.64)
	Gain on disposal of property, plant and equipment	(630.23)	(134.89)
	Gain on sale of investments	(2.14)	(14.62)
	Finance costs	4,978.93	5,620.21
	Interest income	(931.38)	(740.06)
	Dividend income	-	(2.00)
	Operating profit before working capital changes	**93,958.20**	**81,028.74**
	Movements in assets and liabilities :		
	Decrease / (increase) in inventories	2,335.31	(33,094.79)
	Decrease / (increase) in trade receivables	3,028.33	33,736.04
	Decrease / (increase) in loans and other financial assets	61.12	(4,202.13)
	Decrease / (increase) in other current assets	8,998.43	(7,034.99)
	Decrease / (increase) in other non-current assets	1,066.85	(641.03)
	Increase / (decrease) in trade payables	(8,747.02)	(9,932.24)
	Increase / (decrease) in employee benefit obligations	53.65	67.72
	Increase / (decrease) in provisions	(3,363.74)	(3,089.06)
	Increase / (decrease) in other current liabilities	(146.51)	(542.73)
	Cash generated from operations	**97,244.62**	**56,295.53**
	Income taxes paid (net of refunds)	(29,279.75)	(29,145.06)
	Net cash flow from /(used in) operating activities (A)	**67,964.87**	**27,150.46**
II	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(1,107.57)	(1,335.55)
	Proceeds from sale of property, plant and equipment	4,752.28	136.13
	Purchase of investments	(12.00)	(39.94)
	Proceeds from sale of investments	12.15	64.61
	Investment in subsidiaries	(1,675.00)	-
	Loans of subsidiaries	1,017.14	(2,074.60)
	Interest received	931.38	740.06
	Dividends received	-	2.00
	Net cash flow from/(used in) investing activities (B)	**3,918.38**	**(2,507.29)**

Cash Flow Statement
for the year ended March 31, 2017

(Amount in ₹ lakhs)

S. No	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
III	**Cash flow from financing activities**		
	Proceeds from issue of shares	0.36	7.14
	Proceeds towards securities premium on issue of shares	6.89	66.69
	Repayment of borrowings	(1,221.98)	(2,476.57)
	Interest paid	(4,978.93)	(5,620.21)
	Dividends paid to company's shareholders	(6,614.95)	(1,322.89)
	Dividend Distribution Tax paid	(1,346.65)	(264.50)
	Net cash flow from/(used in) in financing activities (C)	**(14,155.26)**	**(9,610.34)**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**57,727.99**	**15,032.83**
	Effects of exchange rate changes on cash and cash equivalents	(0.16)	(0.36)
	Cash and cash equivalents at the beginning of the year	(14,396.84)	(29,429.31)
	Cash and cash equivalents at the end of the year	**43,330.99**	**(14,396.84)**

The accompanying notes forms an integral part of the standalone financial statements

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Arun Poddar
Partner
Membership No.: 134572

Place : Mumbai
Date : May 30, 2017

For & on behalf of the Board of Directors

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Subhash Singhania
Chief Financial Officer

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Darshi Shah
Company Secretary

Reconciliation of Equity
as at April 1, 2015

(Amount in ₹ lakhs)

	Particulars		As per Indian GAAP	Adjustments		As per Ind AS
I	**ASSETS**					
1	**Non - Current Assets**					
	Property, Plant and Equipment		27,181.41	-		27,181.41
	Capital Work-in-Progress		1,009.11	-		1,009.11
	Investment Properties		9.02	-		9.02
	Financial Assets					
	(i) Investments	281.00		-	281.00	
	(ii) Trade Receivables	93.86		-	93.86	
	(ii) Other Financial Assets	119.23	494.09	-	119.23	494.09
	Income Tax Assets (Net)		-	-		-
	Other Non - Current Assets		459.94	-		459.94
	Total Non-current Assets		29,153.57	-		29,153.57
2	**Current Assets**					
	Inventories		13,352.59	-		13,352.59
	Financial Assets					
	(i) Investments	-		-	-	
	(ii) Trade Receivables	122,164.09		(655.50)	121,508.59	
	(iii) Cash and Cash equivalents	539.49		-	539.49	
	(iv) Bank Balances other than (iii) above	3,138.35		-	3,138.35	
	(v) Loans	2,932.34		-	2,932.34	
	(vi) Other Financial Assets	1,863.44	130,637.71	-	1,863.44	129,982.21
	Income Tax Assets (Net)		1.31	-		1.31
	Other Current Assets		30,598.50	-		30,598.50
	Total Current Assets		**174,590.11**	**(655.50)**		**173,934.61**
	TOTAL		**203,743.68**	**(655.50)**		**203,088.18**
II	**EQUITY & LIABILITIES**					
1	**Equity**					
	Equity Share Capital		5,034.82	-		5,034.82
	Other Equity					
	(i) Reserves and Surplus	93,118.10		719.88	93,837.98	
	(ii) Other Reserves	-		-	-	
	(iii) Money received against Share warrants	25,000.00	118,118.10	-	25,000.00	118,837.98
	Total Equity		123,152.92	719.88		123,872.80

Reconciliation of Equity

as at April 1, 2015

(Amount in ₹ lakhs)

	Particulars	As per Indian GAAP		Adjustments	As per Ind AS	
2	**Liabilities**					
	Non - Current Liabilities					
	Financial Liabilities					
	(i) Borrowings	3,740.60		(42.05)	3,698.55	
	(ii) Trade Payables	157.17	3,897.77	-	157.17	3,855.72
	Employee Benefit Obligations		117.85	-		117.85
	Deferred Tax Liabilities (Net)		4,234.40	23.80		4,258.20
	Total Non-Current Liabilities		8,250.02	(18.25)		8,231.77
3	**Current Liabilities**					
	Financial Liabilities					
	(i) Borrowings	29,968.80		-	29,968.80	
	(ii) Trade Payables	21,079.56		-	21,079.56	
	(iii) Other Financial Liabilities	6,511.59	57,559.95	(27.97)	6,483.62	57,531.98
	Other Current Liabilities		1,107.24	-		1,107.24
	Provisions		8,345.14	(1,505.44)		6,839.70
	Employee Benefit Obligations		-	-		-
	Current Tax Liabilities		5,328.41	176.29		5,504.69
	Total Current Liabilities		72,340.74	(1,357.12)		70,983.61
	Total Liabilities (2+3)		**80,590.76**	**(1,375.37)**		**79,215.38**
	TOTAL		**203,743.68**	**(655.50)**		**203,088.18**

Reconciliation of Equity
as at March 31, 2016

(Amount in ₹ lakhs)

	Particulars	As per Indian GAAP		Adjustments	As per Ind AS	
I	**ASSETS**					
1	**Non - Current Assets**					
	Property, Plant and Equipment		13,171.66	-		13,171.66
	Capital Work-in-Progress		-	-		-
	Investment Properties		8.86	-		8.86
	Financial Assets					
	(i) Investments	270.94		-	270.94	
	(ii) Trade Receivables	965.36		-	965.36	
	(ii) Other Financial Assets	417.15	1,653.45	-	417.15	1,653.45
	Income Tax Assets (Net)		190.35	-		190.35
	Other Non - Current Assets		1,100.97	-		1,100.97
	Total Non-current Assets		16,125.29	-		16,125.29
2	**Current Assets**					
	Inventories		46,447.38	-		46,447.38
	Financial Assets					
	(i) Investments	-		-	-	
	(ii) Trade Receivables	87,707.96		(790.39)	86,917.57	
	(iii) Cash and Cash equivalents	13,878.20		-	13,878.20	
	(iv) Bank Balances other than (iii) above	2,661.62		-	2,661.62	
	(v) Loans	5,189.69		-	5,189.69	
	(vi) Other Financial Assets	2,302.73	111,740.20	-	2,302.73	110,949.81
	Income Tax Assets (Net)		19.07	-		19.07
	Other Current Assets		37,633.49	-		37,633.49
	Total Current Assets		195,840.14	(790.39)		195,049.75
	TOTAL		**211,965.43**	**(790.39)**		**211,175.04**
II	**EQUITY & LIABILITIES**					
1	**Equity**					
	Equity Share Capital		5,291.96	-		5,291.96
	Other Equity					
	(i) Reserves and Surplus	148,908.96		7,236.80	156,145.76	
	(ii) Other Reserves	-		(37.69)	(37.69)	
	(iii) Money received against Share warrants	-	148,908.96	-	-	156,108.07
	Total Equity		154,200.92	7,199.11		161,400.03
2	**Liabilities**					
	Non - Current Liabilities					
	Financial Liabilities					
	(i) Borrowings	1,250.00		(28.02)	1,221.98	
	(ii) Trade Payables	216.62	1,466.62	-	216.62	1,438.60
	Employee Benefit Obligations		178.30	-		178.30
	Deferred Tax Liabilities (Net)		1,274.04	14.15		1,288.19
	Total Non-Current Liabilities		2,918.96	(13.87)		2,905.09
3	**Current Liabilities**					
	Financial Liabilities					
	(i) Borrowings	28,275.04		-	28,275.04	
	(ii) Trade Payables	11,087.87		-	11,087.87	
	(iii) Other Financial Liabilities	2,555.96	41,918.87	(14.03)	2,541.93	41,904.84
	Other Current Liabilities		564.51	-		564.51
	Provisions		11,712.24	(7,961.60)		3,750.64
	Employee Benefit Obligations		7.27	-		7.27
	Current Tax Liabilities		642.66	-		642.66
	Total Current Liabilities		54,845.55	(7,975.63)		46,869.92
	Total Liabilities (2+3)		**57,764.51**	**(7,989.51)**		**49,775.01**
	TOTAL		**211,965.43**	**(790.39)**		**211,175.04**

Reconciliation of Profit or Loss

for the year ended March 31, 2016

(Amount in ₹ lakhs)

	Particulars		Indian GAAP	Adjustments		Ind AS
I	**Income**					
	Revenue from Operations	316,861.27		-	316,861.27	
	Other Income	1,203.00		-	1,203.00	
	Total Income		**318,064.27**	**-**		**318,064.27**
II	**Expenses**					
	Operating Expenses	230,789.83		(0.44)	230,789.38	
	Changes in Inventories	113.99		-	113.99	
	Employee Benefit Expenses	2,535.80		(3.55)	2,532.25	
	Finance Costs	5,592.25		27.97	5,620.21	
	Depreciation and Amortization Expense	16,353.35		-	16,353.35	
	Other Expenses	2,241.09		131.48	2,372.57	
	Total Expenses		**257,626.31**	**155.46**		**257,781.75**
III	**Profit before tax**		**60,437.96**	**(155.46)**		**60,282.52**
IV	**Tax Expense:**					
	(a) Current Tax	24,074.91		-	24,074.91	
	(b) Deferred Tax	(2,960.36)		10.29	(2,950.06)	
	(c) Taxes of Earlier years	176.29		(176.29)	-	
			21,290.84	(166.00)		21,124.85
V	**Profit for the year**		**39,147.12**	**10.55**		**39,157.67**
VI	**Other Comprehensive Income**					
	Items that will be reclassified subsequently to profit or loss					
	i) Exchange difference on translation of foreign exchange	-		-	-	
	Items that will not be reclassified subsequently to profit or loss					
	i) Remeasurement of defined benefit obligations (net of taxes)	-		(37.69)	(37.69)	
	Other Comprehensive Income net of tax		**-**	**(37.69)**		**(37.69)**
	Total Comprehensive Income for the period		**39,147.12**	**(27.14)**		**39,119.98**

Notes to Financial Statements
for the year ended March 31, 2017

Note 1 - Corporate Information
Vakrangee Limited (hereinafter referred to as "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013 applicable in India. The registered office of the Company is located at 'Vakrangee House', Plot No. 66, Marol Co-op. Indl. Estate, Off. M. V. Road, Marol, Andheri (East), Mumbai, Maharashtra, India. The Company's shares are listed on two stock exchanges in India- the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

The Company is engaged in providing diverse solutions, activities in e-governance and e-commerce sector through its Vakrangee Kendra with special competencies in handling massive, multi-state, and e-governance enrollment projects, data digitization.

The financial statements were authorized for issue by the Company's Board of Directors on May 30, 2017.

Note 2 - Significant Accounting Policies
This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been consistently applied to all the years presented by the Company unless otherwise stated.

A. Basis of preparation

i. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as "Ind AS") under the provisions of the Companies Act, 2013 (hereinafter referred to as `the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended March 31, 2017 are the first financial statements of the Company prepared in accordance with Ind AS. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the Generally Accepted Accounting Principles (hereinafter referred to as 'previous GAAP') used for its statutory reporting requirement in India. Refer Note 4 for an explanation of how the transition from the previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows. The Company has adopted the Ind AS standards in accordance with Ind AS 101 First time adoption of Indian Accounting Standards.

The accounting policies have been consistently applied by the Company unless otherwise stated or where a newly issued accounting standard is initially adopted.

ii. Basis of measurement

The financial statements have been prepared on historical cost basis except the following

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and
- share based payments

B. Summary of significant accounting policies

i. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current /non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

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All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non–current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and services offered by the Company, operating cycle determined is 12 months for the purpose of current and non-current classification of assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

ii. Segment Reporting

The company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

iii. Foreign Currencies

The company`s financial statements are presented in INR (rounded off to lakhs), which is also the company's functional currency.

Transaction and balances

Transactions in foreign currencies are initially recorded by the company in their functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period.

Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in the statement of profit or loss except
- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Notes to Financial Statements
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Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

iv. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of services

The Company recognizes revenue on accrual basis when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered. Revenue is recognized when no significant uncertainty exists as to its realization or collection. Commission income is recognized on earned basis for activities performed in different services delivered at Vakrangee Kendra.

The Company executes the delivery in various e-governance projects at its Vakrangee Kendra's. Revenue for the Company accrues on successful delivery and confirmation by the business associate involved. The Company estimates successful delivery based on past trends and complexities involved in delivery and revenue is accounted accordingly till the confirmation is received. Any deviation with the actual confirmation is accounted in the period in which the actual results are known to the Company.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The amount recognised as revenue in its Statement of Profit and Loss is exclusive of Service Tax and Value Added Taxes (VAT), and is net of discounts.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Notes to Financial Statements
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Insurance claims
Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

v. **Property, Plant and Equipment**
Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replaced part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company`s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the company recognizes such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight- line method ("SLM"). Management, based on a technical evaluation, believes that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Rate of Depreciation
Buildings	1.67%
Computers and Printers, including Computer Peripherals	33.33%
Office Equipments	20.00%
Furniture & Fixtures	10.00%
Motor Vehicles	12.50%
Plant & Machinery	6.67%
Project Assets (comprising of Computers and Printers, including Computer Peripherals, Furniture and Fixtures and Office Equipment's)	25.00% – 33.33%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Notes to Financial Statements
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The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP as the deemed cost of the property, plant and equipment.

vi. Taxation
Current taxes
Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Deferred taxes
Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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vii. Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

viii. Investment property

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management expert.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transition to Ind AS

The Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1st April 2015.

ix. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such

Notes to Financial Statements
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indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and 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 risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

x. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

Debt Instruments at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

Debt instrument at Fair Value through Other Comprehensive Income (OCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income,

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impairment gains or losses and foreign exchange gains and losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

Debt instrument at Fair Value through Profit or Loss (FVTPL)
A financial asset which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income is classified as fair value through profit or loss. Debt instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Dividends from such investments are recognized in profit or loss as other income. There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiaries is carried at cost in the financial statements.

c) De-recognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company`s continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

d) Impairment of financial assets
The Company recognises impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

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Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables or any contractual right to receive cash or other financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Financial Liabilities

a) **Initial recognition and measurement**
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) **Subsequent measurement**
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the comapny that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

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for the year ended March 31, 2017

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xi. Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

xii. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease.

Finance Lease as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company’s general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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Operating Lease as a lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

xiii. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

xiv. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xv. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

xvi. Provisions

Provisions are recognised when the Company has 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.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

xvii. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

xviii. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

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xix. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xx. Employee Benefits

- **Short-term obligations**

  Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

- **Other Long-term employee benefit obligations**

  The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related service are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

  The obligations are presented as current in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Post- employment obligations**

  The Company operates the following post-employment schemes:

  I. Defined benefit plans such as gratuity

  II. Defined contribution plans such as provident fund.

Defined benefit plan - Gratuity Obligations

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation.

The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Notes to Financial Statements
for the year ended March 31, 2017

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plan
The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

xxi. Share-based Payments
Shared based compensation benefits are provided to employees via Vakrangee Limited Employee Stock Option Plan.

Employee options
The cost of equity-settled transactions is determined by the fair value of the options granted at the date when the grant is made. The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the Company's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employee to save or holding shares for a specific period of time)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to be vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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Note 3 - Critical Accounting Judgements and Estimates
The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures of contingent liabilities. The estimates and associates assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

- **Share-based payments**
  Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 49.

- **Defined benefit plans**
  The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to Financial Statements
for the year ended March 31, 2017

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 48.

- **Fair value measurement of financial instruments**
  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 50 for further disclosures.

Note 4 - First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended on March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 these financial statements (the Company date of transition).

In preparing its opening Ind AS balance sheet and in presenting the comparative information for the year ended March 31, 2016, the Company has adjusted the amounts reported previously in the financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). For the purpose of transition from the Indian GAAP to Ind AS, the Company has applied Ind AS 101 - First Time Adoption of Indian Accounting Standards.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company financial position, financial performance and cash flows is set out in the following tables and notes

Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been described in below.

I. Exemptions and exceptions availed on first time adoption of Ind AS 101

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS

- **Ind AS optional exemptions**

  i. Deemed Cost

  Ind AS 101 permits, a first time adopter to elect to continue with the carrying values for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for Investment properties.

  Accordingly, the Company has elected to measure all of its property, plant and equipment, Investment properties and intangible assets at their previous GAAP carrying value.

Notes to Financial Statements
for the year ended March 31, 2017

ii. Leases

Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. This assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts / arrangements.

iii. Designation of previously recognised financial instruments

Ind AS allows an entity to designate investments in equity instruments (other than equity investments in subsidiaries, associates and joint arrangements and other than held for trading) as at fair value through other comprehensive income (FVTOCI) based on facts and circumstances at the date of transition to Ind AS. Other equity investments are classified as at fair value through profit and loss (FVTPL).

The Company has not elected to apply this exemption for its equity investments (other than equity investments in subsidiaries, associates and joint arrangements and other than held for trading) to designate it as FVTPL

iv. Measurement of Investment in subsidiaries, associates and joint ventures

Ind AS allows entity that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

For investments in equity instruments of subsidiaries the Company has elected to apply separate exemption available under Ind AS 101 by measuring at their previous GAAP carrying amount cost which is the deemed cost at the date of transition to Ind AS.

- **Ind AS mandatory exceptions**

i. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVTOCI
- Impairment of financial assets based on expected credit loss model.

ii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Accordingly, the Company has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition.

Notes to Financial Statements
for the year ended March 31, 2017

II. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of total equity as at March 31, 2016 and April 1, 2015

₹ in lakhs

Particulars	Notes	March 31, 2016	April 1, 2015
Total Equity (shareholders' funds) as per Previous GAAP		**1,48,908.95**	**1,18,118.10**
Adjustments			
Provision for expected credit losses on trade receivables	1	(790.39)	(655.50)
Proposed dividend and tax on dividend	2	7,961.60	1,510.37
Borrowings- transaction cost adjustment	3	42.05	46.24
Prior period expense adjusted		-	(181.23)
Tax effects of adjustments		(14.14)	-
Total adjustments to equity		**7,199.12**	**719.88**
Total Equity as per Ind AS		**1,56,108.07**	**1,18,837.98**

Reconciliations of total comprehensive income for the year ended March 31, 2016

₹ in lakhs

Particulars	Notes	March 31, 2016
Profit after tax as per previous GAAP		39,147.12
Adjustments		
Provision for expected credit losses on trade receivables	1	(134.89)
Employee stock option expense recognized based on fair value method	4	(55.16)
Borrowings- transaction cost adjustment	3	(27.98)
Remeasurements of post-employment benefit obligations	5	57.64
Prior period expense adjusted		181.23
Tax effects of adjustments		(10.29)
Total adjustments		**10.55**
Profit after tax as per Ind AS		**39,157.67**
Other comprehensive income	6	**(37.69)**
Total comprehensive income as per Ind AS		**39,119.98**

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

₹ in lakhs

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	1,2	24,423.20	2,727.26	27,150.46
Net cash flow from investing activities	1,2	(432.70)	(2,074.59)	(2,507.29)
Net cash flow from financing activities	1,2	(11,121.51)	1,511.17	(9,610.34)
Net increase/(decrease) in cash and cash equivalents	1,2	12,861.99	2,170.84	15,032.83
Cash and cash equivalents as at 1 April 2015	1,2,15	3,677.83	(33,107.14)	(29,429.31)
Cash and cash equivalents as at 31 March 2016	1,2,15	16,539.82	(30,936.66)	(14,396.84)

III. Notes to first-time adoption

1) Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by ₹ 134.89 lakhs as at

Notes to Financial Statements
for the year ended March 31, 2017

March 31, 2016 (April 1, 2015 ₹ 655.50 lakhs). Consequently, the total equity as at March 31, 2016 decreased by ₹ 790.39 lakhs (April 1, 2015 ₹ 655.50 lakhs) and profit for the year ended March 31, 2016 decreased by ₹ 134.89 lakhs.

2) **Proposed dividend**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered adjusting events. Accordingly, provision for proposed dividend was recognized as a liability.

Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (excluding corporate dividend tax) of ₹ 6,614.95 lakhs as at March 31, 2016 (April 1, 2015 ₹ 1,258.71 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

3) **Borrowings**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit and loss over the tenure of the borrowing as part of the finance cost by applying effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit and loss as and when incurred. Accordingly, borrowings as at March 31, 2016 have been reduced by ₹ 28.02 lakhs (April 1, 2015 ₹ 42.05 lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 reduced by ₹ 27.98 lakhs as a result of the additional interest expense.

