



# **S K PATODIA & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

### 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.



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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 auditor's 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 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 Auditor's 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*

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.

#### **Auditor's 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 auditor's 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.



#### **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.

#### **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.

#### **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.

Place : Mumbai  
Date : May 30, 2017

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

*Arun Poddar*  
Arun Poddar  
Partner

Membership No. : 134572



**Vakrangee Limited**  
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 April 1, 2015	
<b>I ASSETS</b>								
<b>1 Non - Current Assets</b>								
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
<b>Financial Assets</b>								
(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
<b>Total Non-current Assets</b>				<b>3,696.66</b>		<b>16,404.93</b>		<b>29,459.12</b>
<b>2 Current Assets</b>								
Inventories		12		49,918.88		50,705.70		16,936.28
<b>Financial Assets</b>								
(i) Investments		13	56.30		-		-	
(ii) Trade Receivables		14	82,435.72		84,986.83		119,276.90	
(iii) Cash and Cash equivalents		15	58,243.73		14,058.44		682.13	
(iv) Bank Balances 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	144,004.64	2,349.92	104,075.34	1,884.10	125,000.07
Current Tax Assets		18		400.79		285.68		250.39
Other Current Assets		19		28,823.27		37,757.20		30,626.57
<b>Total Current Assets</b>				<b>223,147.58</b>		<b>192,823.92</b>		<b>172,813.31</b>
<b>TOTAL</b>				<b>226,844.24</b>		<b>209,228.85</b>		<b>202,272.43</b>
<b>II EQUITY &amp; LIABILITIES</b>								
<b>1 Equity</b>								
Equity Share Capital		20		5,292.32		5,291.96		5,034.82
<b>Other Equity</b>								
(i) Reserves and Surplus		21	200,137.27		153,060.56		90,623.05	
(ii) Other Reserves			(54.33)		(37.69)		-	
(iii) Money received against Share warrants		44	-	200,082.94	-	153,022.87	25,000.00	115,623.05
<b>Total Equity</b>				<b>205,375.26</b>		<b>158,314.83</b>		<b>120,657.87</b>
<b>2 Liabilities</b>								
<b>Non - Current Liabilities</b>								
<b>Financial Liabilities</b>								
(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
<b>Total Non-Current Liabilities</b>				<b>332.28</b>		<b>2,916.42</b>		<b>8,250.45</b>
<b>3 Current Liabilities</b>								
<b>Financial Liabilities</b>								
(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
<b>Total Current Liabilities</b>				<b>21,136.70</b>		<b>47,997.60</b>		<b>73,364.11</b>
<b>Total Liabilities (2 + 3)</b>				<b>21,468.98</b>		<b>50,914.02</b>		<b>81,614.56</b>
<b>TOTAL</b>				<b>226,844.24</b>		<b>209,228.85</b>		<b>202,272.43</b>
Significant Accounting Policies		1-4						

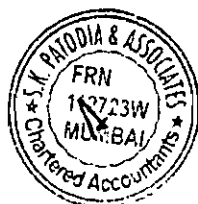
The accompanying notes forms an integral part of the consolidated financial statements

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

Dinendra Nandwana  
Managing Director & CEO  
DIN : 00062532

N. Nishikant Hayatnagarkar  
Whole-time Director  
DIN : 00062638

Subhash Singhania  
Chief Financial Officer

Darshi Shah  
Company Secretary

**Vakrangee Limited**  
**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	
<b>I Income</b>					
Revenue from Operations	33	400,046.38		319,073.66	
Other Income	34	528.33		564.01	
<b>Total Income</b>			<b>400,574.71</b>		<b>319,637.67</b>
<b>II Expenses</b>					
Operating Expenses	35	298,514.97		232,633.95	
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	
<b>Total Expenses</b>			<b>317,793.31</b>		<b>259,034.49</b>
<b>III Profit Before Tax</b>			<b>82,781.40</b>		<b>60,603.18</b>
<b>IV Tax Expense:</b>					
(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)	
			<b>29,701.88</b>		<b>21,117.50</b>
<b>V Profit for the year</b>			<b>53,079.52</b>		<b>39,485.68</b>
<b>VI Other Comprehensive Income</b>					
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)
<b>Other Comprehensive Income net of tax</b>			<b>(16.64)</b>		<b>(37.69)</b>
<b>Total Comprehensive Income for the period</b>			<b>53,062.88</b>		<b>39,447.99</b>
<b>VII No. of equity shares for computing EPS</b>	40				
(1) Basic			5,292.10		5,198.25
(2) Diluted			5,303.51		5,304.25
<b>VIII Earnings Per Equity Share (Face Value ₹ 1/- Per Share):</b>	40				
(1) Basic (₹)			10.03		7.62
(2) Diluted (₹)			10.01		7.47
<b>Significant Accounting Policies</b>	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*  
Arun Poddar  
Partner  
Membership No.: 134572



For & on behalf of the Board of Directors

*Dinesh Nandwana*  
Dinesh Nandwana  
Managing Director & CEO  
DIN : 00062532

*NK Hayatnagar*  
Dr. Nishikant Hayatnagar  
Whole-time Director  
DIN : 00062638



