





Ab Sab Kuch Asaan

At Vakrangee Limited, we are creating the world's largest retail distribution channel. Not only are we able to deliver over 1,000 services and ~60 million products through our assisted e-Commerce model, but we also have the ability to handle the logistics to both urban and rural locations with equal ease. By managing our inbound supply chains with great efficiency, we aim to provide a deeply gratifying "last-mile" experience to our targeted base of 200 million+ customers across pan India.

No matter how remotely they live, our Vakrangee Kendras enable our customers to access a wide array of goods and services, such as banking & insurance products, e-Governance services, getting an Aadhaar Card made, paying utility bills, and much more, within walking distance. Government subsidies can now be deposited directly into their bank accounts. With assisted e-commerce, our rural and urban customers can access the same choices available globally, at the same prices and terms as any urban customer is privileged to receive. Today, our Kendras have become indispensable modern-day convenience stores for many ordinary people, whose lives get transformed when a Vakrangee outlet opens nearby.

The deep portfolio of services that we offer also creates a strong impact on local communities. At Vakrangee, we recognise the importance of providing a consistent quality and experience, even to low-income or remote households. If we wish to progress to become a first world nation, integrating an entire population into a modern economy is a national priority. At Vakrangee, our ultimate goal is to see that every Indian has the opportunity to benefit from financial inclusion, financial literacy and enabling Government programmes. We are fast becoming the obvious choice for millions of people.

As we cater to India's unserved and underserved citizens in rural and "difficult to reach" areas in urban India, we recognise the need to expand our delivery routes to remote areas, while also considering the end-to-end supply chain network design and omnichannel distribution challenges. As we continue on our path of growth, we aim to ensure that people from each and every pin code have access to our network and superior service technology. This, in turn, makes us a valuable partner to a number of companies interested in selling and delivering their wares to the "last-mile". Our vision is to have more than 75,000 Vakrangee Kendras operational by 2020 across India, serving an addressable marketplace of more than a billion people.



Contents

Theme Introduction	01
Corporate Information.....	03
At a Glance	04
Our Vision, Our Mission and Our Brand Promise	06
Our Presence	07
The Vakrangee Effect.....	08
Our Brand Principles	09
Our Key Business Verticals	10
Banking and Insurance.....	11
E-Commerce Services	12
E-Governance Services	13
E-Governance (SI).....	14
Targeted Vakrangee Kendra Presence.....	15
In Conversation with the Managing Director & CEO.....	16
Board of Directors.....	18
Our Key Management	20
Key Financial Indicators.....	22
Key Tie-ups for FY2016	23
Creating A Transformative Social Impact For Collaborative Growth	24
Betting Big On The Assisted E-Commerce Model.....	28
Partnering With India's Largest Commercial Enterprise.....	30
Our Partners In Progress	32
Enabling Last-Mile Connectivity Through Logistics Management	34
Maintaining Security Posture Through Sensitive Data Protection	36
Making Quality And Excellence A Habit...	40
Protecting The Environment.....	42
MSCI ESG Rating.....	45
Employee Well-Being – Our Key Motto	46
Management Discussion & Analysis	50
Directors' Report	62
Corporate Governance Report	93
Standalone Financials	108
Consolidated Financials	146

ANNUAL REPORT 2015-16

NOTE ON FORWARD LOOKING STATEMENTS

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

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Corporate Information

Board of Directors

Mr. Dinesh Nandwana -
Managing Director & CEO
Dr. Nishikant Hayatnagarkar -
Whole Time Director
Mr. Ramesh Joshi
Mr. Sunil Agarwal
Mr. B. L. Meena
Mr. Avinash Vyas
Mr. T. Sitharthan
Mrs. Sujata Chattopadhyay

Compliance

Statutory Auditors

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

Company Secretary & Compliance Officer

Ms. Darshi Shah

Bankers

Axis Bank Limited
Bank of India
Dhanlaxmi Bank Limited
IDBI Bank Limited
Indian Overseas Bank
State Bank of Bikaner & Jaipur
State Bank of India
SBM Bank (Mauritius) Limited
State Bank of Travancore
Union Bank of India
Vijaya Bank

Security Trustee

Axis Trustee Services Limited

Registrars

M/s Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate,
Saki - Vihar Road, Sakinaka,
Mumbai - 400 072.
Tel: +91-22-4043 0200
Fax: +91-22-2847 5207
Email: info@bigshareonline.com

Registered Office

Vakrangee Limited

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

At a Glance

WE ARE INDIA'S LARGEST E-GOVERNANCE PLAYER FUNCTIONING AS A SYSTEMS INTEGRATOR AND END-TO-END SERVICE PROVIDER FOR VARIOUS E-GOVERNANCE PROJECTS WITH AN EXPERIENCE OF OVER TWO DECADES. WE HAVE BUILT UP AN EXTENSIVE DELIVERY NETWORK FOR OUR SERVICES IN THE FORM OF VAKRANGEE KENDRAS IN ALMOST 16 STATES ACROSS INDIA. THROUGH THE VAKRANGEE KENDRAS, WE ARE DELIVERING REAL-TIME SERVICES TO THE UNSERVED AND UNDER-SERVED CITIZENS IN RURAL AND URBAN LANDSCAPE ACROSS BANKING, INSURANCE, E-GOVERNANCE, E-COMMERCE AND LOGISTICS PLATFORMS.

We are a systems integrator and IT-enabled solutions provider in the Indian e-Governance space with strong capabilities in Document Management System and Printing Management System. As of 31st March 2016, we delivered our services through over 20,000 Vakrangee Kendras. With a footprint across India, we have first mover advantage to leverage the huge opportunity from the ₹-1.1 trillion "Digital India" mission.

We have a strong track record of successfully implementing various time-bound Mission Mode Projects (MMPs) under the government's National e-Governance Plan. We have leveraged our technology platform, impeccable track record on the national e-Governance plan and delivery network to enter new businesses in the area of financial inclusion.

Our Competitive Strengths

- A complete retail solution
- Evolved franchisee model
- Asset light model of business

75,000

Franchisee Network of Vakrangee Kendras to be set up across India by 2020

50,000

Franchisee Network of Rural Vakrangee Kendras to be set up across India

25,000

Franchisee Network of Urban Vakrangee Kendras to be set up across India

16

Number of States where Vakrangee is Currently Present



₹104,860 Mn

Market Capitalisation (As on
31st March, 2016)

More than 21,800

10,500+ Rajasthan

Vakrangee Kendras set

5,000+ Maharashtra

up Till Date

3,500+ Uttar Pradesh

**KEY BUSINESS
VERTICALS**

VAKRANGEE KENDRA

- Banking & Insurance
- e-Commerce
- e-Governance
- Logistics
- Legacy e-Governance (SI)

200 Million

Potential customers to be served
across the Unserved, Under-
served Rural and Urban India

100+

Vakrangee Kendras currently
set up in Mumbai

300+

Districts currently
present in

BBB

ESG Rating from MSCI
ESG Research

**OUR STRONG EXECUTION
CAPABILITIES**

- Last mile infrastructure and grass root level footprint to deliver Mission Mode Projects at village level
- Experience of on-ground complexities in rural regions – flexible timings, power & connectivity issues, manpower training
- Expertise from data digitisation to technology management
- Deep understanding of rural consumer behaviour and mindset

**KEY DIFFERENTI-
ATING FACTORS**

- Strong project execution capabilities
- Nation-wide footprint with presence till grass root level
- Strong workforce capable of driving project implementation
- End-to-end IT expertise

Our Vision

Vakrangee aims to be the most trusted consumer service point for urban and rural India, by making solutions even more simple & sustainable; offering products & services that are even more reliable & affordable; and imparting customer service that is even more friendly.

Our Mission

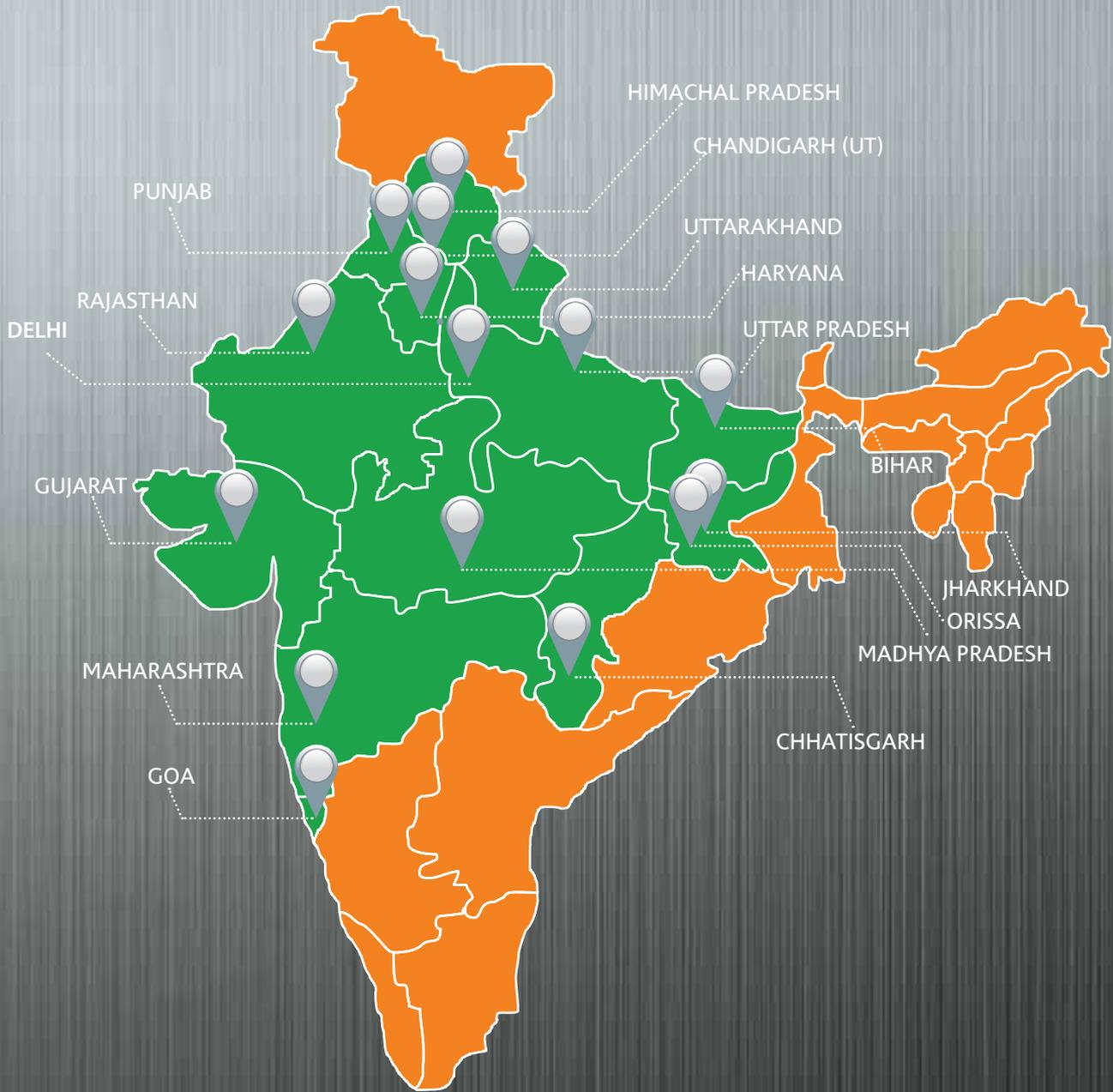
Vakrangee intends to become India's No.1 retailer by offering innovative ideas and proven modern technologies for facilitating universal financial & social inclusion.

Our Brand Promise

No matter how remote, excluded or poor they might be, we promise to give every under-served Indian their rightful access to basic modern banking, within walking distance from their homes. Along with this, we also promise to bring closer to them affordable and quality products & services that improve their essential living standards.

We will continue this endeavour until we have included the last financially excluded person in our country.

Our Presence



The Vakrangee Effect

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

We call this "The Vakrangee Effect"



Our Brand Principles

Trust

The glue that binds all our stakeholders – government, banks, businesses and our franchisees

Perseverance

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

Unyielding Rigor

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

Entrepreneurial

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

Prudent

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

Our Key Business Verticals

OUR AIM IS TO HAVE A STRONG TECHNOLOGY INTENSIVE RETAIL DISTRIBUTION PLATFORM OF 75,000 LAST-MILE TOUCH POINTS DELIVERING BANKING, INSURANCE, E-GOVERNANCE, E-COMMERCE AND LOGISTICS SERVICES TO A POTENTIAL CUSTOMER BASE OF 200 MILLION ACROSS THE UNSERVED AND UNDER-SERVED RURAL AND URBAN INDIA.

VAKRANGEE KENDRAS

The Company is in the process of setting up and managing 75,000 Vakrangee Kendras Business Correspondent bank branches (50,000 rural and 25,000 urban Vakrangee Kendras), covering each pin code of India by 2020. Various BFSI are offered through these brick and mortar branches. We, thus, aim to have a strong technology intensive retail distribution platform of 75,000 last-mile touch points delivering Banking, Insurance, E-Governance, E-Commerce and Logistics services to a potential customer base of 200 million across the unserved and under-served rural and urban India. As on 31st March 2016, more than 20,000 Vakrangee Kendras were operational across India.

Vakrangee outlets are equipped with in-house application as well as bank prescribed IT/Non-IT hardware including Micro-ATM with authentication through UID as well as Card and V-SAT for real-time connectivity with respective Bank's back-end to run day-to-day banking operations. The outlets are integrated with core banking solution (CBS) of these banks so that customers can, on a real time basis, conduct banking transactions and get banking facilities. The advanced feature of paper-less banking, real-time banking, interoperable banking and e-KYC enabling are critical to last-mile banking.



Key Vertical: VAKRANGEE KENDRA SEGMENT

1. Banking and Insurance



We have been enhancing the profitability of our Vakrangee Kendras by offering a host of banking and insurance services to the underserved population.

Banking Services

We provide real-time banking transactions at the grass-root level in 16 states through Vakrangee Kendras. Some of these are: creation of bank accounts; cash deposit/cash withdrawal/cash transfer; fixed deposits/recurring deposits and balance inquiry.

Direct Benefit Transfer

Through Direct Benefit Transfer scheme, all social security payments will be made through the banking network using Aadhaar-based platform as a unique identifier of beneficiaries. We facilitate delivery of social benefits and transfer of subsidies to the beneficiaries through direct credit to their bank accounts, thereby eliminating the middleman.

Pension Transactions

Through this initiative, we promote old age security to India's pension subscribers. Our services enable pension subscribers to access pension funds from their Aadhaar-linked bank accounts using our robust network of Vakrangee Kendra.

White Label ATMs

This helps us earn revenues from participating banks, from whom we will earn a fee for every transaction (financial and non-financial) conducted through these ATMs. We are making these ATMs biometric-enabled to enable people to access and conduct ATM transactions using their fingerprints, in addition to bank cards.

Insurance

Through our corporate agency tie-ups with Life Insurance Corporation of India (LIC), TATA AIG General Insurance Company, Reliance General Insurance Company Limited, HDFC Standard Life Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited, CIGNA TTK Health Insurance Company Limited and Religare Health Insurance Company Limited, we offer comprehensive life, non-life and health insurance plans at our Vakrangee Kendra outlets. We also offer Government Insurance Schemes, namely Atal Pension Yojna, Jeevan Jyoti Bima Yojna and Pradhan Mantri Suraksha Bima Yojna.

Our Service Offerings under Banking, ATM and Insurance

- Bank A/C Opening - Savings, Current, Recurring
- Transactions - Deposits, Withdrawals, Remittances
- Balance Enquiry, Statement of Accounts
- Direct Benefit Transfer
- Pension Disbursement
- Food Security related DBT
- Insurance – Life, Non-Life & Health, premium payments
- Retail Loans, ODs and FDs
- Recovery of Loans

WE HAVE BEEN ENHANCING THE PROFITABILITY OF OUR VAKRANGEE KENDRAS BY OFFERING A HOST OF BANKING AND INSURANCE SERVICES TO THE UNDERSERVED POPULATION.

Key Vertical: VAKRANGEE KENDRA SEGMENT**2. E-Commerce Services**

In our endeavour to connect India's unserved and under-served citizens to its modern ecosystems, we entered into a strategic tie-up with the online shopping portal, Amazon India. By virtue of this tie-up, our Vakrangee Kendra outlets enable local citizens to gain access to products on Amazon's website through our assisted e-Commerce model. As on date, the service has been rolled out across 1,000 Vakrangee Kendra outlets which have become the hubs for physical ordering and collection points for a bouquet of 60 million Amazon products. Vakrangee Kendras empower the customers by offering them access to an array of products at the click of a button. The payment is through Cash on Delivery. The Kendras not only assist in ordering products on the e-tailer's website, but also help in making payment and in pick-up and delivery of the products.

Other E-Commerce Offerings:**Telecom**

We are the service providers of a wide range of services in the telecommunications space, adding value to our E-Commerce customers in more ways than one. We offer pre-paid and post-paid cards, tariffs and plans, charge and calling cards, broadband connections and other value-added services offered by telecom providers.

Direct to Home (DTH)

We have partnered with leading DTH providers of home entertainment, enabling them to increase their subscriber base through Vakrangee Kendras.

OUR VAKRANGEE KENDRA OUTLETS ENABLE CITIZENS TO GAIN ACCESS TO AN ARRAY OF PRODUCTS ON THE AMAZON WEBSITE THROUGH OUR ASSISTED E-COMMERCE MODEL.

Our service delivery includes end-to-end solutions in the DTH segment including recharge coupons, subscription cards, new set-top box connections, and various other customer services.

Mahindra & Mahindra

We entered into a partnership with Mahindra eMarket Limited, a subsidiary of Mahindra and Mahindra Limited, for promoting and booking automobile products through Vakrangee Kendras. Citizens, particularly in unserved and under-served areas can visit the nearest and book automobile products available on Mahindra eMarket by paying the booking amount.

Red Bus

We entered into an alliance with Red Bus offering bus ticketing services at Vakrangee Kendra through Vakrangee Franchisee portal.

Key Vertical: VAKRANGEE KENDRA SEGMENT

3. E- Governance Services



Under the CSC scheme of the Government, we offer an extensive spectrum of E-Governance Services at our Vakrangee Kendras. Our portfolio of E-Governance includes the below services:

- Collection Services:** Payment of electricity, telephone and mobiles
- Recruitment Application Processing:** Processing of applications for recruitment of workforce for Government-related services, such as for Police, Teacher and Anganwadi Workers, among others
- Issuance of Certificates:** Online registration and issuance of birth, death, domicile, and land record certificates, among others
- Grievance Management Services:** Enables citizens to issue formal grievance to the Government (directly/through local agencies)

Enrolments:

- UID Card, NREGA Job Card, Election Card
- Land Record Digitisation, Electoral Rolls
- Payment of Utility Bills, Taxes, Levies
- Railway Tickets, Certificates, Hall Tickets
- Exam Fee Payments, Online Form Filling

Key Vertical: VAKRANGEE KENDRA SEGMENT

4. Logistics



We have initiated a pilot project in logistics, through which we will enable last-mile delivery of packages in a timely, safe and efficient manner. We have incorporated Vakrangee Logistics Private Limited, a wholly-owned subsidiary of Vakrangee Limited, for the logistics business, and are leveraging the Vakrangee Kendra outlets for pick-up and distribution of parcels from the district level till the customer's doorstep. Our strategy is to ensure a logistics presence in over 19,000 postal codes by 2020.

ARAMEX

We entered into a tie-up with ARAMEX India Private Limited through our wholly-owned subsidiary Vakrangee Logistics Private Limited to offer courier booking and last-mile delivery services to customers. As part of the tie-up, Vakrangee Kendras will offer domestic and international courier booking for forward delivery and reverse pick-up services to ARAMEX and help extend its reach to "unserviceable postal codes".

WE ENABLE LAST-MILE DELIVERY OF PACKAGES TILL THE CUSTOMER'S DOORSTEP.

Delhivery

Through our wholly-owned subsidiary Vakrangee Logistics Private Limited, we entered into a tie-up with Delhivery Private Limited for offering last-mile delivery services. Under the agreement, Vakrangee Kendras will offer forward delivery and reverse pick-up services to Delhivery, enabling it reach pin codes which are difficult to service.

Key Vertical: LEGACY E-GOVERNANCE SEGMENT

5. E-Governance (SI)

With proven skills and robust domain expertise, we have valuable and consistent experience of 25 years in executing such projects by providing back-end support and systems integration (SI) beyond the Gram Panchayat level. We have an established and proven track record in delivering time-bound 'mission critical' Government projects, getting involved in the entire value chain – right from data digitisation to technology management. Our objective in providing services in this vertical is to improve the overall processes and public administration services under the e-Governance plan.

Aadhaar Card

We are India's largest enrolment agency empanelled with the Unique Identification Authority of India (UIDAI) under T3F4 category. We are engaged in pan-India enrolment of Aadhaar Cards, a 12-digit individual identification number issued by the Unique Identification Development Authority of India (UIDAI).

Print and Data Management Services and Election-related projects

We offer print management and data management services to Election Commission-related projects and to private corporates in India. Some of our major projects in this area include work for the Office of Chief Electoral Officer in various states of India. In addition to this, we also aggregate and update electoral data for Election Commission projects.

WE HAVE AN ESTABLISHED AND PROVEN TRACK RECORD IN DELIVERING TIME-BOUND 'MISSION CRITICAL' GOVERNMENT PROJECTS.

Public Distribution System

We provide digital services to the Government for distribution of subsidised food and non-food items to poor sections of the society in Haryana. Our aim behind this is to make the distribution system more transparent, efficient, effective and accountable.

Inspector General of Registration & Stamps (IGRS)

We simplify the registration process in this Department, identify its market value and appropriation, deliver time-bound services, ensure centralised record keeping and increase the overall efficiency.

Our Current Projects:

- UID - Unique Identification Project
- SSA - Sarva Shiksha Abhiyaan
- RSBY - Rashtriya Swasthya Bima Yojana
- PMS / DMS - Electoral Data

Targeted Vakrangee Kendra Presence

	PRESENCE IN FY2016	TARGETED PRESENCE IN FY2020
OUTLETS	20,677	75,000
STATES	16	Pan India
DISTRICTS	300+	650+
POSTAL CODES	4,000	19,000



In Conversation with the Managing Director & CEO

VAKRANGEE LIMITED IS A TECHNOLOGY-DRIVEN COMPANY WHICH IS CREATING INDIA'S LARGEST NETWORK OF LAST-MILE RETAIL POINTS-OF-SALE. IT IS LEVERAGING ITS TECHNOLOGY EXPERTISE AND PAN INDIA PRESENCE TO CONSTRUCT AN ECOSYSTEM OF VAKRANGEE KENDRA OUTLETS – A DISTRIBUTION PLATFORM FOR DELIVERY OF MULTIPLE PRODUCTS AND SERVICES. ITS **MANAGING DIRECTOR & CEO - MR. DINESH NANDWANA** SHARED HIS VIEWS ON HIS HOLISTIC VISION TO CONNECT INDIA'S UNTAPPED AND UNSERVED AREAS IN RURAL AND URBAN INDIA TO THE NATION'S MODERN ECOSYSTEM.

Excerpts:

Q Can you share with us your journey over the years and your holistic mission to connect India's rural and the untapped urban citizens with a modern ecosystem?

A With vast experience of over two decades, we are today India's largest e-Governance player functioning as a systems integrator and an end-to-end service provider for several e-Governance projects. We have established a strong track record of successfully implementing time-bound Mission Mode Projects (MMPs) under the Government's National e-Governance Plan. We have leveraged our expertise in technology and vast on-ground network presence till the grass root level for having opened more than 20,000 Vakrangee Kendra outlets. We provide ancillary services to India's rural and urban areas aimed at bridging the financial inclusion gap between the developed urban India and the under-developed rural India. Moving ahead, our 2020 vision is to set up 75,000 such outlets across India by 2020. We will continue to enter new businesses in the areas of financial inclusion – by leveraging our technology platform, impeccable track record of implementation of national e-Governance plan and our vast delivery network. Through our robust framework of Vakrangee Kendras, we offer a one-stop solution for a wide range of products and services in banking, insurance, e-commerce, e-governance and logistics and successfully bring initiatives to scale. With this, we

completely transform the lives of the people living in the vicinity of a Vakrangee Kendra. We make life easy and convenient for them by offering a whole platter of services on the same platform. Through these outlets, we thus redefine social impact.

Q How is your tie-up with Amazon India enabling you to increase the product portfolio?