4) **Employee stock option**

Under the previous GAAP, the cost of equity- settled employee shared-based plan were recognised using the intrinsic value method.

Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account increased by ₹ 109.50 lakhs as at March 31, 2016 (April 1, 2015 ₹ 54.34 lakhs). The profit for the year ended March 31, 2016 decreased by ₹ 55.16 lakhs. There is no impact on equity.

5) **Remeasurements of post- employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased ₹ 57.64 lakhs. There is no impact on the total equity as at March 31, 2016.

6) **Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as "other comprehensive income" includes remeasurement of defined benefit plans and fair value gains or (losses) on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Notes to Financial Statements
as on March 31, 2017

Note 5 - Property, Plant and Equipment

(Amount in ₹ lakhs)

(a) Description	Buildings	Plant and Machinery	Furnitures and Fixtures	Motor Vehicle	Office Equipments	Computers including Computer Peripherals	Total	Capital Work-In-Progress	Grand Total
Cost or Valuation									
At April 1, 2015	**1,025.29**	**998.76**	**5,442.50**	**52.04**	**1,509.36**	**94,674.40**	**103,702.34**	**1,009.11**	**104,711.45**
Additions	-	343.71	7.75	5.21	12.50	1,975.49	2,344.66		2,344.66
Disposals/Transfers	-	-	9.38	-	-	207.57	216.95	1,009.11	1,226.06
At March 31, 2016	**1,025.29**	**1,342.47**	**5,440.86**	**57.25**	**1,521.86**	**96,442.32**	**105,830.05**	**-**	**105,830.05**
Additions	396.26	361.45	34.00	123.63	44.43	147.81	1,107.57	-	1,107.57
Disposals/Transfers	-	2.10	5,090.38	34.11	1,399.95	94,819.05	101,345.59	-	101,345.59
At March 31, 2017	**1,421.55**	**1,701.82**	**384.48**	**146.77**	**166.34**	**1,771.07**	**5,592.03**	**-**	**5,592.03**
Depreciation and Impairment									
At April 1, 2015	**129.96**	**325.76**	**4,439.49**	**20.52**	**1,332.61**	**70,272.59**	**76,520.93**	**-**	**76,520.93**
Depreciation charged for the year	16.76	89.01	840.18	7.26	150.75	15,249.23	16,353.18	-	16,353.18
Disposals/Transfers	-	-	9.38	-	-	206.33	215.72	-	215.72
At March 31, 2016	**146.72**	**414.76**	**5,270.29**	**27.77**	**1,483.35**	**85,315.49**	**92,658.39**	**-**	**92,658.39**
Depreciation charged for the year	20.06	104.18	130.60	10.17	26.95	7,003.37	7,295.35	-	7,295.35
Disposals/Transfers	-	0.28	5,090.38	17.90	1,396.74	90,718.24	97,223.55	-	97,223.55
At March 31, 2017	**166.78**	**518.67**	**310.52**	**20.04**	**113.57**	**1,600.62**	**2,730.19**	**-**	**2,730.19**
Net Book Value									
At March 31, 2017	1,254.76	1,183.16	73.97	126.73	52.77	170.45	**2,861.84**	-	**2,861.84**
At March 31, 2016	878.57	927.71	170.57	29.48	38.51	11,126.83	**13,171.66**	-	**13,171.66**
At April 1, 2015	895.33	673.00	1,003.00	31.52	176.75	24,401.80	**27,181.41**	1,009.11	**28,190.52**

(b) For Property, plant & equipment existing on April 1, 2015 i.e. its date of transition to Ind AS, the company has used India GAAP carrying value as deemed costs.

(c) **Disposal of Assets** : During the year the company has identified and disposed off certain project assets which had become obsolete due to continuous utilisation for project delivery and frequent movement of those assets from one project delivery centre to another since their acquisition. The carrying amount of majority of those assets was fully amortised and those assets were not in usable condition and hence, the Company has discarded those assets.

(d) **Details of Charges**
The above assets have been given as first pari-passu charge security for working capital facilities availed from banks.

Notes to Financial Statements
as on March 31, 2017

Note 6 - Investment Properties

(Amount in ₹ lakhs)

(a)	Description	Amount
	Gross Block	
	At April 1, 2015	11.73
	Additions	-
	Disposals	-
	At March 31, 2016	**11.73**
	Additions	-
	Disposals	-
	At March 31, 2017	**11.73**
	Depreciation and Impairment	
	At April 1, 2015	2.71
	Depreciation Charged for the year	0.17
	Disposal	-
	At March 31, 2016	**2.88**
	Depreciation Charged for the year	0.17
	Disposal	-
	At March 31, 2017	**3.05**
	Net Book Value	
	At March 31, 2017	8.68
	At March 31, 2016	8.86
	At April 1, 2015	9.02

(b) Amount recognised in Statement of Profit & Loss for Investment Property.

(Amount in ₹ lakhs)

Particulars	At 31st March 2017	At 31st March 2016
Rental income derived from investment properties	1.50	1.50
Less - Depreciation	0.17	0.17
Profit arising from investment properties before indirect expenses	**1.33**	**1.33**

(c) For investment property existing on April 1, 2015 i.e. its date of transition to Ind AS, the company has used India GAAP carrying value as deemed cost.

(d) Details of charges

The above assets have been given as first pari-passu charge security for working capital facilities availed from banks.

(e) Fair Value

As at March 31, 2017 and March 31, 2016, the fair value of property is ₹ 179.59 lakhs and ₹ 122.00 lakhs respectively.

Notes to Financial Statements
as on March 31, 2017

Note 7 - Investments
(Non Current)

(Amount in ₹ lakhs)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Unquoted**			
	Investment carried at Cost			
	- Investments in Equity Instruments of Subsidiaries			
	96,000 Equity Shares of Vakrangee e-Solutions Inc., Philippines of Peso 100/- each fully paid up (March 31, 2016 : 96,000 Equity shares, April 1, 2015 : 96,000 Equity shares)	96.00	96.00	96.00
	20,00,000 Equity Shares of Vakrangee Logistics Private Limited of ₹ 10/- each fully paid up (March 31, 2016 : Nil shares, April 1, 2015 : Nil shares)	200.00	-	-
	1,50,00,000 Equity Shares of Vakrangee Finserve Limited of ₹ 10/- each fully paid up (March 31, 2016 : 2,50,000 Equity shares, April 1, 2015 : 2,50,000 Equity shares)	1,500.00	25.00	25.00
	(A)	**1,796.00**	**121.00**	**121.00**
	Investment carried at Fair value through Profit or Loss (FVTPL)			
	- In Equity Shares			
	2,500 Equity Shares of CSC e-Governance Services India Limited of ₹ 1000/- each fully paid up (March 31, 2016 : 2,500 Equity shares, April 1, 2015 : 2,500 Equity shares)	44.30	25.00	25.00
	(B)	**44.30**	**25.00**	**25.00**
(b)	**Quoted**			
	Investment carried at Fair value through Profit or Loss (FVTPL)			
	Investments in Mutual Funds			
	24.9375 units of Aditya Birla Real Estate Fund - I of ₹ 1,00,000/- each partly paid up ₹ 60,000/- per unit (March 31, 2016 : ₹ 60,000/- per unit, 24.9375 units, April 1, 2015 : ₹ 60,000/- per unit, 24.9375 units)	11.72	15.00	15.00
	1,20,000 units of Union Capital Protection Oriented Fund Series 7 of ₹10/- each fully paid up (March 31, 2016 : Nil units, April 1, 2015 : Nil units)	12.05	-	-
	99,990 units of Union Asset Allocation Fund - Moderate Plan Growth of ₹ 10/- each fully paid up (March 31, 2016 : 99,990 units, April 1, 2015 : 99,990 units)	14.18	10.00	10.00

Notes to Financial Statements
as on March 31, 2017

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Nil units of Union Capital Protection Oriented Fund - Series 1 of ₹ 10/- each fully paid up (March 31, 2016 : Nil units, April 1, 2015 : 2,99,990 units)	-	-	30.00
Nil units of Union Capital Protection Oriented Fund - Series 2 of ₹ 10/- each fully paid up (March 31, 2016 : Nil units, April 1, 2015 : 2,00,000 units)	-	-	20.00
Nil units of Union Capital Protection Oriented Fund - Series 5 of ₹ 10/- each fully paid up (March 31, 2016 : 1,00,000 units, April 1, 2015 : 1,00,000 units)	-	10.00	10.00
4,99,990 units of Union Trigger Fund Series 2 - Regular Plan of ₹ 10/- each fully paid up* (March 31, 2016 : 4,99,990 units, April 1, 2015 : 4,99,990 units)	-	50.00	50.00
3,35,077.757 units of Union Small & Midcap Fund - Regular Plan of ₹ 10/- each fully paid up (March 31, 2016 : 3,35,077.757 units, April 1, 2015 : Nil units)	46.27	39.94	-
(C)	**84.22**	**124.94**	**135.00**
TOTAL (A + B + C)	**1,924.52**	**270.94**	**281.00**
Aggregate amount of quoted investments	84.22	124.94	135.00
Aggregate market value of quoted investments	84.22	123.38	156.19
Aggregate amount of unquoted investments	1,840.30	146.00	146.00

* This investment has been classified as Current Investments as at March 31, 2017 and has been disclosed in Note 13.

Investment at fair value through profit and loss reflect investment in quoted and unquoted equity securities and quoted mutual fund units.

The strategic investments in subsidiaries have been taken at cost.

The fair value of the unquoted equity shares have been estimated using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable.

The fair value of quoted mutual fund units are based on quoted net asset value at the reporting date.

Note 8 - Trade Receivables
(Non Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(Unsecured)			
Considered Good	-	965.36	93.86
Considered Doubtful	-	44.50	44.50
	-	**1,009.86**	**138.36**
Less: Allowance for credit losses	-	44.50	44.50
TOTAL	**-**	**965.36**	**93.86**

Notes to Financial Statements
as on March 31, 2017

Note 9 - Other Financial Assets
(Non Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposits with bank			
- with maturity period of more than 12 months	83.61	417.15	119.23
TOTAL	**83.61**	**417.15**	**119.23**
* Amount held as margin money or security against borrowings, guarantee, other commitments	83.61	417.15	119.23

Note 10 - Income Tax Assets (Net)
(Non Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
- Income Tax (net of provision for taxation)	405.63	190.35	-
TOTAL	**405.63**	**190.35**	**-**

Note 11 - Other Non-Current Assets

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances	34.12	1,100.28	458.52
Prepaid expenses	-	0.69	1.42
TOTAL	**34.12**	**1,100.97**	**459.94**

Note 12 - Inventories

(Amount in ₹ lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Project Material	43,097.87	45,727.84	12,505.03
(ii) Work in Progress	-	-	161.83
(iii) Stock-in-Trade	1,004.75	513.20	465.36
(iv) Consumables	7.39	201.56	209.02
(v) Stores & Spares	2.06	4.78	11.35
TOTAL	**44,112.07**	**46,447.38**	**13,352.59**

(b) Basis of valuation of Inventories

Inventories are valued at lower of cost or net realizable value on FIFO basis which is in accordance with Ind AS-2.

Notes to Financial Statements
as on March 31, 2017

Note 13 - Investments
(Current)

(Amount in ₹ lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Quoted			
Investment carried at Fair value through Profit or Loss (FVTPL)			
Investments in Mutual Funds			
"4,99,990 units of Union Trigger Fund Series 2 - Regular Plan of ₹ 10/- each fully paid up (March 31, 2016 : 4,99,990 units, April 1, 2015 : 4,99,990 units)*"	56.30	-	-
TOTAL	**56.30**	**-**	**-**
Aggregate amount of quoted investments	56.30	-	-
Aggregate market value of quoted investments	56.30	-	-

* The above investment was classified as Non-Current Investments as at March 31, 2016 and April 1, 2015 and has been disclosed in Note 7. The maturity of the said investment being due in the financial year 2017-18, it has been classified as current as at March 31, 2017.

Investment at fair value through profit and loss reflect investment in quoted and unquoted equity securities and quoted mutual fund units.

The fair value of quoted mutual fund units are based on quoted net asset value at the reporting date.

Note 14 - Trade Receivables
(Current)

(Amount in ₹ lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(Unsecured)			
Considered Good	84,760.00	86,917.57	121,508.59
Considered Doubtful	871.05	790.39	655.50
	85,631.05	87,707.96	122,164.09
Less: Allowance for credit Losses	1,661.44	790.39	655.50
TOTAL	**83,969.61**	**86,917.57**	**121,508.59**

(b) **Debts due from related parties**

Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Subsidiaries	2,536.51	2,594.97	2,501.20
TOTAL	**2,536.51**	**2,594.97**	**2,501.20**

Trade Receivables are non-interest bearing and terms are generally from 60 to 90 days.

Notes to Financial Statements
as on March 31, 2017

Note 15 - Cash & Cash equivalents

(a)

(Amount in ₹ lakhs)

Particulars		As at March 31, 2017		As at March 31, 2016		As at April 1, 2015
(A) Cash & Cash Equivalents						
(i) Balances with Banks :						
- Current Accounts	51,720.52		13,872.87		534.02	
- Deposit Accounts	6,000.48		-		-	
(ii) Cash-in-hand	11.88		5.33		5.47	
		57,732.88		13,878.20		539.49
(B) Bank Balances other than above						
(i) Earmarked balances in unclaimed dividend account	49.71		30.13		33.82	
(ii) Fixed Deposits with maturity period of more than 3 months but less than 12 months*	1,591.73		2,631.49		3,104.53	
TOTAL		**1,641.44**		**2,661.62**		**3,138.35**
* Amount held as margin money or security against borrowings, guarantee, other commitments		1,585.92		2,631.49		3,104.53

(b) For the purpose of cash flow statement

(Amount in ₹ lakhs)

Particulars		As at March 31, 2017		As at March 31, 2016		As at April 1, 2015
(A) Cash & Cash Equivalents						
(i) Balances with Banks :						
- Current Accounts	51,720.52		13,872.87		534.02	
- Deposit Accounts	6,000.48		-		-	
(ii) Cash-in-hand	11.88		5.33		5.47	
		57,732.88		13,878.20		539.49
Less : - Cash Credit		14,401.89		28,275.04		29,968.80
TOTAL		**43,330.99**		**(14,396.84)**		**(29,429.31)**

Note 16 - Loans

(Amount in ₹ lakhs)

Particulars		As at March 31, 2017		As at March 31, 2016		As at April 1, 2015
(i) Loan to Related Parties						
(Unsecured, considered good)						
Dues from subsidiaries	4,056.95		5,171.16		2,913.76	
		4,056.95		5,171.16		2,913.76
(ii) Other Loans						
(Unsecured, considered good)						
Loans to others	9.83		18.53		18.58	
		9.83		18.53		18.58
TOTAL		**4,066.78**		**5,189.69**		**2,932.34**

Notes to Financial Statements
as on March 31, 2017

Note 17 - Other Financial Assets
(Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Security Deposits			
Security Deposit	26.54	1,161.97	1,157.64
Earnest Money Deposit	41.00	50.35	130.36
	67.54	1,212.32	1,288.00
(ii) Others			
Other Receivables	1,095.63	1,090.41	575.44
Less : - Provision for doubtful expenses	27.41	-	-
	1,068.22	1,090.41	575.44
TOTAL	**1,135.76**	**2,302.73**	**1,863.44**

Note 18 - Current Tax Assets (Net)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Income Tax (net of provision for taxation)	81.55	19.07	1.31
TOTAL	**81.55**	**19.07**	**1.31**

Note 19 - Other Current Assets

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances to Vendors	28,218.87	37,553.18	30,370.68
Prepaid Expenses	235.39	56.79	199.02
Balances with statutory / revenue authorities			-
- Sales Tax	48.57	23.52	15.71
- CENVAT Credit receivable	132.23	-	13.09
TOTAL	**28,635.06**	**37,633.49**	**30,598.50**

Note 20 - Equity Share Capital
(i) Authorised share capital

(Amount in ₹ lakhs)

Particulars	Number of shares	Amount
As at April 1, 2015	7,500.00	7,500.00
Increase during the year	-	-
As at March 31, 2016	7,500.00	7,500.00
Increase during the year	-	-
As at March 31, 2017	7,500.00	7,500.00

Notes to Financial Statements
as on March 31, 2017

(ii) Paid up Equity share capital

(Amount in ₹ lakhs)

Particulars	Number of shares	Amount
As at April 1, 2015	5,034.82	5,034.82
Issued during the year	-	-
Exercise of options	7.14	7.14
Conversion of Share Warrants	250.00	250.00
As at March 31, 2016	5,291.96	5,291.96
Issued during the year	-	-
Exercise of options	0.36	0.36
Other movements	-	-
As at March 31, 2017	5,292.32	5,292.32

(iii) Details of shareholders holding more than 5% shares in the Company

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Vakrangee Holdings Private Limited	1,253.75	23.69%	1,253.75	23.69%	1,253.75	24.90%
NJD Capital Private Limited (Formerly known as Vakrangee Capital Private Limited)	649.36	12.27%	649.36	12.27%	399.36	7.93%
Life Insurance Corporation of India	323.20	6.11%	323.20	6.11%	333.15	6.62%
Dinesh Nandwana	297.67	5.62%	297.67	5.62%	297.67	5.91%

(iv) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2017, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 1.25 per share of ₹ 1/- each.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

The Board of Directors of the Company, in their meeting held on May 30, 2017, has recommended dividend of ₹ 2/- per share on fully paid up equity share of ₹ 1/- each for the financial year ended March 31, 2017, subject to members approval in the ensuing Annual General Meeting.

(v) Aggregate details for five immediately previous reporting periods for each class of shares

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
- No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- No. of shares allotted as fully paid by way of Bonus Shares	2,502.40	2,502.40
- No. of shares bought back	-	-
- No. of shares issued on exercise of options granted under the ESOP scheme.	37.53	55.66

Notes to Financial Statements
as on March 31, 2017

Note 21 - Other Equity

(i) Reserves and surplus

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Securities Premium Reserve	42,009.83	41,995.65	16,997.11
Share Options Outstanding Account	2,063.68	2,265.82	1,901.05
Deferred Employee Compensation Expense	(1,371.75)	(1,893.34)	(1,267.55)
General Reserve	11,706.39	7,791.68	4,585.95
Surplus in Statement of Profit & Loss	146,404.24	105,985.95	71,621.42
Total	**200,812.39**	**156,145.76**	**93,837.98**

(a) Securities Premium Reserve

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**41,995.65**	**16,997.11**
Add:- On share issued during the year	6.89	24,816.69
Add:- Transfer from shares options outstanding account	7.29	181.85
Closing balance	**42,009.83**	**41,995.65**

(b) Share Options Outstanding Account

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**2,265.82**	**1,901.05**
Add:- On further grant of options	-	1,065.69
Less:- Reversal due to Lapsation of option	(194.85)	(519.07)
Less: Transfer to Securities premium account	(7.29)	(181.85)
Closing balance	**2,063.68**	**2,265.82**

(c) Deferred Employee Compensation Expense

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**(1,893.34)**	**(1,267.55)**
Add:- On further grant of options	-	(1,065.69)
Less:- Reversal due to Lapsation of option	150.98	190.99
Less:- Amortised during the year	370.61	248.91
Closing balance	**(1,371.75)**	**(1,893.34)**

Notes to Financial Statements
as on March 31, 2017

(d) General Reserve

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**7,791.68**	**4,585.95**
Add:- Transfer from Profit & Loss account	3,914.71	3,205.73
Less:- Transfer to Profit & Loss account	-	-
Closing balance	**11,706.39**	**7,791.68**

(e) Surplus in Statement of Profit & Loss

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**105,985.95**	**71,621.42**
Add:- Profit for the year	52,294.60	39,157.66
Less:- Transfer to General Reserve	(3,914.71)	(3,205.73)
Less:- Dividend declared	(6,614.95)	(1,322.89)
Less:- Corporate Dividend Tax	(1,346.65)	(264.50)
Closing balance	**146,404.24**	**105,985.95**

Note 22 - Borrowings
(Non - Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured Loans			
Term Loans			
- From Banks	-	1,221.98	3,698.55
- From Others	-	-	-
TOTAL	**-**	**1,221.98**	**3,698.55**

Terms of repayment of term loans and other loans.

Term Loan from Banks (March 31, 2016 and April 1, 2015) :

1. The Company had taken a term loan of ₹ 2,500.00 lakhs. The rate of interest was 11.95% p.a. The loan was to be repaid in 16 quarterly installments of ₹ 156.25 lakhs starting from availability-cum-moratorium period of 15 months from the date of first disbursement (first instalment payable on 31.05.2015), thereby total tenor of the loan will be 63 months. However, the Company has made prepayment of the loan during the year and therefore, there is no amount outstanding towards the said loan as on March 31, 2017.

2. The Company had taken a term loan in the form of External Commercial Borrowings (ECBs) of USD 10 million. The borrowings were made at an interest rate equal to the sum of LIBOR and the Margin as specified in the Term Loan Facility Agreement. The payment of interest to be made quarterly. The rate of interest was 3.561% p.a. The loan was to be repaid in 12 quarterly installments starting from June 30, 2014, with first 11 installments in equal amounts & the amount of the last i.e. twelth installment being the balance of principal pending for repayment, thereby total tenor of the loan to be five years. The Company has made prepayment of the said loan during the year and therefore, there is no amount outstanding towards the said loan as on March 31, 2017.

Notes to Financial Statements
as on March 31, 2017

The Company had entered into a Cross Currency & Interest Rate Swap facility for hedging of the ECB repayments (principal and interest). By way of this swap facility, the rate of interest had been fixed at 9.62% p.a. for complete tenor of the term loan. The spot reference rate for repayment of the said loan had been fixed at ₹ 56.08 for 1 USD.

