



S K PATODIA & ASSOCIATES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Vakrangee Finserve Limited,

Report on the Financial Statements

1. We have audited the accompanying financial statements of Vakrangee Finserve Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

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INDEPENDENT AUDITORS' REPORT

To the Members of Vakrangee Finserve Limited,
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on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the accompanying financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014;



INDEPENDENT AUDITORS' REPORT

To the Members of Vakrangee Finserve Limited,
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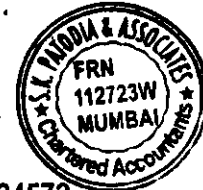
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B;
- (g) With respect to the other matters to be included in the 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 Company does not have any pending litigations and accordingly there is no impact on its financial position which requires to be disclosed in its financial statements;
- (ii) The Company does not have any long-term contracts or derivative contracts for which there are any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Arun Poddar

Arun Poddar
Partner

Mem. No. : 134572



Place : Mumbai
Date : May 7, 2016

Annexure A to Independent Auditors' Report

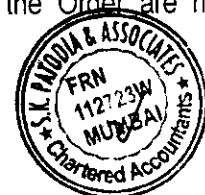
Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Vakrangee Finserve Limited on the financial statements as of and for the year ended March 31, 2016.
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- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

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

(c) As per the records examined by us, the Company does not have any immovable property. Accordingly, the provisions of Clause 3(i)(c) of the Order are not applicable to the Company.
- ii. The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii); (iii)(a),(b) and (c) are not applicable to the Company.
- iv. In our opinion, the Company has not given any loan, guarantee or security in respect of loans or made investments, as per the provisions of section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section(1) of section 148 of the Companies Act.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, and other statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution, bank, government or dues to debenture holders as at the balance sheet date.
- ix. According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer and term loans. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the company.



Annexure A to Independent Auditors' Report


Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Vakrangee Finserve Limited on the financial statements as of and for the year ended March 31, 2016.

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- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid / provided any managerial remuneration during the year and accordingly the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act are not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and as per information and explanations provided to us by management all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the records of the Company examined by us and the information and explanation given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Arun Poddar
Arun Poddar
Partner
Mem. No. : 134572



Place: Mumbai
Date: May 7, 2016

Annexure B to Independent Auditors' Report

Referred to in paragraph 8(f) of the Independent Auditors' Report of even date to the members of Vakrangee Finserve Limited on the financial statements as of and for the year ended March 31, 2016.

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

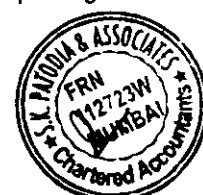
1. We have audited the internal financial controls over financial reporting of Vakrangee Finserve Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls 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 Company'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 B to Independent Auditors' Report

Referred to in paragraph 8(f) of the Independent Auditors' Report of even date to the members of Vakrangee Finserve Limited on the financial statements as of and for the year ended March 31, 2016.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Generally Accepted Accounting Principles. A company's internal financial controls over financial reporting includes those policies and procedures that :
- i. pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company;
 - ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 - iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the company, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

Arun Poddar
Arun Poddar
Partner



Mem. No. : 134572

Place : Mumbai
Date : May 7, 2016

Vakrangee Finserve Limited

Balance Sheet as at March 31, 2016

(Amount in ₹)