A Our alliance with Amazon, the world's largest e-commerce platform, solves a strategic purpose for the Company. It has created new opportunities for competitive advantage, opened new markets and broadened our organisational capabilities. Post tie-up, our Vakrangee Kendra outlets act as the platform for "physical ordering" of merchandise from the Amazon website and also as "pick-up and collection points" for these parcels. Till date, 1,000 Vakrangee Kendras have been equipped with the e-tailing service. And we are working towards expanding this to all the existing outlets by March 2017. Currently, we are demonstrating good traction of the e-commerce offering at these Kendras. There are Kendras that are more than three months old that are now generating 15-20 orders a day, with an average ticket size of ₹ 600-800 per order. At mature outlets which are about a year old, the number of orders as well as the average ticket size are increasing. Going by the trend, we expect consumers ordering lower ticket items (such as daily groceries) in the beginning and gradually moving to higher ticket purchases, such as that of apparels and electronics.

Q What benefits is Amazon accruing from the tie-up with Vakrangee?

A The tie-up offers several key advantages to Amazon. One, our vast network and strong presence in the under-developed regions of India enables the e-Commerce player to increase its presence in India. This tie-up provides Amazon access to an untapped and unserved customer base in rural and "difficult to reach" urban areas. Two, Amazon is able to improve its last-mile connectivity through the tie-up, thereby playing a deeper role in its logistics chain. Amazon leverages these Vakrangee Kendra outlets for pick-up and distribution of parcels and for collecting payments of 'Cash on Delivery' orders, thereby significantly reducing its last-mile logistics cost, which comprises a major chunk of the overall logistic cost for e-Commerce companies.

Q Your target of setting up 75,000 Vakrangee Kendras by 2020 seems aggressive. Can you share your business strategy planned to achieve this target?

A The target of setting up 75,000 outlets by 2020 does not seem aggressive. Firstly, the vast platform of 260,000 SSAs across India identified by the Government provides ample room to grow. Besides, we have on board the requisite number of employees required to deliver on our growth plans. Each of our 1,000 Block Level Officers are given a target of setting up 12-15 Vakrangee Kendras per year. Going by this, our broader target of setting up 15,000 outlets per year is easily achievable.

Q How will increase in mobile or internet lead to disintermediation of your services?

A The increase in internet penetration affects both banking and e-commerce services. However, we mainly cater to rural and urban slum pockets that are not well versed with the e-commerce market, but more comfortable with the physical outlet experience. Many of the service providers do not cater to deliveries in Vakrangee's catchment areas. To illustrate, even Amazon does not deliver to many slum pockets, owing to the difficulty in finding the right address.

We do not see the increase in internet penetration leading to any kind of disintermediation in our business. Our target consumers still prefer physical or brick-and mortar transactions – whether it is for banking or e-commerce. Such e-Commerce companies also prefer to trade through such stores in “difficult to reach” locations to ease their logistical bottlenecks. Even in banking, more than 50% of the transactions are conducted physically. Our focus is to keep diversifying and building a strong bouquet of services and products, to ensure that we are not dependent on any single service.

Q What is your key market differentiator? Do you foresee any competition in this business?

A Our key differentiator in the marketplace is the vast bouquet of products and services. Our competitors will find it extremely difficult to build the portfolio of offerings we have built over the years and the manner in which we have cemented our infrastructure, licenses and partnerships. By virtue of being the designated National BC (Business Correspondent) of 8 banks, we have a growth advantage over other competitors. Our vast portfolio of multiple products and services enables us to guard against competition.

Q Can you share with us your financial performance during the year under review.

A We delivered yet another excellent year. Our business units delivered solid organic growth and improved their profits. We recorded double digit growth in sales and EBITDA. Net Sales during the year stood at ₹ 3,19,637.67 Lakhs which shows a growth of 14.75%



Dinesh Nandwana
Managing Director & CEO

and EBIDTA was recorded at ₹ 8,27,66.64 Lakhs, translating into a growth of 13.51%. The EBIDTA margin was recorded at 25.9%. We have continued our practice to consistently reward our shareholders. We also formulated a new dividend pay-out policy by fixing the dividend at 15-25% of our consolidated Profit After Tax every year, giving investors clear visibility on surplus cash. During FY2016, our total dividend ratio was 20.20%, amounting to a total payout of ₹ 6,614.95 Lakhs excluding Dividend Distribution Tax of ₹ 1,346.65 Lakhs.

Q What are the new developments on enhancing corporate governance at Vakrangee?

A That is a good question. Good governance has always been the hallmark of our Company. At the core of our corporate governance practice is an active, capable and diligent Board which sets the tone for good corporate governance. Currently, six of the Board Members are independent, and we are looking to add more independent members on the Board. Our strict adherence to regulatory and supervisory norms is an example of how our culture, policies and relationships reflect corporate governance. We intend to appoint one of the big four auditors from the next financial year to look into financial and operational functioning and improve transparency. Our employees are also motivated and encouraged to put in their best performance.

Board of Directors



Dinesh Nandwana

Managing Director
& CEO

DIN: 00062532

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



**Dr. Nishikant
Hayatnagarkar**

Whole - Time Director

DIN: 00062638

Dr. Nishikant Hayatnagarkar is a Doctorate in Computer Science from IIT, Powai, Mumbai. He is associated with the company since 1994. He is a well-known personality in the field of microchip designing. He has developed a voice recognition system, which is used widely in applications such as Tele Banking, Tele Gas Booking among others, and has conceptualised and built the Multilingual Keyboard. He is a consultant to Media Labs Asia at the Kamal Rekhi School for Information Technology (IIT Mumbai) for development of Multilingual data input device, that being a Marathi language Key Board (Key – Lekh) and E-Lekh (Tablet based Marathi language Input).



Ramesh Joshi

Non Executive
Independent Director

DIN: 00002683

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



Sunil Agarwal

Non Executive
Independent Director

DIN: 00062767

Mr. Sunil Agarwal has completed his Bachelor of Commerce and has over 25 years strong experience in business management and administration. He is a successful businessman with good leadership qualities to control huge projects and explore new business opportunities.



B. L. Meena

Non Executive
Independent Director

DIN: 03281592

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



Avinash Vyas

Non Executive
Independent Director

DIN: 06869633

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



**Sujata
Chattopadhyay**

Non Executive
Independent Director

DIN: 02336683

Sujata Chattopadhyay is a fellow member of the Institute of Cost Accountants of India and the Associate member of the Institute of Company Secretaries of India. She has over 26 years of rich experience across various industries and geographies. Presently, in full time practice as a Company Secretary, Sujata was a whole time director with Choice Capital Advisors Private Limited, a Merchant Banking company. She is an independent director at Polygenta Technologies Limited, Arysta LifeScience India Limited and Steel Exchange India Limited.



T. Sitharthan

Nominee Director

DIN: 07028265

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

Our Key Management



Dinesh Nandwana

Managing Director & CEO

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



Mr. Sumit Jain

CEO – E-Commerce

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



Mr. Rajeev Ranjan

CEO – E-Governance

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



Mr. Rahul Dev Pal

CEO – Banking

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



Mr. Nitin Sharma

CEO – ATM

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



Dr. Nishikant Hayatnagarkar

Whole - Time Director

Dr. Nishikant Hayatnagarkar is a Doctorate in Computer Science from IIT, Powai, Mumbai. He is associated with the company since 1994. He is a well-known personality in the field of microchip designing. He has developed a voice recognition system, which is used widely in applications such as Tele Banking, Tele Gas Booking, among others, and has conceptualised and built the Multilingual Keyboard. He is a consultant to Media Labs Asia at the Kamal Rekhi School for Information Technology (IIT Mumbai) for development of a multi-lingual data input device for Marathi language Key Board (Key – Lekh) and E-Lekh (Tablet based Marathi language Input).

Key Financial Indicators

27.22%

3-year CAGR in Total Income

28.87%

3-year CAGR in EBITDA

55.83%

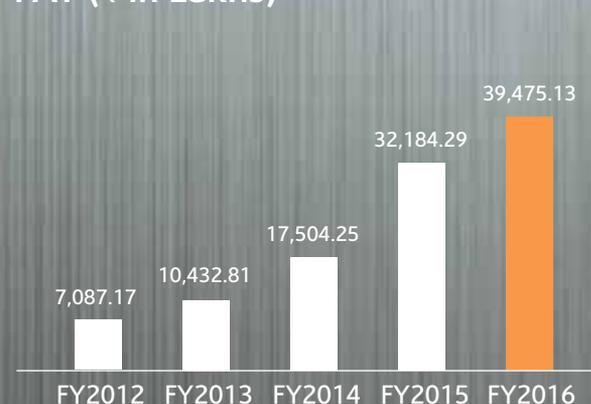
3-year CAGR in PAT

The Company's financial performance has improved significantly over the last few years. During FY2015-16, its Total Income grew at a healthy pace of 14.75% YoY, driven by traction across Vakrangee Kendras, steady execution of the ongoing e-Governance projects and new businesses entered into. EBITDA witnessed a healthy growth of 13.51% YoY in tandem with the top line, with an EBITDA margin of 25.94%, while PAT increased 22.65% YoY with a PAT margin of 12.37%. Earnings Per Share recorded a YoY growth of 18.80%. Over the last three years, the Company's Revenues, EBITDA and PAT grew at a CAGR of 27.22%, 28.87% and 55.83%, respectively.

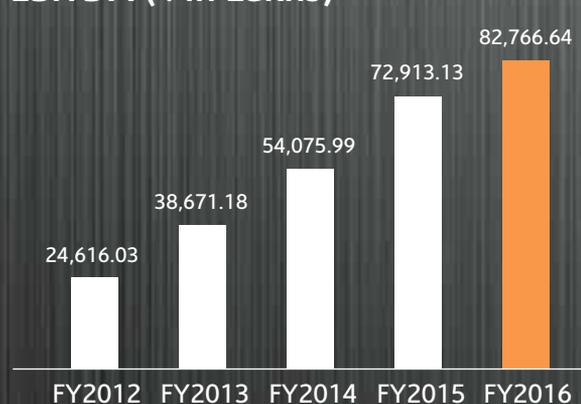
Total Income (₹ in Lakhs)



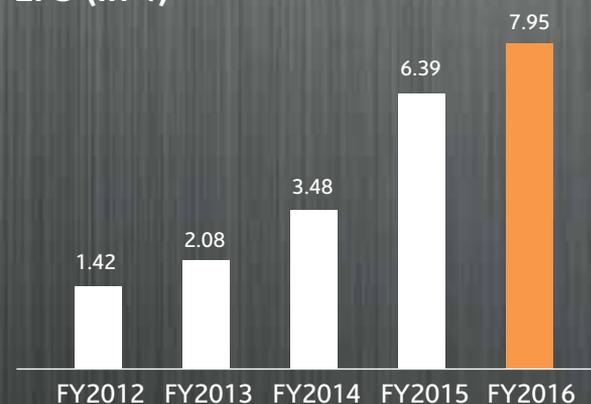
PAT (₹ in Lakhs)



EBITDA (₹ in Lakhs)



EPS (In ₹)



Key Tie-ups for FY2016

01

TIE-UP WITH INDIAN OIL CORPORATION LIMITED (IOCL)

- Entered into a strategic tie-up with Indian Oil Corporation Limited (IOCL), aimed at opening Vakrangee Kendra outlets at more than 20,000 filling/gas (petrol pump) stations across India.

02

E-COMMERCE SERVICES

- Sale of products through Assisted E-Commerce Model across 1,000 outlets currently .
- Entered into a tie-up with Mahindra eMarket, a subsidiary of the automobile major Mahindra & Mahindra, for promoting and booking automobile products through Vakrangee outlets.

03

INSURANCE SERVICES

- Entered into a tie-up with Bajaj Allianz Life Insurance Company and HDFC Standard Life to distribute life insurance products; with Tata AIG General Insurance Company and Reliance General Insurance Company to distribute non-life insurance products; and with CIGNA TTK Health Insurance Company and Religare Health Insurance Company to distribute health insurance products to the un-served and under-served areas

04

LOGISTICS

- Incorporated wholly-owned subsidiary, Vakrangee Logistics Private Limited, to provide logistics services with last-mile delivery through Vakrangee Kendras at district level.
- Entered into a tie-up with Aramex and Delhivery for distribution of courier and logistics services (Forward Delivery and Reverse Pick Up).

01

CREATING A TRANSFORMATIVE SOCIAL IMPACT FOR COLLABORATIVE GROWTH



Financial inclusion is not just about reaching high numbers of unbanked or underserved groups. It is equally about providing quality financial services and products and empowering the marginalised part of our society in taking advantage of burgeoning opportunities and fostering shared prosperity. At Vakrangee, we redefine social impact – globally, locally and individually. At the core of our business strategy is our capability to radically move the needle on social progress.

A large segment of India's population, especially in the rural segment, does not fall into the ambit of India's financial system and is termed as "unbanked". Financial inclusion broadly covers access by every individual to suitable, low cost, fair and safe financial products and services from the primary financial institutions. Apart from this, the Government has several schemes where a considerable amount of money allocated for the poor does not reach them due to pilferage. Direct transfers to beneficiaries through the bank account, rather than subsidising products and making cash payments, is a better way of getting the unserved and underserved citizens onto the banking platform.

- The Government has taken cognisance of the banking access problem in India and launched a comprehensive financial inclusion initiative – "Pradhan Mantri Jan Dhan Yojana".
- The initiative aims to ensure at least one bank account per household, followed by roll-out of various financial services such as bank overdraft, insurance and pension schemes.

We, at Vakrangee, are at the forefront to leverage this immense growth opportunity. We are set to become one of the leading players in the Government's implementation of financial inclusion in India. We have signed National "Business Correspondent" agreements with 8 banks and Common "Business Correspondent" with 31 banks under the financial

Positive Impact

01

CREATING SOCIAL IMPACT

Our Vakrangee Kendra franchisees generally employ around 2-3 resources at the Kendra, which implies the Kendras provide employment opportunities to around 60,000 people, leading to financial stability and growth of nearly 80,000 families indirectly.

02

DIGITAL INCLUSION

We are taking digital literacy to the bottom of the socio-economic pyramid by offering assisted E-Commerce services through its Kendras. This enables us to ensure last mile link and connect India's rural and urban citizens to modern E-Commerce sites.

03

ENVIRONMENTAL IMPACT

Vakrangee Kendras serve as a "one-stop solution" to these customers by offering them a bouquet of products and services on a platter – in their own vicinity. Since the citizens don't need to travel long distances for their basic needs, they end up saving on fuel, and thereby, reducing carbon emissions.

01 CREATING A TRANSFORMATIVE SOCIAL IMPACT FOR COLLABORATIVE GROWTH

inclusion initiative. Through our robust framework of Vakrangee Kendras, we provide all the basic banking services and products such as account opening, cash withdrawal, cash deposit, account balance enquiries and funds transfer, among others.

Creating Social Impact

Vakrangee serves as biggest equaliser by bridging the gap between the urban and rural population of India.

a. Social Inclusion through E-Governance:

- ◆ Social inclusion of the marginalised helps a resident in:
 - getting an identity
 - recognising her/his existence
 - helping the State reach out to the resident for delivery of various welfare programs
- ◆ Social inclusion enables in furthering the financial inclusion drive and in providing easy access to loans

b. Social Inclusion through Insurance (Social Protection):

This is for all the citizens in the unorganised sector and all those who are not members of any social security scheme.

c. Social Inclusion through Skill Development and Employment Opportunity

With its wide network of touch-points, Vakrangee has provided entrepreneurial opportunities to 20,677 franchisees. These franchisees generally employ around 2-3 resources at the Kendra, which implies the Kendras provide employment opportunities to around 60,000 people, leading to financial stability and growth of nearly 80,000 families indirectly. The Vakrangee Business Model also facilitates citizens to enhance their skills. For example, while utilising the services of Aadhaar, a certification needs to be procured which certifies the citizen to become an operator. While conducting banking services, the Business Correspondent enrolls for a certification with the Indian Institute of Banking & Finance (IIBF), thereby enhancing his skill sets.



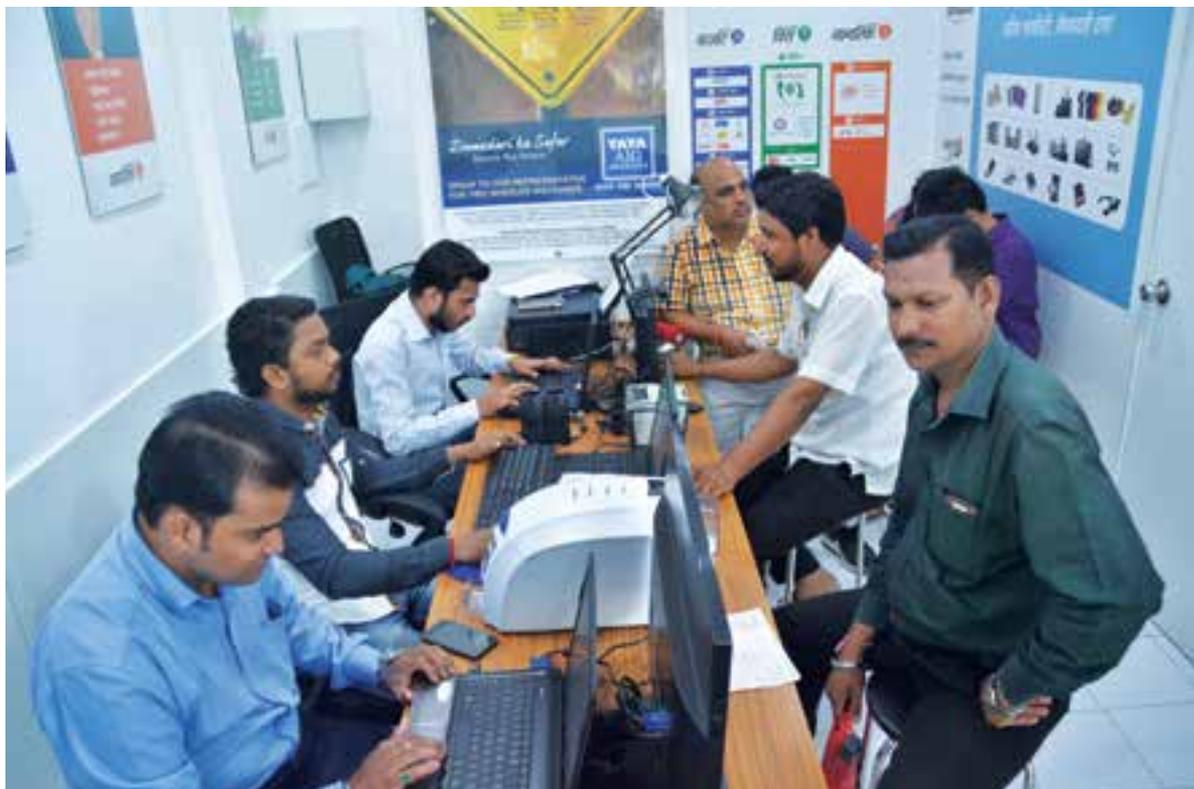
Digital Inclusion

Through the E-Commerce platform, we offer goods and services to the urban and rural population of India – at the same price, same time and of the same quality. Through this initiative, Vakrangee is taking digital literacy to the bottom of the socio-economic pyramid by offering assisted E-Commerce services through its Kendras. This enables us to ensure last-mile link and connect India’s rural and urban citizens to modern E-Commerce sites.

Environmental Impact

For carrying out banking transactions such as cash deposit, cash withdrawal and fund transfer, paper slips and cheques need to be filled up and signed at the respective bank branches. As against this, the Vakrangee Kendras have advanced features of paperless and real-time banking. Customer transactions are authenticated on the basis of their Aadhaar Cards through the use of biometrics. The customer does not need to fill or sign paper slips, thereby saving on paper and ink.

Further, citizens in the rural areas have to travel long distances to a nearby town or city to fulfil their daily needs. To avail various e-governance services, they have to travel till the nearby Tehsil office; while to buy household items for their daily use, they need to travel till nearby markets. Apart from utilising time and money, these processes lead to utilisation of fuel, thereby polluting the environment. Vakrangee Kendras serve as a “one-stop solution” to these customers by offering them a bouquet of products and services on a platter – in their own vicinity. Since the citizens don’t need to travel long distances for their basic needs, they end up saving on fuel, and thereby, reducing carbon emissions.



02

BETTING BIG ON THE ASSISTED E-COMMERCE MODEL



We are focussing on creating India's largest network of last-mile retail points-of-sale and building the world's largest technology-driven product delivery platform. Through our tie-up with the world's biggest e-tailer Amazon, Vakrangee Kendras have become "One Stop Shop Convenience stores" enabling urban and rural citizens to shop from a plethora of products available on the online store.

Our tie-up with the world's largest selling online platform Amazon has transformed us into an aggregator of "Aggregators". Through Vakrangee Kendra outlets, citizens gain access to over 60 million products under a single roof. The service has been rolled out across 1,000 Vakrangee Kendra outlets till date.

Post tie-up, Vakrangee Kendras have become hubs for physical ordering, payment collection as well as pick-up and collection points for a bouquet of 60 million products available on the Amazon platform. The concept of "assisted E-Commerce model" enables customers to access the Amazon website at a Vakrangee Kendra outlet. The franchisee hand holds customers in browsing the Amazon website and in placing the order. The parcels are delivered to and returned from the Kendra. Payment is through Cash on Delivery.

Capitalising on Assisted E-Commerce

The tie-up is part of Amazon's offline strategy in India, to become stronger in rural as well as untapped and "difficult to reach" urban areas and improve the last-mile connectivity. The tie-up offers several key advantages to Amazon. One, our vast network and

strong presence in the under-developed regions of India facilitates Amazon to increase its presence in India. It enables the e-commerce major to increase its reach and cater to the untapped hinterlands of India.

The tie-up also provides Amazon access to an untapped and unserved customer base in rural and “difficult to reach” urban areas. Three, Amazon is able to improve its last-mile connectivity, thereby playing a deeper role in its logistics chain. Amazon leverages these Vakrangee Kendra outlets for pick-up and distribution of parcels and for payments, thereby significantly reducing its last-mile logistics cost.

Advantage Amazon

1
Access to an untapped and unserved customer base
CART

2
Access to rural and “difficult to reach” urban areas
PACKING

3
Last-mile connectivity and playing a deeper role in logistics chain
SPEDITION

4
Reduction in last-mile logistics cost
HOME

03

PARTNERING WITH
INDIA'S LARGEST
COMMERCIAL
ENTERPRISE

Imagine opening a bank account at a petrol pump or buying an insurance policy in flat three minutes. This is now possible through our strategic tie-up with Indian Oil Corporation Limited (IOCL), India's largest commercial enterprise. Our strategic alliance with IOCL gives us the license to open Vakrangee Kendra outlets gives us a clear competitive advantage in the marketplace. It provides us with a ready platform of more than 20,000 retail distribution outlets on a pan-India basis, enabling significant synergy with them.

Our Vakrangee Kendras have emerged as a strong and sustainable cash flow business. The tie-up has reduced our reliance on short-term project-based revenues and cash flows from e-Governance projects, as we continue to generate incremental stable revenues and cash flows over a longer period of time. The alliance

facilitates Vakrangee in increasing its touch-points at a much faster pace and achieving its target of setting up 75,000 such Kendras by 2020. On a broader note, it enables Vakrangee in meeting its core objectives of financial inclusion, digital inclusion, social inclusion, employment generation and skill development.

Once there is a Vakrangee outlet opened, the petrol pump outlet will turn into the world's largest e-malls. It will transform into a platform offering assisted online shopping to customers with over 60 million products and enjoy a bouquet of banking, insurance and e-Governance services offered. The alliance is a win-win proposition for IOCL too. Customers will gain access to a platter of non-fuel services available at the petrol retailing outlets.





Through our strategic partnership with India's largest commercial enterprise, Indian Oil Corporation Limited, we are opening up Vakrangee Kendras at the oil company's retail outlets. The move reiterates our mission of creating India's largest network of last-mile retail points-of-sale to benefit the customer.

20,000+

Access to IOCL's Retail Outlets

60 Million

Products available on Pan India basis through Assisted e-Commerce

04

OUR PARTNERS IN
PROGRESS

Through strategic tie-ups with our partners, we aim to build an ecosystem of Vakrangee Kendra outlets that will fill the last-mile gap for retail firms in their objective of catering to India's rural and urban populace. Besides enhancing our bouquet of service offerings, the target of our strategic tie-ups is to enhance profitability of Vakrangee Kendra outlets by serving a platter of products and services to customers and fulfilling his needs.

We are a technology driven company focused on building last-mile retail touch points. Our objective is to deliver banking, insurance, e-governance, e-commerce and logistics services to a potential of 200 million customers across the under-served rural and urban India.