The bank had sanctioned Loan Equivalent Value (LEV) of ₹ 649.30 lakhs under currency swap facility. Negative Mark-to-Market threshold limit for margin call had been fixed at ₹ 500.00 lakhs.

In case, the net payables exceed the exposure, the Bank has the right to call for additional deposit margin forthwith to maintain the exposure within the threshold limit. The Company shall deposit cash collateral as per Bank's instructions, if negative MTM exceeds ₹ 500.00 lakhs."

Nature of security of each type of secured loans.

i) Term Loans from Banks (₹ 2500.00 lakhs) :

1. First pari-passu charge by way of hypothecation on micro ATM, Financial Inclusion (FI) kits and assets purchased out of the said rupee term loan.
2. First charge on the designated bank account through which all the revenues and receivables of all the FI centres will be routed.
3. First charge on the Debt Service Reserve account (DSRA) and any other bank account of the company with respect to proposed FI project.
4. Second pari-passu charge on all the present and future current assets of the Company.
5. Second pari-passu charge on the movable fixed assets of the company (present & future), except micro ATMs and other FI kits.
6. Second parri-passu charge through mortgage on the office premises of the Company, situated at Marol Co-Operative Industrial Society & Hind Saurashtra Industries Co-Operative Society Limited, Marol, Andheri (East), Mumbai.
7. Second pari-passu charge on office premise of Vakrangee Technologies Limited, situated at Marol Co-Operative Industrial Society, Marol, Andheri (East), Mumbai.
8. Second pari-passu charge on property situated at Deer Park, New Delhi.
9. Personal Guarantee of Mr. Dinesh Nandwana, Managing Director & CEO of the Company & Corporate Guarantee of Vakrangee Technologies Limited.

ii) Term Loans from Banks - External Commercial Borrowings (ECB) :

1. First charge on all moveable and immoveable fixed assets financed out of the term loan, with a minimum asset cover ratio of 1.33 times.
2. Second parri-passu charge on all assets of the Company excluding those financed through this term loan.
3. Second pari passu charge on the UID kits procured from existing term loans availed from banks.
4. Personal Guarantee of Mr. Dinesh Nandwana, Managing Director & CEO of the Company.

Details of the aggregate of each loan guaranteed by directors or others, each head-wise.

All the term loans amounting to ₹ Nil (March 31, 2016 : ₹ 1,221.98 lakhs, April 1, 2015 : ₹ 3,698.55 lakhs) guaranteed by Mr. Dinesh Nandwana, Managing Director & CEO of the Company.

Details of continuing default in the repayment of loans and interest, specifying the period and amount separately in each case.

There has been no default in the repayment of loans or interest thereon as on date.

Notes to Financial Statements
as on March 31, 2017

Note 23 - Trade Payables
(Non - Current)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payables	98.89	216.62	157.17
TOTAL	**98.89**	**216.62**	**157.17**

* Includes dues to micro, small and medium enterprises

Note 24 - Employee Benefit Obligations
(Non - Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Employees' benefits	231.46	178.30	117.85
TOTAL	**231.46**	**178.30**	**117.85**

Note 25 - Deferred Tax Liabilities (Net)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Liabilities			
(i) On account of difference in depreciation on Fixed Assets	-	1,294.44	4,249.79
(ii) Provision for Leave Encashment	-	-	-
(ii) Timing differences on Tax Provisions	-	14.15	23.80
(A)	-	1,308.59	4,273.59
Assets			
(i) On account of difference in depreciation on Fixed Assets	748.55	-	-
(ii) Provision for Leave Encashment	80.10	20.40	15.39
(iii) Timing differences on Tax Provisions	14.15	-	-
(B)	842.80	20.40	15.39
TOTAL (A - B)	**(842.80)**	**1,288.19**	**4,258.20**
Add : Impact on deferred tax asset carrying value*	842.80	-	-
Balance carried to Balance Sheet	**-**	**1,288.19**	**4,258.20**

* The timing differences arising as at year-end are deferred tax assets. There are no items for which there is deferred tax liability as at year-end. Hence, on the basis of reasonable certainty, such deferred tax assets have not been recognised and carried forward.

Note 26 - Borrowings
(Current)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured Loans			
Loans repayable on demand			
- From Banks	14,401.89	28,275.04	29,968.80
TOTAL	**14,401.89**	**28,275.04**	**29,968.80**

Notes to Financial Statements
as on March 31, 2017

Nature of security of each type of secured loans.

a) **Loans repayable on demand from Banks :**
The Company had entered into a Security Trustee Agreement for availing the working capital facilities under the consortium banking arrangement and the limit sanctioned is aggregating to ₹ 75,000.00 lakhs vide agreement dated June 5, 2015. Based on the operational requirements, the Company has proposed revision in working capital facilities from ₹ 51,090.00 lakhs (as at March 31, 2016) to ₹ 33,200.00 lakhs (as at March 31, 2017). The Lead Bank vide their letter dated March 27, 2017 has approved the assessment of working capital requirements at the reduced level of ₹ 33,200.00 lakhs.

These facilities are secured against the following charge on various assets of the Company :

1. Primary : First pari-passu charge on the entire current assets of the Company, both present & future.

2. Collateral :
   - First pari-passu charge on the entire movable fixed assets of the Company, both present & future.
   - First pari-passu charge on all the immovable assets of the company acquired after 31.03.2011, both present and future.
   - First pari-passu charge on entire lands & office premises of the company, situated at Marol Co-Operative Industrial Estate & Hind Saurashtra Industries Co-Operative Society Limited, Marol, Andheri (East), Mumbai.
   - First pari-passu charge on office premises, situated at Marol Co-Operative Industrial Estate, Marol, Andheri (E), Mumbai of Vakrangee Technologies Limited
   - First Pari passu charge on residential house at Chandigarh.

3. Corporate Guarantee of Company, Vakrangee Technologies Limited to the extent of value of property.

4. Personal Guarantee of Mr. Dinesh Nandwana, Managing Director & CEO of the Company.

b) **Details of the aggregate of each loan guaranteed by directors or others, each head-wise.**
All the loans repayable on demand from banks amounting to ₹ 14,401.89 lakhs (March 31, 2016 : ₹ 28,275.04 lakhs, April 1, 2015 : ₹ 29,968.80 lakhs) guaranteed by Mr. Dinesh Nandwana, Managing Director & CEO of the Company.

c) **Details of continuing default in the repayment of loans and interest, specifying the period and amount separately in each case.**
There has been no default in the repayment of loans or interest thereon as on date.

Note 27 - Trade Payables
(Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payables*	2,458.58	11,087.87	21,079.56
TOTAL	**2,458.58**	**11,087.87**	**21,079.56**
* Includes dues to micro, small and medium enterprises	42.92	75.59	154.69

Notes to Financial Statements
as on March 31, 2017

Note 28 - Other Financial Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current maturities of long-term debts	-	2,480.29	6,259.65
Current maturities of finance lease obligations	-	-	18.35
Interest accrued but not due on borrowings	13.26	25.28	171.80
Security Deposit	38.10	6.23	-
Unpaid Dividend	49.71	30.13	33.82
TOTAL	**101.07**	**2,541.93**	**6,483.62**

Note 29 - Other Current Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Withholding taxes and others	96.45	97.76	265.29
Advance from customers	246.46	170.81	320.53
Staff Emoluments Payable	16.18	252.67	232.94
Other Liabilities	58.91	43.27	288.49
TOTAL	**418.00**	**564.51**	**1,107.24**

Note 30 - Provisions

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Expenses for Goods & services	386.90	3,750.64	6,839.68
Provision for Wealth Tax	-	-	0.02
Provision for Proposed Dividend	-	-	-
Provision for Tax on Proposed Dividend	-	-	-
TOTAL	**386.90**	**3,750.64**	**6,839.70**

Note 31 - Employee Benefit Obligations (Current)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Employees' benefits	7.76	7.27	-
TOTAL	**7.76**	**7.27**	**-**

Note 32 - Current Tax Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Taxation (net of taxes paid)	2,594.93	642.66	5,504.69
TOTAL	**2,594.93**	**642.66**	**5,504.69**

Notes to Financial Statements
for the year ended March 31, 2017

Note 33 - Revenue from Operations

(Amount in ₹ lakhs)

Particulars		For the year ended March 31, 2017		For the year ended March 31, 2016
(a) Income from e-governance activities, including Vakrangee Kendra		392,864.84		315,495.23
(b) Revenue from Sale of Products				
- Computer consumables & peripherals	413.37		64.98	
		413.37		64.98
(c) Revenue from Sale of Services				
- Information Technology-enabled Services (ITeS)	1,607.00		1,299.60	
- Othes	-		-	
		1,607.00		1,299.60
(d) Other Operating Revenues				
- Scrap Sales	9.51		1.46	
		9.51		1.46
TOTAL		**394,894.72**		**316,861.27**

Note:- The amount of revenues are exclusive of indirect taxes (service tax, value added tax, etc.).

Note 34 - Other Income

(Amount in ₹ lakhs)

Particulars		For the year ended March 31, 2017		For the year ended March 31, 2016
(i) Interest Income on				
- Bank Deposits	149.92		249.20	
- Loan to Subsidiary	772.00		490.86	
- Others	9.46		-	
		931.38		740.06
(ii) Other income				
- Rent Received	1.50		1.50	
- Sundry Balances written back	-		1.24	
- Net gain on disposal of Property plant and equipment	630.23		134.89	
- Gain/(Loss) on Foreign Exchange Fluctuation (Net)	(254.86)		308.49	
- Gain/(Loss) on sale of Investments (Net)	2.14		14.62	
- Fair value gain on financial instrument at fair value through Profit and loss	32.88		-	
- Miscellaneous Income	14.02		2.20	
		425.91		462.94
TOTAL		**1,357.29**		**1,203.00**

Notes to Financial Statements
for the year ended March 31, 2017

Note 35 - Operating Expenses

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
Project Delivery Cost				
- Opening Stock	45,934.19		12,725.40	
- Add : Purchase of goods and services	287,643.66		261,810.80	
- Less : Closing Stock	43,107.33		45,934.19	
		290,470.52		228,602.01
Project Expenses		2,066.54		903.86
Commission Expenses		2,003.23		1,099.74
Printing Charges		22.86		24.80
Communication Costs		19.45		64.02
Conveyance & Travelling Expenses		67.34		42.63
Transportation, Octroi and Loading / Unloading Charges		14.33		7.07
Rent, Rates and Taxes		116.07		45.25
TOTAL		**294,780.34**		**230,789.38**

Note 36 - Changes in Inventories

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
(a) At the beginning of the period				
(i) Work-in-Progress	-		161.83	
(ii) Stock-in-Trade	513.20		465.36	
		513.20		627.19
Less : at the end of the period				
(i) Work-in-Progress	-		-	
(ii) Stock-in-Trade	1,004.75		513.20	
		1,004.75		513.20
TOTAL		**(491.55)**		**113.99**

Note 37 - Employee Benefits Expenses

(Amount in ₹ lakhs)

(a)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
(i) Salaries & Wages	3,627.57		2,450.00	
(ii) Contribution to Provident & Other Funds	200.58		94.87	
(iii) Share-based Payment Expenses	326.74		(79.18)	
(iv) Staff Welfare Expenses	79.05		66.56	
		4,233.94		2,532.25
TOTAL		**4,233.94**		**2,532.25**

Notes to Financial Statements
for the year ended March 31, 2017

(b) Detailed note on disclosure as required by Ind AS-19
For details, refer Note No. 48.

Note 38 - Finance Costs

(Amount in ₹ lakhs)

Particulars		For the year ended March 31, 2017		For the year ended March 31, 2016
Interest Expenses				
- Banks	4,524.60		5,318.71	
- Others	119.77	4,644.37	139.85	5,458.56
Bank Charges & Commission		334.56		161.65
TOTAL		**4,978.93**		**5,620.21**

Note 39 - Other Expenses

(Amount in ₹ lakhs)

Particulars		For the year ended March 31, 2017		For the year ended March 31, 2016
Repairs & Maintenance :				
- Building	39.06		51.64	
- Vehicle	3.68		1.97	
- Others	21.55	64.29	34.39	88.00
Advertisement and Publicity Expenses		342.08		244.30
Business Promotion Expenses		257.14		85.61
Sponsorship Fees		108.00		28.73
Commission & Brokerage		1.71		0.65
Rates & Taxes		24.35		63.72
Insurance		16.04		17.57
Electricity Expenses		50.28		44.29
Printing and Stationery		32.80		35.53
Communication Costs		160.75		109.35
Fees & Subscriptions		29.66		32.48
Listing, Registrar & Share Issue/ Transfer Expenses		39.26		5.04
Directors' Remuneration		211.98		95.85
Directors' Sitting Fees		5.75		6.70
Legal & Professional Fees - Other than payments to Auditor:				
- Consultancy Charges	30.84		73.16	
- Legal & Professional Fees	661.02		649.17	
- Filing Stamp Duty and Franking Charges	3.74		13.81	
- Registration charges	0.19	695.79	0.73	736.87
Payments to Auditors :				
- Audit fees	35.55		21.00	
- Tax Audit fees	8.08		4.00	
- For Other Services	6.71		5.52	

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(Amount in ₹ lakhs)

Particulars		For the year ended March 31, 2017		For the year ended March 31, 2016
- For Reimbursement of Expenses	-	50.34	0.20	30.72
Conveyance & Travelling		239.25		127.72
Vehicle Expenses		9.81		6.55
Corporate Social Responsibility Expenditure (Refer Note 42)		211.09		420.73
Office & General Expenses		48.93		53.11
Allowance for credit losses		853.96		134.89
Miscellaneous Expenses		32.09		4.16
TOTAL		**3,485.35**		**2,372.57**

Note 40 - Earnings Per Equity Share

(Amount in ₹ lakhs)

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a)	Net profit after tax attributable to equity shareholders for Basic EPS	52,294.60	39,157.67
	Add/Less: Adjustment relating to potential equity shares	-	-
	Net profit after tax attributable to equity shareholders for Diluted EPS	52,294.60	39,157.67
(b)	Weighted average no. of equity shares (in lakhs) outstanding during the year		
	For Basic EPS	5,292.10	5,198.25
	For Diluted EPS	5,303.51	5,304.25
(c)	Face Value per Equity Share (₹)	1	1
	Basic EPS (₹)	9.88	7.53
	Diluted EPS (₹)	9.86	7.38
(d)	Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS		
	No. of shares used for calculating Basic EPS	5,292.10	5,198.25
	Add: Potential equity shares	11.41	106.00
	No. of shares used for calculating Diluted EPS	5,303.51	5,304.25

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Note 41 - Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(A) Contingent Liabilities			
(i) Claims against the company not acknowledged as debts	63.30	27.23	27.23
(ii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts	1,090.18	1,627.98	1,779.60
(iii) Disputed liabilities pertaining to Service Tax with CESTAT	156.19	-	-
(iv) Disputed liabilities pertaining to Sales Tax with appellate authorities	449.47	-	-
(v) Income Tax demand paid recoverable against appeal filed with Income Tax authorities ITAT and Commissioner of Income Tax (Appeals)	409.81	190.35	-
(A)	2,168.95	1,845.56	1,806.83
(B) Commitments			
(i) Estimated amount of contracts remaining to be executed on			
capital account not provided for (net of advances)	53.78	-	25.00
(ii) Uncalled liabilities on share and other investments partly paid up	-	10.00	10.00
(iii) Subscription towards shares of wholly-owned subsidiary	-	100.00	-
(B)	53.78	110.00	35.00
TOTAL (A + B)	**2,222.73**	**1,955.56**	**1,841.83**

Note :

1. 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.

Note 42 - Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

Notes to Financial Statements
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a) Gross amount required to be spent by the company during the year is ₹ 932.30 lakhs.

(Amount in ₹ lakhs)

Particulars	In Cash	Yet to be paid in Cash	Total
i) Construction / acquisition of any asset	-	-	-
ii) On purposes other than (i) above	211.09	-	211.09

Note 43 - Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹ lakhs)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.62	0.11	0.73
(+) Permitted receipts	0.38	13.65	14.03
(-) Permitted payments	(0.38)	(11.09)	(11.47)
(-) Amount deposited in Banks	(0.62)	-	(0.62)
Closing cash in hand as on December 30, 2016	**-**	**2.67**	**2.67**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

** The Company had obtained licence for operating White Label ATMs (WLAs) from the Reserve Bank of India and is currently carrying ATM services in rural, semi-urban and urban areas in India. The Company had cash, both SBNs and other denomination notes, as on the closing hours of November 8, 2016 in the WLA ATMs operated by the Company. Thereafter, the Company has carried out exercise of removing such SBNs from those ATMs and depositing them into the Company's specified bank account. The total amount of such specified bank notes deposited into bank by the Company is ₹ 777.18 lakhs. This amount has not been included above as the SBN currency was not held as cash balance with the company during the period from November 8, 2016 to December 30, 2016.

Note 44 - Money received against Share warrants

The Company had issued 250.00 lakhs fully convertible warrants to M/s. NJD Capital Private Limited (formerly known as Vakrangee Capital Private Limited) at ₹ 100/- per warrant in February, 2014. The warrants issued were convertible into equal no. of equity shares having face value of ₹ 1/- with premium of ₹ 99/- per share. Those warrants have been converted into 250.00 lakhs fully paid-up equity shares of ₹ 1/- each in August, 2015 i.e. before the expiry of 18 months from the date of allotment of warrants. These equity shares are subject to lock-in-period of three years from date of allotment of the equity shares or such reduced period as may be permitted under the SEBI Issue of Capital & Disclosure Requirements (ICDR) Regulations, 2009 as amended time to time.

Note 45 - Segment Reporting

The Company's activities predominantly revolve around providing the e-governance related activites of Mission Mode Projects covered under "National e-Governance Plan" (NeGP). Considering the nature of Company's business and operations, there is only one reportable segment (business and / or geographical) in accordance with the requirements of the Indian Accounting Standard 108 – "Operating Segments". However, on the basis of delivery modes, the Company's business operations has been classified into two business segments, viz. e-Governance Projects and Vakrangee Kendra.

Revenue and identifiable operating expenses in relation to these segments are categorised based on items that are individually identifiable to those segments. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably to utilise the resources optimally. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as 'unallocated' and adjusted against the total income of the Company. Fixed assets or liabilities contracted have not been identified to any of the segments as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

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(Amount in ₹ lakhs)

Particulars	e-Governance Projects	Vakrangee Kendra	Total
Revenue from Operations	**142,213.87**	**252,680.85**	**394,894.72**
	(148,181.02)	(168,680.25)	(316,861.27)
Segmental Results (Profit before Depreciation, Interest and Tax)	**39,430.98**	**53,455.65**	**92,886.63**
	(40,808.10)	(40,244.98)	(81,053.08)
Less :			
Depreciation			**7,295.52**
			(16,353.35)
Finance Costs			**4,978.93**
			(5,620.21)
Unallocable expenses (net of unallocable income)			**(1,357.29)**
			(-1203.00)
Profit Before Tax			**81,969.48**
			(60,282.52)
Less : Tax Expense			**29,674.88**
			(21,124.85)
Profit After Tax			**52,294.60**
			(39,157.67)

Note : Figures in brackets pertains to previous year.