*Subhash Singhania*  
Subhash Singhania  
Chief Financial Officer

*Darshi Shah*  
Darshi Shah  
Company Secretary

Place : Mumbai  
Date : May 30, 2017



Vakrangee Limited

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	372.47	(37.69)	(993.98)	-	158,314.84
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	-	-	53,079.32	-	-	-	-	-	53,079.32
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*  
Arun Poddar  
Partner  
Membership No: 134572

Place : Mumbai  
Date : May 30, 2017



*Dinesh Nandwana*  
Dinesh Nandwana  
Managing Director & CEO  
DIN : 00062532  
*N.K. Hazare*  
Dr. Nishikant Hazare  
Whole-time Director  
DIN : 00061638

For & on behalf of the Board of Directors

*Sudhanshu Singhania*  
Sudhanshu Singhania  
Chief Financial Officer  
*Darshit Sesh*  
Darshit Sesh  
Company Secretary

Vakrangee Limited

Consolidated 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	<b>Cash flow from operating activities</b>		
	Profit before tax from continuing operations	82,781.40	60,603
	Profit before tax from discontinuing operations	-	-
	<b>Profit before tax</b>	<b>82,781.40</b>	<b>60,603.18</b>
	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)
	<b>Operating profit before working capital changes</b>	<b>95,584.94</b>	<b>81,868.00</b>
	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)
	<b>Cash generated from operations</b>	<b>96,324.58</b>	<b>56,402.40</b>
	Income taxes paid (net of refunds)	(29,449.66)	(29,217.21)
	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>66,874.92</b>	<b>27,185.19</b>
II	<b>Cash flow from investing activities</b>		
	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
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>5,369.20</b>	<b>(904.35)</b>
III	<b>Cash flow from financing activities</b>		
	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)
	<b>Net cash flow from / (used in) in financing activities (C)</b>	<b>(14,185.54)</b>	<b>(11,210.41)</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>58,058.58</b>	<b>15,070.43</b>
	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)
	<b>Cash and cash equivalents at the end of the year</b>	<b>43,841.84</b>	<b>(14,216.60)</b>

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*  
Arun Poddar  
Partner  
Membership No.: 134572

Place : Mumbai  
Date : May 30, 2017



For & on behalf of the Board of Directors

*Dinesh Nandwana*  
Dinesh Nandwana  
Managing Director & CEO  
DIN : 00062532

*Subhash Singhania*  
Subhash Singhania  
Chief Financial Officer

*Darshi Shah*  
Darshi Shah  
Company Secretary

*Dr. Vishkant Nayatnagarkar*  
Dr. Vishkant Nayatnagarkar  
Whole-time Director  
DIN : 00062638

Vakrangee Limited  
Reconciliation of Equity as at April 1, 2015 (Consolidated)

(Amount in ₹ lakhs)

	Particulars	I GAAP	Adjustment	Ind AS
<b>I</b>	<b>ASSETS</b>			
1	<b>Non - Current Assets</b>			
	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
	<b>Financial Assets</b>			
	(i) Investments	160.00	-	160.00
	(ii) Trade Receivables	93.86	-	93.86
	(ii) Other Financial Assets	453.14	-	453.14
	Income Tax Assets (Net)	-	-	-
	Other Non - Current Assets	459.94	-	459.94
	<b>Total Non-current Assets</b>	<b>29,459.12</b>	<b>-</b>	<b>29,459.12</b>
2	<b>Current Assets</b>			
	Inventories	16,936.28	-	16,936.28
	<b>Financial Assets</b>			
	(i) Investments	-	-	-
	(ii) Trade Receivables	119,932.40	(655.50)	119,276.90
	(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	-	1,884.10
	Income Tax Assets (Net)	250.39	-	250.39
	Other Current Assets	30,626.57	-	30,626.57
	<b>Total Current Assets</b>	<b>173,468.81</b>	<b>(655.50)</b>	<b>172,813.31</b>
	<b>TOTAL</b>	<b>202,927.93</b>	<b>(655.50)</b>	<b>202,272.43</b>
<b>II</b>	<b>EQUITY &amp; LIABILITIES</b>			
1	<b>Equity</b>			
	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	-	25,000.00
	<b>Total Equity</b>	<b>119,938.00</b>	<b>719.88</b>	<b>120,657.87</b>
2	<b>Liabilities</b>			
	<b>Non - Current Liabilities</b>			
	<b>Financial Liabilities</b>			
	(i) Borrowings	3,740.60	(42.05)	3,698.55
	(ii) Trade Payables	157.17	-	157.17
	Employee Benefit Obligations	117.85	-	117.85
	Deferred Tax Liabilities (Net)	4,253.08	23.80	4,276.88
	<b>Total Non-Current Liabilities</b>	<b>8,268.70</b>	<b>(18.25)</b>	<b>8,250.45</b>
3	<b>Current Liabilities</b>			
	<b>Financial Liabilities</b>			
	(i) Borrowings	31,557.40	-	31,557.40
	(ii) Trade Payables	21,313.21	-	21,313.21
	(iii) Other Financial Liabilities	6,511.59	(27.97)	6,483.62
	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
	<b>Total Current Liabilities</b>	<b>74,721.23</b>	<b>(1,357.12)</b>	<b>73,364.11</b>
	<b>Total Liabilities (2+3)</b>	<b>82,989.93</b>	<b>(1,375.37)</b>	<b>81,614.56</b>
	<b>TOTAL</b>	<b>202,927.93</b>	<b>(655.50)</b>	<b>202,272.43</b>