Through our tie-ups we hope to better leverage our role in the financial inclusion marketplace. With our widespread network and robust technology expertise, we wish to be the strategic partner of companies desiring to tap India's true potential in the urban and rural landscape by distributing their services and products to them. Through our definitive approach of offering last-mile connectivity, our mission is to revamp the consumer landscape, place the customer at the centre and deliver a unique experience to him – one that meets his expectations.

Enhancing Profitability

During the year, we entered into several new tie-ups to expand our bouquet of consumer product offerings and services. Through these strategic alliances, we wish to provide the same products and services and products to the unserved and under-served areas in India. Our strategic tie-ups are aimed towards enhancing the profitability of Vakrangee Kendra outlets through the platter of services and products offered.

वक्रांगी बाज़ार

<p>₹ बाज़ार</p> 	<p>मोबाइल रीचार्ज</p> 	<p>डीटीएच रीचार्ज</p> 	<p>महिंद्रा M2 All</p> 
<p>बस टिकट बुकिंग</p> 	<p>कूरियर</p> 		

वक्रांगी वित्त

<p>बैंकिंग</p>  <p>प्रगतिशील जन वय योजना</p>	<p>बीमा</p> <table border="1"> <tr> <td> <p>जीवन बीमा</p>  </td> <td> <p>स्वास्थ्य बीमा</p>  </td> <td> <p>मोटर बीमा</p>  </td> <td> <p>ATM</p>  </td> </tr> </table>	<p>जीवन बीमा</p> 	<p>स्वास्थ्य बीमा</p> 	<p>मोटर बीमा</p> 	<p>ATM</p> 
<p>जीवन बीमा</p> 	<p>स्वास्थ्य बीमा</p> 	<p>मोटर बीमा</p> 	<p>ATM</p> 		

वक्रांगी नागरिक

<p>आधार कार्ड सेवार्थे</p>  <p>पंजीकरण स्मार्ट कार्ड प्रिंटिंग कार्ड अपडेट</p>	<p>MAHAVITARAN</p>  <p>MAHAVITARAN BIJLI BILL BHUGTAAN</p>
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05

ENABLING LAST-MILE CONNECTIVITY THROUGH LOGISTICS MANAGEMENT



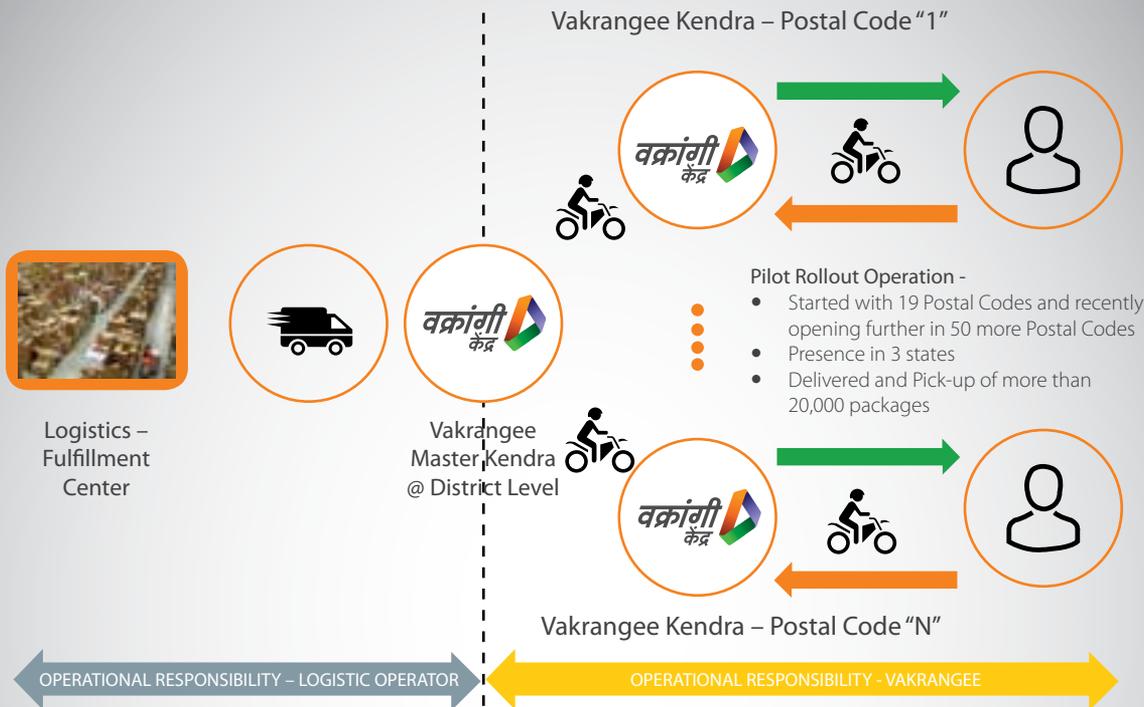
We are moving a step forward in providing logistics management services to our customers. We have initiated a pilot project in logistics, through which we enable last-mile delivery of packages – from the district level right till the customer’s doorstep – in a timely, safe and efficient manner.

Logistics management is a critical component of our strategic business goals. As part of our supply chain and logistics management services, we have incorporated Vakrangee Logistics Private Limited, a wholly-owned subsidiary of Vakrangee Limited. Through the logistics initiative, we shall leverage our Vakrangee Kendra outlets for pick-up and distribution of parcels till the customer’s doorstep and for payments.

While the operational responsibility of a logistics operator is to reach the district level, the operational responsibility of our logistics business is to pick up the parcel from district level and transport to customers till the doorstep.

While the existing players in the logistics business are capable of reaching an average of 5,000 to 6,000 postal codes across India, we have a clear advantage. We are working towards ensuring a targeted presence in more than 19,000 postal codes by 2020. Another advantage is that of elimination of last-mile logistics cost, which roughly works out to 7% to 8% of total cost. Reverse logistics cost works out even higher at 1.5-2 times of the cost of forward logistics.

Logistics – Our Service Offerings



Our Competitive Advantages

- Establishing last mile reach
- Enabling cash on delivery service across all postal codes
- Facilitating cash remittance system using internal wallet
- Providing delivery services
- Leveraging well-established last mile infrastructure
- Implementing an asset light model with low capex
- Expanding through the franchisee route

06

MAINTAINING SECURITY POSTURE THROUGH SENSITIVE DATA PROTECTION



Our “Information Security Philosophy” is aimed at ensuring that the right data is used by a person in the right role and the right context. This is to ensure that internal and external customers and other stakeholders can trust us for their business. The success of our business depends on our ability to properly protect and make available the systems, applications and data.

The Vakrangee approach is to develop and maintain its security posture by protecting the sensitive data. To achieve this, we follow extensive security measures and industry best practices to provide an objective assessment of security domains and programs.

We follow strict security procedures in storage and disclosure of any information. With this, we ensure that internal and external clients, employees, Board members, other partners in organisation (voluntary or otherwise), contractors and agents shall feel confident about the privacy and security of their personal information.

We handle data protection and privacy by categorising all the data based on its sensitivity (confidentiality), criticality (availability), identifiability (privacy) and compliancy. The categorisation is then used to determine the safeguards required. Our control framework is primarily based upon ISO 27001:2013.

06 MAINTAINING SECURITY POSTURE THROUGH SENSITIVE DATA PROTECTION

Our Control Framework

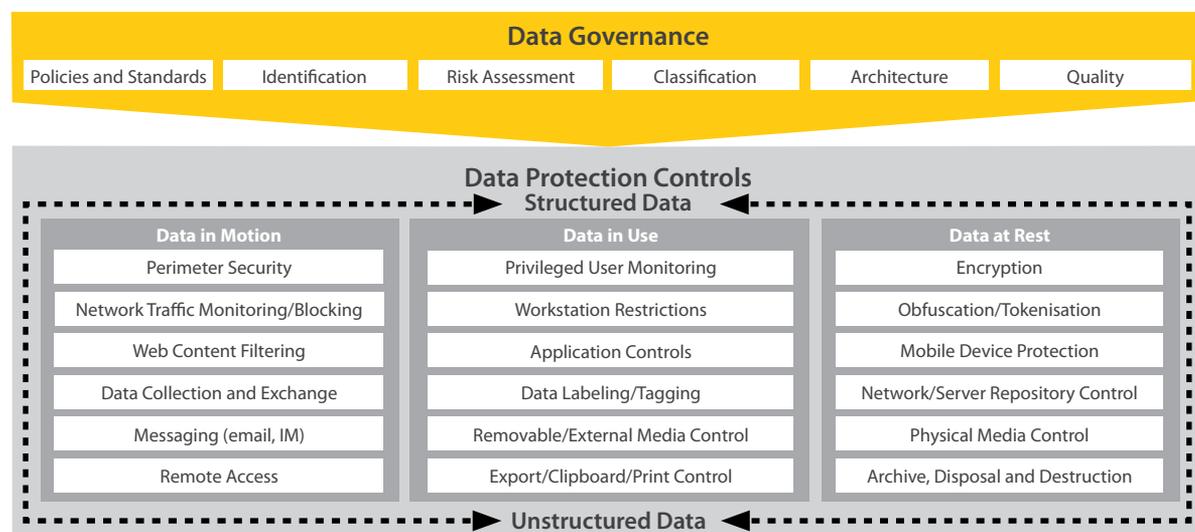
Information Security	Protection of confidentiality, integrity and availability of information
Information Privacy	Establishing rules which govern collection and handling of personal information
Information Compliance	Adherence with all applicable IT regulatory requirements or implementing compensating controls or documenting exception requests



Our Information Safeguards

Control Objective	Description
Access Control	Access to non-public information is controlled in accordance with the authorised privileges of user requesting access.
Awareness and Training	Provides on-going security and privacy awareness training to employees.
Audit and Accountability	Information systems maintain a record of system activity by system or application processes and by user activity.
Configuration Management	Systems are built and maintained according to a baseline configuration standard, which addresses security.
Data Governance	Right data is accessed by a person in the right role and in the right context.
Identification and Authentication	System verifies that people are who they claim to be.
Information Security Management System	Establish, implement, operate, monitor, review, maintain and improve information security.
Incidence Response	A defined, repeatable process for managing information security related incidents.
Media Protection	Protects media throughout its lifecycle.
Personnel Security	Identifies security controls needed to properly address how users, designers, implementers and managers interact with computers and the access and authorities they need to do their job.
Physical and Environmental Protection	Facilities are protected against physical and environmental threats.
Risk Management	Continually analyses, responds to, communicates and manages specific risks to its systems.
System and Services Development and Acquisition	Information security and privacy is addressed throughout the development lifecycle.
System and Communications Protection	Technical implementation of the system provides a base level of confidence in technical implementation, so that the system's security functional capabilities can be trusted.
System and Information Integrity	Systems and information are protected against unauthorised modification.
Compliance	Adheres to applicable government body regulations, legal, and contractual requirements.

Our Data Protection Control Model



07

MAKING QUALITY AND EXCELLENCE A HABIT



We are certified with ISO 9001:2008, ISO 27001:2013 and ISO 20000-1:2011 – the world’s most widely recognised management standard. Our quality certifications allow us to better align and integrate multiple management standards. We continually monitor and manage quality across all our operations and outline ways to achieve as well as benchmark consistent performance and service.

I. ISO 27001:2013 Certification

Vakrangee is ISO 27001:2013 certified (Information Security Management System) since 2009. It has been independently verified and awarded the most rigorous, internationally recognised and the most prestigious information security standard available. We are committed to global standards for security best practices and for implementing and managing security controls that protect information assets. We have demonstrated our commitment to Information Security Management, continuous improvement in Information Security standards, and signalled further strengthening of credentials as a managed service provider. Protecting information is a top priority for Vakrangee and the ISO 27001:2013 certification ensures that safety of the data is integral for protection of the company, its customers and partners. We are serious about securing our valuable information assets by putting in place appropriate policies, procedures and controls to assess and treat risks to information security throughout the organisation.

How we implement Information Security:

- By thoroughly evaluating information security risks, including the impact of identified threats and vulnerabilities.
- By designing and implementing a comprehensive set of information security controls and other risk management measures to address security risks within its own cloud infrastructure as well as its corporate environment.
- By implementing an overarching program to ensure that the information security controls meet the information security needs for Vakrangee and its customers on an ongoing basis.

II. ISO 20000-1:2011 Certification

We are an ISO 20000-1:2011 (Service management system requirements) certified company since 2009, which ensures we meet international standards for IT service management systems. The ISO 20000-1:2011 certification confirms that our IT management practices and processes are tightly controlled and applied consistently. The certification provides validation of high-quality IT professional services to our customers.

III. ISO 9001:2008 Certification

We are an ISO 9001:2008 certified (Quality Management System) company since 1998. The ISO 9001:2008 certification supplements the best practices we already follow, including the Capability Maturity Model Integration Level 3 (CMMI Level3) framework and the Project Management Body of Knowledge (PMBoK). The certification of compliance with ISO 9001:2008 recognises that the policies, practices and procedures of our Company ensure consistent quality in the product and services provided to internal and external clients and its associates. The Certification enables us to consistently provide products and services that meet the customers' and applicable statutory and regulatory requirements.



08

PROTECTING THE
ENVIRONMENT

Being a technology driven company, we are significantly low emitters of greenhouse gas (GHGs), compared to companies involved in heavy manufacturing or extractive operations. Vakrangee, therefore, aims to take advantage of the digitalisation and green technology trends that are driving transformational changes across the global economy. These trends can have a significant impact on energy consumption and greenhouse gas emissions.

We are applying these trends to our own business and helping our customers apply them to their life to reduce the overall carbon footprint. For example, in rural parts of the country, a citizen has to travel miles to avail simple banking facilities. However, by placing a physical 'Kendra' (Store) with electronic banking as a service, the citizen can take advantage of the core banking facility without travelling, hence reducing the carbon footprint.

India is currently in the midst of the digital revolution having the second largest user group on internet in the world. However, 60% of the population is still untapped making this a huge opportunity for the various industries to explore and take benefit of the same. Vakrangee's aim is to be the biggest equaliser by providing every citizen of the country same products and services irrespective of their location. Currently, this is a big challenge for the country as most of India is situated in rural pockets which are not easily accessible, due to which citizens are not able to avail basic goods and services. Vakrangee has a unique business model where various services from banking, insurance, e-Commerce, e-Governance and

logistics are given to a citizen through a “brick-and-mortar” store but through the digital medium.

Our Environmental Impact

Being a technology driven company, we are significantly low emitters of greenhouse gas (GHGs) as compared to the companies involved in heavy manufacturing or extractive operations. We aim to take advantage of the digitalisation and green technology trends driving transformational changes across the global economy. These trends can have a significant impact on energy consumption and greenhouse gas emissions. We are applying these trends to our own business and helping our customers apply them to their own lives to reduce the overall carbon footprint. For example, in rural parts of India, a citizen has to travel several miles to avail simple banking facilities. However, by placing a physical ‘Kendra’ (Store) with electronic banking as a service in that vicinity, he can take advantage of the core banking facilities without travelling, thereby reducing the carbon footprint.

Apart from banking facilities, Vakrangee has crafted the services in a manner where the citizen would be required to travel the least. With the context of our business model, following are the ways in which we reduce the carbon emission.

Paperless Banking: The banking services provided at Vakrangee Kendras are paperless, thereby reducing the ink and paper wastage. Even the bank accounts are opened electronically (through e-KYC).

One-Stop Centre for Goods: With assisted e-Commerce being our flagship service at these stores, a customer gains access to 60 million goods under a single roof. He can avail the benefits of ordering the products from the Kendra, thereby reducing the carbon footprint.

Availability of E-Governance Services: Aadhaar enrolment and G2C services are also equipped at these Kendras. This makes it convenient for the citizen to avail the benefits, while conducting other necessary activities such as banking or shopping through assisted e-Commerce platform.



08 PROTECTING THE ENVIRONMENT

ENVIRONMENT MANAGEMENT:

OUR GOALS & ACHIEVEMENTS

Climate change and environmental sustainability present challenges and opportunities for Vakrangee and also our stakeholders. To address these, we are committed to incorporating leading environmental practices into our business strategy and operations and also fostering environmental awareness and responsibility among our employees, clients and suppliers.

GOAL	ACHIEVEMENT
<p>ENVIRONMENTAL RESPONSIBILITY POLICY</p> <ul style="list-style-type: none"> Reduce our carbon emission per employee with at least 20% from the baseline and accordingly get a globally accepted certification of ISO 14001. 	<ul style="list-style-type: none"> Employees are encouraged to use digital forms of documents and print them only if necessary. Vakrangee has a pan India presence, therefore, has adopted the concept of 'Train the Trainer'. Accordingly, the trainings for the Kendra is given at the local level reducing the travel of the resources from Head Office.
<p>MEASURE & MONITOR CARBON FOOTPRINT</p> <ul style="list-style-type: none"> Track carbon dioxide emissions resulting from Vakrangee energy usage and business travel activities and implement a continual improvement program to reduce these emissions. Optimise energy usage in our office locations and data centers, including through efficient real estate operations, and consider renewable energy sources where feasible. 	<ul style="list-style-type: none"> Vakrangee is in process of developing an application which would be linked to the ticketing mechanism of its employees. Vakrangee has conducted more than 400+ video conferencing amongst the business partners and its employees residing in the rural areas of the country. Frequent Energy Audits for our data centre equipment and devices. Vakrangee plans to implement green cloud for conserving the energy produced from its data centre.
<p>TECHNOLOGIES TO REDUCE CARBON FOOTPRINT</p> <ul style="list-style-type: none"> Use collaboration technologies to reduce our need of business travel. Improve our energy efficiency by 30%, against 2015 baseline. 	<ul style="list-style-type: none"> Use collaboration technologies to reduce our need of business travel
<p>MEASURE WASTE AND WATER GENERATION</p> <ul style="list-style-type: none"> Measure waste generation and water usage across our operations and conduct business in a manner that aims to prevent pollution and minimise the consumption of natural resources. 	<ul style="list-style-type: none"> As per the admin policy, Vakrangee promotes the use of recycled bottles. Apart from this, Vakrangee promotes reuse and recycling of the electronic equipment. For example, in Aadhaar operations, we have purchased used equipment, thus re-using them for Aadhaar enrolment.

09

RATING - 'BBB' MSCI ESG RATING

BBB

ESG Rating from
MSCI ESG Research



EXCERPTS FROM THE REPORT:

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

CORPORATE GOVERNANCE ANALYSIS:

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

FINANCE ANALYSIS:

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

OUR PERFORMANCE SCORECARD

Environment	10/10
Social	10/10
Governance	10/10

ABOUT MSCI:

MSCI ESG RATINGS is designed to identify ESG risks or opportunities that may not be captured through conventional analyses. With robust research, ratings and analysis of corporate management of environmental, social and governance factors, MSCI ESG Ratings provides institutional investors with a more comprehensive ESG integration solution.

ABOUT MSCI ESG RESEARCH PRODUCTS AND SERVICES:

MSCI ESG Research products and services are provided by MSCI ESG Research Inc., and are designed to provide in-depth research, ratings and analysis of environmental, social and governance-related business practices to companies worldwide. ESG ratings, data and analysis from MSCI ESG Research Inc. are also used in the construction of the MSCI ESG Indexes. MSCI ESG Research Inc. is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc.

10

EMPLOYEE WELL-BEING
– OUR KEY MOTTO

At Vakrangee, we believe employees are our most valuable asset. We make an effort to develop the abilities and enhance productivity of our staff. We foster relationship with them at every level in the organisation and encourage them to express their views and share their ideas to bring about improvements in the organisation towards the achievement of the common goal described in our vision.

We, at Vakrangee, put our customers at the centre of everything we do. And it is our employees who help us achieve our goals. Trainings and skill enhancement is the primary activity of our Human Resource Development. The open door policy of Vakrangee helps us bridge the gap between the freshers and the senior management. This helps the junior teams to get first-hand experience from the leadership. Vakrangee's Employee Stock Option Plan is made available to the entire ecosystem helping the employees to build an asset.

Employees need the right environment to grow and achieve their career aspirations. Our organisation is youth oriented, with an average age of 27 years. It also provides the employees a platform where they can excel in all aspects of life. The policies framed are employee friendly with a special focus on work life balance.

Human Resource at Vakrangee

- Collaborative relationships
- Approachable and open communications
- Courteous, efficient and effective services
- Flexibility and fairness

Driving Innovation

Our goal is to create an environment and a workplace that drives innovation, high performance and employee satisfaction. Vakrangee is one of those limited organisations which offer Employee Stock Option plans to the entire hierarchy since inception. We continue to transform our HR-IT landscape by implementing 'HR Spine' application and also introducing modules to handle the human resource management. Our 'High Performance in HR' initiative aims to support the Company's business goals with our domain and functional knowledge. As yet another initiative, we organised a two-week programme 'People's Week', designed for employees to learn from one another, exchange ideas and cultivate a greater connection across cultures, genders and generations.

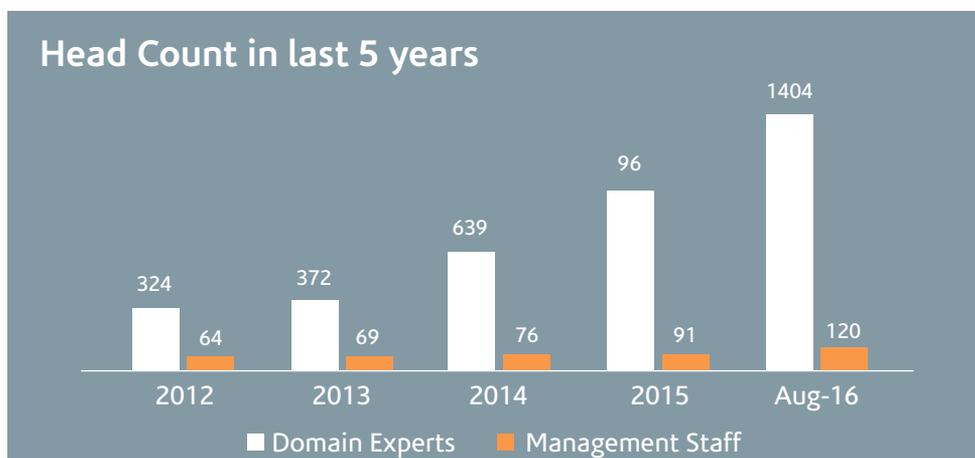
Getting the Right Talent

Our aim is to also get the right talent in the right place at the right time for a fast growing organisation. Vakrangee has varied business verticals and more than 20 Business Allied Partners. Due to multiple services offered through the Vakrangee Kendra, our key focus has been in recruiting and retaining the right talent which will contribute in designing programs in Vakrangee's prime motto of customer satisfaction. During 2015 and 2016, the hiring was focused on laterals (hires with professional experience of at least more than two years) to cater to the demanding business needs. We also increased our management staff by 30%.

We follow a 180-degree (now moving to 360-degree format) appraisal mechanism, in which the reporting manager appraises his team members. In FY2015, the average increment was 18.91% across all designations. We need leaders at every level who internalise what it will take to achieve our strategy, have the mindset to amplify the intelligence and capabilities of everyone around them and the ability to accelerate business transformation. In 2015, we mandated a three-day program for our top leaders that resulted in each leader creating an individual plan on how they will lead Vakrangee's transformation and achieve targets. We also launched a flagship program for first-level people leaders responsible for guiding 75% of our workforce.

Optimising the Learning Experience

Once we hire a new talent, we ensure that the on-boarding experience is engaging and inspiring. As a programme for new joinees, each employee experiences a training session with the leadership. The HR Head specifies on ethics and compliance and career opportunities within the organisation. The Product Head gives a first-hand experience of the products to the new joiners. We also promote the concept of "Train the Trainer" in order to comply with policies of ethics and compliance and the Vakrangee way of doing the business to maintain the standard outcome across India. For example, a customer visiting the franchisee gets the same experience in rural areas of Nandurbar (district in Maharashtra) as in the most urban areas of Mumbai.



10

EMPLOYEE WELL-BEING – OUR KEY MOTTO

In 2016, Vakrangee aims to develop professional development offerings (self-paced online programs that includes soft-skills training), which would be open to all employees. In addition to learning portfolios offered by product verticals, virtual self-paced programs support employees building impactful development plans that meet their career goals. Our programs are driven to enhance the skill-sets of the employees, thereby broadening their career aspirations.

Employee Benefits

In order to sustain and encourage the talent in the organisation and to enhance the performance potential of employees, we have introduced the Employee Stock Option Plans (ESOP) (over and above the CTC) for all employees across different levels. This helps the employees get a feeling of belongingness towards the organisation and also get associated with the Company's growth and development. The ESOP policy also acts as a tool for creation of wealth for resources serving the Company for a longer period of time.