The company identifies operating segments based on the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Note 46 - 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 :

(i) Details of loans to subsidiaries

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Amount	Max. Amount	Amount	Max. Amount	Amount	Max. Amount
- Vakrangee e-Solutions Inc. (Purpose of loan is to provide financial assisstance to the subsidiary company)	4,056.95	4,056.95	3,581.68	3,581.68	2,913.76	2,913.76
- Vakrangee Finserve Limited (Purpose of loan is to provide financial assisstance to the subsidiary company)	-	1,625.61	1,579.94	1,579.94	-	38.92
- Vakrangee Logistics Pvt. Ltd (Purpose of loan is to provide financial assisstance to the subsidiary company)	-	13.25	9.54	9.54	-	-
	4,056.95	**5,695.81**	**5,171.16**	**5,171.16**	**2,913.76**	**2,952.68**

Notes to Financial Statements
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(ii) Details of Investment in Subsidiaries

(Amount in ₹ lakhs)

Name of Subsidiaries	No. of Shares as at year-end	% of shareholding
Vakrangee e-Solutions Inc.	96,000	100%
Vakrangee Finserve Limited	15,000,000	100%
Vakrangee Logistics Private Limited	2,000,000	100%

Note 47 - Related Party Details

(a) Key Management Personnel
- Managing Director & CEO

Mr. Dinesh Nandwana	Managing Director & Chief Executive Officer (Chairman & Managing Director upto July 26, 2015)
Dr. Nishikant Hayatnagarkar	Whole-Time Director
Mr. Ramesh Joshi	Director
Mr. Sunil Agarwal	Director
Mr. Babulal Meena	Director
Mrs. Sujata Chattopadhyay	Director
Mr. Avinash Chandra Vyas	Director
Mr. Thangavelu Sitharthan	Nominee Director
Mr. Subhash Singhania	Chief Financial Officer (w.e.f. May 11, 2016)
Ms. Darshi Shah	Company Secretary and Compliance Officer

(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

- NJD Lacteus & Hortus Limited
  (Formerly known as Vakrangee Lacteus & Hortus Limited)
- NJD Capital Private Limited
  (Formerly known as Vakrangee Capital Private Limited)
- Vakrangee Technologies Limited
- Mr. Manoj Nandwana
- Mr. Shelendra Nandwana
- Ms. Divya Nandwana (w.e.f. August 29, 2016)

(c) Subsidiary Companies with whom the Company has entered into transactions during the year

Name of subsidiaries	Country of incorporation	Holding as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Vakrangee e-Solutions Inc.	Phillipines	100%	100%	100%
Vakrangee Finserve Limited	India	100%	100%	100%
Vakrangee Logistics Private Limited (incorporated on March 18, 2016 as wholly-owned subsidiary)	India	100%	-	-

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Related Party Transactions
- In relation to (a)

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
Director Remuneration		
- Dinesh Nandwana	171.25	66.35
- Dr. Nishikant Hayatnagarkar	40.74	29.50
Directors' Sitting Fees		
- Ramesh Mulchand Joshi	1.00	1.20
- Sunil Agarwal	0.80	0.40
- Babulal Meena	1.00	1.38
- Sujata Chattopadhyay	2.00	2.50
- Avinash Chandra Vyas	0.95	0.80
- Thangavelu Sitharthan	-	0.42
Employee Benefit Expenses		
- Subhash Singhania	26.57	-
- Darshi Shah	8.16	4.96
ESOP Perquisites		
- Darshi Shah	-	0.37
Balance outstanding as on March 31 :	NIL	NIL

- In relation to (b)

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
Reimbursement of Expenses		
- NJD Lacteus & Hortus Limited	-	1.57
- Vakrangee Technologies Limited	7.93	15.72
- Manoj Nandwana	1.42	1.72
- Shelendra Nandwana	0.11	1.53
Employee Benefit Expenses		
- Manoj Nandwana	5.88	5.05
- Shelendra Nandwana	4.42	4.65
- Divya Nandwana	5.73	-
Conversion of Warrants into Equity Shares		
- NJD Capital Private Limited	-	25,000.00
Balance outstanding as on March 31 :		
- Manoj Nandwana (Expenses Payable)	0.36	0.15

Note: Corporate Guarantee given by Vakrangee Technologies Limited for working capital facilities availed by the Company :
- Guarantee given to the extent of value of property, situated at Vakrangee House Bldg. No. 124, Marol Co-Op. Industrial Estate Ltd., Marol, Andheri (E), Mumbai

(March 31, 2016 : Corporate guarantee given for entire working capital facilities)

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- In relation to (c)

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchase of goods and services		
- Vakrangee Logistics Private Limited	30.71	-
Payment for goods and services		
- Vakrangee Logistics Private Limited	30.71	-
Realisation from debtors		
- Vakrangee e-Solutions Inc.	-	57.64
Loans granted		
- Vakrangee e-Solutions Inc.	0.62	-
- Vakrangee Finserve Limited	16.75	2,053.50
- Vakrangee Logistics Private Limited	30.43	-
Interest received on loan granted		
- Vakrangee e-Solutions Inc.	571.72	485.11
- Vakrangee Finserve Limited	199.88	2.97
- Vakrangee Logistics Private Limited	0.41	-
Loan received back		
- Vakrangee e-Solutions Inc.	-	-
- Vakrangee Finserve Limited	1,796.57	476.53
- Vakrangee Logistics Private Limited	40.37	-
Investments in Subsidiaries		
- Vakrangee Finserve Limited	1,475.00	-
- Vakrangee Logistics Private Limited	200.00	-
Balance Outstanding as on March 31 :		
- Vakrangee e-Solutions Inc. (Loans Receivable, including foreign exchange fluctuation as at year end)	4,056.95	3,581.67
- Vakrangee Finserve Limited (Loans Receivable)	-	1,579.94
- Vakrangee Logistics Private Limited (Loans Receivable)	-	9.54
- Vakrangee e-Solutions Inc. (Trade Receivables; including foreign exchange fluctuation as at year end)	2,536.51	2,594.97

Note 48 - Employee Benefit Obligations

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 101.06 lakhs (March 31, 2016 - ₹ 58.95 lakhs) is presented as current and non-current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employee to take the full amount of accrued leave or require payment within the next 12 months.

(ii) Gratuity (post-employment benefits)

The Company provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for

Notes to Financial Statements
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the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised/ approved funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

(iii) Defined contribution plans

The Company also has ceratin defined benefit obligations. Contributions are made to provident fund in India for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 134.78 lakhs (March 31, 2016 - ₹ 105.63 lakhs).

Gratuity

The following table sets out the amount recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

(Amount in ₹ lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
1-Apr-15	**118.62**	**(67.42)**	**51.20**
Current Service cost	41.38	-	41.38
Interest expense/(income)	9.49	(4.12)	5.37
Total amount recognised in profit or loss	**50.87**	**(4.12)**	**46.75**
Remeasurements			
Experience (gains)/losses	(8.53)	-	(8.53)
Total amount recognised in other comprehensive income	**(8.53)**	**-**	**(8.53)**
Employer contributions	-	-	-
Benefit payments	(15.52)	15.52	-
31-Mar-16	**145.44**	**(56.02)**	**89.42**

(Amount in ₹ lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
1-Apr-16	**145.44**	**(56.02)**	**89.42**
Current Service cost	60.29	-	60.29
Interest expense/(income)	10.91	(4.20)	6.71
Total amount recognised in profit or loss	**71.20**	**(4.20)**	**67.00**
Remeasurements			
Return on plan assets, excluding amounts included in interest	-	(0.25)	(0.25)
(Gain)/loss from change in financial assumptions	9.38	-	9.38
Experience (gains)/losses	(27.38)	-	(27.38)
Total amount recognised in other comprehensive income	**(18.00)**	**(0.25)**	**(18.25)**
Employer contributions	-	-	-
Benefit payments	(1.05)	1.05	-
31-Mar-17	**197.59**	**(59.43)**	**138.16**

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The net liability disclosed above relates to funded plans are as follows

(Amount in ₹ lakhs)

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Present value of funded obligations	197.59	145.44	118.62
Fair value of plan assets	(59.43)	(56.02)	(67.42)
Deficit/(Surplus) of gratuity plan	**138.16**	**89.42**	**51.20**

Significant estimates- actuarial assumptions and sensitivity
The significant actuarial assumptions were as follows

(Amount in ₹ lakhs)

	31-Mar-17	31-Mar-16	1-Apr-15
Discount rate	7.50%	8.00%	8.00%
Salary growth rate (per annum)	5.00%	5.00%	5.00%
Withdrawal rate (per annum)	2.00%	2.00%	2.00%
Expected rate of return	7.50%	8.00%	8.00%
Mortality Table	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

Sensitivity analysis
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Impact on defined benefit obligation		
				Increase in assumption	
Particulars	31-Mar-17	31-Mar-16		31-Mar-17	31-Mar-16
Discount rate	1%	1%	Decrease by	13%	12%
Salary growth rate	1%	1%	Increase by	16%	14%
Withdrawal rate	1%	1%	Increase by	3%	4%

	Change in assumption		Impact on defined benefit obligation		
				Increase in assumption	
Particulars	31-Mar-17	31-Mar-16		31-Mar-17	31-Mar-16
Discount rate	1%	1%	Increase by	16%	14%
Salary growth rate	1%	1%	Decrease by	13%	12%
Withdrawal rate	1%	1%	Decrease by	4%	5%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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***The major categories of plans assets are as follows :**

(Amount in ₹ lakhs)

Nature of Transactions	In Percentage % 31-Mar-17	31-Mar-16
Equity instruments	**7.71**	**8.91**
Debt instruments	**89.43**	**85.81**
Government bonds	63.10	54.63
Corporate bonds/debentures	26.33	31.18
Asset backed securities	**0.03**	**0.04**
Cash and cash equivalents	**2.83**	**5.24**
Total	**100.00**	**100.00**

*The Company contributes all the ascertained liabilities towards gratuity to Life Insurance Corporation of India (LIC) which is the insurer-managed fund. Since the investments in the plan assets is managed by LIC the detailed breakup of the investments is not made available to the Company.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

Investment risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Most of the plan asset investment is in fixed income securities with high grades and in government securites which are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company intends to maintain the above investment mix in the continuing years.
Interest risk	A decrease in the market yields in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Maturity profile of gratuity liability and Employer contribution

Expected contributions to post-employment benefit plans for the year ending March 31, 2018 are ₹ 81.32 lakhs (as at March 31, 2017 : ₹ 57.86 lakhs).

The weighted average duration (based on discounted cash flows) of the defined benefit obligation is 21 years (2016- 20 years). The expected maturity analysis of undiscounted gratuity is as follows :

Particulars	Amount in ₹ lakhs
Less than one year	5.00
Between 1-2 years	4.64
Between 2-5 years	37.52
Over 5 years	255.19
Total	**302.35**

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Note 49 - Share based payments
The company has formulated Employee Stock Option Scheme, 2008 (ESOP Scheme) which was approved by the members/shareholders of the Company at their annual general meeting held on 23 September, 2008, as modified on 10 January, 2011 and 1 June, 2012 annual report general meeting. Further the company has formulated the new "ESOP Scheme 2014" approved by the members of the company through postal ballot on 23rd May, 2014. The Employee Option Plan is designed to provide incentives to all the existing employees serving with the Company. Under the plan, employees are granted options which vest proportionately from 2 – 6 years from the grant date which includes lock in period.

Once vested, the options remain exercisable for a period of 4 years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is a price which is determined at 50% of market price of the scrip of the company (on the highest traded Stock Exchange) or at any other price as decided by the Nomination and Remuneration and Compensation Committee.

Set out below is a summary of options granted under the plan:

	31-Mar-17		31-Mar-16	
Particulars	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	90.09	20,48,530	37.55	34,46,260
Granted during the year	-	-	113.00	9,67,200
Exercised during the year	243.95	36,250	108.06	7,13,930
Forfeited during the year	95.01	4,49,505	15.29	16,51,000
Expired during the year	-	-	-	-
Closing Balance	**90.29**	**15,62,775**	**90.09**	**20,48,530**
Vested and excercisable	110.77	6,98,375	57.69	2,01,625

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2017 was ₹ 243.95 (March 31, 2016 : ₹ 108.06).

No options expired during the periods in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (₹)	Share options 31-Mar-17	Share options 31-Mar-16	Share options 1-Apr-15
30-7-2009	29-7-2016	61.90	-	97,020	106,020
30-12-2009	29-12-2016	67.85	-	-	-
18-5-2010	17-5-2017	146.50	-	100,000	100,000
24-11-2010	23-11-2017	150.00	-	-	-
12-8-2011	11-8-2018	150.00	-	18,660	171,340
20-7-2012	19-7-2021	20.00	27,875	69,250	149,000
20-7-2012	19-7-2021	10.00	-	-	2,000,000
26-11-2014	26-11-2023	64.70	682,400	821,100	919,900
11-3-2016	10-3-2025	113.08	852,500	942,500	-
Total			**1,562,775**	**2,048,530**	**3,446,260**

Notes to Financial Statements
as on March 31, 2017

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2017 was NIL per option (March 31, 2016 : ₹ 152.51). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2017 included:

a) Options are granted for no consideration and vest upon completion of service for a period of two years. Vested options are exercisable for a period of two years after vesting.
b) Exercise price : ₹ NIL (March 31, 2016 – ₹113.08)
c) Grant date : NIL (March 31, 2016 – March 11, 2016)
d) Expiry date : NIL (March 31, 2016 – March 10, 2025)
e) Share price at grant date : ₹ NIL (March 31, 2016 – ₹ 224.50)
f) Expected price volatility of the company's shares : NIL (March 31, 2016 – 42.50%)
g) Expected dividend yield : NIL (March 31, 2016 – 0.40%)
h) Risk free interest rate : NIL (March 31, 2016 – 7.60%)

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

b) Expense arising from share based payment transactions
Total expenses arising from share based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

(Amount in ₹ lakhs)

Particulars	March 31, 2017	March 31, 2016
Employee Option Plan	326.74	(79.18)

Note 50 - Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

(Amount in ₹ lakhs)

Exposure arising from	Risk	Measurement	Management
Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Credit Risk	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Borrowings and other liabilities	Liquidity Risk	Rolling cash flow forecasts	Availibility of committed credit lines and borrowing facilities
Future commercial transactions. Recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Market Risk - foreign exchange	Cash flow forecasting Sensitivity analysis	Forwarded foreign exchange contracts Foreign currency options
Long-Term borrowings at variable rates	Market Risk - interest rate	Sensitivity analysis	Interest rate swaps
Investments in equity securities	Market Risk - security prices	Sensitivity analysis	Portfolio diversification

Notes to Financial Statements
as on March 31, 2017

Note 51 - Income Taxes

(a) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before income taxes	81,969.48	60,282.52
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	28,369.64	20,863.78
Effect of non-deductible expenses	1,305.55	261.07
Others	(0.31)	-
Income Tax expense	**29,674.88**	**21,124.85**

(b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2017, March 31, 2016 and April 1, 2015

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Income Tax Liabilities	2,594.93	642.66	5,504.69
Income Tax Assets	487.18	209.43	1.31
Net current income tax liabilities / (assets) at the end	**2,107.75**	**433.23**	**5,503.38**

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2017 and March 31, 2016 is as follows:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net current income tax liability / (asset) at the beginning	433.23	5,503.38
Income Tax paid	(29,279.75)	(29,145.06)
Current Income Tax expense	30,954.26	24,074.91
Net current income tax liability / (asset) at the end	**2,107.74**	**433.23**

(c) The gross movement in the deferred income tax account for the year ended March 31, 2017 and March 31, 2016, are as follows:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net deferred income tax liability at the beginning	1,288.19	4,258.20
Movements relating to temporary differences	(1,279.38)	(2,950.06)
Temporary differences on other comprehensive income	(8.81)	(19.95)
Net deferred income tax liability at the end	**(0.00)**	**1,288.19**

Notes to Financial Statements
as on March 31, 2017

The timing differences arising as at year-end are deferred tax assets. There are no items for which there is deferred tax liability as at year-end. Hence, on the basis of reasonable certainty, such deferred tax assets have not been recognised and carried forward.

Note 52 - Previous year / period figures

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The Company has adopted Ind AS on April 1, 2016 with the transition date as April 1, 2015, and adoption was carried out in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. The previous period's figures have been regrouped or rearranged wherever necessary.

As per our report of even date

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Arun Poddar
Partner
Membership No.: 134572

Place : Mumbai
Date : May 30, 2017

For & on behalf of the Board of Directors

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Subhash Singhania
Chief Financial Officer

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Darshi Shah
Company Secretary

Independent Auditors' Report

To the Members of Vakrangee Limited,

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated financial statements of Vakrangee Limited, the parent (hereinafter referred to as 'the Holding Company') and its wholly owned subsidiaries (collectively referred to as 'the 'Group'), which comprise of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, prepared based on the relevant records (hereinafter referred to as the "Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors are responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

8. We did not audit the financial statements / financial information of one subsidiary, whose financial statements reflect total assets of Rs. 6,708.14 lakhs as at March 31, 2017, total revenues of Rs. 619.65 lakhs, total profit/ (loss) after tax of Rs. (0.25) lakhs and net cash flows/ (used) amounting to Rs. (1.31) lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information are unaudited and have been

Independent Auditors' Report

furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information are not material to the Group.

9. Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements / financial information certified by the Management.

10. The financial information of the Group for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 11, 2016 and May 30, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the accompanying consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations as at March 31, 2017 on the consolidated financial position of the Group – Refer Note No. 41 to the consolidated financial statements;

(ii) The Group does not have long-term contracts, including derivative contracts, as at March 31, 2017;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2017 and there were no amounts which were required to be transferred by the subsidiary companies.

(iv) The Group has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Group - Refer Note No. 43.

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Arun Poddar
Partner
Membership No. : 134572

Place : Mumbai
Date : May 30, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Vakrangee Limited on the consolidated financial statements as of and for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Vakrangee Limited (hereinafter referred as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls which were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Generally Accepted Accounting Principles. A company's internal financial controls over financial reporting includes those policies and procedures that :

   i. pertain to the maintenance of records that, in reasonable details, accurate and fairly reflect the transaction and dispositions of the assets of the company;
   ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
   iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Vakrangee Limited on the consolidated financial statements as of and for the year ended March 31, 2017

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial controls over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the holding company, its subsidiary companies, which are companies incorporated in India, have, in all material respect, and adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India as it appears from our examination of the books and records of the Holding Company and the representation received from the management for the entities unaudited.

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration Number: 112723W

Arun Poddar
Partner
Membership No. : 134572

Place : Mumbai
Date : May 30, 2017

Consolidated Balance Sheet
as at March 31, 2017

(Amount in ₹ Lakhs)

Particulars	Note No.		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015
I ASSETS							
1 Non - Current Assets							
Property, plant and equipment	5		2,861.95		13,213.35		27,274.05
Capital Work-in-Progress	5		4.05		-		1,009.11
Investment Properties	6		8.68		8.86		9.02
Financial Assets							
(i) Investments	7	128.52		149.94		160.00	
(ii) Trade Receivables	8	-		965.36		93.86	
(iii) Other Financial Assets	9	253.71	382.23	776.10	1,891.40	453.14	707.00
Income Tax Assets (Net)	10		405.63		190.35		-
Other Non - Current Assets	11		34.12		1,100.97		459.94
Total Non-current Assets			**3,696.66**		**16,404.93**		**29,459.12**
2 Current Assets							
Inventories	12		49,918.88		50,705.70		16,936.28
Financial Assets							
(i) Investments	13	56.30		-		-	
(ii) Trade Receivables	14	82,435.72		84,986.83		1,19,276.90	
(iii) Cash and Cash equivalents	15	58,243.73		14,058.44		682.13	
(iv) Bank Balance other than (iii) above	15	2,076.04		2,661.62		3,138.35	
(v) Loans	16	9.83		18.53		18.59	
(vi) Other Financial Assets	17	1,183.02	1,44,004.64	2,349.92	1,04,075.34	1,884.10	1,25,000.07
Current Tax Assets	18		400.79		285.68		250.39
Other Current Assets	19		28,823.27		37,757.20		30,626.57
Total Current Assets			**2,23,147.58**		**1,92,823.92**		**1,72,813.31**
TOTAL			**2,26,844.24**		**2,09,228.85**		**2,02,272.43**
II EQUITY & LIABILITIES							
1 Equity							
Equity Share Capital	20		5,292.32		5,291.96		5,034.82
Other Equity	21						
(i) Reserves and Surplus		2,00,137.27		1,53,060.56		90,623.05	
(ii) Other Reserves		(54.33)		(37.69)		-	
(iii) Money received against Share warrants	44	-	2,00,082.94	-	1,53,022.87	25,000.00	1,15,623.05
Total Equity			**2,05,375.26**		**1,58,314.83**		**1,20,657.87**
2 Liabilities							
Non - Current Liabilities							
Financial Liabilities							
(i) Borrowings	22	-		1,221.98		3,698.55	
(ii) Trade Payables	23	98.89	98.89	216.62	1,438.60	157.17	3,855.72
Employee Benefit Obligations	24		233.39		178.30		117.85
Deferred Tax Liabilities (Net)	25		-		1,299.52		4,276.88
Total Non-Current Liabilities			**332.28**		**2,916.42**		**8,250.45**
3 Current Liabilities							
Financial Liabilities							
(i) Borrowings	26	14,401.89		28,275.04		31,557.40	
(ii) Trade Payables	27	2,968.68		11,441.11		21,313.21	
(iii) Other Financial Liabilities	28	101.07	17,471.64	2,541.93	42,258.08	6,483.62	59,354.23
Other Current Liabilities	29		448.21		1,329.89		1,654.43
Provisions	30		574.04		3,759.70		6,850.76
Employee Benefit Obligations	31		7.80		7.27		-
Current Tax Liabilities	32		2,635.01		642.66		5,504.69
Total Current Liabilities			**21,136.70**		**47,997.60**		**73,364.11**
Total Liabilities (2 + 3)			**21,468.98**		**50,914.02**		**81,614.56**
TOTAL			**2,26,844.24**		**2,09,228.85**		**2,02,272.43**
Significant Accounting Policies	1-4						

The accompanying notes forms an integral part of the consolidated financial statements

As per our report of even date

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W
Arun Poddar
Partner
Membership No.: 134572
Place : Mumbai
Date : May 30, 2017

For & on behalf of the Board of Directors

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time *Director*
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Darshi Shah
Company Secretary

Consolidated Statement of Profit and Loss
for the year ended March 31, 2017

(Amount in ₹ Lakhs)

	Particulars	Note No.	For the year ended March 31,2017		For the year ended March 31,2016	
I	**Income**					
	Revenue from Operations	33	4,00,046.38		3,19,073.66	
	Other Income	34	528.33		564.01	
	Total Income			**4,00,574.71**		**3,19,637.67**
II	**Expenses**					
	Operating Expenses	35	2,98,514.97		2,32,633.95	
	Changes in Inventories	36	(1,018.93)		(560.64)	
	Employee Benefit Expenses	37	4,398.67		2,532.60	
	Finance Costs	38	5,009.21		5,631.68	
	Depreciation and Amortization Expense	5,6	7,338.72		16,404.30	
	Other Expenses	39	3,550.67		2,392.60	
	Total Expenses			**3,17,793.31**		**2,59,034.49**
III	**Profit Before Tax**			**82,781.40**		**60,603.18**
IV	**Tax Expense:**					
	(a) Current Tax		31,111.63		24,129.53	
	(b) Deferred Tax		(1,290.71)		(2,957.41)	
	(c) MAT Credit Entitlement		(119.04)		(54.62)	
				29,701.88		**21,117.50**
V	**Profit for the year**			**53,079.52**		**39,485.68**
VI	**Other Comprehensive Income**					
	Items that will be reclassified subsequently to profit or loss					
	i) Exchange difference on translation of foreign exchange			-		-
	Items that will not be reclassified subsequently to profit or loss					
	i) Remeasurement of defined benefit obligations			(16.64)		(37.69)
	Other Comprehensive Income net of tax			**(16.64)**		**(37.69)**
	Total Comprehensive Income for the period			**53,062.88**		**39,447.99**
VII	**No. of equity shares for computing EPS**	40				
	(1) Basic			5,292.10		5,198.25
	(2) Diluted			5,303.51		5,304.25
VIII	**Earnings Per Equity Share (Face Value ₹ 1/- Per Share):**	40				
	(1) Basic (₹)			10.03		7.62
	(2) Diluted (₹)			10.01		7.47
	Significant Accounting Policies	1-4				