Particulars	Note No.	As at March 31, 2016		As at March 31, 2015	
I Equity & Liabilities					
1. Shareholders' funds					
(a) Share Capital	2	2,500,000		2,500,000	
(b) Reserves and Surplus	3	(68,485,365)		(101,286,305)	
(c) Money received against share warrants		-		-	
			(65,985,365)		(98,786,305)
2. Share application money pending allotment		-		-	
3. Non - Current Liabilities					
(a) Long - Term Borrowings		-		-	
(b) Deferred Tax Liabilities (Net)	4	1,133,190		1,867,825	
(c) Other Long - Term Liabilities		-		-	
			1,133,190		1,867,825
4. Current Liabilities					
(a) Short - Term Borrowings	5	157,994,301		158,860,000	
(b) Trade Payables	6	31,179,839		19,854,955	
(c) Other Current Liabilities	7	17,164,677		3,524,345	
(d) Short - Term Provisions	8	906,144		1,106,452	
			207,244,961		183,345,752
TOTAL			142,392,786		86,427,272
II Assets					
1. Non - Current Assets					
(a) Fixed Assets	9				
(i) Tangible Assets		4,341,327		9,436,095	
(ii) Intangible Assets		-		-	
(iii) Capital Work-in-Progress		-		-	
(b) Non - Current Investments		-		-	
(c) Long - Term Loans and Advances	10	6,687,623		1,287,352	
(d) Other Non - Current Assets	11	33,659,651		33,391,031	
			44,688,602		44,114,478
2. Current Assets					
(a) Cash and Bank Balances	12	19,305,920		14,205,865	
(b) Inventories	13	-		35,000	
(c) Trade Receivables	14	67,222,539		23,284,839	
(d) Short - Term Loans and Advances	15	9,852,084		4,610,982	
(e) Other Current Assets	16	1,323,641		176,108	
			97,704,184		42,312,794
TOTAL			142,392,786		86,427,272
Significant Accounting Policies	1				

As per our report of even date

For S. K. Patodia & Associates

Chartered Accountants

Firm Reg. No: 112723W

Arun Poddar

Partner

Mem. No. 134572



For & on behalf of the Board

[Signature]

Dinesh Handwana

Director

DIN: 00062532



[Signature]

Dr. Nishikant Hayatnagarkar

Director

DIN: 00062638

Place : Mumbai

Date : May 7, 2016

Vakrangee Finserve Limited

Statement of Profit and Loss for the year ended March 31, 2016

(Amount in ₹)

	Particulars		For the year ended March 31, 2016		For the year ended March 31, 2015	
I	Revenue from Operations	18	221,238,951		51,073,542	
II	Other Income	19	3,189,807		3,312,814	
III	Total Revenue (I + II)			224,428,758		54,386,356
IV	Expenses					
	Operating Expenses	20	185,524,929		35,589,046	
	Changes in Inventories	21	35,000		-	
	Employee Benefits Expenses	22	-		181,880	
	Finance Costs	23	1,347,692		564,590	
	Depreciation and Amortization Expense	9	5,094,768		5,094,768	
	Other Expenses	24	360,064		724,532	
	Total Expense			192,362,453		42,154,816
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)			32,066,305		12,231,540
VI	Exceptional Items			-		-
VII	Profit before Extraordinary Items and Tax (V-VI)			32,066,305		12,231,540
VIII	Extraordinary Items			-		-
IX	Profit Before Tax (VII-VIII)			32,066,305		12,231,540
X	Tax Expense:					
	(a) Current Tax		5,461,573		1,287,352	
	(b) Deferred Tax		(734,635)		(467,584)	
	(c) MAT Credit Entitlement		(5,461,573)		(1,287,352)	
				(734,635)		(467,584)
XI	Profit/(Loss) for the Period from Continuing Operations (IX - X)			32,800,940		12,699,124
XII	Profit/(Loss) for the Period from Discontinuing Operations			-		-
XIII	Tax Expense of Discontinuing Operations			-		-
XIV	Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)			-		-
XV	Profit/(Loss) for the Period (XI + XIV)			32,800,940		12,699,124
XVI	Earnings Per Equity Share (Face Value Rs. 10/- Per Share):	25				
	(1) Basic (Rs.)			131.20		50.80
	(2) Diluted (Rs.)			131.20		50.80
	Significant Accounting Policies	1				

As per our report of even date

For S. K. Patodia & Associates
Chartered Accountants
Firm Reg. No: 112723W

Arun Poddar
Partner
Mem. No. 134572

Place : Mumbai
Date : May 7, 2016



For & on behalf of the Board

Dinesh Nandwana
Director
DIN: 00062532

Dr. Nishikant Hayatnagarkar
Director
DIN: 00062638



Vakrangee Finserve Limited

Cash flow statement for the year ended March 31, 2016

(Amount in ₹)