Vakrangee Limited  
Reconciliation of Equity as at March 31, 2016 (Consolidated)

(Amount in ₹ Lakhs)

Particulars		I GAAP	Adjustment	Ind AS	
<b>I</b>	<b>ASSETS</b>				
1	<b>Non - Current Assets</b>				
	Property, plant and equipment	13,213.35	-		13,213.35
	Capital Work-in-Progress	-	-		-
	Investment Properties	8.86	-		8.86
	<b>Financial Assets</b>				
	(i) Investments	149.94	-	149.94	
	(ii) Trade Receivables	965.36	-	965.36	
	(ii) Other Financial Assets	776.10	-	776.10	1,891.40
	Income Tax Assets (Net)		-		190.35
	Other Non - Current Assets		-		1,100.97
	<b>Total Non-current Assets</b>	<b>16,404.93</b>	<b>-</b>		<b>16,404.93</b>
2	<b>Current Assets</b>				
	Inventories	50,705.70	-		50,705.70
	<b>Financial Assets</b>				
	(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	-	2,349.92	104,075.34
	Income Tax Assets (Net)		-		285.68
	Other Current Assets		-		37,757.20
	<b>Total Current Assets</b>	<b>193,614.31</b>	<b>(790.39)</b>		<b>192,823.92</b>
	<b>TOTAL</b>	<b>210,019.24</b>	<b>(790.39)</b>		<b>209,228.85</b>
<b>II</b>	<b>EQUITY &amp; LIABILITIES</b>				
1	<b>Equity</b>				
	Equity Share Capital	5,291.96	-		5,291.96
	Other Equity				
	(i) Reserves and Surplus	145,861.44	7,199.12	153,060.56	
	(ii) Other Reserves	(37.69)	-	(37.69)	
		-	-	-	
	<b>Total Equity</b>	<b>151,115.71</b>	<b>7,199.12</b>		<b>158,314.83</b>
2	<b>Liabilities</b>				
	<b>Non - Current Liabilities</b>				
	<b>Financial Liabilities</b>				
	(i) Borrowings	1,250.00	(28.02)	1,221.98	
	(ii) Trade Payables	216.62	-	216.62	1,438.60
	Employee Benefit Obligations		-		178.30
	Deferred Tax Liabilities (Net)		14.15		1,299.52
	<b>Total Non-Current Liabilities</b>	<b>2,930.29</b>	<b>(13.87)</b>		<b>2,916.42</b>
3	<b>Current Liabilities</b>				
	<b>Financial Liabilities</b>				
	(i) Borrowings	28,275.04	-	28,275.04	
	(ii) Trade Payables	11,441.11	-	11,441.11	
	(iii) Other Financial Liabilities	2,555.96	(14.03)	2,541.93	42,258.08
	Other Current Liabilities		-		1,329.89
	Provisions		(7,961.60)		3,759.70
	Employee Benefit Obligations		-		7.27
	Current Tax Liabilities		-		642.66
	<b>Total Current Liabilities</b>	<b>55,973.24</b>	<b>(7,975.63)</b>		<b>47,997.60</b>
	<b>Total Liabilities (2+3)</b>	<b>58,903.53</b>	<b>(7,989.51)</b>		<b>50,914.02</b>
	<b>TOTAL</b>	<b>210,019.24</b>	<b>(790.39)</b>		<b>209,228.85</b>



Vakrangee Limited  
Reconciliation of Profit or Loss for the year ended March 31, 2016 (Consolidated)

(Amount in ₹ Lakhs)

	Particulars	Ind AS	
		I GAAP	Adjustment
<b>I</b>	<b>Income</b>		
	Revenue from Operations	319,073.66	-
	Other Income	564.01	-
	<b>Total Income</b>	<b>319,637.67</b>	<b>-</b>
<b>II</b>	<b>Expenses</b>		
	Operating Expenses	232,634.39	(0.44)
	Changes in Inventories	(560.64)	-
	Employee Benefit Expenses	2,536.15	(3.55)
	Finance Costs	5,603.72	27.97
	Depreciation and Amortization Expense	16,404.30	-
	Other Expenses	2,261.12	131.48
	<b>Total Expenses</b>	<b>258,879.04</b>	<b>155.45</b>
<b>III</b>	<b>Profit before tax</b>	<b>60,758.63</b>	<b>(155.45)</b>
<b>IV</b>	<b>Tax Expense:</b>		
	(a) Current Tax	24,129.53	-
	(b) Deferred Tax	(2,967.70)	10.29
	(c) MAT Credit Entitlement	121.67	(176.29)
		<b>21,283.50</b>	<b>(165.99)</b>
<b>V</b>	<b>Profit for the year</b>	<b>39,475.13</b>	<b>10.55</b>
<b>VI</b>	<b>Other Comprehensive Income</b>		
	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)
	<b>Other Comprehensive Income net of tax</b>	<b>-</b>	<b>(37.69)</b>
	<b>Total Comprehensive income for the period</b>	<b>39,475.13</b>	<b>(27.14)</b>



## Vakrangee Limited

### 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*.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

#### 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.

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.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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.