The accompanying notes forms an integral part of the consolidated financial statements

As per our report of even date

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W
Arun Poddar
Partner
Membership No.: 134572
Place : Mumbai
Date : May 30, 2017

For & on behalf of the Board of Directors

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time *Director*
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Darshi Shah
Company Secretary

Statement of changes in consolidated equity
for the year ended March 31, 2017

(Amount in ₹ Lakhs)

Particulars	Equity Share Capital	Other Equity						Money received against share warrants	Total equity attributable to equity holders of the Company
		Reserves and surplus				Other reserves			
		Securities premium reserve	Retained earnings	General Reserve	Share Options Outstanding Account	Equity instruments through other comprehensive income	Foreign Currency Translation Reserve		
Balance as at April 1, 2015	**5,034.82**	**16,997.11**	**69,202.20**	**4,585.95**	**633.50**	**-**	**(795.70)**	**25,000.00**	**120,657.87**
Increase in share capital on account of conversion of share warrants	250.00	-	-	-	-	-	-	(250.00)	**-**
Increase in share capital on account of conversion of ESOPs	7.14	-	-	-	-	-	-	-	**7.14**
Amount received on shares issued during the year	-	24,816.69	-	-	-	-	-	(24,750.00)	**66.69**
Transferred from Share Options Outstanding Account	-	181.85	-	-	(181.85)	-	-	-	**-**
Profit for the year	-	-	39,485.68	-	-	-	-	-	**39,485.68**
Dividends (including corporate dividend tax)	-	-	(1,587.39)	-	-	-	-	-	**(1,587.39)**
Transfer to General Reserve	-	-	(3,205.73)	3,205.73	-	-	-	-	**-**
Share-based payments (net)	-	-	-	-	(79.17)	-	-	-	**(79.17)**
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	(37.69)	-	-	**(37.69)**
Exchange translations							(198.28)		**(198.28)**
Balance as at March 31, 2016	**5,291.96**	**41,995.65**	**103,894.75**	**7,791.68**	**372.48**	**(37.69)**	**(993.98)**	**-**	**158,314.84**
Increase in share capital on account of conversion of share warrants	-	-	-	-	-	-		-	**-**

Statement of changes in consolidated equity
for the year ended March 31, 2017

(Amount in ₹ Lakhs)

Particulars	Equity Share Capital	Other Equity						Money received against share warrants	Total equity attributable to share holders of the Company
		Reserves and surplus				Other reserves			
		Securities premium reserve	Retained earnings	General Reserve	Share Options Outstanding Account	Equity instruments through other comprehensive income	Foreign Currency Translation Reserve		
Increase in share capital on account of conversion of ESOPs	0.36	-	-	-	-	-		-	**0.36**
Amount received on shares issued during the year	-	6.89	-	-	-	-		-	**6.89**
Transferred from Share Options Outstanding Account	-	7.29	-	-	(7.29)	-		-	**-**
Profit for the year	-	-	53,079.52	-	-	-		-	**53,079.52**
Dividends (including corporate dividend tax)	-	-	(7,961.60)	-	-	-		-	**(7,961.60)**
Transfer to General Reserve	-	-	(3,914.71)	3,914.71	-	-		-	**-**
Share-based payments (net)	-	-	-	-	326.74	-		-	**326.74**
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	(16.64)		-	**(16.64)**
Exchange translations							1,625.16		**1,625.16**
Balance as at March 31, 2017	**5,292.32**	**42,009.82**	**145,097.96**	**11,706.39**	**691.93**	**(54.33)**	**631.18**	**-**	**205,375.27**

The accompanying notes forms an integral part of the consolidated financial statements

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Arun Poddar
Partner
Membership No.: 134572

Place : Mumbai
Date : May 30, 2017

For & on behalf of the Board of Directors

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Darshi Shah
Company Secretary

Consolidated Cash Flow Statement
for the year ended March 31, 2017

(Amount in ₹ Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
I	**Cash flow from operating activities**		
	Profit before tax from continuing operations	82,781.40	60,603.18
	Profit before tax from discontinuing operations	-	-
	Profit before tax	**82,781.40**	**60,603.18**
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	7,338.55	16,404.13
	Depreciation of investment properties	0.17	0.17
	Employee share based payment expenses	326.74	(79.18)
	Net foreign exchange differences	155.66	(333.85)
	Allowance for credit losses	865.86	134.89
	Fair value gain on financial instrument at fair value through Profit and loss	(32.88)	-
	Remeasurement of defined benefit obligations	(25.45)	(57.64)
	Gain on disposal of property, plant and equipment	(630.54)	(134.89)
	Gain on sale of investments	(2.14)	(14.62)
	Finance costs	5,009.21	5,631.68
	Interest income	(201.64)	(283.87)
	Dividend income	-	(2.00)
	Operating profit before working capital changes	**95,584.94**	**81,868.00**
	Movements in assets and liabilities :		
	Decrease / (increase) in inventories	786.82	(33,769.43)
	Decrease / (increase) in trade receivables	2,592.16	33,435.09
	Decrease / (increase) in loans and other financial assets	2,283.57	(311.99)
	Decrease / (increase) in other current assets	9,052.97	(7,076.02)
	Decrease / (increase) in other non-current assets	1,066.85	(641.03)
	Increase / (decrease) in trade payables	(8,590.16)	(9,812.66)
	Increase / (decrease) in employee benefit obligations	55.62	67.73
	Increase / (decrease) in provisions	(3,185.65)	(3,091.06)
	Increase / (decrease) in other financial liabilities	(2,440.85)	(3,941.70)
	Increase / (decrease) in other current liabilities	(881.69)	(324.54)
	Cash generated from operations	**96,324.58**	**56,402.40**
	Income taxes paid (net of refunds)	(29,449.66)	(29,217.21)
	Net cash flow from /(used in) operating activities (A)	**66,874.92**	**27,185.19**

Consolidated Cash Flow Statement

for the year ended March 31, 2017

(Amount in ₹ Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
II	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, including CWIP	(1,115.67)	(1,335.55)
	Proceeds from sale of property, plant and equipment	4,754.99	136.13
	Purchase of investments	(12.00)	(39.94)
	Proceeds from sale of investments	12.14	64.61
	Decrease in foreign currency translation reserve	1,528.10	(15.47)
	Interest received	201.64	283.87
	Dividends received	-	2.00
	Net cash flow from/(used in) investing activities (B)	**5,369.20**	**(904.35)**
III	**Cash flow from financing activities**		
	Proceeds from issue of shares	0.36	7.14
	Proceeds towards securities premium on issue of shares	6.89	66.69
	Repayment of borrowings	(1,221.98)	(4,065.17)
	Interest paid	(5,009.21)	(5,631.68)
	Dividends paid to company's shareholders	(6,614.95)	(1,322.89)
	Dividend Distribution Tax paid	(1,346.65)	(264.50)
	Net cash flow from/(used in) in financing activities (C)	**(14,185.54)**	**(11,210.41)**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**58,058.58**	**15,070.43**
	Effects of exchange rate changes on cash and cash equivalents	(0.16)	(0.36)
	Cash and cash equivalents at the beginning of the year	(14,216.60)	(29,286.67)
	Cash and cash equivalents at the end of the year	**43,841.84**	**(14,216.60)**

The accompanying notes forms an integral part of the consolidated financial statements

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

For & on behalf of the Board of Directors

Arun Poddar
Partner
Membership No.: 134572

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Subhash Singhania
Chief Financial Officer

Place : Mumbai
Date : May 30, 2017

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Darshi Shah
Company Secretary

Reconciliation of Equity
as at April 1, 2015 (consolidated)

(Amount in ₹ Lakhs)

Sr. No.	Particulars	I GAAP		Adjustment	Ind AS	
	ASSETS					
1	**Non - Current Assets**					
	Property, plant and equipment		27,274.05	-		27,274.05
	Capital Work-in-Progress		1,009.11	-		1,009.11
	Investment Properties		9.02	-		9.02
	Financial Assets					
	(i) Investments	160.00		-	160.00	
	(ii) Trade Receivables	93.86		-	93.86	
	(ii) Other Financial Assets	453.14	707.00	-	453.14	707.00
	Income Tax Assets (Net)			-		-
	Other Non - Current Assets		459.94	-		459.94
	Total Non-current Assets		**29,459.12**	**-**		**29,459.12**
2	**Current Assets**					
	Inventories		16,936.28	-		16,936.28
	Financial Assets					
	(i) Investments	-		-	-	
	(ii) Trade Receivables	1,19,932.40		(655.50)	1,19,276.90	
	(iii) Cash and Cash equivalents	682.13		-	682.13	
	(iv) Bank Balances other than (iii) above	3,138.35		-	3,138.35	
	(v) Loans	18.59		-	18.59	
	(vi) Other Financial Assets	1,884.10	1,25,655.57	-	1,884.10	1,25,000.07
	Income Tax Assets (Net)		250.39	-		250.39
	Other Current Assets		30,626.57	-		30,626.57
	Total Current Assets		**1,73,468.81**	**(655.50)**		**1,72,813.31**
	TOTAL		**2,02,927.93**	**(655.50)**		**2,02,272.43**
II	**EQUITY & LIABILITIES**					
1	**Equity**					
	Equity Share Capital		5,034.82	-		5,034.82
	Other Equity					
	(i) Reserves and Surplus	89,903.17		719.88	90,623.05	
	(ii) Other Reserves	-		-	-	
	(iii) Money received against Share warrants	25,000.00	1,14,903.17	-	25,000.00	1,15,623.05
	Total Equity		**1,19,937.99**	**719.88**		**1,20,657.87**
2	**Liabilities**					
	Non - Current Liabilities					
	Financial Liabilities					

Reconciliation of Equity
as at April 1, 2015 (consolidated)

(Amount in ₹ Lakhs)

Sr. No.	Particulars	I GAAP		Adjustment	Ind AS	
	(i) Borrowings	3,740.60		(42.05)	3,698.55	
	(ii) Trade Payables	157.17	3,897.77	-	157.17	3,855.72
	Employee Benefit Obligations		117.85	-		117.85
	Deferred Tax Liabilities (Net)		4,253.08	23.80		4,276.88
	Total Non-Current Liabilities		**8,268.70**	**(18.25)**		**8,250.45**
3	**Current Liabilities**					
	Financial Liabilities					
	(i) Borrowings	31,557.40		-	31,557.40	
	(ii) Trade Payables	21,313.21		-	21,313.21	
	(iii) Other Financial Liabilities	6,511.59	59,382.20	(27.97)	6,483.62	59,354.23
	Other Current Liabilities		1,654.43	-		1,654.43
	Provisions		8,356.20	(1,505.44)		6,850.76
	Employee Benefit Obligations		-	-		-
	Current Tax Liabilities		5,328.40	176.29		5,504.69
	Total Current Liabilities		**74,721.23**	**(1,357.12)**		**73,364.11**
	Total Liabilities (2+3)		**82,989.93**	**(1,375.37)**		**81,614.56**
	TOTAL		**2,02,927.93**	**(655.50)**		**2,02,272.43**

Reconciliation of Equity
as at March 31, 2016 (consolidated)

(Amount in ₹ Lakhs)

Sr. No.	Particulars	I GAAP		Adjustment	Ind AS	
I	**ASSETS**					
1	**Non - Current Assets**					
	Property, plant and equipment		13,213.35	-		13,213.35
	Capital Work-in-Progress		-	-		-
	Investment Properties		8.86	-		8.86
	Financial Assets					
	(i) Investments	149.94		-	149.94	
	(ii) Trade Receivables	965.36		-	965.36	
	(ii) Other Financial Assets	776.10	1,891.40	-	776.10	1,891.40
	Income Tax Assets (Net)		190.35	-		190.35
	Other Non - Current Assets		1,100.97	-		1,100.97
	Total Non-current Assets		**16,404.93**	**-**		**16,404.93**
2	**Current Assets**					
	Inventories		50,705.70	-		50,705.70
	Financial Assets					
	(i) Investments	-		-	-	
	(ii) Trade Receivables	85,777.22		(790.39)	84,986.83	
	(iii) Cash and Cash equivalents	14,058.44		-	14,058.44	
	(iv) Bank Balances other than (iii) above	2,661.62		-	2,661.62	
	(v) Loans	18.53		-	18.53	
	(vi) Other Financial Assets	2,349.92	1,04,865.73	-	2,349.92	1,04,075.34
	Income Tax Assets (Net)		285.68	-		285.68
	Other Current Assets		37,757.20	-		37,757.20
	Total Current Assets		**1,93,614.31**	**(790.39)**		**1,92,823.92**
	TOTAL		**2,10,019.24**	**(790.39)**		**2,09,228.85**
II	**EQUITY & LIABILITIES**					
1	**Equity**					
	Equity Share Capital		5,291.96	-		5,291.96
	Other Equity					
	(i) Reserves and Surplus	1,45,861.44		7,199.12	1,53,060.56	
	(ii) Other Reserves	(37.69)		-	(37.69)	
		-	1,45,823.75	-	-	1,53,022.87
	Total Equity		**1,51,115.71**	**7,199.12**		**1,58,314.83**
2	**Liabilities**					
	Non - Current Liabilities					
	Financial Liabilities					
	(i) Borrowings	1,250.00		(28.02)	1,221.98	
	(ii) Trade Payables	216.62	1,466.62	-	216.62	1,438.60
	Employee Benefit Obligations		178.30	-		178.30
	Deferred Tax Liabilities (Net)		1,285.37	14.15		1,299.52
	Total Non-Current Liabilities		**2,930.29**	**(13.87)**		**2,916.42**
3	**Current Liabilities**					
	Financial Liabilities					
	(i) Borrowings	28,275.04		-	28,275.04	
	(ii) Trade Payables	11,441.11		-	11,441.11	
	(iii) Other Financial Liabilities	2,555.96	42,272.11	(14.03)	2,541.93	42,258.08
	Other Current Liabilities		1,329.89	-		1,329.89
	Provisions		11,721.30	(7,961.60)		3,759.70
	Employee Benefit Obligations		7.27	-		7.27
	Current Tax Liabilities		642.66	-		642.66
	Total Current Liabilities		**55,973.24**	**(7,975.63)**		**47,997.60**
	Total Liabilities (2+4)		**58,903.53**	**(7,989.51)**		**50,914.02**
	TOTAL		**2,10,019.24**	**(790.39)**		**2,09,228.85**

Reconciliation of Profit or Loss
for the year ended March 31, 2016 (consolidated)

(Amount in ₹ Lakhs)

Sr. No.	Particulars	I GAAP		Adjustment	Ind AS	
I	**Income**					
	Revenue from Operations	3,19,073.66		-	3,19,073.66	
	Other Income	564.01		-	564.01	
	Total Income		**3,19,637.67**	**-**		**3,19,637.67**
II	**Expenses**					
	Operating Expenses	2,32,634.39		(0.44)	2,32,633.95	
	Changes in Inventories	(560.64)		-	(560.64)	
	Employee Benefit Expenses	2,536.15		(3.55)	2,532.60	
	Finance Costs	5,603.72		27.97	5,631.68	
	Depreciation and Amortization Expense	16,404.30		-	16,404.30	
	Other Expenses	2,261.12		131.48	2,392.60	
	Total Expenses		**2,58,879.04**	**155.45**		**2,59,034.49**
III	**Profit before tax**		**60,758.63**	**(155.45)**		**60,603.18**
IV	**Tax Expense:**					
	(a) Current Tax	24,129.53		-	24,129.53	
	(b) Deferred Tax	(2,967.70)		10.29	(2,957.41)	
	(c) MAT Credit Entitlement	121.67		(176.29)	(54.62)	
			21,283.50	**(166.00)**		**21,117.50**
V	**Profit for the year**		**39,475.13**	**10.55**		**39,485.68**
VI	**Other Comprehensive Income**					
	Items that will be reclassified subsequently to profit or loss					
	i) Exchange difference on translation of foreign exchange	-		-		
	Items that will not be reclassified subsequently to profit or loss					
	i) Remeasurement of defined benefit obligations	-		(37.69)	(37.69)	
	Other Comprehensive Income net of tax		**-**	**(37.69)**		**(37.69)**
	Total Comprehensive income for the period		**39,475.13**	**(27.14)**		**39,447.99**

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

Note 1 - Corporate Information

Vakrangee Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 'Vakrangee House', Plot No. 66, Marol Co-op. Indl. Estate, Off. M. V. Road, Marol, Andheri (East), Mumbai, Maharashtra, India. The Company's shares are listed on two stock exchanges in India- the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

Vakrangee Limited along with its subsidiaries, Vakrangee e-Solutions Inc. (Philippines), Vakrangee Finserve Limited and Vakrangee Logistics Private Limited (hereinafter referred to as "Group") is engaged in providing diverse solutions, activities in e-governance and e-commerce sector through its Vakrangee Kendra with special competencies in handling massive, multi-state, and e-governance enrollment projects, data digitization.

The consolidated financial statements were authorised for issue by the Group's Board of Directors on May 30, 2017.

Note 2 - Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These accounting policies have been consistently applied to all the years presented by the Group unless otherwise stated.

A. Basis of Preparation

i. Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as "Ind AS") under the provisions of the Companies Act, 2013 (hereinafter referred to as `the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These consolidated financial statements for the period ended March 31, 2017 are the first consolidated financial statements of the Group prepared in accordance with Ind AS. For all periods up to and including the year ended March 31, 2016, the Group prepared its consolidated financial statements in accordance with the Generally Accepted Accounting Principles (hereinafter referred to as 'previous GAAP') used for its statutory reporting requirement in India. Refer Note 4 for an explanation of how the transition from the previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows The Group has adopted the Ind AS standards in accordance with Ind AS 101 First time adoption of Indian Accounting Standards.

ii. Basis of measurement

The consolidated financial statements have been prepared on historical cost basis except the following

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale- measured at fair value less cost to sell;
- Defined benefit plans- plan assets measured at fair value; and
- Share based payments

iii. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company, entities (including structured entities) controlled by the Company and its subsidiaries.

Control is achieved when the Company

- has power over the investee;
- it is exposed, or has rights, to variable returns from its involvement with the investee ; and
- has the ability to affect those returns through its power over the investee.

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights if the investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- the Group's voting rights and potential voting rights. In assessing control, potential voting rights that currently are exercisable are taken into account; and
- the size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder's meetings.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases control when the Group loses control of the subsidiary. The income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit and loss from the effective date the Company gains control until the date when the Company ceases to control the subsidiaries.

The financial statements of the subsidiary companies and entities (including structured entities) controlled by the Company used in the consolidation are drawn up to the same reporting date as of the Company, Accounting policies of the respective subsidiaries are adjusted wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together of like items of assets, liabilities, income and expenses, after eliminating intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries:
Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the noncontrolling interests' share of subsequent changes in equity. Total comprehensive income is attributed to noncontrolling interests even if it results in the non-controlling interest having a deficit balance.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any noncontrolling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed of.

B. Summary of significant accounting policies

i. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current /non-current classification.
An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and services offered by the Group, operating cycle determined is 12 months for the purpose of current and non-current classification of assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

ii. Segment Reporting

The Group identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

iii. Foreign Currencies

The Group's consolidated financial statements are presented in INR (rounded off to lakhs), which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

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Transaction and balances
Transactions in foreign currencies are initially recorded by the Group in their functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period.

Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in profit or loss except

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group Companies
For the purposes of presenting these consolidated financial statements, the results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated into INR at the exchange rate prevailing at the end of each reporting period.
- Income and expenses are translated at average exchange rates for the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions),
- Equity is recorded at the historical rate on the date of issue and hence, is not required to be re-translated at each subsequent reporting date, and
- All the resulting foreign exchange differences are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of Equity.

When the foreign operation is either partially or fully disposed off, the proportionate share or entire cumulative foreign exchange differences (pertaining to the said operation that are held in FCTR as at the date of disposal) respectively, are re-classified from Equity and considered in calculating the resulting profit / (loss) on sale of the operation. The said profit / (loss) on sale of the operation is recognised in the Statement of Profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

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iv. **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of services

The Group recognizes revenue on accrual basis when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered. Revenue is recognized when no significant uncertainty exists as to its realisation or collection. Commission income is recognized on earned basis for activities performed in different services delivered at Vakrangee Kendra.

The Group executes the delivery in various e-governance projects at its Vakrangee Kendra's. Revenue for the Group accrues on successful delivery and confirmation by the business associate involved. The Group estimates successful delivery based on past trends and complexities involved in delivery and revenue is accounted accordingly till the confirmation is received. Any deviation with the actual confirmation is accounted in the period in which the actual results are known to the Group.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The amount recognized as revenue in its Statement of Profit and Loss is exclusive of Service Tax and Value Added Taxes (VAT), and is net of discounts.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

v. **Property, Plant and Equipment**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated

Notes to Consolidated Financial Statements
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All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replaced part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight- line method ("SLM").Management believes based on a technical evaluation that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Rate of Depreciation
Buildings	1.67%
Computers and Printers, including Computer Peripherals	33.33%
Office equipments	20.00%
Furniture & Fixtures	10.00%
Motor Vehicles	12.50%
Plant & Machinery	6.67%
Project Assets (comprising of Computers and Printers including computer peripherals, Furniture and Fixtures and Office Equipments)	25.00% – 33.33%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.
The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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Transition to Ind AS
On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the Previous GAAP as the deemed cost of the property, plant and equipment.

vi. Taxation
Current taxes
Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group offsets, on a year to year basis, the current tax assets and liabilities, where it has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Deferred taxes
Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

vii. Fair Value measurement
The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

viii. Investment property

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management expert.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transition to Ind AS

The Group has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP consolidated financial statements as deemed cost at the transition date, viz., 1st April 2015.

ix. Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and 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 risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

x. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

b) Subsequent measurement

Debt Instruments at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

Debt instrument at Fair Value through Other Comprehensive Income (OCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment gains or losses and foreign exchange gains and losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

Debt instrument at Fair Value through Profit or Loss (FVTPL)

A financial asset which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income is classified as fair value through profit or loss. Debt instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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Dividends from such investments are recognized in profit or loss as other income. There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiaries is carried at cost in the consolidated financial statements.

c) **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

d) **Impairment of financial assets**

The Group recognise impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables or any contractual right to receive cash or other financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

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Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition

Notes to Consolidated Financial Statements
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of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amount and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xi. Inventories

Inventories are valued at lower of cost on First-In First-Out (FIFO) basis or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

xii. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease.