Retaining the Employee

As per its retention strategy, Vakrangee performs a fundamental SWOT analysis of the situation. In case the conclusion is driven towards retaining the employee, the decision is taken in two aspects. The first is to address the financial increment, and two, to offer a change of job role in the current scenario. Thus, due to our varied business verticals, employees can change their work profile to something that is of their interest.

Women's Safety (Vishakha Committee)

Vakrangee has a separate Committee dedicated to the safety of women employees. The objective of this Committee is to ensure a "harassment free workplace", raising the morale of the female staff to work freely. The Committee comprises of 4 female staff and 3 male staff. Amongst these are the HR Head, a CEO and the Legal Head to ensure transparent and fair decision making. The Committee takes up matters in strict vigil and confidentiality and also does an independent investigation.

Promoting Inclusion, Well-being and Social Innovation

Being an Indian origin organisation, we are focused to align ourselves, as per the Government social initiatives. For example, the entire eco-system participated in 'Swacch Bharat Abhiyaan' by ensuring cleanliness of the surroundings of our office premises. Moving a step forward, we set up an initiative where different working groups were divided into teams, giving them the task of monitoring the surroundings on a monthly basis.

Aiming at Employee Health and Well-being

As an employee engagement program, the employees are benefited by the Medical Check-up, Group Mediclaim policies between ₹ 1 lakh to ₹ 5 lakh, with the spouse and children getting covered under the policy. Apart from this, there is an annual medical check-up conducted for each employee.

Respecting our Employees

- Mutual recognition and respect at all levels
- Freedom to express one's views and commitment to resolve any interpersonal conflict
- Promotion and development of two-way communication incorporating constructive feedback
- Appropriate dissemination of information
- Encouragement of self-development by recognising and utilising individual strengths

Roles and Responsibilities of HR	Responsibilities of Employees
<ol style="list-style-type: none"> 1. Regular review and development of human resource management practices. 2. Periodic review of the work priorities to determine skill requirements needed to meet our strategic plan. 3. Appointment and promotion of staff on merit and to ensure treatment of employees is fair and equitable. 4. Rigorous induction programme conducted by HR department, frequently explaining governance and different functions prevailing in the organisation. 5. Conducting all ISO training as required for the various certification which are as under ISO – 27001, ISO—9001, ISO – 20000. 6. Retention policy in place for employees to retain top talents and ensure minimum attrition. 7. Counselling for career path development to respective employees. 8. Providing necessary guidelines and directions to review and improve the skills of employees. 	<ol style="list-style-type: none"> 1. Incorporating principles of the policy into their work practices and making them personally accountable for implementing the human resource values framework. 2. Utilising individual strengths to improve work practices. 3. Achievement of organisational goals through participation in development plans, policies and procedures. 4. Adherence to all policies, procedures, agreed code of conduct and standards. 5. Assistance in prevention of discrimination and promotion of equal opportunities when interacting with other employees.



Management Discussion & Analysis

THE INDIAN ECONOMY REGISTERED A GROWTH OF 7.6% IN FY2015-16. MOVING AHEAD, IT IS EXPECTED TO BE THE FASTEST GROWING MAJOR ECONOMY IN FY2016-17 GROWING AT 7.5%, AHEAD OF CHINA, AT A TIME WHEN GLOBAL GROWTH IS FACING INCREASING DOWNSIDE RISKS.

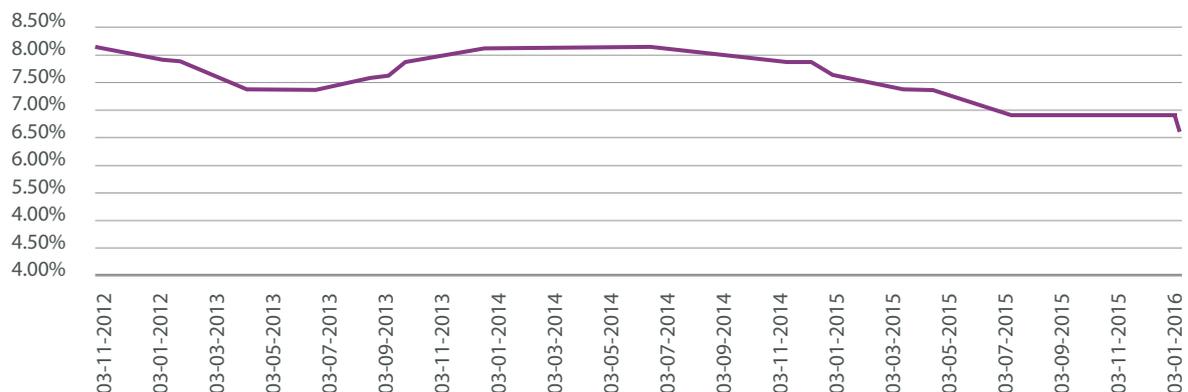
ECONOMIC OVERVIEW

India Economy Outlook

Amidst global worries, India still strongly emerged as the fastest growing economy in the world. As per the Central Statistics Organisation (CSO), the Indian economy registered a growth of 7.6% in FY2015-16, topping the World Bank's growth outlook for the year. Moving ahead, the nation is expected to be the fastest growing major economy in FY2016-17 growing at 7.5%, ahead of China, at a time when global growth is facing increasing downside risks, as per the World Economic Outlook released by the International Monetary Fund (IMF). (Source: World Economic Outlook January 2016)

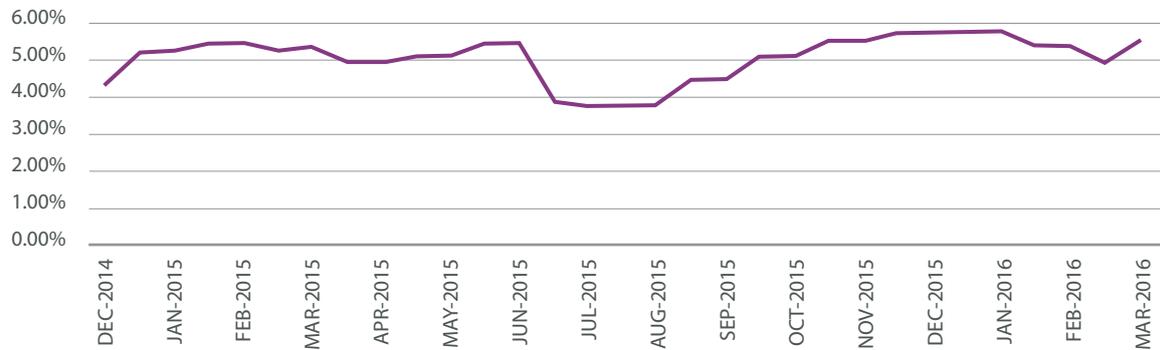
With a sharp fall in oil prices in FY2016, India's Consumer Price Index (CPI) inflation has been in line with the target set by the Reserve Bank of India (RBI). In February 2016, CPI stood at 5.2%, below the 6% target inflation for FY2015-16 by RBI. Albeit the IMF sees India's inflation (based on consumer price index) is projected to be around 5.3% in 2016. This will be subject to upside risks such as an unfavourable monsoon and expected public sector wage increase, consequent to the recommendations of the 7th Pay Commission. India's foreign exchange reserves rose to US\$ 359.76 billion (as of March 31, 2016), up by US\$

CHANGES IN REPO RATE IN INDIA OVER THE YEARS



16.75 billion from the level it stood at on March 31, 2015. India's GDP picked up pace, having jumped from 5.6% in FY2012-13 to 7.6% in FY2015-16. It is seen rising further on the expectation of a normal monsoon this year. A growth revival in rural towns due to better monsoon and new economic reforms will lift India's GDP further. (Source: Reserve Bank of India)

DECELERATION IN CONSUMER PRICE INFLATION (CPI)



INDUSTRY OVERVIEW

Strong Government Focus on Financial Inclusion in India

The Pradhan Mantri Jan Dhan Yojana (PMJDY) – a National Mission on Financial Inclusion was announced by India's Honourable Prime Minister in his Independence Day Speech in 2014. The key focus of this Mission is to cover all Indian households, and ensure at least "one bank account" per household. The key objective of PMJDY is to enable access to various financial services such as the availability of basic savings bank account; need based credit; remittance facility; and insurance and pension to the unserved and underserved sections of the society. A deep penetration in India's rural areas at affordable cost is possible only with effective use of technology.

The plan also envisages channelling all the Government benefits (from Centre / State / Local Body) to beneficiaries' bank accounts and also pushing the Direct Benefit Transfer (DBT) scheme of the Union Government. The technological issues such as poor connectivity and on-line transactions will be addressed. An effort is also being made to reach out to the youth of India to participate in this Mission Mode Programme.

One of the key objectives of the Narendra Modi Government is to achieve Financial Inclusion, and it has implemented several reforms in line with it.

Financial Inclusion aims to extend financial services to the large under-served population of India to unlock its growth potential. The RBI has taken the lead to encourage banks and financial institutions to fix definite targets to achieve financial inclusion and improve the life of India's unserved population.

Benefits of financial inclusion to India's unserved banking population includes providing access to basic financial products and services; earning interest on savings, transfer and remittances; direct benefit transfers from the Government with zero pilferage; Government supported insurance for life and crop protection; and direct access to Government pension schemes. The Committee on Medium-term Path on Financial Inclusion (CMPFI) expects that by 2021, over 90% of India's underserved sections will become an active part of formal finance, thereby becoming the key driving force for the nation's economic progress.

Financial Inclusion – Progress and Initiatives

As on 30th March 2016, a total of 177.5 million Rupay cards were issued and 214.2 million bank accounts were opened under the PMJDY scheme. Of these, about 95 million accounts have already linked their Aadhaar Cards with their bank account. The Aadhaar Card seeding is seen offering seamless benefits of Government schemes such as LPG subsidy, pensions and scholarships under the Direct Benefit Transfer scheme.

Management Discussion & Analysis

92.6 Million

Beneficiaries enrolled under Pradhan Mantri Suraksha Bima Yojana

Progress on Financial Inclusion

Bank	RURAL (NO OF ACCOUNT)	URBAN (NO OF ACCOUNT)	TOTAL (NO OF ACCOUNT)	NO OF RUPAY CARDS	NO OF AADHAAR SEEDED	BALANCE IN ACCOUNTS (₹ in crore)	% OF ZERO-BALANCE ACCOUNTS
Public Sector Banks	9.93	7.81	17.74	14.75	9.03	32,066.6	24.7
Regional Rural Banks	3.46	0.57	4.03	2.8	1.52	7,015.77	20.99
Private Banks	0.51	0.32	0.84	0.78	0.35	1,518.54	36.96
Total	13.9	8.7	22.6	18.33	10.9	40,600.91	24.49

All figures in Crore; Source: PMJDY

To further solidify the financial inclusion penetration among India's rural masses, the Government launched some social security and insurance schemes in May 2015, such as the Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana and Atal Pension Yojana. As on 16th December 2015, 92.6 million beneficiaries were enrolled under the Pradhan Mantri Suraksha Bima Yojana and 29.2 million beneficiaries were enrolled under the Pradhan Mantri Jeevan Jyoti Bima Yojana. Further, 1.3 million account holders were enrolled under the Atal Pension Yojana. (Source: RBI Trend 2014-15 Progress Report)

Union Budget 2016-17: Measures for Financial Inclusion

- The Government has expressed its plans to launch a digital literacy mission program for rural India, which will encompass around 60 million additional households over the next three years.
- Following a proposal for deduction of 5% of the income of Non-Banking Financial Company (NBFC) for taxation, with respect of provisions for bad and doubtful debt, NBFCs will have a higher inclination to provide credit, thus enabling higher financial inclusion.
- Allocation of ₹ 385 billion for the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA).

THE GOVERNMENT HAS PROMISED TO GIVE LEGAL BACKING TO THE AADHAAR INITIATIVE, WHICH WILL SEAMLESSLY BENEFIT THE DIRECT BENEFIT TRANSFER AND MANY OTHER INITIATIVES.

- Introduction of a Bill for Targeted Delivery of Financial and Other Subsidies, Benefits and Services will further extend the Aadhaar framework.
- There is widening of the use of Direct Benefit Transfer to include fertiliser subsidy on a pilot basis. The Government has also promised to give legal backing to the Aadhaar initiative, which will seamlessly benefit the Direct Benefit Transfer and many other initiatives taken by the Government recently. This will also help in reducing the amount of pilferages to a significant level.
- The Government has plans to open 1,500 Multi Skill Training Institutes under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY). This will encourage the youth in India's rural areas by offering them training in several life skills.

Direct Benefit Transfer

Direct Benefit Transfer (DBT) is a major reform initiative launched by the Government of India on 1st January, 2013. The objective of this is to re-engineer the existing cumbersome delivery processes by using modern Information and Communication Technology (ICT). The programme aims to transfer benefits directly into the Bank /postal accounts, preferably Aadhaar seeded, of accurately targeted beneficiaries.

1,000 Million

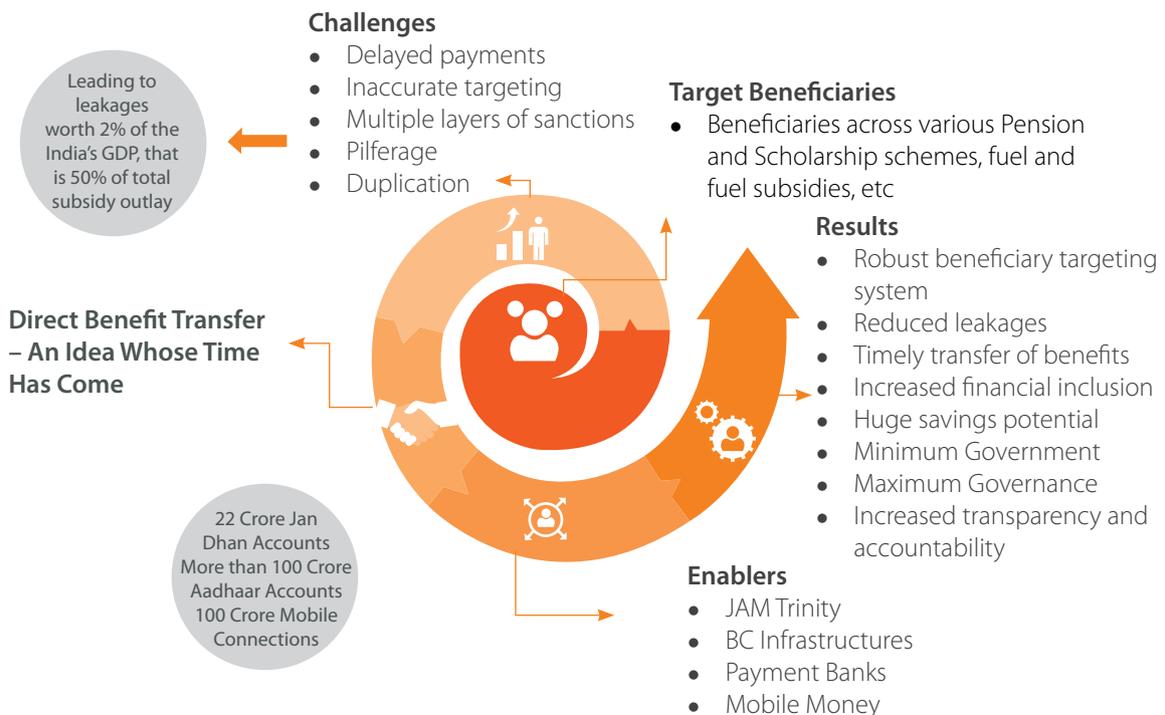
Number of DBT transactions during FY2015-16 (till January 2016)

THE CENTRAL AND THE STATE GOVERNMENT TRANSFERS AND SUBSIDIES STAND AT ABOUT 4% OF INDIA'S GROSS DOMESTIC PRODUCT (GDP).

The Central and the State government transfers and subsidies stand at about 4% of India's Gross Domestic Product (GDP). Currently, these transfers happen through multiple channels and often lead to delay in payment and its intangible value to the beneficiary. Schemes introduced in the past have often struggled to achieve their goals due to ill-targeting, leakages and ineffective service delivery. Such delays and other hurdles lead to a leakage gap of 2% in India's GDP every single year.

DBT aims at bringing in efficiency, effectiveness, transparency and accountability in the Government system and boosting the confidence in citizens in its governance. Thus, DBT entails leveraging of modern technology and IT tools to realise the dream of "MAXIMUM GOVERNANCE and MINIMUM GOVERNMENT".

How Direct Benefit Transfer Works



Management Discussion & Analysis

Over the past three years, DBT has shown promising results in pilot schemes being run in different parts of India. These include PAHAL (modified DBTL for LPG subsidy), Public Distribution System (PDS) in Puducherry, Chandigarh and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) payments in Jharkhand and Bihar, among other states. The programme has already been universalised and over 29 crore beneficiaries are currently withdrawing their Government benefits every month using the Aadhaar biometric authentication.

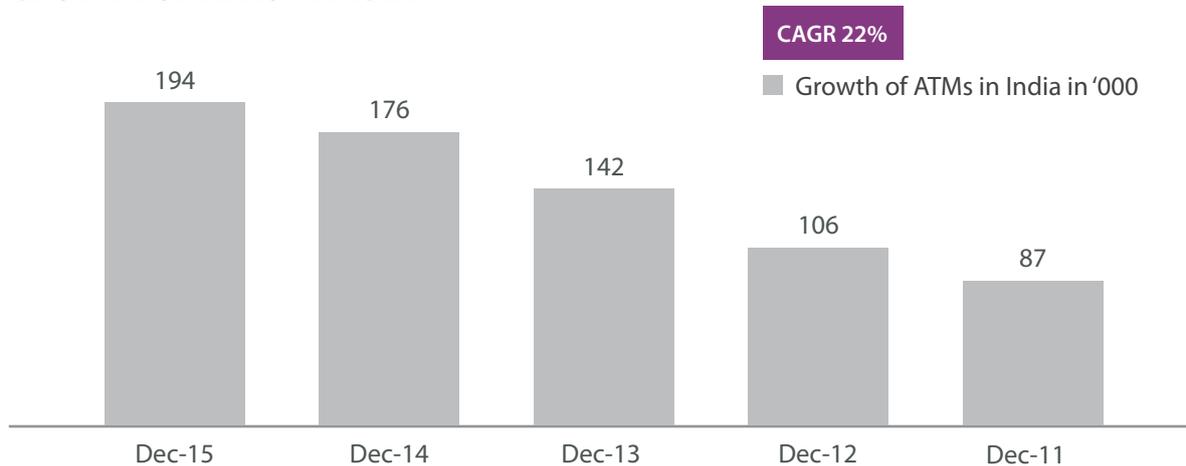
As on 30th April 2016, the DBT Mission is monitoring data from 15 Ministries/Departments on 66 government schemes operational in India. The number of DBT transactions during FY2015-16 (till January 2016) has crossed 100 crore. More than

₹ 60,000 crore has already been transferred to about one-fourth of the total population in India.

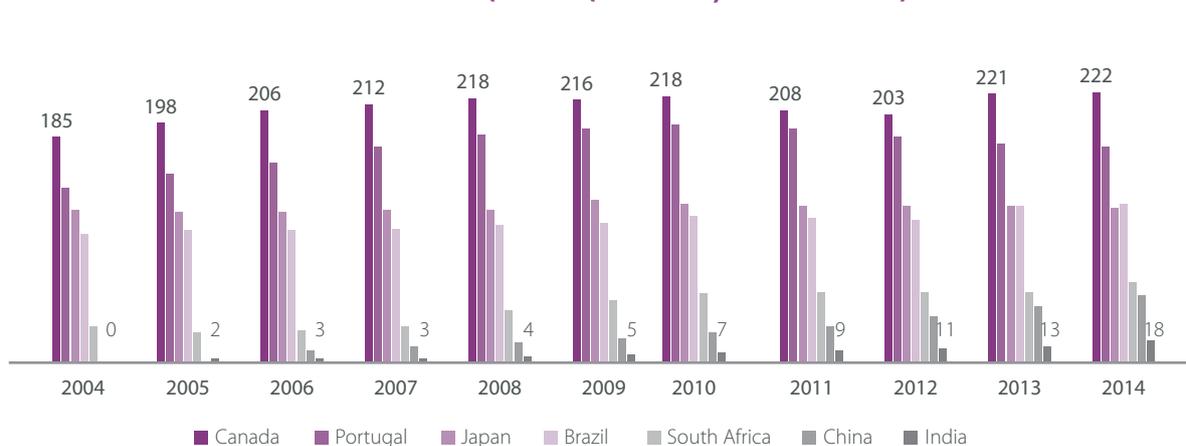
Growth of ATMs in India

The Indian ATM industry has grown at a handsome pace over the last decade, growing at a CAGR of 22% to reach ~194,000 ATMs by December 2015. Despite strong growth, ATM penetration is still the lowest in India, with there being only 18 ATMs per lakh adult population, according to a survey of the World Bank. This is compared to 222 ATMs per lakh adults in Canada, 55 ATMs per lakh adults in China and 129 ATMs per lakh adults in Brazil. Canada has the largest ATM base per lakh, followed by Portugal at 178. Hence, there is immense opportunity for further growth in ATMs in India, which is expected to reach 350,000 ATMs by 2017.

GROWTH OF ATMS IN INDIA



AUTOMATED TELLER MACHINES (ATMS) (PER 100,000 ADULTS)





BUSINESS OVERVIEW

Vakrangee Limited is India's largest e-Governance player functioning as a systems integrator and an end-to-end service provider for various e-Governance projects over two decades. It has a strong track record of successfully implementing various time-bound Mission Mode Projects (MMPs) under the Government's National e-Governance Plan. Some of these projects are: Computerisation of Election Commission, Ministry of Corporate Affairs Project (MCA-21), Rashtriya Swasthya Bima Yojana (RSBY), Common Service Centre (CSC), Smart-card based Public Distribution System (PDS), Computerisation of Registration Department in Maharashtra, and Passport Services, among others. Currently, Vakrangee is the largest enrolment agency for Unique Identification Authority of India's (UIDAI) Aadhaar Cards Project. Over the years, Vakrangee has developed strong project execution capabilities, nationwide footprint with presence till grass root level, strong workforce capable of driving project implementation, and end-to-end expertise in IT services.

Leveraging its domain strengths in technology with a strong nationwide presence till the grass root level, Vakrangee has evolved its business model over the last few years. It is undertaking several new projects in the field of financial inclusion. These include the opening of banking branches by acting as a national and common "Business Correspondent" to various banks, and offering of multiple other products & services through the same branch network. Being a technology driven company, we are now focusing on creating India's largest network of last-mile retail points-of-sale to potentially enable every Indian to seamlessly benefit from financial inclusion, Government programmes and from a wider access to basic goods and services. Through these projects, Vakrangee has embarked on its next phase of evolution and transformation – from being a project solutions provider to a platform provider, earning stable annuity income and achieving strong growth.

Management Discussion & Analysis

Our businesses are now divided into two verticals:

1. Legacy Standalone e-Governance projects, including systems integration projects as well as print and data management services.
2. Vakrangee Kendra Outlet Business, which provides Banking, Insurance, e-Governance Services, e-Commerce Services and Logistic Services to people in the rural and urban markets.

With our vast experience and proven track record in National e-Governance Plan (NeGP), we successfully leveraged our technology platform and delivery network to venture into different lines of businesses. These are the businesses that are primarily aimed towards financial inclusion and transforming the lives of the common people. As on 31st March 2016, we continue to deliver these services through more than 20,000 Vakrangee Kendras. We have delivered the performance in line with our "Vision 2020" – that of implementing 75,000 Vakrangee Kendras by 2020 across India.

Financial Inclusion Project

As a part of the Financial Inclusion initiative of the Ministry of Finance, Government of India and the Reserve Bank of India, Vakrangee has been appointed as the Business Correspondent (BC) by various banks under the "Common BC" and "National BC" agreements on a pan-India basis in India. Vakrangee will set up and manage 75,000 BC Bank Branches (50,000 rural and 25,000 urban) across the country by 2020.