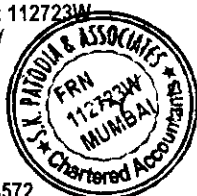
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Cash flow from operating activities		
Profit before tax from continuing operations	32,066,305	12,231,540
Non- Cash Adjustment		
- Depreciation	5,094,767	5,094,768
- Interest Expense	1,212,041	433,386
- Interest Income	(3,189,807)	(3,312,814)
Operating profit before working capital changes	35,183,306	14,446,880
Movements in working capital :		
- Increase/(decrease) in other current liabilities	13,640,332	(8,003,672)
- Increase/(decrease) in trade payables	11,324,884	18,602,611
- Increase/(decrease) in short term provisions	(200,308)	(154,200)
- Decrease/(increase) in inventories	35,000	-
- Decrease/(increase) in Trade Receivables	(43,937,700)	(19,468,121)
- Decrease/(increase) in short-term loans and advances	1,287,604	1,975,867
- Decrease/(increase) in other current assets	(1,147,533)	62,348
- Decrease / (increase) in other non-current assets	(268,620)	(52,551)
Cash generated from / (used in) operations	15,916,965	7,409,162
Direct taxes paid (net of refunds)	(11,928,977)	(2,168,924)
Net cash flow used in operating activities (A)	3,987,988	5,240,238
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	-	-
Interest received	3,189,807	3,312,814
Net cash flow used in investing activities (B)	3,189,807	3,312,814
Cash flows from financing activities		
Proceeds from issuance of share capital	-	-
Proceeds from long-term borrowings	(865,699)	4,849,722
Interest paid	(1,212,041)	(433,386)
Net cash flow from financing activities (C)	(2,077,740)	4,416,336
Net increase in cash and cash equivalents (A + B + C)	5,100,055	12,969,388
Cash and cash equivalents at the beginning of the year	14,205,865	1,236,477
Cash and cash equivalents at the end of the year	19,305,920	14,205,865

Components of cash and cash equivalents

Cash on hand	32,770	60,545
With banks:		
- on current account	17,842,683	14,145,320
- on deposit account	1,430,467	-
Total cash and cash equivalents (Note 12)	19,305,920	14,205,865

For S. K. Patodia & Associates
Chartered Accountants
Firm Reg. No: 112723W

Arun Poddar
Partner
Mem. No. 134572



Place : Mumbai
Date : May 7, 2016

For & on behalf of the Board

Dinesh Nandwana
Director
DIN: 00062532

Dr. Nishikant Hayatnagarkar
Director
DIN: 00062638



VAKRANGEE FINSERVE LIMITED

Notes to Financial Statements for the year ended March 31, 2016

Note 1 Significant Accounting Policies

A. Basis of Accounting

These financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 read with the Rule 7 of Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 (the "Act") and Accounting Standard-30 'Financial Instruments: Recognition and Measurement' issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in section 133 of the Act. The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

B. Use of Estimates

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

C. Recognition of Income & Expenditure

Revenue is recognized when it is earned and no significant uncertainty exists as to its realisation or collection. The Company recognizes revenue 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.

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

- i) Insurance Claim, if any
- ii) Dividend



VAKRANGEE FINSERVE LIMITED

Notes to Financial Statements for the year ended March 31, 2016

D. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Own manufactured assets are capitalized inclusive of all direct costs and attributable overheads. Capital work-in-progress comprises of advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. In the case of new undertaking, preoperative expenses are capitalized upto the commencement of commercial production.

Intangible assets are recorded at the consideration paid for their acquisition. Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use.

The carrying amounts of the assets belonging to each cash generating unit (CGU) are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying amounts exceed the recoverable amount of the assets CGU, assets are written down to their recoverable amount. Further, assets held for disposal are stated at the lower of the net book value or the estimated net realizable value.