Finance Lease as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating Lease as a lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

xiii. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

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xiv. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xv. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

xvi. Provisions

Provisions are recognised when the Group has 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.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

xvii. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements. Payments in respect of such liabilities, if any are shown as advances.

xviii. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

xix. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xx. Employee Benefits

- **Short-term obligations**

  Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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- **Other Long-term employee benefit obligations**
  The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the treated are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

  The obligations are presented as current in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Post- employment obligations**
  The Group operates the following post-employment schemes:

  I. Defined benefit plans such as gratuity
  II. Defined contribution plans such as provident fund.

Defined benefit plan - Gratuity Obligations
The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation.

The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plan
The Group pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Group has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

xxi. Share-based Payments
Shared based compensation benefits are provided to employees via Vakrangee Limited Employee Stock Option Plan.

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Employee options
The cost of equity-settled transactions is determined by the fair value of the options granted at the date when the grant is made. The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the Group's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employee to save or holding shares for a specific period of time.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to be vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Note 3 - Critical Accounting Judgements and Estimates
The preparation of consolidated financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenue, expenses, grouping disclosures and the disclosures of contingent liabilities. The estimates and associates assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the consolidated financial statements are as follows:

- **Share-based payments**
  Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 48.

- **Defined benefit plans**
  The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

  The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

  The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

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for the year ended March 31, 2017

Further details about gratuity obligations are given in Note 47.

- **Fair value measurement of financial instruments**
  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 49 for further disclosures.

Note 4 - First-time adoption of Ind AS

These consolidated financial statements, for the year ended March 31, 2017, are the first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the consolidated financial statements for the year ended on March 31, 2017, the comparative information presented in these consolidated financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 these consolidated financial statements (the Group date of transition).

In preparing its opening Ind AS balance sheet and in presenting the comparative information for the year ended March 31, 2016, the Group has adjusted the amounts reported previously in the consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). For the purpose of transition from the Indian GAAP to Ind AS, the Group has applied Ind AS 101 - First Time Adoption of Indian Accounting Standards.

An explanation of how the transition from previous GAAP to Ind AS has affected the Group financial position, financial performance and cash flows is set out in the following tables and notes

Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been described in below.

I. Exemptions and exceptions availed on first time adoption of Ind AS 101

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS

- **Ind AS optional exemptions**

  i. Deemed Cost

  Ind AS 101 permits, a first time adopter to elect to continue with the carrying values for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used Investment properties and intangible assets.

  Accordingly, the Group has elected to measure all of its property, plant and equipment and Investment properties at their previous GAAP carrying value.

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

ii. **Leases**

Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. This assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts / arrangements.

iii. **Designation of previously recognised financial instruments**

Ind AS allows an entity to designate investments in equity instruments (other than equity investments in subsidiaries, associates and joint arrangements and other than held for trading) as at fair value through other comprehensive income (FVTOCI) based on facts and circumstances at the date of transition to Ind AS. Other equity investments are classified as at fair value through profit and loss (FVTPL).

The Group has not elected to apply this exemption for its equity investments (other than equity investments in subsidiaries, associates and joint arrangements and other than held for trading) to designate it as FVTOCI.

iv. **Measurement of Investment in subsidiaries, associates and joint ventures**

Ind AS allows entity that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

For investments in equity instruments of subsidiaries the Group has elected to apply separate exemption available under Ind AS 101 by measuring at their previous GAAP carrying amount cost which is the deemed cost at the date of transition to Ind AS.

- **Ind AS mandatory exceptions**

i. **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVTOCI
- Impairment of financial assets based on expected credit loss model.

ii. **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Accordingly, the Group has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition.

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

II. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Amount in ₹ lakhs

Particulars	Notes	March 31, 2016	April 1, 2015
Total Equity (shareholders' funds) as per Previous GAAP		**145,823.75**	**114,903.17**
Adjustments			
Provision for expected credit losses on trade receivables	1	(790.39)	(655.50)
Proposed dividend and tax on dividend	2	7,961.60	1,510.37
Borrowings- transaction cost adjustment	3	42.05	46.24
Prior period expense adjusted		-	(181.23)
Tax effects of adjustments		(14.14)	-
Total adjustments to equity		**7,199.12**	**719.88**
Total Equity as per Ind AS		**153,022.87**	**115,623.05**

Reconciliations of total comprehensive income for the year ended March 31, 2016

Amount in ₹ lakhs

Particulars	Notes	March 31, 2016
Profit after tax as per previous GAAP		**39,475.13**
Adjustments		
Provision for expected credit losses on trade receivables	1	(134.89)
Employee stock option expense recognized based on fair value method	4	(55.16)
Borrowings- transaction cost adjustment	3	(27.98)
Remeasurements of post-employment benefit obligations	5	57.64
Prior period expenses adjusted		181.23
Tax effects of adjustments		(10.29)
Total adjustments		**10.55**
Profit after tax as per Ind AS		**39,485.68**
Other comprehensive income	6	**(37.69)**
Total comprehensive income as per Ind AS		**39,447.99**

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

Amount in ₹ lakhs

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	1,2	26,727.31	457.88	**27,185.19**
Net cash flow from investing activities	1,2	(1,087.16)	182.81	**(904.35)**
Net cash flow from financing activities	1,2	(12,726.26)	1,515.85	**(11,210.41)**
Net increase/(decrease) in cash and cash equivalents	1,2	12,913.89	2,156.54	**15,070.43**
Cash and cash equivalents as at 1 April 2015	1,2,15	**3,820.48**	**(33,107.15)**	**(29,286.67)**
Cash and cash equivalents as at 31 March 2016	1,2,15	**16,734.37**	**(30,950.97)**	**(14,216.60)**

III. Notes to first-time adoption

1) Trade receivables

As per Ind AS 109, the Group is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by ₹ 134.89 lakhs as at March 31, 2016 (April 1, 2015 ₹ 655.50 lakhs). Consequently, the total equity as at March 31, 2016 decreased by ₹ 790.39 lakhs (April 1, 2015 ₹ 655.50 lakhs) and profit for the year ended March 31, 2016 decreased by ₹ 134.89 lakhs.

2) Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the consolidated financial statements were considered adjusting events. Accordingly, provision for proposed dividend was recognized as a liability.

Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (excluding corporate dividend tax) of ₹ 6,614.95 lakhs as at March 31, 2016 (April 1, 2015 ₹ 1,258.71 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

3) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit and loss over the tenure of the borrowing as part of the finance cost by applying effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit and loss as and when incurred. Accordingly, borrowings as at March 31, 2016 have been reduced by ₹ 28.02 lakhs (April 1, 2015 ₹ 42.05 lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 reduced by ₹ 27.98 lakhs as a result of the additional interest expense.

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

4) **Employee stock option**
Under the previous GAAP, the cost of equity-settled employee shared-based plan were recognised using the intrinsic value method.

Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account increased by ₹ 109.50 lakhs as at March 31, 2016 (April 1, 2015 ₹ 54.34 lakhs). The profit for the year ended March 31, 2016 decreased by ₹ 55.16 lakhs. There is no impact on equity.

5) **Remeasurements of post- employment benefit obligations**
Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹ 57.64 lakhs. There is no impact on the total equity as at March 31, 2016.

6) **Other comprehensive income**
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as "other comprehensive income" includes remeasurement of defined benefit plans and fair value gains or (losses) on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Notes to Consolidated Financial Statements
as on March 31, 2017

Note 5 - Property, Plant and Equipment

(Amount in ₹ Lakhs)

(a)

Description	Buildings	Plant and Machinery	Furnitures and Fixtures	Motor Vehicle	Office Equipments	Computers including Computer Peripherals	Total	CWIP	Grand Total
Cost or Valuation									
At April 1, 2015	**1,025.29**	**998.76**	**5,452.34**	**52.75**	**1,509.36**	**94,887.33**	**1,03,925.83**	**1,009.11**	**1,04,934.94**
Additions	-	343.71	7.75	5.21	12.50	1,975.49	2,344.66	-	2,344.66
Disposals/Transfers	-	-	9.38	-	-	207.57	216.95	1,009.11	1,226.06
At March 31, 2016	**1,025.29**	**1,342.47**	**5,450.71**	**57.96**	**1,521.86**	**96,655.25**	**1,06,053.54**	**-**	**1,06,053.54**
Additions	396.26	361.45	34.00	123.63	44.43	149.53	1,109.29	4.05	1,113.34
Disposals/Transfers	-	2.10	5,090.38	34.11	1,399.95	94,819.74	1,01,346.28	-	1,01,346.28
At March 31, 2017	**1,421.55**	**1,701.82**	**394.33**	**147.48**	**166.34**	**1,985.04**	**5,816.55**	**4.05**	**5,820.60**
Depreciation and Impairment									
At April 1, 2015	**129.96**	**325.76**	**4,443.02**	**20.61**	**1,333.95**	**70,398.48**	**76,651.78**	**-**	**76,651.78**
Depreciation charged for the year	16.76	89.01	840.18	7.26	150.75	15,300.18	16,404.13	-	16,404.13
Disposals/Transfers	-	-	9.38	-	-	206.33	215.72	-	215.72
At March 31, 2016	**146.72**	**414.77**	**5,273.82**	**27.87**	**1,484.70**	**85,492.33**	**92,840.19**	**-**	**92,840.19**
Depreciation charged for the year	20.06	104.18	130.60	10.17	26.95	7,046.58	7,338.55	-	7,338.55
Disposals/Transfers	-	0.28	5,090.38	17.90	1,396.74	90,718.83	97,224.14	-	97,224.14
At March 31, 2017	**166.78**	**518.67**	**314.04**	**20.14**	**114.91**	**1,820.08**	**2,954.60**	**-**	**2,954.60**
Net Book Value									
At March 31, 2017	1,254.76	1,183.16	80.29	127.34	51.42	164.97	2,861.95	4.05	**2,866.01**
At March 31, 2016	878.57	927.71	176.89	30.09	37.16	11,162.93	13,213.35	-	**13,213.35**
At April 1, 2015	895.33	673.00	1,009.32	32.14	175.40	24,488.85	27,274.05	1,009.11	**28,283.16**

(b) For Property, plant & equipment existing on April 1, 2015 i.e. its date of transition to Ind AS, the company has used India GAAP carrying value as deemed costs.

(c) **Disposal of Assets :** During the year the company has identified and disposed off certain project assets which had become obsolete due to continuous utilisation for project delivery and frequent movement of those assets from one project delivery centre to another since their acquisition. The carrying amount of majority of those assets was fully amortised and those assets were not in usable condition and hence, the Company has discarded those assets.

(d) **Details of Charges:** The above assets have been given as first pari-passu charge security for working capital facilities availed from banks.

Notes to Consolidated Financial Statements
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Note 6 - Investment Properties

(Amount in ₹ Lakhs)

(a)

Description	Amount
Gross Block	
At April 1, 2015	**11.73**
Additions	-
Disposals	-
At March 31, 2016	**11.73**
Additions	-
Disposals	-
At March 31, 2017	**11.73**
Depreciation and Impairment	
At April 1, 2015	2.71
Depreciation charged for the year	0.17
Disposal	-
At March 31, 2016	**2.88**
Depreciation charged for the year	0.17
Disposal	-
At March 31, 2017	**3.05**
Net Book Value	
At March 31, 2017	8.68
At March 31, 2016	8.86
At April 1, 2015	9.02

(b) Information regarding income and expenditure of Investment property

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Rental income derived from investment properties	1.50	1.50
Less - Depreciation	0.17	0.17
Profit arising from investment properties before indirect expenses	**1.33**	**1.33**

(c) For investment property existing on April 1, 2015 i.e. its date of transition to Ind AS, the company has used India GAAP carrying value as deemed cost.

(d) Details of Charges: The above assets have been given as first pari-passu charge security for working capital facilities availed from banks.

(e) As at March 31, 2017 and March 31, 2016, the fair value of property is ₹ 179.59 lakhs and ₹ 122.00 lakhs respectively.

Notes to Consolidated Financial Statements
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Note 7 - Investments
(Non - Current)

(Amount in ₹ Lakhs)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(a)	**Unquoted**			
	Investment carried at Fair value through Profit or Loss (FVTPL)			
	- In Equity Shares			
	2,500 Equity Shares of CSC e-Governance Services India Limited of ₹ 1000/- each fully paid up	44.30	25.00	25.00
	(March 31, 2016 : 2,500 Equity shares, April 1, 2015 : 2,500 Equity shares)			
	(A)	**44.30**	**25.00**	**25.00**
(b)	**Quoted**			
	Investment carried at Fair value through Profit or Loss (FVTPL)			
	Investments in Mutual Funds			
	24.9375 units of Aditya Birla Real Estate Fund - I of ₹ 1,00,000/- each partly paid up ₹ 60,000/- per unit (March 31, 2016 : ₹ 60,000/- per unit, 24.9375 units, April 1, 2015 : ₹ 60,000/- per unit, 24.9375 units)	11.72	15.00	15.00
	1,20,000 units of Union Capital Protection Oriented Fund Series 7 of ₹10/- each fully paid up (March 31, 2016 : Nil units, April 1, 2015 : Nil units)	12.05	-	-
	99,990 units of Union Asset Allocation Fund - Moderate Plan Growth of ₹ 10/- each fully paid up (March 31, 2016 : 99,990 units, April 1, 2015 : 99,990 units)	14.18	10.00	10.00
	Nil units of Union Capital Protection Oriented Fund - Series 1 of ₹ 10/- each fully paid up (March 31, 2016 : Nil units, April 1, 2015 : 2,99,990 units)	-	-	30.00
	Nil units of Union Capital Protection Oriented Fund - Series 2 of ₹ 10/- each fully paid up (March 31, 2016 : Nil units, April 1, 2015 : 2,00,000 units)	-	-	20.00
	Nil units of Union Capital Protection Oriented Fund - Series 5 of ₹ 10/- each fully paid up (March 31, 2016 : 1,00,000 units, April 1, 2015 : 1,00,000 units)	-	10.00	10.00
	4,99,990 units of Union Trigger Fund Series 2 - Regular Plan of ₹ 10/- each fully paid up* (March 31, 2016 : 4,99,990 units, April 1, 2015 : 4,99,990 units)	-	50.00	50.00
	3,35,077.757 units of Union Small & Midcap Fund - Regular Plan of ₹ 10/- each fully paid up (March 31, 2016 : 3,35,077.757 units, April 1, 2015 : Nil units)	46.27	39.94	-
	(B)	**84.22**	**124.94**	**135.00**
	TOTAL (A + B)	**128.52**	**149.94**	**160.00**
	Aggregate amount of quoted investments	84.22	124.94	135.00
	Aggregate market value of quoted investments	84.22	124.94	135.00
	Aggregate amount of unquoted investments	44.30	25.00	25.00

* This investment has been classified as Current Investments as at March 31, 2017 and has been disclosed in Note 13.

Investment at fair value through profit and loss reflect investment in quoted and unquoted equity securities and quoted mutual fund units.

The fair value of the unquoted equity shares have been estimated using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable.

The fair value of quoted mutual fund units are based on quoted net asset value at the reporting date.

Notes to Consolidated Financial Statements
as on March 31, 2017

Note 8 - Trade Receivables
(Non - Current)

(Amount in ₹ Lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(Unsecured)			
Considered Good	-	965.36	93.86
Considered Doubtful	-	44.50	44.50
	-	**1,009.86**	**138.36**
Less: Allowance for credit Losses	-	44.50	44.50
TOTAL	**-**	**965.36**	**93.86**

Note 9 - Other Financial Assets
(Non - Current)

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Deposits with bank'			
- with maturity period of more than 12 months	187.61	768.05	453.14
Advance to Owned Outlets	66.10	8.05	-
TOTAL	**253.71**	**776.10**	**453.14**
* Amount held as margin money or security against borrowings, guarantee, other commitments	187.61	768.05	453.14

Note 10 - Income Tax Assets (Net)
(Non - Current)

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
- Income Tax (net of provision for taxation)	405.63	190.35	-
TOTAL	**405.63**	**190.35**	**-**

Note 11 - Other Non-Current Assets

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Capital Advances	34.12	1,100.28	458.52
Prepaid expenses	-	0.69	1.42
TOTAL	**34.12**	**1,100.97**	**459.94**

Notes to Consolidated Financial Statements
as on March 31, 2017

Note 12 - Inventories

(Amount in ₹ Lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i) Project Material	44,118.98	45,727.84	12,505.03
(ii) Work in Progress	4,785.70	4,258.32	3,745.17
(iii) Stock-in-Trade	1,004.74	513.19	465.71
(iv) Consumables	7.39	201.57	209.02
(v) Stores & Spares	2.07	4.78	11.36
TOTAL	**49,918.88**	**50,705.70**	**16,936.28**

(b) Basis of valuation of Inventories: Inventories are valued at lower of cost or net realizable value on FIFO basis which is in accordance with Ind AS-2.

Note 13 - Investments (Current)

(Amount in ₹ Lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Quoted			
Investment carried at Fair value through Profit or Loss (FVTPL)			
Investments in Mutual Funds			
4,99,990 units of Union Trigger Fund Series 2 - Regular Plan of ₹ 10/- each fully paid up (March 31, 2016 : 4,99,990 units, April 1, 2015 : 4,99,990 units)*	56.30	-	-
TOTAL	**56.30**	**-**	**-**
Aggregate amount of quoted investments	56.30	-	-
Aggregate market value of quoted investments	56.30	-	-

* The above investment was classified as Non-Current Investments as at March 31, 2016 and April 1, 2015 and has been disclosed in Note 7. The maturity of the said investment being due in the financial year 2017-18, it has been classified as current as at March 31, 2017

Investment at fair value through profit and loss reflect investment in quoted and unquoted equity securities and quoted mutual fund units.

The fair value of quoted mutual fund units are based on quoted net asset value at the reporting date.

Note 14 - Trade Receivables (Current)

(Amount in ₹ Lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(Unsecured)			
Considered Good	83,226.11	84,986.83	1,19,276.90
Considered Doubtful	871.05	790.39	655.50
	84,097.16	**85,777.22**	**1,19,932.40**
Less: Allowance for credit Losses	1,661.44	790.39	655.50
TOTAL	**82,435.72**	**84,986.83**	**1,19,276.90**
(b) Debts due from related parties	-	-	-

Trade Receivables are non-interest bearing and terms are generally from 60 to 90 days.

Notes to Consolidated Financial Statements
as on March 31, 2017

Note 15 - Cash & Cash equivalents

(Amount in ₹ Lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(A) Cash & Cash Equivalents			
(i) Balances with Banks :			
- Current Accounts	52,186.01	14,051.34	675.49
- Deposit Accounts	6,041.29	-	-
(ii) Cash-in-hand	16.43	7.10	6.64
TOTAL	**58,243.73**	**14,058.44**	**682.13**
(B) Bank Balances other than above			
(i) Earmarked balances in unclaimed dividend account	49.71	30.13	33.82
(ii) Fixed Deposits with maturity period of more than 3 months but less than 12 months *	2,026.33	2,631.49	3,104.53
TOTAL	**2,076.04**	**2,661.62**	**3,138.35**
* Amount held as margin money or security against borrowings, guarantee, other commitments	1,868.51	2,631.49	3,104.53

(b) For the purpose of cash flow statement

(Amount in ₹ Lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(A) Cash & Cash Equivalents			
(i) Balances with Banks :			
- Current Accounts	52,186.01	14,051.34	675.49
- Deposit Accounts	6,041.29	-	-
(ii) Cash-in-hand	16.43	7.10	6.64
	58,243.73	14,058.44	682.13
Less : - Cash Credit	14,401.89	28,275.04	29,968.80
TOTAL	**43,841.84**	**(14,216.60)**	**(29,286.67)**

Note 16 - Loans

(Amount in ₹ Lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i) Loan to Related Parties			
(Unsecured, considered good)			
Dues from associates / related parties	-	-	-
	-	-	-
(ii) Other Loans			
(Unsecured, considered good)			
Loans to others	9.83	18.53	18.59
	9.83	18.53	18.59
TOTAL	**9.83**	**18.53**	**18.59**

Notes to Consolidated Financial Statements
as on March 31, 2017

Note 17 - Other Financial Assets (Current)

(Amount in ₹ Lakhs)

(a)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i)	**Security Deposits**			
	Security Deposit	46.54	1,181.98	1,177.64
	Earnest Money Deposit	41.00	50.35	130.35
		87.54	1,232.33	1,307.99
(ii)	**Others**			
	Other Receivables	1,111.33	1,099.95	575.48
	Advances to BCAs	11.55	17.64	0.63
	Less : - Expected Credit Loss	(27.41)	-	-
TOTAL		**1,183.01**	**2,349.92**	**1,884.10**

Note 18 - Current Tax Assets

(Amount in ₹ Lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Income Tax (net of provision for taxation)	400.79	285.68	250.39
TOTAL	**400.79**	**285.68**	**250.39**

Note 19 - Other Current Assets

(Amount in ₹ Lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Advances to Vendors	28,218.87	37,553.18	30,370.68
Prepaid Expenses	236.58	57.80	200.15
MAT Credit Entitlement	185.91	121.49	12.87
Balances with statutory / revenue authorities			
- Sales Tax	49.68	24.73	28.03
- CENVAT Credit receivable	132.23	-	14.84
TOTAL	**28,823.27**	**37,757.20**	**30,626.57**

Note 20 - Equity Share Capital

(i) Authorised share capital

(Amount in ₹ Lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at April 1, 2015	**7,500.00**	**7,500.00**
Increase during the year	-	-
As at March 31, 2016	**7,500.00**	**7,500.00**
Increase during the year	-	-
As at March 31, 2017	**7,500.00**	**7,500.00**

Notes to Consolidated Financial Statements
as on March 31, 2017

(ii) Paid up Equity share capital (Amount in ₹ Lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at April 1, 2015	**5,034.82**	**5,034.82**
Issued during the year	-	-
Exercise of options	7.14	7.14
Other movements	250.00	250.00
As at March 31, 2016	**5,291.96**	**5,291.96**
Issued during the year	-	-
Exercise of options	0.36	0.36
Other movements	-	-
As at March 31, 2017	**5,292.32**	**5,292.32**

(iii) Details of shareholders holding more than 5% shares in the Company (Amount ₹ Lakhs)

(a)

Particulars	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
Vakrangee Holdings Private Limited	1,253.75	23.69%	1,253.75	23.69%	1,253.75	24.90%
NJD Capital Private Limited (Formerly known as Vakrangee Capital Private Limited)	649.36	12.27%	649.36	12.27%	399.36	7.93%
Life Insurance Corporation of India	323.20	6.11%	323.20	6.11%	333.15	6.62%
Dinesh Nandwana	297.67	5.62%	297.67	5.62%	297.67	5.91%

(iv) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2017, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 1.25 per share of ₹ 1/- each.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

The Board of Directors of the Company, in their meeting held on May 30, 2017, has recommended dividend of ₹ Rs.2 per share on fully paid up equity share of ₹ 1/- each for the financial year ended March 31, 2017, subject to members approval in the ensuing Annual General Meeting.