Vakrangee - National BC Agreements

Bank Tie-ups
Bank of India
Punjab National Bank
Union Bank of India
Allahabad Bank
State Bank of India
Baroda Gujarat Gramin Bank
Baroda Uttar Pradesh Gramin Bank
Bank of Baroda

Vakrangee - Common BC Agreements

Our Banking Tie-ups	
Bank of Baroda	Allahabad Bank
Bank of India	Andhra Bank
Baroda Rajasthan Gramin Bank	Corporation Bank
Indian Bank	Punjab & Sind Bank
Indian Overseas Bank	Central Bank of India
Jaipur The Gramin Bank	Hadoti Kshetiya Gramin Bank
Oriental Bank of Commerce	Marwar Ganganagar Bikaner Gramin Bank
Punjab National Bank	State Bank of India
Rajasthan Gramin Bank	United Bank of India
Union Bank of India	Maharashtra Gramin Bank (MGB)
UCO Bank	State Bank of Hyderabad (SBH)
Vijaya Bank	Vidarbha Kshetriya Gramin Bank
State Bank of Bikaner & Jaipur	Waiganga Krishna Gramin Bank
Bank Of Maharashtra	IDBI Bank
Dena Bank	Canara Bank
Syndicate Bank	

These BC bank branches are referred to as "Vakrangee Kendra". These branches operate as an exclusive BC agent to banks in the allocated SSAs. While Vakrangee offers various banking and insurance services through these branches, it also offers various E-Governance, E-Commerce and Logistics services and products.



E-GOVERNANCE

Systems Integrator and End-to-End Service Provider

- More than 25 years of consistent execution experience
- **Business Evolution:** Sub-Contractor to Consortium Partner to Prime Independent Bidder
- Current Projects Under NeGP:
 - ✦ **UID:** Unique Identification Project
 - ✦ **SSA:** Sarva Shiksha Abhiyan
 - ✦ **RSBY:** Rashtriya Swasthya Bima Yojana
 - ✦ **PMS/DMS:** Electoral Data

VAKRANGEE KENDRA

Banking (Business Correspondent) & ATM, Insurance, E-Governance, E-Commerce and Logistics

- Set up and manage 75,000 Vakrangee Kendra outlets and having presence in 100% Pin Codes of India by 2020
- **Banking:** Offering robust technology, real time interoperability and paperless banking
- **ATM:** RBI license to set up and manage 15,000 White Label ATMs across India
- **Insurance:** Corporate Agent of Life Insurance Corporation of India (LIC), Tata AIG General Insurance Company Limited, HDFC Standard Life Insurance Company Limited, Reliance General Insurance Company Limited, CIGNA TTK Health Insurance Company Limited, Religare Health Insurance Company Limited, and provide insurance under Atal Pension Yojana, Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana
- **E-Governance:** Offer various Government-to-Citizen services from Vakrangee Kendra
- **E-Commerce:** Offer various Business-to-Customer services such as mobile and DTH recharges. Alliance with various partners such as Amazon India to facilitate sale of various products, RedBus for offering bus ticketing services, Mahindra for promoting and booking automobile products
- **Logistics:** Aramex India Private Limited and Delhivery Private Limited for courier and logistics services using the last-mile distribution network of Vakrangee Kendra outlets

Management Discussion & Analysis

Vakrangee Kendra – Service Offerings

With around 75,000 Vakrangee Kendras to be established across India by 2020, this will result into a technology-intensive retail distribution platform of last-mile touch points. These touch-points will be delivering services across Banking, Insurance, e-Governance, e-Commerce and Logistics verticals on a real-time basis to a potential of 200 million customers across the under-served rural and urban India.

Technology Intensive Retail Distribution Platform for last-mile touch points delivering services across Banking & ATM, Insurance, e-Governance, e-Commerce and Logistics services to domains on a real-time basis to potential 200 million customers across the under-served rural and urban India

BANKING/ATM	INSURANCE	E-GOVERNANCE	E-COMMERCE	LOGISTICS
Bank Account Opening (Savings, Current, SHG, etc)	Corporate agency tie-up for Life, Non-Life, Health Insurance	Enrolments-UID Card, NREGA Job Card, Election Card	Telecom – Mobile Recharge	Alliance with Aramex India Private Limited and Delhivery Private Limited for courier and logistics services (Forward Delivery and Reverse Pick-up Services)
Cash deposits, Withdrawals, Money Transfer	Micro Insurance Schemes under Atal Pension Bima Yojana, Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana	Land Record Digitisation, Electoral Rolls	DTH service – Recharge, Bill payments	
Fixed/Recurring Deposits		Payment of Utility Bills, Taxes, Levies	Assisted e-Commerce Model: Alliance with Amazon India to facilitate sale of products	
Retail Loans		Railway tickets, Certificates, Hall Tickets	Alliance with RedBus for offering ticketing services	
Balance Enquiry		Exam Fee Payments	Alliance with “Mahindra eMarket Limited”, a subsidiary of M&M for promoting and booking automobile products	
Statement of Accounts		Online Form Filling		
Disbursement of Money under Direct Benefit Transfer		Partnered with MMPL for rendering bill payment collection solution		
ATM Services: Real time cash withdrawals from all banks through White Label ATMs				
Co-located ATM in urban, semi-urban branches to cater to holistic banking needs of customers, while optimising the cost of operations				

Business Outlook

We have developed a rich experience in providing e-services to the last mile, in line with the Company's ultimate goal of financial inclusion. We have evolved over the last two decades from being a sub-contractor to India's largest e-Governance service provider across the country. We continue to leverage our expertise in technology, along with strong on-ground presence till grass root level. With this, we have evolved as the last-mile retail outlet offering various products and services across Banking, Insurance, e-Governance, e-Commerce and Logistics verticals.

Our transformative journey has laid the foundation for long-term sustainable growth of the Company. Our recent strategic partnership with the Indian Oil Corporation (IOCL), India's largest commercial enterprise, has provided us with a ready platform of more than 25,000 retail distribution outlets on a pan-India basis, enabling significant synergy with them. Our Vakrangee Kendras have emerged as a strong and sustainable cash flow business. This has also reduced our reliance on short-term project-based revenues and cash flows from e-Governance projects, as we continue to generate incremental stable revenues and cash flows over a longer period of time.

Technology Absorption

Vakrangee has its own technology policy for its acquisition, absorption and adaptation on long-term as well as short-term basis. We have a continuous watch on technology space in the global world. We evaluate the latest technology and ensure early adaptation of latest technology for our current as well as future requirements. We do in-house development for our captive use only and keep innovating existing technology with the help of our own R&D team, as required. Our in-house R&D team is closely involved in transfer of technology from the conceptual stage. We support prototype development and testing facilities and pilot studies for adaptation, absorption and upgradation of imported technologies, if there are any requirements, and also set up an information base for modern available technologies. We have a periodic training programme for our in-house development team for sharing technology updates.

We revised and updated the standards for our various products, components and services on a continuous basis. We compiled all the documents of all the

research with regard to activities and developments carried out by them. There is a periodical review meeting of the R&D chief and the other management team to discuss technology absorption efforts.

Human Resources

At Vakrangee, we believe employees are our most valuable asset. We make an effort to develop the abilities and enhance productivity of our staff. We foster relationship with them at every level in the organization and encourage them to express their views and share their ideas to bring about improvements in the organization towards the achievement of the common goal described in our vision. Our goal is to create an environment and a workplace that drives innovation, high performance and employee satisfaction. We have also set up a separate Committee dedicated to the safety of women employees. Our key objective is to get the right talent in the right place at the right time. We also aim to promote inclusion, well-being and social innovation and aim towards the employee health and well-being.

Corruption and Instability

Vakrangee has been a strong player in the e-Governance sector for the last 2 decades and has been the preferred choice of Central as well as State Governments for the implementation of various projects. This is due to Vakrangee's timely delivery of projects and a clear track record free from any kind of unethical activities. To ensure this, Vakrangee has a Bribery and Anti-Corruption Policy in place, which is governed through a strict code of conduct. Also, Vakrangee bids for e-Governance projects only through e-tenders, a process which involves bidding through an online portal. This ensures an unbiased approach and transparency in the tender bidding project by the Government bodies.

Vakrangee goes through a standard bidding process which involves qualifying technical and financial terms and conditions defined by the Government body. Vakrangee has been involved in a number of projects covered under India's National e-Governance Plan (NeGP). Government bodies appoint a project management office for each project, which comprises of external consultants along with Government officials. Due to this, any change in political leadership does not affect the functioning of these projects. Vakrangee follows the scope of work and defined

Management Discussion & Analysis

timelines which are governed by Service-level agreements. Regular security and compliance audits are conducted by independent teams constituted by the project management office.

Energy Conservation

We promote energy conservation at work in the below manner:

1. **Reducing Energy Wastage:** Use of hibernation feature of computers and laptops after working hours and during weekends.
2. **Saving Energy:** We turn off work PCs and laptops when away for long periods of time and shutting down at the end of the day. This is crucial in saving energy and lowering energy bills.
3. **Reduce Paper Wastage:** We encourage employees to print paper only if necessary. This reduces paper wastage and helps cut energy required to run the printer, which also reduces the energy cost and makes the printer last longer.
4. **Switch off equipment when not in use:** We switch off all printers, scanners, microwave, lights, air-conditioners, coffee vending machines at end of day, weekends or holidays. They continue to draw power, even if plugged in. Switching them off after working hours will conserve energy and reduce electricity bill.
5. **Use technology to hold virtual meetings:** We encourage employees to hold virtual meetings when physical presence of employee is not necessary. We use video conferencing tools such as Skype to hold virtual meetings, give presentations and make long distance phone calls without even going to client's office.
6. **Using Network Printer:** We use network printer to save energy.
7. **Review Energy Rating:** We review energy rating while buying any new equipment and devices.
8. **Energy Audit:** We do energy audit for our data centre, equipment and devices.
9. **Discourage excessive use of lighting or electricity:** Employees cut down unnecessary usage of electricity by switching off extra lights at corridors, stairs, cafeteria, reception, meeting rooms and near workstation.
10. **Saving Energy:** We try to make use of daylight as much as possible.

Risks & Concerns

Our sales and profit growth could be adversely affected if our comparable sales from our Vakrangee Kendra and our roll out target of Vakrangee Kendras are less than what we expect. We are working in an environment wherein there is one BC Outlet, representing one Bank, in one SSA offering all the available banking services to the citizens. We have been able to add life, non-life and health insurance services by being a corporate agent of Life Insurance Corporation of India and other insurance partners. We also added E Governance, E Commerce and Logistics services to make our Vakrangee Kendras even more profitable.

Our future sales growth can be due to the following factors:

1. Increase in the usage per user per outlet
2. Increase in the number of users per outlet
3. Increase in the number of outlets
4. Increase in the number of services available

Currently, we are able to roll out new outlets much faster due to the Central Government's Pradhan Mantri Jan Dhan Yojana drive as well as individual bank's focus to establish the outlets on a war footing. Similarly, we have been able to add new E-Commerce, Insurance, E-Governance and Logistics services at our Vakrangee Kendra to make it more profitable. However, our ability to increase comparable sales depends on many factors, which, inter-alia, include our ability to introduce E Commerce, Insurance, E-Governance and Logistics services to customers through our Vakrangee Kendra network, and changes in government regulations, competition from Citizen Service Centres. As a result of these factors, it is possible that we will not achieve our targeted comparable sales or that the change in comparable sales could be negative. A number of these factors are beyond our control, and therefore, we cannot assure that we will be able to achieve or sustain comparable sales increases.

Cautionary Statement

Statements in this report pertaining to the Company's objectives, projections, estimates, exceptions and Predictions are forward-looking statements subject to the applicable laws and regulations. These statements may be subject to certain risks and uncertainties. The Company's operations are affected by many external and internal factors which are beyond the control of the management. Therefore, the actual position may differ from those expressed or implied. The Company assumes no obligation to amend or update forward looking statements in future on the basis of new information, subsequent developments or otherwise.



Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 26th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended March 31, 2016.

1. PERFORMANCE OF THE COMPANY

The Company's performance is summarized below:

Financial Results

(₹ in Lakhs except EPS and per share data)

	Standalone			Consolidated		
	2015-2016	2014-2015	YoY growth (%)	2015-2016	2014-2015	YoY growth (%)
Sales and other income	3,18,064.27	2,78,493.51	14.21%	3,19,637.67	2,78,639.11	14.71
EBITDA	82,383.56	72,736.94	13.26	82,766.64	72,913.13	17.63
Profit before tax	60,437.97	48,810.45	23.82	60,758.63	48,932.76	24.17
Provision for Income Tax	24,074.91	18,248.01	-	24,129.53	18,260.89	-
Provision for Deferred Tax	-2,960.36	-1,495.66	-	-2,967.70	-1,500.33	-
Tax for earlier Year	176.29	0.79	-	176.29	0.78	-
MAT Credit Entitlement	-	-	-	-54.62	-12.87	-
Profit after tax	39,147.12	32,057.30	22.12	39,475.13	32,184.29	22.65
Appropriations:						
Proposed dividend on equity shares (₹ per share)	1.25	0.25	-	1.25	0.25	-
Transfer to General Reserve	3,914.71	3,205.73	-	3,914.71	3,205.73	-
EPS (₹)	7.53	6.37	18.21	7.59	6.39	18.78

Performance

Standalone:

During the year, your Company recorded the total income of ₹3,18,064.27 Lakhs from ₹ 2,78,493.51 Lakhs in previous year, a growth of 14.21%. The EBITDA stood at ₹ 82,383.56 Lakhs from ₹ 72,736.94 Lakhs in previous year, an increase of 13.26%. Profit after Tax was increased to ₹ 39,147.12 Lakhs from ₹ 32,057.30 Lakhs in previous year, up by 22.12%.

Consolidated:

During the year, your Company recorded the total income of ₹ 3,19,637.67 Lakhs from ₹ 2,78,639.11 Lakhs in previous year, a growth of 14.71%. The EBITDA stood at ₹ 82,766.64 Lakhs from ₹ 72,913.13 Lakhs in previous year, an increase of 13.51%. Profit after Tax was increased to ₹ 39,475.13 Lakhs from ₹ 32,184.29 Lakhs in previous year, up by 22.65%.

There was no change in company's business activities during the FY 2015-16.

2. DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 1.25/- per equity share i.e. (125% on each equity share having Face value of ₹ 1/- each, subject to the approval by the shareholders at the ensuing Annual General Meeting. The total dividend payout will be of ₹ 6,614.95 Lakhs excluding Dividend Distribution tax of ₹ 1,346.65 Lakhs.

3. SHARE CAPITAL

- (a) During the year, Company issued and allotted 675055 Equity Shares having face Value ₹ 1/- each on June 3, 2015 and 38875 equity shares having face value ₹ 1/- upon conversion of options granted, vested and exercised under the Employee Stock Option Schemes

Directors' Report

(ESOP Schemes) of the company on February 16, 2016 respectively, to the employees of the Company.

Further, on August 14, 2015, the company allotted 2,50,00,000 equity shares having face value ₹ 1/- each at a premium of ₹ 99/- per share to one of its Promoter Group Companies, M/s. NJD Capital Private Limited (erstwhile Vakrangee Capital Private Limited) upon conversion of equivalent numbers of Fully Convertible Warrants issued on Preferential basis.

After the aforesaid issues & allotment, the Paid-up Share Capital of the Company as on March 31, 2016 stood at ₹ 52,91,96,170/- comprising of 529196170 equity shares of ₹ 1/- each from ₹ 50,34,82,240/- comprising of 503482240 equity shares as on March 31, 2015.

- (b) Your Company has, on March 11, 2016, granted 967200 options to the Directors (excluding Independent / Promoter directors) and employees of the company under the ESOP Scheme of the company which are yet to be vested and exercised.

4. PUBLIC DEPOSITS

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

5. SUBSIDIARIES

The Consolidated Financial Statements of the Company & its Subsidiaries which form part of Annual Report have been prepared in accordance with Section 129(3) of the Companies Act, 2013 and Accounting Standard 21 (AS) - 21 on Consolidated Financial Statement. Further, a statement containing the salient features of the Financial Statements of Subsidiary Companies in prescribed Format **AOC - 1** is annexed herewith as **"Annexure 1"**. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the company and its Subsidiaries are available on the website of the Company. These documents will also be available for inspection during the business hours at the Registered Office of the Company.

Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company. As on March 31, 2016 the Company does not have any material subsidiary companies. However, the Company has adopted Policy on determining Material Subsidiaries which is available on the website of the Company at www.vakrangee.in

During the Financial Year 2015-16, Company had the following subsidiaries:

Vakrangee e-Solutions INC.

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

Vakrangee Finserve Limited

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

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

Vakrangee Logistics Private Limited

Vakrangee Logistics Private Limited, incorporated in March 2016, is a wholly owned subsidiary of Vakrangee Limited. Vakrangee Logistics is building for its alliance partners, an unparalleled last-mile delivery capabilities and thus expanding their reach to unserviceable pincodes, where the logistics challenges are the maximum for traditional logistics companies. Vakrangee Logistics leverages the physical presence of Vakrangee Kendras to offer the last-mile delivery services. Vakrangee Logistics is currently building delivery capabilities using existing 20,677 Vakrangee Kendras covering more than 4000 pincodes and is planning to expand the

Directors' Report

reach to 75,000 centers covering all pincodes in India. The key services offered by Vakrangee Logistics include forward delivery, reverse pick-ups and courier booking. Vakrangee Logistics through its network ensures a hassle-free experience to its partners and end-customers. Since, the company is incorporated in March, 2016 its first Financial Year will be for the period from March 18, 2016 to March 31, 2017.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

7. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down Internal Financial Controls for the Company and such internal financial controls are adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

8. CORPORATE GOVERNANCE

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

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

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

Conservation of Energy

The Operations of the Company are not energy intensive. However, measures have been taken to reduce energy consumption by using efficient computers, IT Assets and other Equipments with latest technologies. The expenses on power in relation to income is nominal and under control and the use of the same is under continued surveillance with strict security measures. Further details on the conservation of energy have been given under the Management and Discussion Analysis of this report.

Technology Absorption

Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company continues its

Directors' Report

focus on quality up-gradation of products and services development. It has helped maintain margins. Further details on the technology absorption have been given under the Management and Discussion Analysis of this report.

Foreign Exchange Earnings and Outgo

Foreign Exchange Earning: ₹485.11 Lakhs

Foreign Exchange Outgo: ₹163.20 Lakhs

10. PARTICULARS OF EMPLOYEES AND OTHER DISCLOSURE

The prescribed particulars of Employees required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is annexed herewith as **"Annexure 2"** to this Report.

In terms of Section 136 of the Companies Act 2013, the Reports and Accounts are being sent to the members and others entitled thereto. If any Member is interested in inspecting the same, such Member may write to the Company Secretary in advance.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years, but shall be eligible for reappointment on passing of a Special Resolution by the Company and shall not be liable to retire by rotation. As per the requirements of Section 152(6) of Companies Act, 2013, Dr. Nishikant Hayatnagar retires by rotation and being eligible, offers himself for re-appointment as the Director of the company in the ensuing Annual General Meeting.

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

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

The details of Training and Familiarization Programmes and Annual Board Evaluation process for Directors have been provided in this Report.

The Policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees forms part of this Report.

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

During the Financial Year 2015-16, Mr. Dinesh Nandwana (DIN: 00062532) was re-designated as Managing Director & CEO from Chairman & Managing Director w.e.f. July 27, 2015. Further, Mr. Subhash Singhania was designated as Chief Financial Officer vide a Resolution passed at the Board Meeting of the Company dated May 11, 2016.

12. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. Board Meetings

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

b. Board Evaluation

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

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on March 31, 2016.

Directors' Report

c. Audit Committee

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

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

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

d. Nomination & Remuneration And Compensation Committee & its Policy

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

The Board has on the recommendation of the Nomination and Remuneration and Compensation Committee framed a Nomination and Remuneration Policy and Policy on fixation of criteria for selection and appointment of Directors and Senior Management Personnel. The same has been annexed herewith as "Annexure 3".

e. Risk Management

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

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

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

f. Corporate Social Responsibility (CSR)

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

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

The disclosures required to be given under Section 135 of Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in "Annexure 4" forming part of this Report. The Company also has in place a CSR Policy and the same is available on the website of the Company at http://vakrangee.in/pdf/company-policies/Corporate%20Social%20Responsibility_Policy.pdf

13. AUDITORS AND REPORTS

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

Statutory Auditor:

As per the provisions of the act, M/s. S K Patodia & Associates, Chartered Accountants, Statutory Auditors of the Company upon their re-appointment at the ensuing Annual General Meeting, will hold office till the conclusion of next Annual General Meeting. They have confirmed their eligibility to the effect that their reappointment, if made, would be within the prescribed limits under the act and they are not disqualified for re-appointment. The Notes to financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report do not contain any qualification, reservation, adverse remark or disclaimer. Further, the term of M/s. S K Patodia & Associates, Chartered Accountants would expire at the conclusion of 27th Annual General Meeting of the Company under Section 139(2) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014. The Board of Directors are in process of identifying a reputed Firm of Chartered Accountants whose appointment will be proposed and considered in the Annual General Meeting of the Company to be held in the year 2017.

Directors' Report

Secretarial Auditor

M/s. S. K. Jain & Co., Practicing Company Secretaries, was appointed to conduct Secretarial Audit of the Company for the financial year 2015-16 as required under Section 204 of the Companies Act, 2013 and the rules thereunder. The Secretarial Audit report for the financial year 2015-16 is annexed herewith as "Annexure 5".

14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per the provision of Section 177 (9) of the Companies Act, 2013, the Company is required to establish an effective Vigil Mechanism for Directors and Employees to report genuine concerns. In line with this, the Company has framed a Vigil Mechanism Policy through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company at <http://vakrangee.in/pdf/company-policies/Whistle%20Blower%20&%20Vigil%20Mechanism.pdf>

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

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

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

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

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

No material changes and commitments affecting the Financial Position of the Company which have occurred between

the end of the Financial year of the Company to which the Financial Statement relate and the date of this report.

17. RELATED PARTY TRANSACTIONS

During the year, all Related Party Transactions were in Ordinary Course of the Business and on Arm's Length basis. There were no material transactions with any related party as defined under Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014. The Company has not entered into any contract/arrangement/transaction with Related Parties which could be considered material in accordance with the policy of the company on Materiality of Related Party Transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. The members may refer Note. 36 to the Financial Statements which sets out Related Party disclosures pursuant to AS-18.

In line with the requirements of the Companies Act, 2013 and SEBI LODR, your Company has formulated a Policy on Related Party Transactions and Materiality of Related Party Transactions is available on Company's website <http://vakrangee.in/pdf/company-policies/Risk%20Management%20Policy.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not given any loans and guarantees. Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

19. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal control systems, comprising of policies and procedures are designed to ensure sound management of your Company's operations, safekeeping of its Assets, optimal utilization of Resources, reliability of its financial information and compliance. Based on the report of Internal Audit function, corrective actions are undertaken in the respective areas and thereby strengthen the controls. Significant audit observations

Directors' Report

and corrective actions thereon are presented to the Audit Committee of the Board. During the Financial year, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

20. EMPLOYEES STOCK OPTION SCHEME

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

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

The objects the ESOP Schemes are:

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

The applicable disclosures as stipulated under the SEBI Regulations as at March 31, 2016 (cumulative position) are given below:

Date of all grants as at 31.03.2016	Price per options	No. of total options granted
31.07.2009	₹ 3.095/-	5414000
30.12.2009	₹ 3.3925/-	412000
18.05.2010	₹ 7.325/-	3124000
24.11.2010	₹ 7.5/-	1735000
12.08.2011	₹ 7.5/-	1297000
20.07.2012	₹ 20/-	1190000
20.07.2012	₹ 10/-	2000000
26.11.2014	₹ 64.70/-	1069100
11.03.2016	₹ 113.08/-	967200
Total		17208300

Directors' Report

Options Vested as at 31.03.2016	Price per options	No. of total options Vested
31.07.2009 grant	₹ 3.095/-	4293240
30.12.2009 grant	₹ 3.3925/-	196000
18.05.2010 grant	₹ 7.325/-	2262920
24.11.2010 grant	₹ 7.5/-	999540
12.08.2011 grant	₹ 7.5/-	599440
20.07.2012 grant	₹ 20/-	70125
20.07.2012 grant	₹ 10/-	500000
26.11.2014 grant	₹ 64.70/-	N.A.
11.03.2016 grant	₹ 113.08/-	N.A.
Total		8921265
Options Exercised as at 31.03.2016	Price per options	No. of total options Exercised
31.07.2009 grant	₹ 3.095/-	3254960
30.12.2009 grant	₹ 3.3925/-	193000
18.05.2010 grant	₹ 7.325/-	1723660
24.11.2010 grant	₹ 7.5/-	642000
12.08.2011 grant	₹ 7.5/-	497000
20.07.2012 grant	₹ 20/-	62250
20.07.2012 grant	₹ 10/-	500000
26.11.2014 grant	₹ 64.70/-	N.A.
11.03.2016 grant	₹ 113.08/-	N.A.
Total		6,872,870
The total number of shares arising as a result of exercise of Options during the year		713930
Options Lapsed during the year		16,51,000
Money realised by exercise of Options during the year		₹ 7382600
Total number of Options in force as at 31.03.2016		20,48,530
Employee wise details of Options granted to:		
i. Senior managerial personnel		
1. Dr. Nishikant Hayatnagarkar		50,000
2. Mr. Rahul Dev Pal		1,00,000
3. Mr. Rajiv Ranjan		1,00,000
4. Mr. Sumit Jain		1,00,000
5. Mr. Harish Mani		1,00,000
6. Mr. Nitin Sharma		1,00,000
ii. Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted		NIL

Directors' Report

iii.	Identified employees, who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL
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Diluted Earnings Per Share (EPS) before exceptional items calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	7.38
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The Company has obtained a certificate from the Auditors of the Company that the Schemes have been implemented in accordance with the SEBI Regulations and the resolutions passed by the shareholders.

21. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2016 made under the provisions of Section 92(3) of the Act in Form MGT-9 is annexed herewith as "Annexure 6".

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

No Significant and Material orders have been passed by Securities Exchange Board of India, Stock Exchanges, Tribunal or Courts.

23. HUMAN RESOURCES INDUSTRIAL RELATIONS:

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

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

ACKNOWLEDGEMENT AND APPRECIATION

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

On behalf of the Board of Directors

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

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

Place: Mumbai,
Date: August 27, 2016

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 1

FORM AOC-I

(pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial statement of subsidiary companies

Name of the Subsidiary Company	Vakrangee Finserve Limited		Vakrangee E-Solutions Inc.	
Financials as on	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Reporting Currency	INR (₹)	INR (₹)	Pesos (P)	Pesos (P)
Exchange Rate	-	-	1 P = ₹ 1.4354*	1 P = ₹ 1.3963#
Capital	25,00,000	25,00,000	P 96,00,000	P 96,00,000
Reserves	(6,84,85,365)	(10,12,86,305)	P 4,04,501	P 4,04,501
Total Assets	14,23,92,786	8,64,27,272	P 48,17,44,737	P 43,62,45,095
Total Liabilities	14,23,92,786	8,64,27,272	P 48,17,44,737	P 43,62,45,095
Investment Other than Investment in Subsidiary	NIL	NIL	NIL	NIL
Turnover	22,44,28,758	5,43,86,356	NIL	NIL
Profit before Taxation	3,20,66,305	1,22,31,540	NIL	NIL
Provision for Tax	(7,34,635)	4,67,584	NIL	NIL
Profit after Tax	3,28,00,940	1,26,99,124	NIL	NIL
Proposed Dividend	NIL	NIL	NIL	NIL
% of Holding	100	100	100	100
Country	India	India	Philippines	Philippines

* Exchange rate as on March 31, 2016

Exchange rate as on March 31, 2015

** Vakrangee Logistics Private Limited has been incorporated on March 18, 2016 and hence its financial statement have not been consolidated for the Financial year March 31, 2016

Note:

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

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure-2

DISCLOSURE UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) and 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 ARE GIVEN BELOW:

1	The ratio of the remuneration of each Director to the median Remuneration of the employees of the company for the financial year;	Dinesh Nandwana (Managing Director & CEO) 60.75:1	Dr. Nishikant Kishanrao Hayatnagarkar (Whole-time Director) 35.90:1
2	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Dr. Nishikant Hayatnagarkar – Whole-time Director – 138.43% Ms. Darshi Shah – Company Secretary – 32.97%	
3	the percentage increase in the median remuneration of Employees in the financial year;	-1.19%	
4	the number of Permanent Employees on the rolls of the Company;	1322(excluding Managing Director and Whole-time Director)	
5	average percentile increase already made in the Salaries of Employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	NIL	
6	The key parameters for any variable component of remuneration availed by the Directors;	The employees are paid variable components only after ascertaining their individual performance rating for the year in addition to their jobs fundamentals. It is hereby affirmed that the remuneration paid during the year is as per remuneration policy of the Company.	
7	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms remuneration is as per the Remuneration Policy of the Company.	

Directors' Report

LIST OF TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2016

Sr. No.	Name of Employee	Designation	Remuneration Received (₹ in Lakhs)	Nature of Employment	Date of Commencement of Employment	Qualification	Age	Experience	Last Employment	Relative of any Director	% of Equity Shares Held
1	Mr. Dinesh Nandwana	Managing Director & CEO	66.35	Permanent	28-May-90	Chartered Accountant	53 Years	26 years	N/A		
2	Mr. Sumit Jain	CEO E-Commerce	59.66	Permanent	9-Dec-14	B. Tech., M. Sc. MBA	35 years	9.5 years	Barclays Capital	NO	NIL
3	Mr. Rahul Devpal	CEO – Banking	30.03	Permanent	15-Jun-09	B. A.	52 years	28 years	Godrej & Boyce Mfg. Co. Ltd.	NO	0.002
4	Dr. Nishikant Hayatnagarikar	Whole-time Director	29.49	Permanent	14-Apr-05	M. Tech., Ph.D.	55 years	11 years	N/A	NO	0.007
5	Mr. Sanjay Nandwana	Sr. Vice President	27.11	Permanent	11-May-15	B. Sc., Diploma in Computer Science	48 years	26 years	Techworx Pvt. Ltd. / Viratra Consultancy Services	NO	NIL
6	Mr. Nitin Sharma	CEO - ATM	22.46	Permanent	6-Apr-15	B. Sc., MSW, EMBA	38 years	17 years	Kalyanee Business Solutions Pvt. Ltd.	NO	NIL
7	Mr. Harish Mani	Sr. Vice President	20.58	Permanent	3-Aug-15	B. Com., PG Diploma (Rural Mgmt.)	37 years	13 years	Bharti Axa Life Insurance Company Ltd.	NO	NIL
8	Mr. Rajeev Ranjan	CEO - E Governance	19.43	Permanent	23-Jun-15	B. Sc., M. Sc.	57 years	31 years	TCS (CMC)	NO	NIL
9	Mr. Rajesh Baid	Sr. Vice President	15.39	Permanent	31-Aug-15	B. Com., MBA	39 years	15 years	Gitanjali Gems Limited	NO	NIL
10	Mr. Arun Kumar Chaturvedi	Executive Vice President	22.81	Permanent	11-Oct-11	B.Sc., LL.B.	59 years	37 years	Shreyas Life Science Limited	NO	NIL

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure-3

A. Nomination and Remuneration and Compensation Policy

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

Definitions:

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

"Key Managerial Personnel" means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

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

Objective:

The objective of the policy is to ensure that

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

Role of the Committee:

The role of the NRC will be the following:

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

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

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

Directors' Report

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

TERM / TENURE

- a) **Managing Director/Whole-time Director:**
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:**
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report

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

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

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

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

REMOVAL The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the

provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

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

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

- 1) **Remuneration to Managing Director / Whole-time Directors:**
 - a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
- 2) **Remuneration to Non- Executive / Independent Directors:**
 - a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
 - b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and

Directors' Report

Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
 - d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied: i) The Services are rendered by such Director in his capacity as the professional; and ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
 - e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).
- 3) Remuneration to Key Managerial Personnel and Senior Management:
- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
 - c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
 - d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel

and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

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

B. APPOINTMENT POLICY

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

(A) Independent Directors:

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

(B) Key Managerial Personnel (KMP):

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

(C) Senior Executives:

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

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-4

STATEMENT CONTAINING INFORMATION AS PER SECTION 135 OF COMPANIES ACT, 2013 READ WITH THE RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014.

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The objectives of Company's CSR Policy are to demonstrate commitment to the common good through responsible business practices and good governance and to set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models. The projects the company has undertaken / proposes to undertake is mainly in eradicating hunger, poverty and malnutrition, promoting preventive health care, promoting education including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecology balance, agro forestry, conservation of natural resources. Ecology balances, protection of natural heritage, art and culture, measures of the benefit of the armed forces, training to promote rural sports etc.
2.	The Composition of the CSR Committee	1. Mr. Dinesh Nandwana (Chairman) 2. Mr. Ramesh Joshi (Member) 3. Mr. Sunil Agarwal (Member)
3	Average net profit of the company for last three financial years (Amount in crores)	₹ 20,961.54 Lakhs
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) (Amount in crores)	₹ 419.23 Lakhs
5.	Details of CSR spent during the financial year. (1) Total amount to be spent for the F.Y.2015 (2) Amount unspent, if any;	₹ 287.25 Lakhs ₹ 131.98 Lakhs

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

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	IIIT, Kota	Education	Kota (Rajasthan)	160.00	160.00	160.00	Direct
2	Rajasthani Seva Sanstha, Bhayandar	Health Care	Thane (Maharashtra)	1.50	1.50	1.50	Direct
3	RVG Alumni	Education	Mumbai (Maharashtra)	51.00	51.00	51.00	Direct
4	My Home India	Social Awareness	Mumbai (Maharashtra)	30.00	30.00	30.00	Direct
5	Indian Econometric Society	Education & Economic awareness	Delhi	11.00	11.00	11.00	Direct
6	Bharat Swabhiman Trust	Socio-economic Awareness & development	Haridwar (Uttarakhand)	11.00	11.00	11.00	Direct
7	Premlata Jagdish Bansal Charitable Trust	Education & Social Development	Mumbai (Maharashtra)	6.25	6.25	6.25	Direct

Directors' Report

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
8	ISCKON	Cultural Awareness	Mumbai (Maharashtra)	15.00	15.00	15.00	Direct
9	Samatol Foundation	Education and Social Development	Mumbai (Maharashtra)	0.50	0.50	0.50	Direct
10	Akhil Bharatiya Nandwana Pragati Sangh	Cultural and Social Development	Thane (Maharashtra)	1.00	1.00	1.00	Direct

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Due to unfeasibility of better project options for CSR contribution, the company could not make contribution towards CSR as per the requirements of Section 135 of Companies Act, 2013. However, the company is in the process of identifying fair options for making CSR contribution.

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

Sd/-**Dinesh Nandwana***Chairman of CSR Committee*

(DIN:00062532)

Sd/-**Dr. Nishikant Hayatnagarkar***Whole-Time Director*

(DIN:00062638)

Place: Mumbai,**Date:** August 27, 2016

Directors' Report

ANNEXURE TO DIRECTORS' REPORT

Annexure-5

Secretarial Audit Report

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

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

Based on my verification of the **M/S VAKRANGEE LIMITED's** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period 1st April, 2015 to 31st March, 2016 ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/S VAKRANGEE LIMITED ("the Company") as given in Annexure I, for the period 1st April, 2015 to 31st March, 2016 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the Rules made thereunder for specified Sections notified and came into effect from 12th September, 2013 and Sections and Rules notified and came into effect from 1st April, 2014;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - (iii) The Depositories Act, 1996 and Regulations & the Bye-laws, 1996 thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iv. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - vi. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
 - i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued/ listed/propose to list its Debt Securities to any Stock Exchange during the Financial Year under review)

Directors' Report

- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the Company has not listed/proposed to delist its Equity Shares from any Stock Exchange during the Financial Year under review)
 - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the Company has not brought back/proposed to Buy-back any of its securities during the Financial Year under review)
3. The Company has complied with following specific laws applicable to the Company
- i. Information Technology Act, 2000;
 - ii. Telecom Regulatory Authority of India Act, 1997;
 - iii. Payment And Settlement Systems Act, 2007;
 - iv. Indian Telegraph Act, 1885;
 - v. Prevention of Money Laundering Act, 2002.
4. I have relied on the Representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis. The list of major head/groups of Acts, Laws and Regulations as generally applicable to the Company is given in Annexure II.
5. In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise & Custom Acts I have relied on the Reports given by the Statutory Auditors of the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956; (Notified from 1st July, 2015)
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) and the new Listing Agreement entered with Bombay Stock Exchange and National Stock Exchange of India under Regulation 109 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 on February 11, 2016.

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, guidelines, Standards etc. mentioned above except that the Company did not have Chief Financial Officer (CFO) during the Year 2015-16. The Company appointed Mr. Subhash Singhania as CFO w.e.f. 11th May, 2016.

I further report that:

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

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

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

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

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

I further report that during the Audit period the Company has the following specific events:-

Mr. Dinesh Nandwana was re-designated from Chairman & Managing Director to Managing Director & CEO w.e.f. July 27, 2015.

The Board of Directors in their Meeting held on August 14, 2015 had issued 2,50,00,000 Equity Shares of ₹ 1/- each at a premium of ₹ 99/- per Share aggregating to ₹ 250,00,00,000/- (Two Hundred Fifty Crores only) to Vakrangee Capital Private Limited (now known as N J D Capital Private Limited pursuant to Conversion of 2,50,00,000 Fully Convertible Warrants (FCW) of ₹ 100/- each which were issued on 25th February, 2014.

Directors' Report

During the Financial Year 2015/16, M/s Vakrangee Logistics Private Limited was incorporated on 18th March, 2016 as wholly owned subsidiary of the Company.

Special Resolution under Section 180(1)(a), Section 180(1)(c) and Section 186 was passed through Postal Ballot for Creation of Charge/Mortgage on Assets of the Company, increase in Borrowing Limits of the Company and for making Loans/Guarantee/Security and Investments by the Company, respectively as per Companies Act, 2013. The result of this was declared on 07th May, 2015.

Special Resolution under Section 13 and 14 of the Companies Act, 2013 and Rules made thereunder was passed through Postal Ballot for Alteration in the Object Clause in the Memorandum of Association of Company and for adopting new set of Article of Association as per Companies Act, 2013. The result of this was declared on 19th Dec, 2015.

Date: 27/08/2016
Place: Mumbai

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

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

This Report should be read with my Letter of even date which is annexed as Annexure – III and forms the integral part of this Report.

ANNEXURE - I

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made thereunder the Memorandum & Articles of Association of the Company with regard to:-

1. Minutes of the Meetings of the Board of Directors, Committee meetings held during the Financial Year under Report;
2. Minutes of General Body Meetings held during the Financial Year under report;

3. Maintenance of various Statutory Registers and Documents and making necessary entries therein;
4. Notice and Agenda papers submitted to all the Directors for the Board Meetings;
5. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
6. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under Report;
7. Disclosure of Interest and Concerns in contracts and arrangement, shareholdings and Directorships in other Companies and interest in other entities by Directors;
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report;
9. Appointment and remuneration of Internal and Statutory Auditor;
10. Closure of Register of Members/record date for dividends;
11. Declaration and payment of dividend;

ANNEXURE - II

Registered & Corporate Office:

Vakrangee House, 66, Marol Co-Op.
Industrial Estate, M.V.Road,
Marol, Andheri(E),
Mumbai-400 059

List of applicable laws to the Company

1. The Shops & Establishment Act, 1948 and rules made thereunder;
2. Payment of Bonus Act, 1956 and the rules made thereunder;
3. Payment of Gratuity Act, 1972 and the rules made thereunder;
4. Payment of Wages Act, 1938 and the rules made thereunder;

Directors' Report

5. The Minimum Wages Act, 1948 and the rules made thereunder;
6. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder;
7. Maternity Benefits Act, 1961 and the rules made thereunder;
8. Employees' Provident Fund Act, 1952 and Miscellaneous Provisions act 1952 and the rules made thereunder;
9. Employees State Insurance Act, 1948 and the rules made thereunder;
10. The Contract Labour Act, 1970 and the rules made thereunder;
11. The Employment Exchange Act, 1959 and the rules made thereunder;
12. Equal Remuneration Act, 1976;
13. Workmen's Compensation Act, 1923 and the rules made thereunder;
14. Bombay Stamp Act, 1958;
15. Bombay Labour Welfare fund Act, 1953 and the rules made thereunder;
16. Negotiable Instruments Act, 1881.
17. Professional Tax Act, 1975.

Date: 27/08/2016
Place: Mumbai

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

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

ANNEXURE - III

To
The Members,
Vakrangee Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 27/08/2016
Place: Mumbai

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

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

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-6

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the Financial year ended 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L65990MH1990PLC056669
Registration Date	28/05/1990
Name of the Company	Vakrangee Limited
Category / Sub-Category of the Company	Public Company/Limited by Shares
Address of the Registered Office and Contact Details	Vakrangee House, 66, Marol Co-op. Industrial State, M. V. Road, Marol, Andheri (E), Mumbai – 400 059. Tel No.: 022-28503412, 28504028 Email Id: info@vakrangee.in Website: www.vakrangee.in
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai– 400 072 Tel No.: 022-28470652, 40430200, 28470653 Email Id: info@bigshareonline.com Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	E-governance	1325	46.8 %
2	Vakrangee Kendra	1190, 6100, 3333, 1325, 9900	53.2%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held*	Applicable section
1	Vakrangee Finserve Limited	Vakrangee House, Plot No. 66, Marol Co-op. IndlEst, Off. M.V. Road, Andheri (East), Mumbai-400059	U74930MH2011PLC221655	Subsidiary	100	2(87)(ii)
2	Vakrangee e-Solutions INC	19th Floor, Octagon Center, San Miguel Avenue, Ortigas Center, Pasig City, Metro Manila, Philippines	CS200906715	Subsidiary	100	2(87)(ii)
3	Vakrangee Logistics Private Limited	Vakrangee House, Plot No. 66, Marol Co-op. IndlEst, Off. M.V. Road, Andheri (East), Mumbai-400059	U60231MH2016PTC274618	Subsidiary	100	2(87)(ii)

* Representing aggregate % of shares held by the Company and/or its subsidiaries

Directors' Report

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

(i) Category wise shareholding

	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2015				No. of Shares held at the end of the year :31/03/2016				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(A)	Shareholding of Promoter and Promoter Group									
	Indian									
(a)	INDIVIDUAL / HUF	29865100	0	29865100	5.93	29865100	0	29865100	5.64	(0.29)
(b)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	BODIES CORPORATE	165311414	0	165311414	32.83	190311414	0	190311414	35.96	3.13
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)									
(i)	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(1) :	195176514	0	195176514	38.77	220176514	0	220176514	41.61	2.84
	Foreign									
(a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
(c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	TOTAL HOLDING FOR PROMOTERS									
	(A)=(A)(1) + (A)(2)	195176514	0	195176514	38.77	220176514	0	220176514	41.61	2.84
(B)	Public shareholding									
	Institutions									
(a)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	3690117	8000	3698117	0.73	2311431	8000	2319431	0.44	(0.30)
(c)	MUTUAL FUNDS / UTI	0	0	0	0.00	23492	0	23492	0.00	0.00
(d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00

Directors' Report

	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2015				No. of Shares held at the end of the year :31/03/2016				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(e)	INSURANCE COMPANIES	35236363	0	35236363	7.00	34780128	0	34780128	6.57	(0.43)
(f)	FII'S	7642810	0	7642810	1.52	12074711	0	12074711	2.28	0.76
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(i)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(j)	FOREIGN PORTFOLIO INVESTOR	9148269	0	9148269	1.82	45541937	0	45541937	8.61	6.79
(k)	ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(1) :	55717559	8000	55725559	11.07	94731699	8000	94739699	17.90	6.83
Non-institutions										
(a)	BODIES CORPORATE	162275027	62000	162337027	32.24	149043062	48000	149091062	28.17	(4.07)
(b)	INDIVIDUAL									(0.07)
(i)	(CAPITAL UPTO TO ₹ 1 Lakh)	17280056	2375000	19655056	3.90	18068399	2228001	20296400	3.84	(5.95)
(ii)	(CAPITAL GREATER THAN ₹ 1 Lakh)	56430707	0	56430707	11.21	27811828	0	27811828	5.26	
(c)	ANY OTHERS (Specify)									0.00
(i)	TRUSTS	0	0	0	0.00	10000	0	10000	0.00	1.10
(ii)	CLEARING MEMBER	6739573	0	6739573	1.34	12882454	0	12882454	2.43	(0.68)
(iii)	NON RESIDENT INDIANS (NRI)	7417804	0	7417804	1.47	4188213	0	4188213	0.79	0.00
(iv)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
(v)	OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
(vi)	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00

Directors' Report

	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2015				No. of Shares held at the end of the year :31/03/2016				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
SUB-TOTAL (B)(2) :		25143167	2437000	252580167	50.17	212003956	2276001	214279957	40.49	(9.68)
TOTAL PUBLIC SHAREHOLDING										
(B)=(B)(1) + (B)(2)		305860726	2445000	308305726	61.23	306735655	2284001	309019656	58.39	(2.84)
(C) Shares held by Custodians and against which Depository Receipts have been issued										
(a) SHARES HELD BY CUSTODIANS										
(i)	PROMOTER AND PROMOTER GROUP	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	PUBLIC	0	0	0	0.00	0	0	0	0.00	0.00
SUB-TOTAL (C)(1) :		0	0	0	0.00	0	0	0	0.00	0.00
(C)=(C)(1)			0		0.00	0	0	0	0.00	0.00
GRAND TOTAL (A) + (B) + (C)		501037240	2445000	503482240	100.00	526912169	2284001	529196170	100.00	0.00

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Shareholding at the end of the year 31/03/2016			% Change during the year
	Number of Shares	% Shares of the Company	% of Shares Pledged/	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
DINESH NANDWANA (HUF)	98000	0.02	0.00	98000	0.02	0.00	-0.00
MR. DINESH NANDWANA	29767100	5.92	0.00	29767100	5.62	0.00	-0.30
M/s NJD CAPITAL PRIVATE LIMITED (ERSTWHILE VAKRANGEE CAPITAL PRIVATE LIMITED)*	39936220	7.93	0.00	64936220	12.27	0.00	4.34
M/s VAKRANGEE HOLDINGS PRIVATE LIMITED	12537194	24.90	0.00	12537194	23.69	0.00	-1.20
	195176514	38.77	0.00	220176514	41.61	0.00	2.84

* The name of the Company changed w.e.f. August 3, 2016

(iii) Change in Promoters' Shareholding

Shareholder's Name	Share holding at the beginning of the year 01/04/2015		Share holding at the end of the year 31/03/2016	
	Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
M/s NJD CAPITAL PRIVATE LIMITED (ERSTWHILE VAKRANGEE CAPITAL PRIVATE LIMITED)*				
AT THE BEGINNING OF THE YEAR	39936220	7.93	39936220	7.93
INCREASE 14/08/2015 (ALLOTMENT)	25000000	4.72	64936220	12.25
AT THE END OF THE YEAR			64936220	12.25

* The name of the Company changed w.e.f. August 3, 2016

Directors' Report

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
1	BLUEPEARL TRADING COMPANY PRIVATE LIMITED				
	At the beginning of the year	3,58,79,000	6.78	3,58,79,000	6.78
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	-1,00,89,757	-1.91	2,57,89,243	4.87
	At the end of the year	2,57,89,243	4.87	2,57,89,243	4.87
2	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	3,33,14,959	6.30	3,33,14,959	6.30
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	-9,94,831	-0.19	3,23,20,128	6.11
	At the end of the year	3,23,20,128	6.11	3,23,20,128	6.11
3	NEWTREE TRADING COMPANY PRIVATE LIMITED				
	At the beginning of the year	1,19,84,875	2.26	1,19,84,875	2.26
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	95,79,238	1.81	2,15,64,113	4.07
	At the end of the year	2,15,64,113	4.07	2,15,64,113	4.07
4	HIGHPOINT TRADING COMPANY PRIVATE LIMITED				
	At the beginning of the year	1,95,98,675	3.70	1,95,98,675	3.70
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	-18,72,967	-0.35	1,77,25,708	3.35
	At the end of the year	1,77,25,708	3.35	1,77,25,708	3.35
5	SMEATON DEVELOPERS PRIVATE LIMITED				
	At the beginning of the year	-	-	-	-
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	1,60,00,000	3.02	1,60,00,000	3.02
	At the end of the year	1,60,00,000	3.02	1,60,00,000	3.02

Directors' Report

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
6	SEAHORSE MERCANTILE COMPANY PRIVATE LIMITED				
	At the beginning of the year	1,39,79,101	2.64	1,39,79,101	2.64
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	-94,54,911	-1.79	45,24,190	0.85
	At the end of the year	45,24,190	0.85	45,24,190	0.85
7	ASHTVAKRA PROPERTIES PRIVATE LIMITED				
	At the beginning of the year	1,25,42,357	2.37	1,25,42,357	2.37
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	-9,12,885	-0.17	1,16,29,472	2.20
	At the end of the year	1,16,29,472	2.20	1,16,29,472	2.20
8	ABHIRATI TRADING PRIVATE LIMITED				
	At the beginning of the year	1,43,75,157	2.72	1,43,75,157	2.72
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	-1,37,55,580	-2.60	6,19,577	0.12
	At the end of the year	6,19,577	0.12	6,19,577	0.12
9	VINOD LAXMINARAYAN BOHRA				
	At the beginning of the year	96,66,806	1.83	96,66,806	1.83
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	-95,42,490	-1.81	1,24,316	0.01
	At the end of the year	1,24,316	0.02	1,24,316	0.02
10	BALRAM CHAINRAI				
	At the beginning of the year	56,47,300	1.07	56,47,300	1.07
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	-21,59,771	-0.41	34,87,529	0.66
	At the end of the year	34,87,529	0.66	34,87,529	0.66
11	KAUTIK PROPERTIES PRIVATE LIMITED				
	At the beginning of the year	54,82,367	1.04	54,82,367	1.04
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	-54,81,719	-1.04	648	0.00
	At the end of the year	648	0.00	648	0.00