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.





## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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

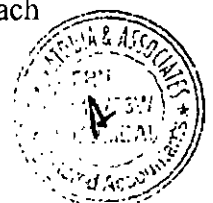
The Group identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

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.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

#### 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.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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.

#### 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.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

#### 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

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.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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.

#### 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.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

#### 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 a 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.

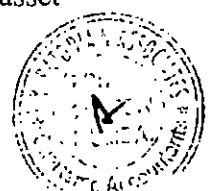
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a 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.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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
- 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., 1 April 2015.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

#### 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.

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.

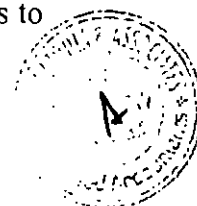
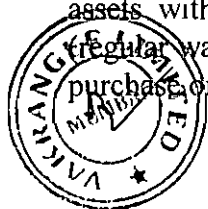
#### x. Financial Instruments

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.





## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

#### 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.

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.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

#### 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

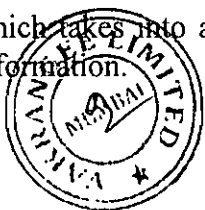
The Group recognise impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated 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.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

#### 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.

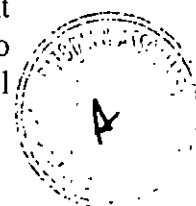
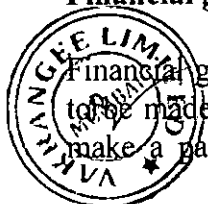
#### **Loans and borrowings**

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



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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) basis or net realizable value 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

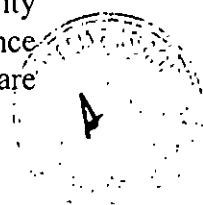
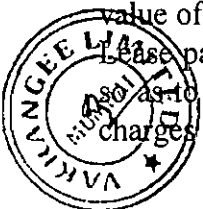
#### xii. Leases

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 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



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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.

#### **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



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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.

##### • 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



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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 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.

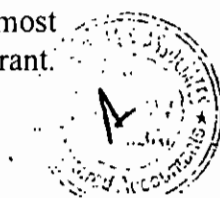
#### **Note 3 - Critical Accounting Judgements and Estimates**

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.





## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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.

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



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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 decommissioning 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.

###### 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) 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).



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

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.

## 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.



Vakrangee Limited

Notes to Consolidated financial statements for the year ended March 31, 2017

Reconciliation of total equity as at March 31, 2016 and April 1, 2015

₹ in lakhs

Particulars	Notes	March 31, 2016	April 1, 2015
<b>Total Equity (shareholders' funds) as per Previous GAAP</b>		<b>145,823.75</b>	<b>114,903.17</b>
<b>Adjustments</b>			
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)	-
<b>Total adjustments to equity</b>		<b>7,199.12</b>	<b>719.88</b>
<b>Total Equity as per Ind AS</b>		<b>153,022.87</b>	<b>115,623.05</b>

Reconciliations of total comprehensive income for the year ended March 31, 2016

₹ in lakhs

Particulars	Notes	March 31, 2016
<b>Profit after tax as per previous GAAP</b>		<b>39,475.13</b>
<b>Adjustments</b>		
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)
<b>Total adjustments</b>		<b>10.55</b>
<b>Profit after tax as per Ind AS</b>		<b>39,485.68</b>
<b>Other comprehensive income</b>	6	<b>(37.69)</b>
<b>Total comprehensive income as per Ind AS</b>		<b>39,447.99</b>

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

₹ in lakhs

	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	1,2	26,727.31	457.88	<b>27,185.19</b>
Net cash flow from investing activities	1,2	(1,087.16)	182.81	<b>(904.35)</b>
Net cash flow from financing activities	1,2	(12,726.26)	1,515.85	<b>(11,210.41)</b>
Net increase/(decrease) in cash and cash equivalents	1,2	12,913.89	2,156.54	<b>15,070.43</b>
Cash and cash equivalents as at 1 April 2015	1,2,15	<b>3,820.48</b>	<b>(33,107.15)</b>	<b>(29,286.67)</b>
Cash and cash equivalents as at 31 March 2016	1,2,15	<b>16,734.37</b>	<b>(30,950.97)</b>	<b>(14,216.60)</b>



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

#### 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

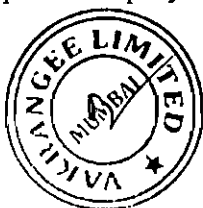
Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit and loss over the tenure of the borrowing as part of the finance cost by applying effective interest 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.