E. Impairment of Fixed Assets

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

F. Depreciation / Amortisation

With the applicability of Companies Act, 2013 with effect from April 1, 2014, depreciation / amortisation is provided on the Straight Line Method (SLM) unless otherwise mentioned, pro-rata to the period of use of assets and is based on management's estimate of useful lives of the fixed assets or the useful lives as specified in Part C of Schedule II to the Companies Act, 2013, and accordingly the depreciation rates have been taken as follows:

Description of Asset	Rate of Depreciation
Building	1.67%
Computers including Computer Peripherals & Software	33.33%
Office Equipments	20.00%
Furniture & Fixture	10.00%
Motor Car	12.50%
Plant & Machinery	6.67%
Project Assets*	25.00% – 33.33%
Leased Project Assets*	33.33%



VAKRANGEE FINSERVE LIMITED

Notes to Financial Statements for the year ended March 31, 2016

* The useful lives of these assets have been taken as per estimation of the management since their purchase and has been amortised accordingly, which resulted into acceleration of the depreciation at higher rate as compared to the depreciation rate given under the Schedule XIV of the Companies Act, 1956 (i.e. before the applicability of the Companies Act, 2013) and has continued with the earlier useful lives in the current year.

As per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013, the carrying amount of the existing assets as on April 1, 2015 :

- will be depreciated over the remaining useful life of the asset as per this Schedule
- in cases where the remaining useful life of an asset is nil, the residual value has been transferred to the retained earnings.

iv. Depreciation on assets acquired/sold during the year is provided on pro rata basis.

G. Investments

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

H. Miscellaneous Expenditure

Preliminary expenditures are amortised in the year in which incurred.

I. Treatment of Contingent Liabilities

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

J. Accounting for Taxation of Income

Current taxes

Income Tax is accrued in the same period the related revenue and expense arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to dis allowance or other matters is probable. MAT paid in accordance with the Tax laws, which gives rise to future economic benefits in the form of tax credit against future tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the group will pay normal tax after the tax holiday period and the resultant assets can be measured reliably. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it is its legally enforceable right and where it intends to settle such assets and liabilities on a net basis.



VAKRANGEE FINSERVE LIMITED

Notes to Financial Statements for the year ended March 31, 2016

Deferred taxes

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

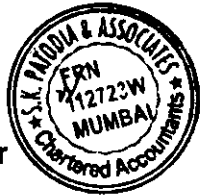
As per our report of even date attached.

For S. K. Patodia & Associates

Chartered Accountants

FRN : 112723W

Arun Poddar



Arun Poddar

Partner

Mem. No. : 134572

Place: Mumbai

Date: May 07, 2016

Dinesh Nandwana

Dinesh Nandwana

Director

DIN: 00062532



Dr. Nishikant Hayatnagarkar

Dr. Nishikant Hayatnagarkar

Director

DIN: 00062638

Vakrangee Finserve Ltd.

Notes to financial statements for the year ended March 31, 2016

Note 2 - Share Capital

			(Amount in ₹)	
Particulars	As at March 31, 2016	As at March 31, 2015		
Authorised :				
10,000,000 (PY 10,000,000) Equity Shares of Rs. 10/- each	100,000,000	100,000,000		
TOTAL	<u>100,000,000</u>	<u>100,000,000</u>		
Issued, Subscribed and Paid-up :				
250,000 (PY 250,000) Equity Shares of Rs.10/- each fully paid up	2,500,000	2,500,000		
TOTAL	<u>2,500,000</u>	<u>2,500,000</u>		

(a) 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 Rs. 10/- per share. Each holder of Equity Share is entitled to one vote per share. New equity shares issued shall be ranked paripassu to the existing equity shares.

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.