Directors' Report

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
12	SANJEEV T BOHRA				
	At the beginning of the year	48,64,661	0.92	48,64,661	0.92
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	-	-	48,64,661	0.92
	At the end of the year	48,64,661	0.92	48,64,661	0.92
13	ARCADIA SHARE AND STOCK BROKERS PRIVATE LIMITED				
	At the beginning of the year	28,795	0.01	28,795	0.01
	Transactions (purchase / sale) from April 1, 2015 upto March 31, 2016	46,30,645	0.87	46,59,440	0.88
	At the end of the year	46,59,440	0.88	46,59,440	0.88

Note: The date-wise increase / decrease in shareholding of the top 10 shareholders is available on Company's website www.vakrangee.in

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Ramesh Joshi	NIL		NIL	NIL
2.	Mr. Dinesh Nandwana	2,97,67,100	5.92	2,97,67,100	5.92
3.	Dr. Nishikant Hayatnagarkar	37,144	0.00	37,144	0.00
4.	Mr. Sunil Agarwal	NIL		NIL	NIL
5.	Mrs. Sujata Chattopadhyay	NIL		NIL	NIL
6.	Mr. Babu Lal Meena	NIL		NIL	NIL
7.	Mr. Avinash Chandra Vyas	NIL		NIL	NIL
8.	Mr. T. Sitharthan	NIL		NIL	NIL
10	Mr. Subhash Singhania*	N.A.		N.A.	N.A.
11	Ms. Darshi Shah	6000	0.00	7260	0.00

*Mr. Subhash Singhania designated as Chief Financial Officer w.e.f. May 11, 2016

Directors' Report

V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	40,015.36	-	-	40,015.36
ii) Interest accrued and due	-	-	-	-
iii) Interest accrued but not due	171.81	-	-	171.81
Total (i+ii+iii)	40,187.17			40,187.17
Change in Indebtedness during the financial year				
Addition				
- Term Loans	-	-	-	-
- Vehicle Loans	-	-	-	-
- Working Capital Facilities	-	-	-	-
- Interest accrued and due	-	-	-	-
- Interest accrued but not due	-	-	-	-
Reduction				
- Term Loans	6,302.24	-	-	6,302.24
- Vehicle Loans	-	-	-	-
- Working Capital Facilities	1,693.75	-	-	1,693.75
- Interest accrued but not due	146.53	-	-	146.53
Net Change	(8,142.52)			(8,142.52)
Indebtedness at the end of the financial year				
i) Principal Amount	32,019.37	-	-	32,019.37
ii) Interest accrued and due	25.28	-	-	25.28
iii) Interest accrued but not due	32,044.65	-	-	32,044.65

Directors' Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Dinesh Nandwana	Dr. Nishikant Hayatnagarkar	
1.	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	66.35	29.50	95.85
	(b) Value of Perquisites u/s 17(2) Income Tax Act	-	-	-
	(c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission -as % of profit -others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	66.35	29.50	95.85
	Ceiling as per the Act (10% of the Net Profits computed in the manner laid down in Section 198 of Companies Act, 2013)			6030.31

B. Remuneration to other Directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Mr. Ramesh Multanchand Joshi	Mr. Sunil Agarwal	Ms. Sujata Chattopadhyay	Mr. Babu Lal Meena	Mr. Avinash Chandra Vyas	
	Fee for attending Board / Committee Meetings	1.20	0.40	2.50	1.20	0.80	6.10
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	1.20	0.40	2.50	1.20	0.80	6.10
2	Other Non-Executive Directors	Mr. T. Sitharthan					
	Fee for attending Board / Committee meetings	0.40	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	0.40	-	-	-	-	0.40
	Total (B)=(1+2)	-	-	-	-	-	6.50
	Total Managerial Remuneration [(A)+(B)]	-	-	-	-	-	102.35
	Overall Ceiling as per the Act (1% of the Net Profits computed in the manner laid down in Section 198 of Companies Act, 2013)	-	-	-	-	-	603.03

Directors' Report

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CEO	Company Secretary	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income Tax Act (c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	44.23*	5.91	50.14
2.	Stock Option	-	2.85	2.85
3.	Sweat Equity	-	-	-
4.	Commission -as % of profit -others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	44.23	8.76	52.99

*Mr. Dinesh Nandwana re-designated as Managing Director & CEO w.e.f. July 27, 2015

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

Sd/-

Dinesh Nandwana

Managing Director & CEO

(DIN:00062532)

Sd/-

Dr. Nishikant Hayatnagarkar

Whole-Time Director

(DIN:00062638)

Place: Mumbai,

Date: August 27, 2016

Corporate Governance Report 2015-16

PHILOSOPHY OF THE COMPANY ON THE CODE OF CORPORATE GOVERNANCE

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

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

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

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

BOARD OF DIRECTORS

Composition:

The Board comprised of 8 directors. The details of the Board of Directors as on March 31, 2016 are given below:

Name	Category	Designation	Date of appointment	No. of Outside Directorship held #	Chairmanship in Committees of Boards of other companies**	Membership in Committees of Boards of other companies
Mr. Dinesh Nandwana	Promoter & Executive	Managing director & CEO**	28/05/1990	5	NIL	NIL
Dr. Nishikant Hayatnagarkar	Executive	Whole-time director	27/08/1999	3	NIL	NIL
Mr. Sunil Agarwal	Non Executive, Independent	Director	28/06/2002	NIL	NIL	NIL
Mr. Ramesh Joshi	Non Executive, Independent	Director	20/10/2006	3	NIL	NIL
Mr. B. L. Meena	Non Executive, Independent	Director	25/10/2010	NIL	NIL	NIL
Mr. T. Sitharthan	Non Executive Director	Nominee director	04/12/2014	NIL	NIL	NIL
Mr. Avinash Chandra Vyas	Non Executive, Independent	Director	14/11/2014	NIL	NIL	NIL
Ms. Sujata Chattopadhyay	Non Executive, Independent	Director	31/03/2015	3	1	NIL

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

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

**Mr. Dinesh Nandwana re-designated from Chairman & Managing Director to Managing Director & CEO w.e.f. July 27, 2015

At Vakrangee, we are committed to meeting the aspirations of all our stakeholders. This is demonstrated in shareholder returns, our credit ratings, governance processes and an entrepreneurial and performance focused work environment.

The Board of Directors manages the affairs of the company in the best interest of the shareholders, providing necessary guidance and strategic vision. The Board is also responsible to ensure that the Company's management and employees operate with the highest degree of ethical standards.

Over the years, governance processes and systems have been strengthened and institutionalized at Vakrangee. Towards implementation and continuation of sound code of corporate governance practices, 6 committees are operating for specific purposes: viz. Audit Committee, Nomination and Remuneration and Compensation Committee, Stakeholders Relationship Committee, Resource Committee, Corporate Social Responsibility Committee, and Corporate Governance Committee.

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

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

Corporate Governance Report 2015-16

The Board comprised of a majority of Independent Directors. It has a good mix of Executive and Non-Executive Directors including Independent Directors with more than fifty percent of the board comprising of non-executive Independent Directors. As on date of this Report, the Board consists of Eight Directors comprising five non-executive Independent Directors (including one women director), one Nominee Director and two Executive Directors. None of the Directors of your Company are inter-se related to each other. The composition of Board is in conformity with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI LODR").

Performance Evaluation of Board of Directors

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

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on March 31, 2016.

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

In accordance with Section 152 of the Companies Act, 2013, Dr. Nishikant Hayatnagar retires by rotation and being

eligible, offers himself for re-appointment as the Director in the ensuing Annual General Meeting.

Lead Independent Director

The Board of Directors of the Company has designated Mr. Ramesh Joshi as the Lead Independent Director w.e.f. July 30, 2016. The role of Lead Independent Director shall be as follows:

- To preside over all meetings of Independent Directors.
- To ensure that there is adequate and timely flow of information to Independent Directors. To liaise between the Chairman & Managing Director, the Management and the Independent Directors.
- To advise on the necessity of retention or otherwise of consultants who report directly to the Board or the Independent Directors.
- To preside over meetings of the Board and Shareholders when the Chairman is not present or where he is an interested party.
- To perform such other duties as may be delegated to the Lead Independent Director by the Board / Independent Directors.

BOARD MEETINGS:

During the financial year 2015-16, your Board met five times on May 30, 2015, August 14, 2015, September 1, 2015, November 7, 2015, February 6, 2016 with a maximum time gap not exceeding one hundred and twenty (120) days intervening between two consecutive board meetings as per Section 173 of Companies Act, 2013 read with Regulation 17 of SEBI LODR. All the Board meetings were held at the Company's registered office at Mumbai, India.

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

Name of the Director	Number of meetings held	Number of meetings attended	Attended Last AGM	Shareholding in the Company as of March 31, 2015(no. of shares)
Mr. Dinesh Nandwana	5	4	Yes	29767100
Mr. Ramesh Joshi	5	5	Yes	NIL
Dr. Nishikant Hayatnagar	5	4	Yes	37144
Mr. Sunil Agarwal	5	3	Yes	NIL
Mr. B. L. Meena	5	5	No	NIL
Mr. T. Sitharthan	5	2	No	NIL
Mr. Avinash Chandra Vyas	5	4	Yes	NIL
Mrs. Sujata Chattopadhyay	5	5	Yes	NIL

Corporate Governance Report 2015-16

MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI LODR, a separate meeting of the Independent Directors of the Company was held on March 31, 2016 to review the performance of Non-Independent Directors, Chairman and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

BOARD COMMITTEES:

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

As of March 31, 2016 your Company had Six Board Committees. These are:

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

AUDIT COMMITTEE

The constitution of Audit Committee is in compliance with the requirements of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI LODR. The Chairman of the Audit Committee is an Independent Director. All the members of the Audit Committee are financially literate and at least one member has accounting or related financial management expertise. The Audit committee has been recently re-constituted on July 30, 2016.

Terms of reference

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

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing and examining with management the quarterly financial results before submission to the Board;
- Reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon before submission to the board for approval with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- Scrutiny of inter-corporate loans and investments made by the Company;
- Reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- Approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

Corporate Governance Report 2015-16

- Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- Reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- Reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries;
- Recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- Reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- Evaluating internal financial controls and risk management systems;
- Valuating undertaking or assets of the Company, wherever it is necessary;
- Reviewing the functioning of the Whistle Blowing mechanism;

Composition

The current composition of Audit Committee is as follows:

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

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

Meetings & Attendance during the year

There were four meetings of the Audit Committee viz. on May 30, 2015, August 14, 2015, November 7, 2015 and February 6, 2016 and following is the table showing attendance for the same.

Meeting Date	Description	30.05.2015	14.08.2015	07.11.2015	06.02.2016
Member Name					
Mr. B. L. Meena	Chairman	Attended	Attended	Attended	Attended
Mr. Ramesh Joshi	Member	Attended	Attended	Attended	Attended
*Mr. Dinesh Nandwana	Member	Attended	Attended	Attended	Attended
*Mr. Avinash Vyas	Member	NA	NA	NA	NA

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

NOMINATION AND REMUNERATION AND COMPENSATION COMMITTEE

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

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

Corporate Governance Report 2015-16

Terms of Reference of the committee inter-alia includes:

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

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

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

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

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

The details of remuneration paid to Executive Directors during the financial year 2015-2016 are as under:

Meetings & Attendance during the year

The Committee met five times during the Financial year 2015-16 on June 3, 2015, August 27, 2015, February 16, 2016, March 11, 2016 and following is the table showing attendance for the same.

Meeting Date	Description	03.06.2015	27.8.2015	16.02.2016	11.03.2016
Member Name					
Mr. B. L. Meena	Chairman	Attended	Attended	Attended	Attended
Mr. Sunil Agarwal	Member	Attended	Attended	Attended	Attended
Mr. Ramesh Joshi	Member	Attended	Attended	Attended	Attended

Corporate Governance Report 2015-16

(₹ in Lakhs)

Particulars	Annual Remuneration paid
Mr. Dinesh Nandwana#	66.33
Dr. Nishikant Hayatnagarkar#	29.50
Mr. Ramesh Joshi*	1.20
Mr. Sunil Agarwal*	0.40
Mr. Babu Lal Meena*	1.20
Mr. Thangvelu Sitharthan*	0.40
Mr. Avinash Vyas*	0.80
Mrs. Sujata Chattopadhyay*	2.50

#Remuneration paid to Executive Directors

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

Mr. Dinesh Nandwana holds 2,97,67,100 equity shares in the company. Dr. Nishikant Hatanagarkar holds 37144 equity shares in the company. Apart from this, Dr. Nishikant Hayatnagarkar has been granted 50,000 options under the Employee Stock Option Scheme of the company which are yet to be vested and exercised.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

COMPLAINTS:

Sr. No.	Nature of the complaint	Received	Replied	Pending
1	Non-receipt of shares certificates lodged for transfer	2	2	Nil
2	Non-receipt of dividend warrants	3	3	Nil
3	Non-receipt of Bonus shares	Nil	Nil	Nil
4	Non receipt of exchange shares certificates	Nil	Nil	Nil
5	Non receipt of Demat rejection documents	Nil	Nil	Nil
6	Letters from Department of Company Affairs / Other Statutory Bodies	Nil	Nil	Nil
7	Non Receipt of Demat Credit	Nil	Nil	Nil
8	Stock Exchange letters	Nil	Nil	Nil
9	Non receipt of Annual Report	1	1	Nil
10	SEBI Complaints	3	3	Nil
11	Non Receipt of Refund order after correction	Nil	Nil	Nil
	Legal Cases / Court Cases	4	4	Nil
	Total	13	13	Nil

The company had no transfers pending at the close of 31.03.2016.

The current composition of the Committee is as follows:

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

The Terms of Reference of the committee include:

To specifically look into interalia redressing investors' grievances pertaining to:

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

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

During the financial year ended March 31, 2016, 13 complaints were received from the shareholders. All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on March 31, 2016.

Corporate Governance Report 2015-16

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

The current composition on the committee is as follows:

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

The role of Corporate Social Responsibility Committee is as follows:

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

Annual General Meeting:

Date	Venue	Time	Special Resolutions passed
September 29, 2015	Chancellor Suite, Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai - 400 099	11.00 AM	NIL
September 30, 2014	Victoria Suite, Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai-400 099	12.30 PM	Re-appointment of Shri Dinesh Nandwana (DIN:00062532), as the Managing Director of the Company for a period of five years
September 10, 2013	Chancellor Suite, Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai-400 099	11.00 AM	Resolutions under section 21, Section 293(1)(d) and 293(1)(a) of Companies Act, 1956

Resolution passed through Postal Ballot:

During the year, the Company passed following Special Resolutions through two different Postal Ballot.

Sr. No.	Description
1.	Special Resolutions passed on May 7, 2015 u/s 180(1)(c) for increasing Borrowing Limits, u/s 180(1)(a) for creation of charge/ mortgage on the assets of the company, and u/s 186 for Loans/Guarantees/ security and Investment by the company under the Companies Act, 2013
2.	Special Resolutions passed on December 19, 2015 u/s 13 of the Companies Act, 2013, for alteration in the Object Clause in Memorandum of Association of the Company as per the Companies Act, 2013 and u/s 14 of the Companies Act, 2013, to adopt new set of Articles of Association of the company as per Companies Act, 2013

CORPORATE GOVERNANCE COMMITTEE:

The company has a Corporate Governance Committee to deal with the matters related to Corporate Governance and requirements as applicable to the company under the Corporate Governance and SEBI Listing Obligations .

The current composition on the committee is as follows:

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

All the members attended all the meetings of the Committee.

RESOURCE COMMITTEE

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

The current composition on the committee is as follows:

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

All the members attended all the meetings of the Committee.

Corporate Governance Report 2015-16

Dr. S. K. Jain Practicing Company Secretary, who was appointed as Scrutinizer for conducting the Postal Ballot process in fair and transparent manner submitted his report to the Board of Directors of the Company on May 7, 2015 and December 18, 2015. Based on the said reports, the Results of the Postal Ballots were declared by the company on May 7, 2015 and December 19, 2015 respectively.

Procedure for Postal Ballot

After receiving the approval of the Board of Directors, Notice of Postal Ballot alongwith the Explanatory Statement, text of the Resolutions, relevant documents and self-addressed postage envelopes are sent to the shareholders to enable them to consider and vote for or against the proposed resolution(s) within the period of 30 days from the date of dispatch. E-voting Facility is made available to all the shareholders and instructions for the same are specified in the Notice of the Postal Ballot. E-mails are sent to the shareholders whose E-mail Ids are registered with the Registrar and Share Transfer Agent of the company alongwith the Postal Ballot Notice and Ballot Form. The calendar of events containing the activity chart is filed with the Registrar of Companies within 7 days of the Meeting of the Board of Directors. A Scrutinizer is appointed by the Board of Directors for conducting the Postal Ballot in a fair and transparent manner. After the last day of receipt of ballots, the Scrutinizer, after due verification, submits the result to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same is published in the newspapers and displayed on the website of the Company and Notice Boards and submitted to the concerned Stock Exchanges where the Shares of the company are listed.

Proposal for Postal Ballot

At present there is no proposal for Postal Ballot

DISCLOSURES

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

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

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

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

-Compliance with Discretionary requirements of SEBI LODR:

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

- **Separate posts of Chairman and CEO:** The positions of the Chairman and the CEO are separate. Mr. Dinesh Nandwana has been re-designated as Managing Director & CEO of the Company from Chairman & Managing Director of the Company w.e.f. July 27, 2015
- **Shareholders rights:** The Quarterly Results along with the Press Release are uploaded on the website of the Company www.vakrangee.in
- **Audit qualifications:** The Company is in the regime of unqualified Statement.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee.
- The Company has submitted Quarterly Compliance Report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Clause 49(X)(B) of the Listing Agreement and Regulation 27(2)(a) of the SEBI LODR.

-Disclosure Requirements under Regulation 46 of the SEBI LODR

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

- (a) details of its business;

Corporate Governance Report 2015-16

- (b) terms and conditions of appointment of independent directors;
- (c) composition of various committees of board of directors;
- (d) code of conduct of board of directors and senior management personnel;
- (e) details of establishment of vigil mechanism/ Whistle Blower policy;
- (f) criteria of making payments to non-executive directors;
- (g) policy on dealing with related party transactions;
- (h) policy for determining 'material' subsidiaries;
- (i) details of familiarization programmes imparted to independent directors including the following details:-
 - (i) number of programmes attended by independent directors (during the year and on a cumulative basis till date)
 - (ii) number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date)
- (j) the email address for grievance redressal and other relevant details;
- (k) contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;
- (l) financial information including:
 - (i) notice of meeting of the board of directors where financial results shall be discussed;
 - (ii) financial results, on conclusion of the meeting of the board of directors where the financial results were approved;
 - (iii) complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc;
- (m) shareholding pattern;
- (n) schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange;
- (o) new name and the old name of the listed entity for a continuous period of one year, from the date of the last name change;

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

VIGIL MECHANISM / WHISTLE BLOWER

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

MATERIAL SUBSIDIARIES

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

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company at its various meetings held during the Financial year 2015-16 had familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the Business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarize then with the Company's policies, procedures and practices.

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

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

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

Corporate Governance Report 2015-16

Means of Communication:

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

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

The next Annual General Meeting of the company will be held on Friday, September 30, 2016 at The Leela Mumbai, Andheri Kurla Road, Sahar, Mumbai, Maharashtra - 400059.

Financial Year

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

Financial Calendar for 2016-17

Tentative Schedule	Likely Board Meeting Schedule
Financial reporting for the quarter ending June 30, 2016	On or before August 14, 2016
Financial reporting for half year ended September 30, 2016	On or before November 14, 2016
Financial reporting for the quarter ending December 31, 2016	On or before February 14, 2017
Financial reporting for the year ended March 31, 2016	On or before May 30, 2017
Annual General Meeting for the year ending March 31, 2017	On or before September 30, 2017

Book Closure;

The Company's Register of Members and Share transfer books shall remain closed from September 26, 2016 to September 30, 2016 (both days inclusive).

Dividend Payment;

i. Payment date:

Dividend, when declared at the AGM, will be paid within 30 days from the date of AGM i.e. September 30, 2016.

ii. Payment Entitlement:

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

- For shares in demat form: As beneficial owner as at the end of the business hours on September 23, 2016 as per the list to be provided by the Depositories to the Company.
- For shares in physical form: As a member in the Register of Member of the Company as on September 23, 2016.

Corporate Governance Report 2015-16

Listing on Stock Exchanges:

Your company's securities are listed on the following Stock Exchanges.

Equity Shares

Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra East, Mumbai - 400 051.

Listing fees for the year 2015-16 have been paid to the Indian Stock Exchanges.

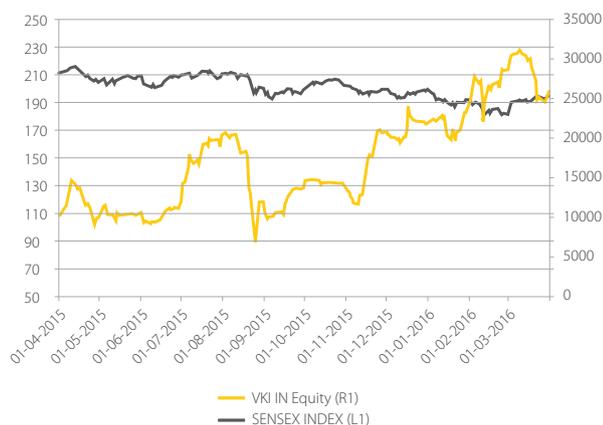
Stock Codes

Stock Exchange	Code
Bombay Stock Exchange Ltd.	511431
National Stock Exchange of India Ltd.	VAKRANGEE
ISIN	
For Equity Shares (NSDL and CDSL)	INE051B01021

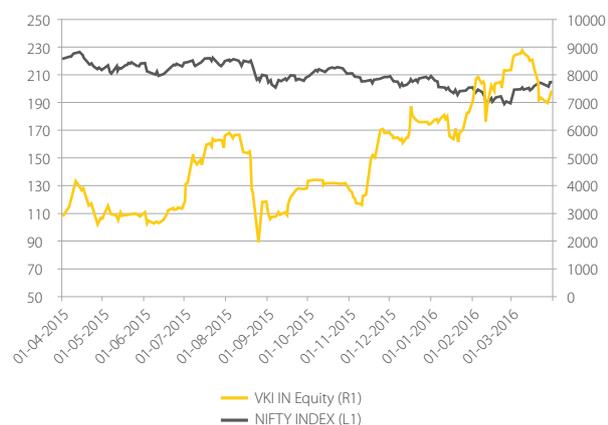
Stock Market Data relating to Equity Shares listed in India:

Month (2015-16)	Price on BSE during each month (in ₹)		Volume traded	Price on NSE during each month (in ₹)		Volume traded
	High	Low		High	Low	
April	138.4	90.9	1083211796	138.5	91	21674285
May	123.05	103.5	1198805737	123.2	103.1	20417000
June	118	86.55	1150075105	118.2	86.4	21710967
July	169.95	116.5	3683771888	169.4	116.9	69131343
August	172.4	86.95	2015142403	172.4	87.1	38279201
September	130.6	98.25	1309780643	130.7	98	27520604
October	138	128.8	1373838510	137.95	128.45	18694702
November	174.4	104.5	2697192850	174	104.75	70486867
December	191.6	159.05	2261688381	191.8	159.25	30183860
January	184.85	155.8	2594783021	185	155.55	31025442
February	216	162.9	3026845334	216.5	162.35	41026528
March	228.9	188.35	2849865844	229.25	187.6	37550332

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



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



Corporate Governance Report 2015-16

Registrar and Share Transfer Agent:

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

Bigshare Services Pvt. Ltd.