##### 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.



## Vakrangee Limited

### Notes to Consolidated financial statements for the year ended March 31, 2017

#### 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.



Vakrangee Limited  
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	Furniture and Fixtures	Motor Vehicle	Office Equipments	Computers including Computer Peripherals	Total	CWIP	Grand Total
	Cost or Valuation	1,025.29	998.76	5,452.34	52.75	1,509.36	94,887.33	103,925.83	1,009.11	104,934.94
	At April 1, 2015	-	343.71	7.75	5.21	12.50	1,975.49	2,344.66	-	2,344.66
	Additions	-	-	9.38	-	-	207.57	216.95	1,009.11	1,226.06
	Disposals/Transfers	1,025.29	1,342.47	5,450.70	57.96	1,521.86	96,655.25	106,053.54	-	106,053.54
	At March 31, 2016	396.26	361.45	34.00	123.63	44.43	149.53	1,109.29	4.05	1,113.34
	Additions	-	2.10	5,090.38	34.11	1,399.95	94,819.74	101,346.28	-	101,346.28
	Disposals/Transfers	1,421.55	1,701.82	394.33	147.48	166.34	1,985.04	5,816.55	4.05	5,820.60
	At March 31, 2017	129.96	325.76	4,443.02	20.61	1,333.95	70,398.48	76,651.78	-	76,651.78
	Depreciation and Impairment	16.76	89.01	840.18	7.26	150.75	15,300.18	16,404.13	-	16,404.13
	At April 1, 2015	-	-	9.38	-	-	206.33	215.72	-	215.72
	Depreciation charged for the year	146.72	414.76	5,273.81	27.87	1,484.70	85,492.52	92,840.19	-	92,840.19
	Disposals/Transfers	20.06	104.18	130.60	10.17	26.95	7,046.58	7,338.55	-	7,338.55
	Depreciation charged for the year	-	0.28	5,090.38	17.90	1,396.74	90,718.83	97,224.14	-	97,224.14
	Disposals/Transfers	166.78	518.67	314.04	20.14	114.91	1,820.07	2,954.60	-	2,954.60
	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
	Net Book Value	878.57	927.71	176.89	30.09	37.16	11,162.93	13,213.35	-	13,213.35
	At March 31, 2016	895.33	673.00	1,009.32	32.14	175.40	24,488.85	27,274.05	1,009.11	28,283.16
	At April 1, 2015	-	-	-	-	-	-	-	-	-

(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.



Vakrangee Limited

Notes to consolidated financial statements as on March 31, 2017

Note 6 - Investment Properties

(Amount in ₹ lakhs)	
Description	Amount
<b>Gross Block</b>	
At April 1, 2015	11.73
Additions	-
Disposals	-
At March 31, 2016	11.73
Additions	-
Disposals	-
At March 31, 2017	11.73
<b>Depreciation and Impairment</b>	
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
<b>Net Book Value</b>	
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

Particulars	(Amount in ₹ lakhs)	
	At 31st March 2017	At 31st March 2016
Rental income derived from investment properties	1.50	1.50
Less - Depreciation	0.17	0.17
<b>Profit arising from investment properties before indirect expenses</b>	<b>1.33</b>	<b>1.33</b>

(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.





Vakrangee Limited

Notes to consolidated 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
<b>(a) Unquoted</b>			
<b>Investment carried at Fair value through Profit or Loss (FVTPL)</b>			
- 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
(A)	<u>44.30</u>	<u>25.00</u>	<u>25.00</u>
<b>(h) Quoted</b>			
<b>Investment carried at Fair value through Profit or Loss (FVTPL)</b>			
<b>Investments in Mutual Funds</b>			
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
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)	<u>84.22</u>	<u>124.94</u>	<u>135.00</u>
<b>TOTAL (A + B)</b>	<u>128.52</u>	<u>149.94</u>	<u>160.00</u>



Vakrangee Limited

Notes to consolidated financial statements as on March 31, 2017

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.

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
<b>TOTAL</b>	<b>-</b>	<b>965.36</b>	<b>93.86</b>

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	187.61	768.05	453.14
Advance to Owned Outlets	66.10	8.05	-
<b>TOTAL</b>	<b>253.71</b>	<b>776.10</b>	<b>453.14</b>
* 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 April 1, 2015
- Income Tax (net of provision for taxation)	405.63	190.35	-
<b>TOTAL</b>	<b>405.63</b>	<b>190.35</b>	<b>-</b>

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
<b>TOTAL</b>	<b>34.12</b>	<b>1,100.97</b>	<b>459.94</b>

Note 12 - Inventories

(Amount in ₹ lakhs)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 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
<b>TOTAL</b>	<b>49,918.88</b>	<b>50,705.70</b>	<b>16,936.28</b>

(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.