(v) Aggregate details for five immediately previous reporting periods for each class of shares (Amount in ₹ Lakhs)

(a)

Particulars	As at March 31, 2017	As at March 31, 2016
- No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- No. of shares allotted as fully paid by way of Bonus Shares	2,502.40	2,502.40
- No. of shares bought back	-	-
- No. of shares issued on exercise of options granted under the ESOP scheme.	37.53	55.66

Notes to Consolidated Financial Statements
as on March 31, 2017

Note 21 - Other Equity

(i) Reserves and surplus (Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31,2016	As at March 31, 2015
Securities Premium Reserve	42,009.83	41,995.65	16,997.11
Share Options Outstanding Account	2,063.68	2,265.82	1,901.05
Deferred Employee Compensation Expense	(1,371.76)	(1,893.35)	(1,267.56)
General Reserve	11,706.39	7,791.68	4,585.95
Surplus in Statement of Profit & Loss	1,45,097.94	1,03,894.74	69,202.20
Foreign Currency translation Reserve	631.18	(993.98)	(795.70)
Total	**2,00,137.27**	**1,53,060.56**	**90,623.05**

(a) Securities Premium Reserve (Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**41,995.65**	**16,997.11**
Add:- On share issued during the year	6.89	24,816.69
Add:- Transfer from shares options outstanding account	7.29	181.85
Closing balance	**42,009.83**	**41,995.65**

(b) Share Options Outstanding Account (Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**2,265.82**	**1,901.05**
Add:- On further grant of options	-	1,065.69
Less:- Reversal due to Lapsation of option	(194.85)	(519.07)
Less: Transfer to Securities premium account	(7.29)	(181.85)
Closing balance	**2,063.68**	**2,265.82**

(c) Deferred Employee Compensation Expense (Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**(1,893.35)**	**(1,267.56)**
Add:- On further grant of options	-	(1,065.69)
Less:- Reversal due to Lapsation of option	150.98	190.99
Less:- Amortised during the year	370.61	248.91
Closing balance	**(1,371.76)**	**(1,893.35)**

(d) General Reserve (Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**7,791.68**	**4,585.95**
Add:- Transfer from Profit & Loss account	3,914.71	3,205.73
Less:- Transfer to Profit & Loss account	-	-
Closing balance	**11,706.39**	**7,791.68**

Notes to Consolidated Financial Statements
as on March 31, 2017

(e) Surplus in Statement of Profit & Loss (Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**1,03,894.74**	**69,202.20**
Add:- Profit for the year	53,079.52	39,485.68
Less:- Transfer to General Reserve account	(3,914.71)	(3,205.73)
Less:- Dividend declared	(6,614.95)	(1,322.89)
Less:- Corporate Dividend Tax	(1,346.65)	(264.50)
Closing balance	**1,45,097.94**	**1,03,894.74**

(f) Foreign Currency Translation Reserve (Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**(993.98)**	**(795.70)**
Translation reserve for the year	1,625.16	(198.28)
Closing balance	**631.18**	**(993.98)**

Note 22 - Borrowings (Non-Current)

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Secured Loans			
Term Loans			
- From Banks	-	1,221.98	3,698.55
- From Others	-	-	-
TOTAL	-	1,221.98	3,698.55

Terms of repayment of term loans and other loans.

Term Loan from Banks (March 31, 2016 and April 1, 2015) :

1. The Company had taken a term loan of ₹ 2,500.00 lakhs. The rate of interest was 11.95% p.a. The loan was to be repaid in 16 quarterly installments of ₹ 156.25 lakhs starting from availability-cum-moratorium period of 15 months from the date of first disbursement (first instalment payable on 31.05.2015), thereby total tenor of the loan will be 63 months. However, the Company has made prepayment of the loan during the year and therefore, there is no amount outstanding towards the said loan as on March 31, 2017.

2. The Company had taken a term loan in the form of External Commercial Borrowings (ECBs) of USD 10 million. The borrowings were made at an interest rate equal to the sum of LIBOR and the Margin as specified in the Term Loan Facility Agreement. The payment of interest to be made quarterly. The rate of interest was 3.561% p.a. The loan was to be repaid in 12 quarterly installments starting from June 30, 2014, with first 11 installments in equal amounts & the amount of the last i.e. twelfth installment being the balance of principal pending for repayment, thereby total tenor of the loan to be five years. The Company has made prepayment of the said loan during the year and therefore, there is no amount outstanding towards the said loan as on March 31, 2017.

   The Company had entered into a Cross Currency & Interest Rate Swap facility for hedging of the ECB repayments (principal and interest). By way of this swap facility, the rate of interest had been fixed at 9.62% p.a. for complete tenor of the term loan. The spot reference rate for repayment of the said loan had been fixed at ₹ 56.08 for 1 USD.

   The bank had sanctioned Loan Equivalent Value (LEV) of ₹ 649.30 lakhs under currency swap facility. Negative Mark-to-Market threshold limit for margin call had been fixed at ₹ 500.00 lakhs.

Notes to Consolidated Financial Statements
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In case, the net payables exceed the exposure, the Bank has the right to call for additional deposit margin forthwith to maintain the exposure within the threshold limit. The Company shall deposit cash collateral as per Bank's instructions, if negative MTM exceeds ₹ 500.00 lakhs.

Nature of security of each type of secured loans.

i) Term Loans from Banks (₹ 2500.00 lakhs) :

1. First pari-passu charge by way of hypothecation on micro ATM, Financial Inclusion (FI) kits and assets purchased out of the said rupee term loan.
2. First charge on the designated bank account through which all the revenues and receivables of all the FI centres will be routed.
3. First charge on the Debt Service Reserve account (DSRA) and any other bank account of the company with respect to proposed FI project.
4. Second pari-passu charge on all the present and future current assets of the Company.
5. Second pari-passu charge on the movable fixed assets of the company (present & future), except micro ATMs and other FI kits.
6. Second parri-passu charge through mortgage on the office premises of the Company, situated at Marol Co-Operative Industrial Society & Hind Saurashtra Industries Co-Operative Society Limited, Marol, Andheri (East), Mumbai.
7. Second pari-passu charge on office premise of Vakrangee Technologies Limited, situated at Marol Co-Operative Industrial Society, Marol, Andheri (East), Mumbai.
8. Second pari-passu charge on property situated at Deer Park, New Delhi.
9. Personal Guarantee of Mr. Dinesh Nandwana, Managing Director & CEO of the Company & Corporate Guarantee of Vakrangee Technologies Limited.

ii) Term Loans from Banks - External Commercial Borrowings (ECB) :

1. First charge on all moveable and immoveable fixed assets financed out of the term loan, with a minimum asset cover ratio of 1.33 times.
2. Second parri-passu charge on all assets of the Company excluding those financed through this term loan.
3. Second pari passu charge on the UID kits procured from existing term loans availed from banks.
4. Personal Guarantee of Mr. Dinesh Nandwana, Managing Director & CEO of the Company.

Details of the aggregate of each loan guaranteed by directors or others, each head-wise.
All the term loans amounting to ₹ Nil (March 31, 2016 : ₹ 1,221.98 lakhs, April 1, 2015 : ₹ 3,698.55 lakhs) guaranteed by Mr. Dinesh Nandwana, Managing Director & CEO of the Company.

Details of continuing default in the repayment of loans and interest, specifying the period and amount separately in each case.
There has been no default in the repayment of loans or interest thereon as on date.

Note 23 - Trade Payables
(Non - Current)

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Trade Payables	98.89	216.62	157.17
TOTAL	**98.89**	**216.62**	**157.17**

* Includes dues to micro, small and medium enterprises

Notes to Consolidated Financial Statements
as on March 31, 2017

Note 24 - Employee Benefit Obligation (Non - Current)

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Provision for employees benefits	233.39	178.30	117.85
TOTAL	**233.39**	**178.30**	**117.85**

Note 25 - Deferred Tax Liabilities (Net)

(Amount in ₹ Lakhs)

Particulars		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015
Liabilities						
(i) On account of difference in depreciation on Fixed Assets	-		1,305.77		4,268.47	-
(ii) Provision for Leave Encashment	-		-		-	
(iii) Timing differences on Tax Provisions	-		14.15		23.80	
(A)		-		1,319.92		4,292.27
Assets						
(i) On account of difference in depreciation on Fixed Assets	749.67		-		-	
(ii) Provision for Leave Encashment and Gratuity	80.71		20.40		15.39	
(iii) Timing differences on Tax Provisions	15.38		-		-	
(B)		845.76		20.40		15.39
TOTAL (A - B)		**(845.76)**		**1,299.52**		**4,276.88**
Adjustment : Deferred Tax Asset not accounted *		845.76		-		-
Balance carried to Balance Sheet		**-**		**1,299.52**		**4,276.88**

* The timing differences arising as at year-end are deferred tax assets. There are no items for which there is deferred tax liability as at year-end. Hence, on the basis of reasonable certainty, such deferred tax assets have not been recognised and carried forward.

Note 26 - Borrowings (Current)

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Secured Loans			
Loans repayable on demand			
- From Banks	14,401.89	28,275.04	29,968.80
Unsecured Loans			
- From Related Parties	-	-	1,588.60
TOTAL	**14,401.89**	**28,275.04**	**31,557.40**

Nature of security of each type of secured loans.

a) Loans repayable on demand from Banks :

The Company had entered into a Security Trustee Agreement for availing the working capital facilities under the consortium banking arrangement and the limit sanctioned is aggregating to ₹ 75,000.00 lakhs vide agreement dated June 5, 2015. Based on the operational requirements, the Company has proposed revision in working capital facilities from ₹ 51,090.00 lakhs (as at March 31, 2016) to ₹ 33,200.00 lakhs (as at March 31, 2017). The Lead Bank vide their letter dated March 27, 2017 has approved the assessment of working capital requirements at the reduced level of ₹ 33,200.00 lakhs.

Notes to Consolidated Financial Statements
as on March 31, 2017

These facilities are secured against the following charge on various assets of the Company :

1. Primary : First pari-passu charge on the entire current assets of the Company, both present & future.
2. Collateral :
   - First pari-passu charge on the entire movable fixed assets of the Company, both present & future.
   - First pari-passu charge on all the immovable assets of the company acquired after 31.03.2011, both present and future.
   - First pari-passu charge on entire lands & office premises of the company, situated at Marol Co-Operative Industrial Estate & Hind Saurashtra Industries Co-Operative Society Limited, Marol, Andheri (East), Mumbai.
   - First pari-passu charge on office premises, situated at Marol Co-Operative Industrial Estate, Marol, Andheri (E), Mumbai of Vakrangee Technologies Limited
   - First Pari passu charge on residential house at Chandigarh.
3. Corporate Guarantee of Company, Vakrangee Technologies Limited to the extent of value of property.
4. Personal Guarantee of Mr. Dinesh Nandwana, Managing Director & CEO of the Company.

b) Details of the aggregate of each loan guaranteed by directors or others, each head-wise.
All the loans repayable on demand from banks amounting to ₹ 14,401.89 lakhs (March 31, 2016 : ₹ 28,275.04 lakhs, April 1, 2015 : ₹ 29,968.80 lakhs) guaranteed by Mr. Dinesh Nandwana, Managing Director & CEO of the Company.

c) Details of continuing default in the repayment of loans and interest, specifying the period and amount separately in each case.
There has been no default in the repayment of loans or interest thereon as on date.

Note 27 - Trade Payables
(Current)

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Trade Payables*	2,968.68	11,441.11	21,313.21
TOTAL	**2,968.68**	**11,441.11**	**21,313.21**
* Includes dues to micro, small and medium enterprises	42.92	75.59	154.69

Note 28 - Other Financial Liabilities

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term debts	-	2,480.29	6,259.65
Current maturities of finance lease obligations	-	-	18.35
Interest accrued but not due on borrowings	13.26	25.28	171.80
Security Deposit	38.10	6.23	-
Unpaid Dividend	49.71	30.13	33.82
TOTAL	**101.07**	**2,541.93**	**6,483.62**

Notes to Consolidated Financial Statements
as on March 31, 2017

Note 29 - Other Current Liabilities

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Withholding taxes and others	101.40	269.05	299.90
Advance from customers	247.71	170.81	320.53
Staff Emoluments Payable	19.09	252.67	232.94
Other Liabilities	80.01	637.36	801.06
TOTAL	**448.21**	**1,329.89**	**1,654.43**

Note 30 - Provisions

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Provision for Expenses for Goods & services	574.04	3,759.70	6,850.74
Provision for Wealth Tax	-	-	0.02
Provision for Commission Expense	-	-	-
TOTAL	**574.04**	**3,759.70**	**6,850.76**

Note 31 - Employee Benefit Obligations (Current)

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Provision for Employees' benefits	7.80	7.27	-
TOTAL	**7.80**	**7.27**	**-**

Note 32 - Current Tax Liabilities

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Provision for Taxation (net of taxes paid)	2,635.01	642.66	5,504.69
TOTAL	**2,635.01**	**642.66**	**5,504.69**

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

Note 33 - Revenue from Operations

(Amount in ₹ Lakhs)

	Particulars		As at March 31, 2017		As at March 31, 2016
(a)	Income from e-governance activities, including Vakrangee Kendra		3,92,864.84		3,15,495.23
(b)	Revenue from Sale of Products				
	- Sale of Logistics Kit	10.04		-	
	- Computer consumables & peripherals	413.37		64.98	
			423.41		64.98
(c)	Revenue from Sale of Services				
	- Information Technology-enabled Services (ITeS)	6,076.79		3,511.99	
	- Courier and Delivery Services	52.18		-	
	- Others	619.65		-	
			6,748.62		3,511.99
(d)	Other Operating Revenues				
	- Scrap Sales	9.51		1.46	
			9.51		1.46
	TOTAL		**4,00,046.38**		**3,19,073.66**

Note:- The amount of revenues are exclusive of indirect taxes (service tax, value added tax, etc.).

Note 34 - Other Income

(Amount in ₹ Lakhs)

Particulars		As at March 31, 2017		As at March 31, 2016
(i) Interest Income on				
- Bank Deposits	186.10		279.77	
- Others	15.54		4.10	
		201.64		283.87
(ii) Other income				
- Rent Received	1.50		1.50	
- Sundry Balances written back	-		1.24	
- Net gain on disposal of Property, plant and equipment	630.54		134.89	
- Gain/(Loss) on Foreign Exchange Fluctuation (Net)	(355.21)		125.69	
- Gain/(Loss) on sale of Investments (Net)	2.14		14.62	
- Fair value gain on financial instrument at fair value through Profit and loss	32.88		-	
- Miscellaneous Income	14.84		2.20	
		326.69		280.14
TOTAL		**528.33**		**564.01**

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

Note 35 - Operating Expenses

(Amount in ₹ Lakhs)

Particulars		As at March 31, 2017		As at March 31, 2016
Project Delivery Cost				
- Opening Stock	45,934.19		12,725.40	
- Add : Purchase of goods and services	2,88,679.98		2,61,810.80	
- Less : Closing Stock	44,128.44		45,934.19	
		2,90,485.73		2,28,602.01
Project Expenses		2,279.98		903.86
Commission Expenses		5,503.02		2,937.12
Printing Charges		22.86		24.80
Communication Costs		25.64		71.21
Conveyance & Travelling Expenses		67.34		42.63
Transportation, Octroi and Loading / Unloading Charges		14.33		7.07
Rent, Rates and Taxes		116.07		45.25
TOTAL		**2,98,514.97**		**2,32,633.95**

Note 36 - Changes in Inventories

(Amount in ₹ Lakhs)

Particulars		As at March 31, 2017		As at March 31, 2016
(a) At the beginning of the period				
(i) Work-in-Progress	4,258.32		3,745.17	
(ii) Stock-in-Trade	513.19		465.71	
		4,771.51		4,210.88
Less : at the end of the period				
(i) Work-in-Progress	4,785.70		4,258.32	
(ii) Stock-in-Trade	1,004.74		513.19	
		5,790.44		4,771.51
TOTAL		**(1,018.93)**		**(560.64)**

Note 37 - Employee Benefits Expenses

(Amount in ₹ Lakhs)

(a)

Particulars		As at March 31, 2017		As at March 31, 2016
(i) Salaries & Wages	3,789.42		2,450.00	
(ii) Contribution to Provident & Other Funds	200.58		94.87	
(iii) Share-based Payment Expenses	326.74		(79.18)	
(iv) Staff Welfare Expenses	81.93		66.91	
		4,398.67		2,532.60
TOTAL		**4,398.67**		**2,532.60**

(b) Detailed note on disclosure as required by Ind AS-19
For details, refer Note No. 47

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

Note 38 - Finance Costs

(Amount in ₹ Lakhs)

Particulars		As at March 31, 2017		As at March 31, 2016
Interest Expenses				
- Banks	4,524.60		5,318.71	
- Others	147.29	4,671.89	150.16	5,468.87
Bank Charges & Commission		337.32		162.81
TOTAL		**5,009.21**		**5,631.68**

Note 39 - Other Expenses

(Amount in ₹ Lakhs)

Particulars		As at March 31, 2017		As at March 31, 2016
Repairs & Maintenance :				
- Building	39.06		51.64	
- Vehicle	3.68		1.98	
- Others	22.07	64.81	34.39	88.01
Advertisement and Publicity Expenses		342.09		244.30
Business Promotion Expenses		257.32		86.78
Sponsorship Fees		108.00		28.74
Commission & Brokerage		1.71		0.65
Rent		4.19		-
Rates & Taxes		24.65		64.27
Insurance		16.12		17.57
Electricity Expenses		53.02		44.29
Printing and Stationery		35.17		35.53
Communication Costs		162.12		111.54
Fees & Subscriptions		29.66		32.48
Listing, Registrar & Share Issue/Transfer Expenses		39.26		5.04
Directors' Remuneration		211.98		95.85
Directors' Sitting Fees		5.75		6.70
Legal & Professional Fees - Other than payments to Auditor:				
- Consultancy Charges	31.35		73.16	
- Legal & Professional Fees	661.70		651.14	
- Filing Stamp Duty and Franking Charges	19.81		14.22	
- Registration charges	0.27	713.13	0.75	739.27
Payments to Auditors :				
- Audit fees	37.29		22.27	
- Tax Audit fees	8.23		4.15	
- For Other Services	6.72		5.55	
- For Reimbursement of Expenses	-	52.24	0.20	32.17

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(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Conveyance & Travelling	245.52	138.44
Vehicle Expenses	9.81	6.55
Corporate Social Responsibility Expenditure (Refer Note 42)	211.09	420.73
Office & General Expenses	50.11	53.58
Allowance for credit losses	865.86	134.89
Miscellaneous Expenses	40.97	5.22
Preliminary Expenses written off	6.09	-
TOTAL	**3,550.67**	**2,392.60**

Note 40 - Earnings Per Equity Share

(Amount in ₹ Lakhs)

	Particulars	As at March 31, 2017	As at March 31, 2016
(a)	Net profit after tax attributable to equity shareholders for Basic EPS	53,079.52	39,485.68
	Add/Less: Adjustment relating to potential equity shares	-	-
	Net profit after tax attributable to equity shareholders for Diluted EPS	53,079.52	39,485.68
(b)	Weighted average no. of equity shares (in lakhs) outstanding during the year :		
	For Basic EPS	5,292.10	5,198.25
	For Diluted EPS	5,303.51	5,304.25
(c)	Face Value per Equity Share (₹)	1.00	1.00
	Basic EPS (₹)	10.03	7.62
	Diluted EPS (₹)	10.01	7.47
(d)	Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS		
	No. of shares used for calculating Basic EPS	5,292.10	5,198.25
	Add: Potential equity shares	11.41	106.00
	No. of shares used for calculating Diluted EPS	**5,303.51**	**5,304.25**

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Note 41 - Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹ Lakhs)

Particulars			As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(A)	Contingent Liabilities				
	(i)	Claims against the company not acknowledged as debts	63.30	27.23	27.23
	(ii)	Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts	1,541.48	1,938.28	2,089.90
	(iii)	Disputed liabilities pertaining to Service Tax with CESTAT	156.19	-	-
	(iv)	Disputed liabilities pertaining to Sales Tax with appellate authorities	449.47	-	-
	(v)	Income Tax demand paid recoverable against appeal filed with Income Tax authorities ITAT and Commissioner of Income Tax (Appeals)	409.81	190.35	-
		(A)	2,620.25	2,155.86	2,117.13
(B)	Commitments				
	(i)	Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	63.23	-	25.00
	(ii)	Uncalled liabilities on share and other investments partly paid up	-	10.00	10.00
	(iii)	Subscription towards shares of wholly-owned subsidiary	-	100.00	-
		(B)	63.23	110.00	35.00
		TOTAL (A + B)	**2,683.48**	**2,265.86**	**2,152.13**

Note :
1. 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.