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

			(Amount in ₹)	
Particulars	As at March 31, 2016	As at March 31, 2015		
No. of shares at the beginning of the year	250,000	250,000		
Add: Issue of Shares during the year	-	-		
No. of shares at the end of the year	<u>250,000</u>	<u>250,000</u>		

(c) Details of shareholders holding more than 5% shares in the company

No. of Shares held by	As at March 31, 2016		As at March 31, 2015	
	Nos.	%	Nos.	%
Vakrangee Limited	250,000	100.00	250,000	100.00
	<u>250,000</u>		<u>250,000</u>	

Note 3 - Reserves and Surplus

			(Amount in ₹)	
Particulars	As at March 31, 2016	As at March 31, 2015		
Surplus in the Profit & Loss Account				
Balance at the beginning of the year	(101,286,305)	(113,985,429)		
Add: Profit for the year	32,800,940	12,699,124		
Amount available for appropriations	(68,485,365)	(101,286,305)		
	<u>(68,485,365)</u>	<u>(101,286,305)</u>		

Note 4 - Deferred Tax Liabilities (Net)

			(Amount in ₹)	
Particulars	As at March 31, 2016	As at March 31, 2015		
Liabilities				
(i) On account of difference in depreciation on Fixed Assets	1,133,190	2,209,719		
(ii) Timing differences on Tax Provisions	-	-		
(A)	<u>1,133,190</u>	<u>2,209,719</u>		
Assets				
(i) Provision for Leave Encashment	-	341,894		
(ii) Timing differences on Tax Provisions	-	-		
(B)	<u>-</u>	<u>341,894</u>		
TOTAL (A - B)	<u>1,133,190</u>	<u>1,867,825</u>		



Note 5 - Short-Term Borrowings

Particulars	(Amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
Unsecured Loans		
- Loans & Advances from Related Parties (For details, refer Note No. 26)	157,994,301	158,860,000
TOTAL	157,994,301	158,860,000

Note 6 - Trade Payables

Particulars	(Amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
Current payables (including acceptances) outstanding for less than 12 months	31,179,838	19,854,955
TOTAL	31,179,838	19,854,955

Note 7 - Other Current Liabilities

Particulars	(Amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
TDS Payable	6,976,566	3,461,478
Service Tax Payable	10,152,111	-
Other Liabilities	36,000	62,867
TOTAL	17,164,677	3,524,345

Note 8 - Short-Term Provisions

Particulars	(Amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
Provision for Expenses	906,144	1,106,452
TOTAL	906,144	1,106,452

Note 10 - Long-Term Loans and Advances

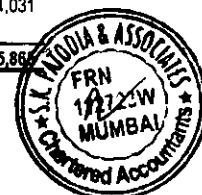
Particulars	(Amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
MAT Credit Entitlement (unsecured, considered good)	6,687,623	1,287,352
TOTAL	6,687,623	1,287,352

Note 11 - Other Non-Current Assets

Particulars	(Amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
(i) Long Term Trade Receivables	-	-
(ii) Others		
- Non-Current Bank Balances (Note No. 12)	33,659,651	33,391,031
TOTAL	33,659,651	33,391,031

Note 12 - Cash & Bank Balances

Particulars	(Amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
(a) Cash & Cash Equivalents		
(i) Balances with Banks :		
- Current Accounts	17,842,683	14,145,320
(ii) Cash-in-hand	32,770	60,545
	17,875,453	14,205,865
(b) Other Bank Balances		
Amount held as margin money or security against borrowings, guarantee, other commitments	35,090,118	33,391,031
	35,090,118	33,391,031
	52,965,571	47,596,896
Less : Non-Current Other Bank Balances, disclosed under Other Non-Current Assets (Note No. 11)		
Amount held as margin money or security against borrowings, guarantee, other commitments	33,659,651	33,391,031
TOTAL	19,305,920	14,205,865