Vakrangee Limited

Notes to consolidated financial statements as on March 31, 2017

Note 13 - Investments  
(Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) 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	-	-
<b>TOTAL</b>	<b>56.30</b>	<b>-</b>	<b>-</b>
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)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) (Unsecured)			
Considered Good	83,226.11	84,986.83	119,276.90
Considered Doubtful	871.05	790.39	655.50
	84,097.16	85,777.22	119,932.40
Less: Allowance for credit Losses	1,661.44	790.39	655.50
<b>TOTAL</b>	<b>82,435.72</b>	<b>84,986.83</b>	<b>119,276.90</b>

(b) Debts due from related parties

Trade Receivables are non-interest bearing and terms are generally from 60 to 90 days.

Note 15 - Cnsh & Cash equivalents

(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	52,186.01	14,051.34	675.49
- Deposit Accounts	6,041.29	-	-
(ii) Cash-in-hand	16.43	7.10	6.64
	<b>58,243.73</b>	<b>14,058.44</b>	<b>682.13</b>
(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
<b>TOTAL</b>	<b>2,076.04</b>	<b>2,661.62</b>	<b>3,138.35</b>

\* Amount held as margin money or security against borrowings, guarantee, other commitments

(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	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
<b>TOTAL</b>	<b>43,841.84</b>	<b>(14,216.60)</b>	<b>(29,286.67)</b>



Vakrangee Limited

Notes to consolidated financial statements as on March 31, 2017

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 associates / related parties	-	-	-
(ii) Other Loans (Unsecured, considered good) Loans to others	9.83	18.53	18.59
	9.83	18.53	18.59
<b>TOTAL</b>	<b>9.83</b>	<b>18.53</b>	<b>18.59</b>

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	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)	-	-
<b>TOTAL</b>	<b>1,183.02</b>	<b>2,349.92</b>	<b>1,884.10</b>

Note 18 - Current Tax Assets

(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)	400.79	285.68	250.39
<b>TOTAL</b>	<b>400.79</b>	<b>285.68</b>	<b>250.39</b>

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	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
<b>TOTAL</b>	<b>28,823.27</b>	<b>37,757.20</b>	<b>30,626.57</b>



Vakrangee Limited  
Notes to consolidated financial statements as on March 31, 2017

Note 20 - Equity Share Capital

Equity share capital

(Amount in ₹ lakhs)		
<b>(i) Authorised share capital</b>		
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

(Amount in ₹ lakhs)		
<b>(ii) Paid up Equity share capital</b>		
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**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 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

Particulars	(No. of shares in lakhs)	
	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



**Vakrangee Limited**  
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 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	(1,371.76)	(1,893.35)	(1,267.56)
General Reserve	11,706.39	7,791.68	4,585.95
Surplus in Statement of Profit & Loss	145,097.94	103,894.74	69,202.20
Foreign Currency translation Reserve	631.18	(993.98)	(795.70)
<b>Total</b>	<b>200,137.27</b>	<b>153,060.56</b>	<b>90,623.05</b>

**(a) Securities Premium Reserve** (Amount in ₹ lakhs)

Particulars	Year ended March 31, 2017	Year ended 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
<b>Closing balance</b>	<b>42,009.83</b>	<b>41,995.65</b>

**(b) Share Options Outstanding Account** (Amount in ₹ lakhs)

Particulars	Year ended March 31, 2017	Year ended 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)
<b>Closing balance</b>	<b>2,063.68</b>	<b>2,265.82</b>

**(c) Deferred Employee Compensation Expense** (Amount in ₹ lakhs)

Particulars	Year ended March 31, 2017	Year ended 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
<b>Closing balance</b>	<b>(1,371.76)</b>	<b>(1,893.35)</b>

**(d) General Reserve** (Amount in ₹ lakhs)

Particulars	Year ended March 31, 2017	Year ended 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	-	-
<b>Closing balance</b>	<b>11,706.39</b>	<b>7,791.68</b>

**(e) Surplus in Statement of Profit & Loss** (Amount in ₹ lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening balance	103,894.74	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)
<b>Closing balance</b>	<b>145,097.94</b>	<b>103,894.74</b>

**(f) Foreign Currency Translation Reserve** (Amount in ₹ lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening balance	(993.98)	(795.70)
Translation reserve for the year	1,625.16	(198.28)
<b>Closing balance</b>	<b>631.18</b>	<b>(993.98)</b>



Vakrangee Limited

Notes to consolidated financial statements as on March 31, 2017

Note 22 - Borrowings  
(Non - Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured Loans</b>			
Term Loans			
- From Banks	-	1,221.98	3,698.55
- From Others	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>1,221.98</b>	<b>3,698.55</b>

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.