Note 42 - Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

Gross amount required to be spent by the company during the year is ₹ 932.30 lakhs.

(Amount in ₹ Lakhs)

Particulars		In Cash	Yet to be paid in Cash	Total
i)	Construction / acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	211.09	-	211.09

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Note 43 - Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹ Lakhs)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.62	0.11	0.73
(+) Permitted receipts	0.38	13.65	14.03
(-) Permitted payments	(0.38)	(11.09)	(11.47)
(-) Amount deposited in Banks	(0.62)	-	(0.62)
Closing cash in hand as on December 30, 2016	**-**	**2.67**	**2.67**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

Note : The Company had obtained licence for operating White Label ATMs (WLAs) from the Reserve Bank of India and is currently carrying ATM services in rural, semi-urban and urban areas in India. The Company had cash, both SBNs and other denomination notes, as on the closing hours of November 8, 2016 in the WLA ATMs operated by the Company. Thereafter, the Company has carried out exercise of removing such SBNs from those ATMs and depositing them into the Company's specified bank account. The total amount of such specified bank notes deposited into bank by the Company is ₹ 777.18 lakhs. This amount has not been included above as the SBN currency was not held as cash balance with the company during the period from November 8, 2016 to December 30, 2016.

Note 44 - Money received against Share warrants

The Company had issued 250.00 lakhs fully convertible warrants to M/s. NJD Capital Private Limited (formerly known as Vakrangee Capital Private Limited) at ₹ 100/- per warrant in February, 2014. The warrants issued were convertible into equal no. of equity shares having face value of ₹ 1/- with premium of ₹ 99/- per share. Those warrants have been converted into 250.00 lakhs fully paid-up equity shares of ₹ 1/- each in August, 2015 i.e. before the expiry of 18 months from the date of allotment of warrants. These equity shares are subject to lock-in-period of three years from date of allotment of the equity shares or such reduced period as may be permitted under the SEBI Issue of Capital & Disclosure Requirements (ICDR) Regulations, 2009 as amended time to time.

Note 45 - Segment Reporting

The Group's activities predominantly revolve around providing the e-governance related activites of Mission Mode Projects covered under "National e-Governance Plan" (NeGP). Considering the nature of Company's business and operations, there is only one reportable segment (business and / or geographical) in accordance with the requirements of the Indian Accounting Standard 108 – "Operating Segments". However, on the basis of delivery modes, the Company's business operations has been classified into two business segments, viz. e-Governance Projects and Vakrangee Kendra.

Revenue and identifiable operating expenses in relation to these segments are categorised based on items that are individually identifiable to those segments. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably to utilise the resources optimally. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as 'unallocated' and adjusted against the total income of the Company.

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Fixed assets or liabilities contracted have not been identified to any of the segments as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

(Amount in ₹ Lakhs)

Particulars	e-Governace Projects	Vakrangee Kendra	Total
Revenue from Operations	**1,42,213.87**	**2,57,832.50**	**4,00,046.38**
	(1,48,181.02)	(1,70,892.64)	(3,19,073.66)
Segmental Results (Profit before Depreciation, Interest and Tax)	**39,430.98**	**55,170.02**	**94,601.00**
	(41,476.99)	(40,598.16)	(82,075.15)
Less :			
Depreciation			**7,338.72**
			(16,404.30)
Finance Costs			**5,009.21**
			(5,631.68)
Unallocable expenses (net of unallocable income)			**(528.33)**
			(-564.01)
Profit Before Tax			**82,781.40**
			(60,603.18)
Less : Tax Expense			**29,701.88**
			(21,117.50)
Profit After Tax			**53,079.52**
			(39,485.68)

Note : Figures in brackets pertains to previous year.

The company identifies operating segments based on the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Note 46 - Related Party Details

(a) Key Management Personnel

- Managing Director & CEO

Mr. Dinesh Nandwana	Managing Director & Chief Executive Officer (Chairman & Managing Director upto July 26, 2015)
Dr. Nishikant Hayatnagarkar	Whole-Time Director
Mr. Ramesh Joshi	Director
Mr. Sunil Agarwal	Director
Mr. Babulal Meena	Director
Mrs. Sujata Chattopadhyay	Director
Mr. Avinash Chandra Vyas	Director
Mr. Thangavelu Sitharthan	Nominee Director
Mr. Subhash Singhania	Chief Financial Officer (w.e.f. May 11, 2016)
Ms. Darshi Shah	Company Secretary and Compliance Officer

Notes to Consolidated Financial Statements
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(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

- NJD Lacteus & Hortus Limited
  (Formerly known as Vakrangee Lacteus & Hortus Limited)
- NJD Capital Private Limited
  (Formerly known as Vakrangee Capital Private Limited)
- Vakrangee Technologies Limited
- Mr. Manoj Nandwana
- Mr. Shelendra Nandwana
- Ms. Divya Nandwana (w.e.f. August 29, 2016)

Related Party Transactions
- In relation to (a)

(Amount in ₹ Lakhs)

Nature of Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
Director Remuneration		
- Dinesh Nandwana	171.25	66.35
- Dr. Nishikant Hayatnagarkar	40.74	29.50
Directors' Sitting Fees		
- Ramesh Mulchand Joshi	1.00	1.20
- Sunil Agarwal	0.80	0.40
- Babulal Meena	1.00	1.38
- Sujata Chattopadhyay	2.00	2.50
- Avinash Chandra Vyas	0.95	0.80
- Thangavelu Sitharthan	-	0.42
Employee Benefit Expenses		
- Subhash Singhania	26.57	-
- Darshi Shah	8.16	4.96
ESOP Perquisites		
- Darshi Shah	-	0.37
Balance outstanding as on March 31 :	NIL	NIL

- In relation to (b)

(Amount in ₹ Lakhs)

Nature of Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
Reimbursement of Expenses		
- NJD Lacteus & Hortus Limited	-	1.57
- Vakrangee Technologies Limited	7.93	15.72
- Manoj Nandwana	1.42	1.72
- Shelendra Nandwana	0.11	1.53
Employee Benefit Expenses		
- Manoj Nandwana	5.88	5.05
- Shelendra Nandwana	4.42	4.65
- Divya Nandwana	5.73	-

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(Amount in ₹ Lakhs)

Nature of Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
Conversion of Warrants into Equity Shares		
- NJD Capital Private Limited	-	250.00
Balance outstanding as on March 31 :		
- Manoj Nandwana (Expenses Payable)	0.36	0.15

Note : Corporate Guarantee given by Vakrangee Technologies Limited for working capital facilities availed by the Company :
- Guarantee given to the extent of value of property, situated at Vakrangee House, Bldg. No. 124, Marol Co-Op. Industrial Estate Ltd., Marol, Andheri (E), Mumbai

(March 31, 2016 : Corporate guarantee given for entire working capital facilities)

Note 47 - Employee Benefit Obligations

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 102.25 lakhs (March 31, 2016 - ₹ 58.95 lakhs) is presented as current and non-current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employee to take the full amount of accrued leave or require payment within the next 12 months.

(ii) Gratuity (post-employment benefits)

The Company provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised/approved funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

(iii) Defined contribution plans

The Company also has ceratin defined benefit obligations. Contributions are made to provident fud in India for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 134.78 lakhs (March 31, 2016 - ₹ 105.63 lakhs).

Gratuity

The following table sets out the amount recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

(Amount in ₹ Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01-Apr-15	**118.62**	**(67.42)**	**51.20**
Current Service cost	41.38	-	41.38
Interest expense/(income)	9.49	(4.12)	5.37
Total amount recognised in profit or loss	**50.87**	**(4.12)**	**46.75**
Remeasurements			
Experience (gains)/losses	(8.53)	-	(8.53)
Total amount recognised in other comprehensive income	**(8.53)**	**-**	**(8.53)**
Employer contributions	-	-	-
Benefit payments	(15.52)	15.52	-
31-Mar-16	**145.44**	**(56.02)**	**89.42**

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(Amount in ₹ Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01-Apr-16	**145.44**	**(56.02)**	**89.41**
Current Service cost	60.29	-	60.29
Interest expense/(income)	10.91	(4.20)	6.71
Total amount recognised in profit or loss	**71.20**	**(4.20)**	**67.00**
Remeasurements			
Return on plan assets, excluding amounts included in interest	-	(0.25)	(0.25)
(Gain)/loss from change in financial assumptions	9.38	-	9.38
Experience (gains)/losses	(27.38)	-	(27.38)
Total amount recognised in other comprehensive income	**(18.00)**	**(0.25)**	**(18.25)**
Employer contributions	-	-	-
Benefit payments	(1.05)	1.05	-
31-Mar-17	**197.59**	**(59.43)**	**138.16**

The net liability disclosed above relates to funded plans are as follows

(Amount in ₹ Lakhs)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Present value of funded obligations	197.59	145.44	118.62
Fair value of plan assets	(59.43)	(56.02)	(67.42)
Deficit/(Surplus) of gratuity plan	**138.17**	**89.42**	**51.20**

Significant estimates- actuarial assumptions and sensitivity
The significant actuarial assumptions were as follows

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate	7.50%	8.00%	8.00%
Salary growth rate (per annum)	5.00%	5.00%	5.00%
Withdrawal rate (per annum)	2.00%	2.00%	2.00%
Expected rate of return	7.50%	8.00%	8.00%
Mortality Table	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

Sensitivity analysis
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Impact on defined benefit obligation Increase in assumption		
	31-Mar-17	31-Mar-16		31-Mar-17	31-Mar-16
Discount rate	1%	1%	Decrease by	13%	12%
Salary growth rate	1%	1%	Increase by	16%	14%
Withdrawal rate	1%	1%	Increase by	3%	4%

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Particulars	Change in assumption		Impact on defined benefit obligation Decrease in assumption		
	31-Mar-17	31-Mar-16		31-Mar-17	31-Mar-16
Discount rate	1%	1%	Increase by	16%	14%
Salary growth rate	1%	1%	Decrease by	13%	12%
Withdrawal rate	1%	1%	Decrease by	4%	5%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

***The major categories of plans assets are as follows :**

Particulars	In Percentage %	
	31-Mar-17	31-Mar-16
Equity instruments	**7.71**	**8.91**
Debt instruments	**89.43**	**85.81**
Government bonds	63.10	54.63
Corporate bonds/debentures	26.33	31.18
Asset backed securities	**0.03**	**0.04**
Cash and cash equivalents	**2.83**	**5.24**
Total	**100.00**	**100.00**

*The Company contributes all the ascertained liabilities towards gratuity to Life Insurance Corporation of India (LIC) which is the insurer-managed fund. Since the investments in the plan assets is managed by LIC the detailed breakup of the investments is not made available to the Company.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

Investment risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Most of the plan asset investment is in fixed income securities with high grades and in government securites which are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company intends to maintain the above investment mix in the continuing years.
Interest risk	A decrease in the market yields in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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Maturity profile of gratuity liability and Employer contribution

Expected contributions to post-employment benefit plans for the year ending March 31, 2018 are ₹ 81.32 lakhs (as at March 31, 2017 : ₹ 57.86 lakhs).

The weighted average duration (based on discounted cash flows) of the defined benefit obligation is 21 years (2016- 20 years). The expected maturity analysis of undiscounted gratuity is as follows :

Particulars	Amount in ₹ lakhs
Less than one year	5.00
Between 1-2 years	4.64
Between 2-5 years	37.52
Over 5 years	255.19
Total	**302.35**

Note 48 - Share based payments

The company has formulated Employee Stock Option Scheme, 2008 (ESOP Scheme) which was approved by the members/ shareholders of the Company at their annual general meeting held on 23 September, 2008, as modified on 10 January, 2011 and 1 June, 2012 annual report general meeting. Further the company has formulated the new "ESOP Scheme 2014" approved by the members of the company through postal ballot on 23rd May, 2014. The Employee Option Plan is designed to provide incentives to all the existing employees serving with the Company. Under the plan, employees are granted options which vest proportionately from 2 – 6 years from the grant date which includes lock in period.

Once vested, the options remain exercisable for a period of 4 years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is a price which is determined at 50% of market price of the scrip of the company (on the highest traded Stock Exchange) or at any other price as decided by the Nomination and Remuneration and Compensation Committee.

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-17		31-Mar-16	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	90.09	20,48,530	37.55	34,46,260
Granted during the year	-	-	113.00	9,67,200
Exercised during the year	243.95	36,250.00	108.06	7,13,930
Forfeited during the year	95.01	4,49,505	15.29	16,51,000
Expired during the year	-	-	-	-
Closing Balance	**90.29**	**15,62,775**	**90.09**	**20,48,530**
Vested and excercisable	110.77	6,98,375	57.69	2,01,625

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2017 was ₹ 243.95 (March 31, 2016 : ₹ 108.06).

No options expired during the periods in the above tables.

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Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price ₹	Share options 31-Mar-17	Share options 31-Mar-16	Share options 01-Apr-15
30-07-2009	29-07-2016	61.90	-	97,020	1,06,020
30-12-2009	29-12-2016	67.85	-	-	-
18-05-2010	17-05-2017	146.50	-	1,00,000	1,00,000
24-11-2010	23-11-2017	150.00	-	-	-
12-08-2011	11-08-2018	150.00	-	18,660	1,71,340
20-07-2012	19-07-2021	20.00	27,875	69,250	1,49,000
20-07-2012	19-07-2021	10.00	-	-	20,00,000
26-11-2014	26-11-2023	64.70	6,82,400	8,21,100	9,19,900
11-03-2016	10-03-2025	113.08	8,52,500	9,42,500	-
Total			**15,62,775**	**20,48,530**	**34,46,260**

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2017 was NIL per option (March 31, 2016 : ₹ 152.51). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2017 included:

a) Options are granted for no consideration and vest upon completion of service for a period of two years. Vested options are exercisable for a period of two years after vesting.
b) Exercise price : ₹ NIL (March 31, 2016 – ₹113.08)
c) Grant date : NIL (March 31, 2016 – March 11, 2016)
d) Expiry date : NIL (March 31, 2016 – March 10, 2025)
e) Share price at grant date : ₹ NIL (March 31, 2016 – ₹ 224.50)
f) Expected price volatility of the company's shares : NIL (March 31, 2016 – 42.50%)
g) Expected dividend yield : NIL (March 31, 2016 – 0.40%)
h) Risk free interest rate : NIL (March 31, 2016 – 7.60%)

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognized is Profit or Loss as part of employee benefit expense were as follows:

(Amount in ₹ Lakhs)

Particulars	March 31, 2017	March 31, 2016
Employee Option Plan	326.74	(79.18)

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Note 49 - Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

Exposure arising from	Risk	Measurement	Management
Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Credit Risk	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Borrowings and other liabilities	Liquidity Risk	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Future commercial transactions. Recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Market Risk - foreign exchange	Cash flow forecasting Sensitivity analysis	Forwarded foreign exchange contracts
Long-Term borrowings at variable rates	Market Risk - interest rate	Sensitivity analysis	Interest rate swaps
Investments in equity securities	Market Risk - security prices	Sensitivity analysis	Portfolio diversification

Note 50 - Income Taxes

(a) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(Amount in ₹ Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before income taxes	82,781.40	60,603.18
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	28,648.99	20,973.55
Effect of non-deductible expenses	1293.26	271.01
Absorbtion of unabsorbed brought forward losses and depreciation	(240.05)	(127.06)
Others	(0.31)	-
Income Tax expense	**29,701.89**	**21,117.50**

(b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2017, March 31, 2016 and April 1, 2015

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at 1 April, 2015
Current Income Tax Liabilities	2,635.01	642.66	5,504.69
Income Tax Assets	806.42	476.04	250.39
Net current income tax liabilities / (assets) at the end	1,828.59	166.62	5,254.30

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The gross movement in the current income tax liability / (asset) for the year ended March 31, 2017 and March 31, 2016 is as follows:

(Amount in ₹ Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net current income tax liability / (asset) at the beginning	**166.62**	**5,254.30**
Income Tax paid	(29,449.66)	(29,217.21)
Current Income Tax expense	31,111.63	24,129.53
Net current income tax liability / (asset) at the end	**1,828.59**	**166.62**

(c) The gross movement in the deferred income tax account for the year ended March 31, 2017 and March 31, 2016, are as follows:

(Amount in ₹ Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net deferred income tax liability at the beginning	**1,299.52**	**4,276.88**
Movements relating to temporary differences	(1,290.71)	(2,957.41)
Temporary differences on other comprehensive income	(8.81)	(19.95)
Net deferred income tax liability at the end	**0.00**	**1,299.52**

The timing differences arising as at year-end are deferred tax assets. There are no items for which there is deferred tax liability as at year-end. Hence, on the basis of reasonable certainty, such deferred tax assets have not been recognised and carried forward.

Note 51 - Previous year / period figures

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and polices to the extent applicable. The Company has adopted Ind AS on April 1, 2016 with the transition date as April 1, 2015, and adoption was carried out in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. The previous period's figures have been regrouped or rearranged wherever necessary.

As per our report of even date attached.

For S. K. Patodia & Associates
Chartered Accountants
Firm's Registration No. : 112723W

Arun Poddar
Partner
Membership No.: 134572

Place : Mumbai
Date : May 30, 2017

For & on behalf of the Board of Directors

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Subhash Singhania
Chief Financial Officer

Dr. Nishikant Hayatnagarkar
Whole-Time *Director*
DIN : 00062638

Darshi Shah
Company Secretary

Notes

Notes

VAKRANGEE LIMITED

"Vakrangee House", Plot No. 66, Marol Co-op Industrial Estate,
Off. M. V. Road, Andheri (E), Mumbai – 400 059
CIN : L65990MH1990PLC056669
Phone: 022 28503412 Fax No. 022 28502017 Email ID: info@vakrangee.in

ATTENDANCE SLIP

I hereby record my presence at the Twenty Seventh Annual General Meeting of the Company, to be held on Saturday, September 23, 2017 at 11.00 AM at Hotel Sofitel Mumbai BKC, C 57, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra-400051.

Name & Address of the Member ____

____

____

Registered Folio /Client ID ____

DPID____

No. of Shares ____

Name of the Proxy ____

Name of the Member or Proxy or Representative present ____________________________

Signature of the Member or Proxy or representative present ____________________________

Note: A member or his/her duly appointed Proxy wishing to attend the Meeting, must complete this Attendance Slip and hand it over at the entrance.

VAKRANGEE LIMITED

"Vakrangee House", Plot No. 66, Marol Co-op Industrial Estate,
Off. M. V. Road, Andheri (E), Mumbai – 400 059
CIN : L65990MH1990PLC056669
Phone: 022 28503412 Fax No. 022 28502017 Email ID: info@vakrangee.in

PROXY FORM

Name of the member(s): ....

Registered Address: ....

.... E-mail ID: ....

Folio No. / Client Id: .... DP ID: ....

I/We, being the member(s) of .... shares of the Vakrangee Limited, hereby appoint.

1. Name :.. Address : ....

   Email Id : .... Signature: ....or failing him,

2. Name : .... Address : ....

   Email Id : .... Signature : ....or failing him,

3. Name : .... Address : ....

   Email Id : .... Signature :..

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Seventh Annual General Meeting of the Company, to be held on Saturday, September 23, 2017 at 11.00 AM at Hotel Sofitel Mumbai BKC, C 57, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra- 400051 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	For	Against
		I/We assent to the resolution	I/We dissent from the resolution.
ORDINARY BUSINESSES			
1	Adoption of Financial Statements for FY ended March 31, 2017		
2	Declaration of Dividend for FY ended March 31, 2017		
3	Re-appointment of Mr. Dinesh Nandwana (DIN: 00062532) who retires by rotation and being eligible, offers himself for re-appointment		
4	Appointment of Auditors and to fix their remuneration		

Signed this .... day of .... 2017.

Signature of Shareholder: ....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, at "Vakrangee House", Plot No. 66, Marol Co-op Industrial Estate, Off. M. V. Road, Andheri (E), Mumbai – 400 059, Maharashtra not less than FORTY EIGHT HOURS before the commencement of the meeting.

OTHER OFFICE ADDRESS:

New Delhi
Vakrangee Limited 2nd Floor,
Flat No. 238, Ansal Chamber-2, 6,
Bhikaji Cama Place, New Delhi-110066

Jaipur
3/55 Paras Ram Nagar,
Dher Ke Balaji, Sikar Road Jaipur-302023

Chandigarh
W3-A, 3rd Floor, Godrej Eternia,
West wing, Plot No. 70,
Industrial Area,
Phase-1, Chandigarh-160002

Lucknow
413, Aashiyana Colony,
Near Aashiyana Thana,
Kanpur Road, Lucknow-226012

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

Indore
220 Dhan Trident,
Near Metro Tower,
Vijay Nagar Square,
Indore-452010 (M.P.)

Bhubaneshwar
House No. GA 382,
1st Floor, Shailashree Vihar,
Near Niladri Vihar Auto Stand,
Bhubaneswar-751016

Patna
Flat No 203/B, Aditya Tower,
2nd Floor, White House,
Budh Marg, Patna Bihar-800001

Ranchi
Hari Kunj, Shiboo Chowk,
Sukhdeo Nagar, Opp. Reliance Fresh,
Ratu Road, Ranchi, Jharkhand-834005

Ahmedabad
Unit No 608, Amarnath Business Center -1, St Xavier's College Corner, Navarangpura, Ahmedabad - 380009

Vakrangee
सशक्त परिवर्तन

VAKRANGEE LIMITED

www.vakrangee.in

dickenson www.dickensonworld.com