Vakrangee Finserve Limited

Note 9 - Fixed Assets

(a)	Description	Gross Block				Depreciation Block			Net Block			(Amount in ₹)		
		Beginning of Current Period	Additions	Acquisitions through Business Combinations	Deductions/ Adjustments	End of Current Period	Upto Beginning of Current Period	For the Period	Deductions/ Adjustments	Upto End of Current Period	Before Impairment		Impairment	End of Current Period
	(i) Tangible Assets													
	Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
	Plant and Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-
	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
	Office Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-
	Computers and Printers	-	-	-	-	-	-	-	-	-	-	-	-	-
	Project Assets													
	- Computers and Printers	20,379,071	-	-	-	20,379,071	10,942,976	5,094,768	-	16,037,744	-	-	4,341,327	9,436,095
	- Owned													
	TOTAL	20,379,071	-	-	-	20,379,071	10,942,976	5,094,768	-	16,037,744	-	-	4,341,327	9,436,095
	(ii) Intangible Assets													
	(Other than Internally Generated)													
	TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Capital Work-in-Progress													
	(excluding Capital Advances)													
	TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
	GRAND TOTAL	20,379,071	-	-	-	20,379,071	10,942,976	5,094,768	-	16,037,744	-	-	4,341,327	9,436,095
	PREVIOUS YEAR	20,379,071	-	-	-	20,379,071	5,942,208	5,094,768	-	10,942,976	-	-	9,436,095	-

(b) Detailed note on Fixed Assets taken on Lease
The Company has not taken any assets on lease.



Note 13 - Inventories

			(Amount in ₹)
(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(i) Work in Progress	-	-
	(ii) Finished Goods	-	35,000
	(iii) Stores & Spares	-	-
	TOTAL	-	35,000

Note 14 - Trade Receivables

			(Amount in ₹)
(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(i) Due for a period exceeding six months		
	- Unsecured, considered good	-	-
	- Doubtful	-	-
	Less: Provision for Doubtful Debts	-	-
	(ii) Others		
	- Unsecured, considered good	67,222,539	23,284,839
	- Doubtful	-	-
	Less: Provision for Doubtful Debts	-	-
	TOTAL	67,222,539	23,284,839

Note 15 - Short-Term Loans and Advances

			(Amount in ₹)
(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	Earnest Money Deposit	2,000,000	2,000,000
	Other Deposit	4,500	4,500
	Balances with statutory / revenue authorities :		
	- Sales Tax	25,000	1,137,774
	- CENVAT Credit receivable	-	174,830
	- Income Tax (net of provision for taxation)	7,822,584	1,293,878
	TOTAL	9,852,084	4,610,982

Note 16 - Other Current Assets

			(Amount in ₹)
(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(a) Advances receivable in cash or kind or for value to be received		
	- Staff Loans	-	-
	- Prepaid expenses	101,436	113,103
	(b) Advances for Expenses	1,222,205	63,005
	TOTAL	1,323,641	176,108

Note 17 - Contingent Liabilities and Commitments (to the extent not provided for)

i) Company has provided Bank Guarantee to various parties which is not acknowledged in books of accounts - Rs. 3,10,30,000/-



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2016

Note 18 - Revenue from Operations

(Amount in ₹)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
(a) Income from e-governance activities	-	-	-	-
(b) Sale of Products				
- Computer consumables & peripherals	-	-	-	-
- Others	-	-	-	-
(c) Sale of Services				
- Information Technology-enabled Services (ITeS)	37,387,401		16,415,271	
- Information Technology-enabled Services (ITeS) (Rural)	183,258,628		34,335,653	
- Others	406,005	221,052,034	28,985	50,779,909
(d) Other Operating Revenues				
- Commission	186,917		293,633	
- Scrap Sale	-	186,917	-	293,633
TOTAL		221,238,951		51,073,542

Note 19 - Other Income

(Amount in ₹)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
(a) Interest Income on				
- Bank Deposits	3,056,947		2,554,489	
- Interest on IT Refund	-		19,903	
- Others	132,860	3,189,807	738,422	3,312,814
TOTAL		3,189,807		3,312,814