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 pari-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 immovable fixed assets financed out of the term loan, with a minimum asset cover ratio of 1.33 times.
2. Second pari-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 April 1, 2015
Trade Payables	98.89	216.62	157.17
<b>TOTAL</b>	<b>98.89</b>	<b>216.62</b>	<b>157.17</b>

\* Includes dues to micro, small and medium enterprises



Vakrangee Limited

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 April 1, 2015
Provision for Employees' benefits	233.39	178.30	117.85
<b>TOTAL</b>	<b>233.39</b>	<b>178.30</b>	<b>117.85</b>

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
<b>Liabilities</b>			
(i) On account of difference in depreciation on Fixed Assets	-	1,305.77	4,268.47
(ii) Provision for Leave Encashment	-	-	-
(ii) Timing differences on Tax Provisions	-	14.15	23.80
(A)	-	1,319.92	4,292.27
<b>Assets</b>			
(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
<b>TOTAL (A - B)</b>	<b>(845.76)</b>	<b>1,299.52</b>	<b>4,276.88</b>
Adjustment : Deferred Tax Asset not accounted *	845.76	-	-
<b>Balance carried to Balance Sheet</b>	<b>-</b>	<b>1,299.52</b>	<b>4,276.88</b>

\* 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 April 1, 2015
<b>Secured Loans</b>			
Loans repayable on demand			
- From Banks	14,401.89	28,275.04	29,968.80
<b>Unsecured Loans</b>			
- From Related Parties	-	-	1,588.60
<b>TOTAL</b>	<b>14,401.89</b>	<b>28,275.04</b>	<b>31,557.40</b>

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 Saumshtra 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.





Vakrangee Limited

Notes to consolidated financial statements as on March 31, 2017

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*	2,968.68	11,441.11	21,313.21
<b>TOTAL</b>	<b>2,968.68</b>	<b>11,441.11</b>	<b>21,313.21</b>

\* 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 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
<b>TOTAL</b>	<b>101.07</b>	<b>2,541.93</b>	<b>6,483.62</b>

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	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
<b>TOTAL</b>	<b>448.21</b>	<b>1,329.89</b>	<b>1,654.43</b>

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	574.04	3,759.70	6,850.74
Provision for Wealth Tax	-	-	0.02
Provision for Commission Expense	-	-	-
<b>TOTAL</b>	<b>574.04</b>	<b>3,759.70</b>	<b>6,850.76</b>

Note 31- Employee Benefit Obligations  
(Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Employees' benefits	7.80	7.27	-
<b>TOTAL</b>	<b>7.80</b>	<b>7.27</b>	<b>-</b>

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)	2,635.01	642.66	5,504.69
<b>TOTAL</b>	<b>2,635.01</b>	<b>642.66</b>	<b>5,504.69</b>



Vakrangee Limited

Notes to consolidated 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		
- Sale of Logistics Kit	10.04	
- Computer consumables & peripherals	413.37	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	-
(d) Other Operating Revenues		
- Scrap Sales	9.51	1.46
<b>TOTAL</b>	<b>400,046.38</b>	<b>319,073.66</b>

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	186.10	279.77
- Others	15.54	4.10
(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
<b>TOTAL</b>	<b>528.33</b>	<b>564.01</b>

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	288,679.98	261,810.80
- Less: Closing Stock	44,128.44	45,934.19
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, Oetroi and Loading / Unloading Charges	14.33	7.07
Rent, Rates and Taxes	116.07	45.25
<b>TOTAL</b>	<b>298,514.97</b>	<b>232,633.95</b>

Note 36 - Changes in Inventories

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(*) At the beginning of the period		
(i) Work-in-Progress	4,258.32	3,745.17
(ii) Stock-in-Trade	513.19	465.71
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
<b>TOTAL</b>	<b>(1,018.93)</b>	<b>(560.64)</b>

Note 37 - Employee Benefits Expenses

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2017	For the year ended 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
<b>TOTAL</b>	<b>4,398.67</b>	<b>2,532.60</b>

(b) Detailed note on disclosure as required by Ind AS-19  
For details, refer Note No. 47



Vakrangee Limited

Notes to consolidated financial statements for the year ended March 31, 2017

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	147.29	150.16
Bank Charges & Commission	337.32	162.81
<b>TOTAL</b>	<b>5,009.21</b>	<b>5,631.68</b>

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	1.98
- Others	22.07	34.39
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	0.75
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	-	0.20
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	-
<b>TOTAL</b>	<b>3,550.67</b>	<b>2,392.60</b>

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	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
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
(e) 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	<b>5,303.51</b>	<b>5,304.25</b>



Vakrangee Limited

Notes to consolidated financial statements as on March 31, 2017

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
<b>(A) Contingent Liabilities</b>			
(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 ITAT and Commissioner of Income Tax (Appeals)	409.81	190.35	-
<b>( A )</b>	<b>2,620.25</b>	<b>2,155.86</b>	<b>2,117.13</b>
<b>(B) Commitments</b>			
(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>( B )</b>	<b>63.23</b>	<b>110.00</b>	<b>35.00</b>
<b>TOTAL (A + B)</b>	<b>2,683.48</b>	<b>2,265.86</b>	<b>2,152.13</b>

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

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.



Vakrangee Limited

Notes to consolidated financial statements as on March 31, 2017

Note 45 - Segment Reporting

The Group's activities predominantly revolve around providing the e-governance related activities 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.

Particulars	(Amount in ₹ lakhs)		
	e-Governance Projects	Vakrangee Kendra	Total
Revenue from Operations	142,213.87 (148,181.02)	257,832.50 (170,892.64)	400,046.38 (319,073.66)
Segmental Results (Profit before Depreciation, Interest and Tax)	39,430.98 (41,476.99)	55,170.02 (40,598.16)	94,601.00 (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 pertain 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



Vakrangee Limited

Notes to consolidated financial statements as on March 31, 2017

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)  
Whole-Time Director  
Director  
Director  
Director  
Director  
Director  
Nominee Director  
Chief Financial Officer (w.e.f. May 11, 2016)  
Company Secretary and Compliance Officer

Dr. Nishikant Hayatnagarkar  
Mr. Ramesh Joshi  
Mr. Sunil Agarwal  
Mr. Babulal Meena  
Mrs. Sujata Chhoppadhyay  
Mr. Avinash Chandra Vyas  
Mr. Thangavelu Sithanhan  
Mr. Subhash Singhania  
Ms. Darshi Shah

(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
<b>Director Remuneration</b>		
- Dinesh Nandwana	171.25	66.35
- Dr. Nishikant Hayatnagarkar	40.74	29.50
<b>Directors' Sitting Fees</b>		
- Ramesh Mulchand Joshi	1.00	1.20
- Sunil Agarwal	0.80	0.40
- Babulal Meena	1.00	1.38
- Sujata Chhoppadhyay	2.00	2.50
- Avinash Chandra Vyas	0.95	0.80
- Thangavelu Sithanhan	-	0.42
<b>Employee Benefit Expenses</b>		
- Subhash Singhania	26.57	-
- Darshi Shah	8.16	4.96
<b>ESOP Perquisites</b>		
- Darshi Shah	-	0.37
<b>Balance outstanding as on March 31 :</b>	<b>NIL</b>	<b>NIL</b>

- In relation to (b)

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Reimbursement of Expenses</b>		
- 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
<b>Employee Benefit Expenses</b>		
- Manoj Nandwana	5.88	5.05
- Shelendra Nandwana	4.42	4.65
- Divya Nandwana	5.73	-
<b>Conversion of Warrants into Equity Shares</b>		
- NJD Capital Private Limited	-	250.00
<b>Balance outstanding as on March 31 :</b>		
- 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 certain 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
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
<b>Total amount recognised in profit or loss</b>	<b>50.87</b>	<b>(4.12)</b>	<b>46.75</b>
Remeasurements			
Experience (gains)/losses	(8.53)	-	(8.53)
<b>Total amount recognised in other comprehensive income</b>	<b>(8.53)</b>	<b>-</b>	<b>(8.53)</b>
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
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
<b>Total amount recognised in profit or loss</b>	<b>71.20</b>	<b>(4.20)</b>	<b>67.00</b>
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)
<b>Total amount recognised in other comprehensive income</b>	<b>(18.00)</b>	<b>(0.25)</b>	<b>(18.25)</b>
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)
<b>Deficit/(Surplus) of gratuity plan</b>	<b>138.16</b>	<b>89.42</b>	<b>51.20</b>

## Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

	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	
	31-Mar-17	31-Mar-16	Increase in assumption	
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%

Particulars	Change in assumption		Impact on defined benefit obligation	
	31-Mar-17	31-Mar-16	Decrease in assumption	
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 analyses 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 :

	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
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

\*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 securities which are subject to interest rate risk. A portion of the funds are invested in equity securities. The
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
<b>Total</b>	<b>302.35</b>

#### 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	-	-	-	-
<b>Closing Balance</b>	<b>90.29</b>	<b>15,62,775</b>	<b>90.09</b>	<b>20,48,530</b>
Vested and exercisable	110.77	6,98,375	57.69	2,01,625





Vakrangee Limited

Notes to consolidated financial statements as on March 31, 2017

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	Share options	Share options
			31-Mar-17	31-Mar-16	01-Apr-15
30-07-2009	29-07-2016	61.90	-	97,020	106,020
30-12-2009	29-12-2016	67.85	-	-	-
18-05-2010	17-05-2017	146.50	-	100,000	100,000
24-11-2010	23-11-2017	150.00	-	-	-
12-08-2011	11-08-2018	150.00	-	18,660	171,340
20-07-2012	19-07-2021	20.00	27,875	69,250	149,000
20-07-2012	19-07-2021	10.00	-	-	2,000,000
26-11-2014	26-11-2023	64.70	682,400	821,100	919,900
11-03-2016	10-03-2025	113.08	852,500	942,500	-
<b>Total</b>			<b>1,562,775</b>	<b>2,048,530</b>	<b>3,446,260</b>

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:

Particulars	(Amount in ₹ lakhs)	
	March 31, 2017	March 31, 2016
Employee Option Plan	326.74	(79.18)

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	Aging 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

(n) 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	1,293.26	271.01
Absorption 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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 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

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2017 and March 31, 2016 is as follows.

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:

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 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 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



Dinesh Nandwana  
Managing Director & CEO  
DIN : 00062532  
Dr. Nishikant Hayatnagar  
Whole-time Director  
DIN : 00062638

For & on behalf of the Board of Directors

Subhash Singhania  
Chief Financial Officer

Darshi Shah  
Company Secretary