Note 20 - Operating Expenses

(Amount in ₹)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Purchases	-	-	-	11,455
Conveyance & Travelling Expenses	906,362		92,420	
Commission Expenses	183,845,465		34,804,584	
Transportation, Octroi and Loading / Unloading Charges	-		34,040	
Printing & Stationery charges	-		28	
Communication Costs	719,102		592,519	
Rent, Rates & Taxes	54,000		54,000	
TOTAL		185,524,929		35,589,046



(iii) Stock-in-Trade

35,000

TOTAL

35,000

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Note 22 - Employee Benefits Expenses

(Amount in ₹)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(i) Salaries & Wages	-	148,431
(ii) Contribution to Provident & Other Funds	-	6,437
(iii) Employee Compensation Expenses	-	-
(iv) Staff Welfare Expenses	-	27,012
TOTAL	-	181,880

Note 23 - Finance Costs

(Amount in ₹)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Expenses		
- Banks	-	-
- Others	1,212,041	433,386
Bank Charges & Commission	135,651	131,204
TOTAL	1,347,692	564,590



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2016

Note 24 - Other Expenses

			(Amount in ₹)
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015	
Business Promotion Expenses	-	-	203
Travelling Expenses	-	-	167,376
Telephone & Postage Expenses	211,960	-	336,224
Legal & Professional Fees - Other than payments to Auditor			
- Legal & Professional Fees	15,360	72,500	
- Filing Stamp Duty and Franking Charges	75,895	39,028	
- Registration charges	912	-	111,528
Payments to Auditors :			
- Audit fees	25,000	28,090	
- Tax audit fees	15,000	16,854	
- For Other Services	3,990	50,562	95,506
Fees & Subscriptions	-	-	403
Office & General Expenses	11,947	-	13,293
TOTAL	360,064	724,532	

Note 25 - Earnings Per Equity Share

			(Amount in ₹)
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015	
(a) Net profit after tax attributable to equity shareholders for			
Basic EPS	32,800,940	12,699,124	
Add/Less: Adjustment relating to potential equity shares	-	-	
Net profit after tax attributable to equity shareholders for	32,800,940	12,699,124	
Diluted EPS			
(b) Weighted average no. of equity shares outstanding during the			
year			
For Basic EPS	250,000	250,000	
For Diluted EPS	250,000	250,000	
(c) Basic EPS	131.20	50.80	
Diluted EPS	131.20	50.80	
Face Value per Equity Share (Rs.)	10.00	10.00	
(d) Reconciliation between no. of shares used for calculating			
basic and diluted EPS			
No. of shares used for calculating Basic EPS	250,000	250,000	
Add: Potential equity shares	-	-	
No. of shares used for calculating Diluted EPS	250,000	250,000	



Transactions during the year

(Amount in ₹)

Nature of Transactions	For the year ended March 31, 2016	For the year ended March 31, 2015
Director remuneration	-	-

(Amount in ₹)

Nature of Transaction	For the year ended March 31, 2016	For the year ended March 31, 2015
Loans received	-	7,900,000
Interest Charged	345,789	-
Loan Repaid	159,205,789	1,400,000
Balance Outstanding as on March 31 :		
Current Liabilities: Short term Borrowings	-	158,860,000

(Amount in ₹)

Nature of Transaction	For the year ended March 31, 2016	For the year ended March 31, 2015
Loans received	205,349,692	10,410,288
Interest Charged	297,288	279,516
Loan Repaid	47,652,679	12,340,082
Balance as on March 31 :		
Current Liabilities: Short term Borrowings	157,994,301	-
Equity share capital	2,500,000	2,500,000



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2016

Note 27 - Amounts due to Micro, Small and Medium Enterprises:

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

Note 28 - Previous year figures

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

For S. K. Patodia & Associates
Chartered Accountants
Firm Reg. No: 112723W

Arun Poddar
Arun Poddar
Partner
Mem. No. 134572



Place : Mumbai
Date : May 7, 2016

For & on behalf of the Board

D N
Dinesh Nandwana
Director
DIN: 00062532



Nishikant
Dr. Nishikant Hayatnagarkar
Director
DIN: 00062638