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

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

As on March 31, 2016

Category (No. of Shares)	No. of shareholders	% of shareholders	No. of shares	% total equity
0-5000	14800	92.7260	8481991	1.6028
5001-10000	432	2.7066	3297968	0.6232
10001-20000	212	1.3282	3200651	0.6048
20001-30000	81	0.5075	2041140	0.3857
30001-40000	48	0.3007	1698637	0.3210
40001-50000	33	0.2068	1551520	0.2932
50001-100000	100	0.6265	7558397	1.4283
100001- above	255	1.5976	501365866	94.7411
Total	15961		529196170	100.0000

Category of Shareholders:

Category	March 31, 2016		March 31, 2015	
	No. of shares held	% of Holding	No. of shares held	% of Holding
(A) Shareholding of Promoter and Promoter Group				
(a) Individuals/ Hindu Undivided Family	29865100	5.64	29865100	5.93
(b) Bodies Corporate	190311414	35.96	165311414	32.83
Total(A)	220176514	41.61	195176514	38.77
(B) Public Shareholding				
B1 Institutions				
(a) Mutual Funds	23492	0.00		
(b) Financial Institutions / Banks	2319431	0.44	38934480	7.73
(c) Insurance Companies	34780128	6.57		
(d) Foreign Institutional Investors	35989316	6.80	16753348	3.33
Sub-Total (B)(1)	73112367	13.82	55687828	11.06
B2 Non-institutions				
(a) Bodies Corporate	149091062	28.17	162337027	32.24
b(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	25658545	4.85	19655056	3.90
b(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	22449683	4.24	56430707	11.21
(c) Clearing members	12882454	2.43	6739573	1.34
(d) Non Residents Indians(NRI)	4188213	0.79	7417804	1.47
(e) Overseas Bodies Corporates	21627332	4.08	37731	0.01
Sub-Total (B)(2)	235907289	44.58	252617898	50.17
(B) Total Public Shareholding (B)= (B)(1)+(B)(2)	309019656	58.39	308305726	61.23
GRAND TOTAL (A)+(B)	529196170	100	503482240	100

Corporate Governance Report 2015-16

Dematerialization of Shares and Liquidity:

Mode of Holding	No. of shares (as on March 31,2016)	%
Held with NSDL	414856671	78.40
Held with CDSL	112055498	21.17
Held in Physical Form	2284001	0.43
Total	529196170	100

Over 99.57% of outstanding equity has been dematerialized upto March 31, 2016

Address of Correspondence:

The address of correspondence:

Vakrangee Limited
"Vakrangee House", Plot No.- 66,
Marol Co-op Industrial Estate,
Off. M. V. Road, Andheri (E),
Mumbai – 400 059

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

Name	Telephone No.	Email ID	Fax No.
Darshi Shah	022-67765101, 67765102	info@vakrangee.in	022-28502017

Vakrangee's Code of Conduct:

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

Vakrangee's Code for Preventing Insider Trading:

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

DECLARATION ON COMPLIANCE WITH THE COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

I, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and Senior Management Personnel of the company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the financial year 2015-16.

Sd/-

Dinesh Nandwana

Managing Director & CEO
(DIN:00062532)

Auditor's Certificate on Corporate Governance

To the members of **Vakrangee Limited**,

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Vakrangee Limited, for the year ended March 31, 2016 as stipulated in Clause 49 of the Listing Agreement of the Company with the BSE Limited and National Stock Exchange of India Limited ("the Stock Exchanges") for the period 1st April, 2015 to 30th November, 2015 and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "Corporate Governance Requirement") for the period 1st December, 2015 to 31st March, 2016.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountant of India, and was limited to review of the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, and the representations made by the Directors and management, we certify that the company with the conditions of Corporate Governance as stipulated in the above referred Corporate Governance requirements.

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

For **S. K. Patodia & Associates**
Chartered Accountants
FRN: 112723W

Arun Poddar
Partner
Mem. No.: 134572

Place : Mumbai
Date : August 27, 2016

CEO / CFO Certificate

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

Dear Sirs,

Sub: CEO / CFO Certificate

(Issued in accordance with provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have reviewed the Financial Statements, read with Cash Flow Statement of Vakrangee Limited for the year ended March 31, 2016 and that to the best of our knowledge and belief, we state that;

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

Yours sincerely,
For Vakrangee Limited

Dinesh Nandwana
Managing Director & CEO

Subhash Singhania
Chief Financial Officer

Place: Mumbai
Date: May 11, 2016

Independent Auditor's Report

To the Members of Vakrangee Limited,

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Vakrangee Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 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 Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 standalone 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 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 standalone financial statements

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying standalone 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

Independent Auditor's Report

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 standalone 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;
- (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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 21 to the financial statements;
 - (ii) The Company has long-term contracts other than derivative contracts as at March 31, 2016 for which there were no material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, during the year ended March 31, 2016

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

Chartered Accountants

FRN: 112723W

Arun Poddar

Partner

Mem. No. : 134572

Place: Mumbai

Date: May 11, 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 Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements are held in the name of the company.
- ii. The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loan, to three subsidiary companies covered in the register maintained under Section 189 of the Companies Act, 2013. The company has not granted any secured or unsecured loans to firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act:
- (a) The terms and conditions of the grant of such loans were not, prima facie, prejudicial to the interest of the company.
- (b) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable
- (c) In respect of the aforesaid loans, amount is not overdue for more than 90 days.
- iv. In our opinion, 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 material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- 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 during the year. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid / provided for Managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and as per information and explanations provided to us by management all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under

Annexure A to Independent Auditors' Report

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

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 except conversion of share warrants into equity shares during the year. The Company has complied with the requirements of Section 42 of the Companies Act, 2013 and the amounts raised have been used for the purposes for which they were raised.
- 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
FRN: 112723W

Arun Poddar
Partner
Mem. No. : 134572

Place: Mumbai
Date: May 11, 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 Limited on the standalone 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 Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure B to Independent Auditors' Report

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

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

7. 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
FRN: 112723W

Arun Poddar
Partner
Mem. No. : 134572

Place: Mumbai
Date: May 11, 2016

Balance Sheet

as at March 31, 2016

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I Equity & Liabilities			
1. Shareholders' funds			
(a) Share Capital	2	5,291.96	5,034.82
(b) Reserves and Surplus	3	1,48,908.95	93,118.10
(c) Money received against Share Warrant	4	-	25,000.00
		1,54,200.91	1,23,152.92
2. Non - Current Liabilities			
(a) Long -Term Borrowings	5	1,250.00	3,740.60
(b) Deferred Tax Liabilities (Net)	6	1,274.04	4,234.40
(c) Other Long - Term Liabilities	7	216.62	157.17
		2,740.66	8,132.17
3. Current Liabilities			
(a) Short - Term Borrowings	8	28,275.04	29,968.80
(b) Trade Payables	9	11,087.88	21,079.56
(c) Other Current Liabilities	10	3,224.84	7,755.88
(d) Short - Term Provisions	11	12,436.10	13,654.35
		55,023.86	72,458.59
TOTAL		2,11,965.43	2,03,743.68
II Assets			
1. Non - Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		13,180.52	27,190.44
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	1,009.11
(b) Non - Current Investments	13	270.94	281.00
(c) Long - Term Loans and Advances	14	1,122.06	480.48
(d) Other Non - Current Assets	15	1,383.20	214.51
		15,956.72	29,175.54
2. Current Assets			
(a) Inventories	16	46,447.38	13,352.59
(b) Trade Receivables	17	87,707.96	1,22,164.09
(c) Cash and Cash equivalents	18	16,539.82	3,677.83
(d) Short - Term Loans and Advances	19	6,585.10	4,209.91
(e) Other Current Assets	20	38,728.45	31,163.73
		1,96,008.71	1,74,568.14
TOTAL		2,11,965.43	2,03,743.68
Significant Accounting Policies	1		

As per our report of even date

For S. K. Patodia & Associates

Chartered Accountants

FRN : 112723W

Arun Poddar

Partner

Mem. No. 134572

Place : Mumbai

Date : May 11, 2016

For & on behalf of the Board**Dinesh Nandwana**

Managing Director & CEO

DIN : 00062532

Dr. Nishikant Hayatnagarkar

Director

DIN : 00062638

Subhash Singhania

Chief Financial Officer

Darshi Shah

Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2016

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
I Revenue from Operations	23	3,16,861.27	2,77,537.20
II Other Income	24	1,203.00	956.31
III Total Revenue (I + II)		3,18,064.27	2,78,493.51
IV Expenses			
Operating Expenses	25	2,30,789.82	2,01,908.15
Changes in Inventories	26	113.99	(65.29)
Employee Benefits Expenses	27	2,535.80	1,957.41
Finance Costs	28	5,592.25	7,491.91
Depreciation and Amortization Expense	12	16,353.35	16,434.59
Other Expenses	29	2,241.09	1,956.30
Total Expenses		2,57,626.31	2,29,683.07
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		60,437.97	48,810.44
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax (V-VI)		60,437.97	48,810.44
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII-VIII)		60,437.97	48,810.44
X Tax Expense:			
(a) Current Tax		24,074.92	18,248.01
(b) Deferred Tax		(2,960.36)	(1,495.66)
(c) Tax of Earlier Year		176.29	0.79
(d) MAT Credit Entitlement		-	-
		21,290.85	16,753.14
XI Profit for the Period from Continuing Operations (IX - X)		39,147.12	32,057.30
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 for the Period (XI + XIV)		39,147.12	32,057.30
XVI No. of equity shares for computing EPS			
(1) Basic		51,98,24,565	50,34,82,240
(2) Diluted		53,04,24,580	53,11,03,578
XVII Earnings Per Equity Share (Face Value ₹ 1/- Per Share):	30		
(1) Basic (₹)		7.53	6.37
(2) Diluted (₹)		7.38	6.04
Significant Accounting Policies	1		

As per our report of even date

For S. K. Patodia & Associates
Chartered Accountants
FRN : 112723W

For & on behalf of the Board

Arun Poddar
Partner
Mem. No. 134572

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Subhash Singhania
Chief Financial Officer

Place : Mumbai
Date : May 11, 2016

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Darshi Shah
Company Secretary

Cash Flow Statement

for the year ended March 31, 2016

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
I	Cash flow from operating activities		
	Profit before tax from continuing operations	60,437.97	48,810.45
	Profit before tax from discontinuing operations	-	-
	Profit before tax	60,437.97	48,810.45
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation/amortization on continuing operation	16,353.35	16,434.59
	Depreciation/amortization on discontinuing operation	-	-
	Loss/(profit) on sale of fixed assets	(134.89)	(18.41)
	Employee stock compensation expense	(134.34)	9.12
	Net gain on sale of non-current investments	(14.62)	(66.24)
	Interest expense	5,430.60	6,767.19
	Interest income	(740.06)	(670.41)
	Dividend income	(2.00)	-
	Operating Profit before working capital changes	81,196.01	71,266.29
	Movements in working capital :		
	Increase / (decrease) in trade payables	(9,991.68)	(4,117.43)
	Increase / (decrease) in short-term provisions	(2,983.74)	(1,204.53)
	Increase / (decrease) in other current liabilities	(4,531.03)	(1,905.69)
	Increase / (decrease) in other long-term liabilities	59.45	(174.89)
	Decrease / (increase) in trade receivables	34,456.13	(42,968.44)
	Decrease / (increase) in inventories	(33,094.79)	(292.08)
	Decrease / (increase) in long-term loans and advances	(641.58)	5,050.22
	Decrease / (increase) in short-term loans and advances	(2,375.19)	(569.99)
	Decrease / (increase) in other current assets	(7,564.72)	(11,964.63)
	Decrease / (increase) in other non-current assets	(1,168.69)	351.27
	Cash generated from /(used in) operations	53,360.14	13,470.12
	Direct taxes paid (net of refunds)	(28,936.94)	(14,187.11)
	Net cash flow from / used in operating activities (A)	24,423.20	(716.99)
II	Cash flow from investing activities		
	Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,335.55)	(436.11)
	Proceeds from sale of fixed assets	136.12	121.17
	Proceeds of non-current investments	64.61	236.24
	Purchase of non-current investments	(39.94)	(75.00)
	Interest received	740.06	670.41
	Dividends received	2.00	-
	Net cash flow from/(used in) investing activities (B)	(432.70)	516.71

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
III	Cash flow from financing activities		
	Proceeds from issuance of share capital	7.14	-
	Proceeds from Warrant & Share Application Money	-	14,784.95
	Proceeds from securities premium on issuance of share capital	66.69	-
	Proceeds from long-term borrowings	(2,490.60)	(4,880.42)
	Proceeds from short-term borrowings	(1,693.75)	(670.22)
	Interest paid	(5,430.60)	(6,767.19)
	Dividends paid on equity shares	(1,322.89)	(1,258.71)
	Tax on equity dividend paid	(264.50)	(251.67)
	Net cash flow from/(used in) in financing activities (C)	(11,128.51)	956.74
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	12,861.99	756.47
	Cash and cash equivalents at the beginning of the year	3,677.83	2,921.37
	Cash and cash equivalents at the end of the year	16,539.82	3,677.83
	Components of cash and cash equivalents		
	Cash on hand	5.33	5.47
	Cheques/ drafts on hand	-	-
	With banks - on current account	13,872.87	534.02
	on deposit account	2,631.49	3,104.53
	unpaid dividend accounts*	30.13	33.82
	Total cash and cash equivalents (Note 18)	16,539.82	3,677.83

* The company can utilize these balances only toward settlement of the respective unpaid dividend.

For S. K. Patodia & Associates

Chartered Accountants
FRN : 112723W

Arun Poddar

Partner
Mem. No. 134572

Place : Mumbai
Date : May 11, 2016

For & on behalf of the Board

Dinesh Nandwana

Managing Director & CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar

Director
DIN : 00062638

Subhash Singhania

Chief Financial Officer

Darshi Shah

Company Secretary

Notes to Financial Statements

as on March 31, 2016

Note 1 - Significant Accounting Policies

Vakrangee Limited ("the Company") is a public company domiciled in India and incorporated in May 1990 under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India.

Vakrangee Limited along with its subsidiaries, Vakrangee e-Solutions Inc. (Philippines), Vakrangee Finserve Ltd. provides diverse solutions, activities in e-governance sector with special competencies in handling massive, multi-state, and e-governance enrollment projects and software and IT solutions, Data Digitization, etc.

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 realisation 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 / materialised.

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 follows 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
- ii. Dividend Income, if any.

D. Fixed Assets and Intangible 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 upon 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,

Notes to Financial Statements

as on March 31, 2016

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 belonging to 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

- i. 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%

* 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, 2014:

- 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.

Depreciation on assets acquired/sold during the year is provided on prorata basis.

G. Investments

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

Notes to Financial Statements

as on March 31, 2016

H. Valuation of inventories

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

I. Lease

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating leases. The lease agreements contain rent escalation clause. Lease rental expenses including escalations for operating leases are recognized in the Profit and Loss Account on a straight-line basis over the minimum lease term.

Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

J. Miscellaneous Expenditure

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

K. Foreign Currency Transactions

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

L. Treatment of Contingent Liabilities

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

M. Accounting for Taxation of Income

Current taxes

Income Tax is accrued in the same period the related revenue and expenses 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 disallowance 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

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 virtual certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

Notes to Financial Statements

as on March 31, 2016

N. Retirement benefits of the Employee:

The Company has both defined contribution and defined benefit plans of which some have assets in special funds or similar securities. The plans are financed by the Company and in case of some defined contribution plans, by the Company along with its employees.

- **Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Company's gratuity benefit scheme is a defined benefit plan. The company's obligation in respect of the gratuity plan is provided by for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in the profit and loss account.

- **Provident fund, State Insurance, Labour Welfare Fund, Professional Tax**

These are the defined contribution plans in which the Company pays pre-defined amounts to separate funds. The Company's contributions to these funds are reported as an expense during the period in which the employees perform services that the payment covers.

- **Compensated Absences**

The employees of the Company are entitled to compensate absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement at retirement or termination of employment for the unutilized accrued compensated absence. The company follows the cash basis of accounting for recording the obligation of leave encashment. In other words, the company records an obligation for compensated absences in the period in which it has been encashed by the employees.

- **Employee Stock Option Plan (ESOP)**

In respect of employee's stock options, the excess of market price on the date of grant over the exercise price is recognised as deferred employee compensation expense amortised over vesting period.

As per our report of even date attached.

For S. K. Patodia & Associates

Chartered Accountants
FRN : 112723W

Arun Poddar

Partner
Mem. No. 134572

Place : Mumbai
Date : May 11, 2016

For & on behalf of the Board

Dinesh Nandwana

Managing Director & CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar

Director
DIN : 00062638

Subhash Singhania

Chief Financial Officer

Darshi Shah

Company Secretary

Notes to Financial Statements

as on March 31, 2016

Note 2 - Share Capital

(₹ in Lakhs)

(a)	Particulars	As at	
		March 31, 2016	March 31, 2015
Authorised :			
	75,00,00,000 (Previous Year 75,00,00,000) Equity Shares of ₹ 1/- each	7,500.00	7,500.00
	TOTAL	7,500.00	7,500.00
Issued, Subscribed and Paid-up :			
	52,91,96,170 (Previous Year 50,34,82,240) Equity Shares of ₹ 1/- each fully paid up	5,291.96	5,034.82
	TOTAL	5,291.96	5,034.82

(b) **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 31st March 2016, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 1.25 per share of ₹ 1/- each. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- 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.

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

Particulars	As at March 31, 2016	As at March 31, 2015
No. of shares at the beginning of the year	50,34,82,240	50,34,82,240
Add: Issue of Shares during the year		
Conversion of ESOPs	7,13,930	-
Conversion of Share Warrants	2,50,00,000	-
	2,57,13,930	-
No. of shares at the end of the year	52,91,96,170	50,34,82,240

(d) **Aggregate details for five immediately previous reporting periods for each class of shares**

Particulars	As at	
	March 31, 2016	March 31, 2015
- 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	25,02,39,790	25,02,39,790
- No. of shares bought back	-	-
- No. of shares issued on exercise of options granted under the ESOP scheme.	55,65,910	61,58,940

(e) **Details of Promoters' 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 Holdings Private Limited	12,53,75,194	23.69	12,53,75,194	24.90
Dinesh Nandwana	2,97,67,100	5.62	2,97,67,100	5.91
Vakrangee Capital Private Limited	6,49,36,220	12.27	3,99,36,220	7.93

Notes to Financial Statements

as on March 31, 2016

(f) Detailed note on shares reserved to be issued under options and contracts (ESOPs or Loans) / commitment for the sale of shares (without payment being received in cash) divestments including the terms and conditions.

The Company has formulated Employees Stock Option Scheme, 2008 (ESOP Scheme) which was approved by the members of the Company at their meeting held on 23rd September, 2008, as modified on 10th January, 2011 & on 1st June, 2012. Further the Company has formulated the new "ESOP Scheme 2014" approved by the members of the Company through postal ballot on 23rd May, 2014.

Detail of all the Grants issued as on date & the prices at which the options (after effecting modification, if any) to be exercised are as follows:

Grant No. & Date of Grant	Option Granted	
	No. of options (Equity shares of Face Value ₹ 1/- each)	Exercise Price (₹)
Under ESOP Scheme 2008		
Grant 1 on July 31, 2009	54,14,000	3.10
Grant 2 on December 30, 2009	4,12,000	3.39
Grant 3 on May 18, 2010	31,24,000	7.33
Grant 4 on November 24, 2010	17,35,000	7.50
Grant 5 on August 12, 2011	12,97,000	7.50
Grant 6A on July 20, 2012	11,90,000	20.00
Grant 6B on July 20, 2012	20,00,000	10.00
Under ESOP Scheme 2014		
Grant 7 on November 26, 2014	10,69,100	64.70
Grant 8 on March 11, 2016	9,67,200	113.08

The Company has made another change in the ESOP Scheme with respect to the vesting of the options (only those forming part of the fresh Grants issued after June 1, 2012) over the period as follows:

Period of Vesting from the date of grant	Percent to Vest	
	Grant 1 to 5	Grant 6 onwards
At the end of twelve months	33%	-
At the end of twenty four months	33%	25%
At the end of thirty six months	34%	25%
At the end of forty eight months	-	25%
At the end of sixty months	-	25%

Employees covered under Stock Option Plans are granted an option to purchase shares of the company at the respective exercise prices, subject to requirements of vesting conditions. These options generally vest over a period of four years from the date of grant for Grants 1 to 5 and six years from the date of grant for Grant 6 onwards. Upon vesting, the employees can acquire one equity share for every option.

The stock compensation cost is computed under the intrinsic value method and amortized on a straight line basis over the total vesting period of four years & six years accordingly. For the year ended March 31, 2016, the company has recorded stock compensation expense of ₹ (-) 134.34 Lakhs (net) (Previous year ₹ 9.12 Lakhs net). During the year, the Company has reversed the deferred employee compensation expenses amounting ₹ 519.07 Lakhs (Previous Year ₹ 402.71 Lakhs) towards 16,51,000 options (Previous year : 55,42,900 options) lapsed out of various Grants.

Notes to Financial Statements

as on March 31, 2016

The Remuneration & Compensation committee of the Board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options.

The activity in the ESOP Scheme during the year ended March 2016 is set out as below :

Particulars	As at March 31, 2016	As at March 31, 2015
The ESOP Scheme		
Options outstanding, beginning of the period	34,46,260	79,20,060
Add : Granted	9,67,200	10,69,100
Less: Exercised	7,13,930	-
Less: Lapsed	16,51,000	55,42,900
Options outstanding, end of the period	20,48,530	34,46,260

The options once granted to an eligible employee gets lapsed with the resignation / termination of the employment with the Company. However, the unvested / unexercised portion of the ESOP entitlement to that employee remain part of the respective grant out of which it was issued & they can be granted to any other eligible employee as decided by the Remuneration & Compensation Committee.

Note : The Remuneration & Compensation Committee has been authorised to make amendments in the ESOP Scheme - 2008 and ESOP Scheme - 2014, with regard to the number of shares for every option granted & the price to be revised, to give effect of stock split & bonus issue announced by way of postal ballot during the year.

(g) Detailed terms of any securities convertible into shares, e.g. in the case of convertible warrants, debentures, bonds etc.

The Company had issued 250.00 Lakhs fully convertible warrants to M/s. Vakrangee Capital Private Limited at ₹ 100/- per warrant in February, 2014. The warrants issued were convertible into equal no. of equity shares having face value of ₹ 1/- with premium of ₹ 99/- per share. Those warrants have been converted into 250.00 Lakhs fully paid-up equity shares of ₹ 1/- each in August, 2015 i.e. before the expiry of 18 months from the date of allotment of warrants. These equity shares are subject to lock-in-period of three years from date of allotment of the equity shares or such reduced period as may be permitted under the SEBI Issue of Capital & Disclosure Requirements (ICDR) Regulations, 2009 as amended time to time.

Note 3 - Reserves & Surplus

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Securities Premium Account		
As per last Balance Sheet	16,997.11	16,997.11
Add: On shares issued during the year	24,816.69	-
Add : Transferred from Shares Options outstanding account	181.85	-
Less: Capitalised on issue of shares	-	-
Less: Share issue expenses	-	-
	41995.65	16,997.11
(ii) a) Shares Options Outstanding Account		
As per last Balance Sheet	1,248.41	959.41
Add : On further grant of options	1,065.68	691.71
Less: Reversal due to lapsation of options	(519.07)	(402.71)

Notes to Financial Statements as on March 31, 2016

Less: Transferred to Securities Premium Account	(181.85)	-		
			1,613.17	1,248.41
b) Deferred Employee Compensation Expense				
As per last Balance Sheet	(669.25)	(389.36)		
Add : On further grant of options	(1,065.68)	(691.71)		
Less: Reversal due to lapsation of options	190.98	-		
Less : Amortised during the year	193.75	411.82		
			(1,350.20)	(669.25)
(iii) General Reserve				
As per last Balance Sheet	7,791.68	4,585.95		
Add: Transferred from Profit and Loss Account	3,914.71	3,205.73		
Less: Transferred to Profit and Loss Account	-	-		
			11,706.39	7,791.68
(iv) Surplus in the Profit & Loss Account				
As per last Balance Sheet	67,750.15	43,092.76		
Add: Profit for the year	39,147.12	32,057.30		
Amount available for appropriations	1,06,897.27	75,150.06		
Appropriations:				
Add: Transferred from reserves	-	-		
Less : Amounts transferred from block of Fixed Assets (net of taxes) (Refer Note I below)	-	(2646.06)		
Less: Transferred to General Reserve	(3,914.71)	(3,205.73)		
Proposed Dividend	(6,614.95)	(1,258.71)		
Corporate Dividend Tax	(1,346.65)	(251.67)		
Short Provision for Dividend Payable of previous year	(64.19)	-		
Short Provision for Dividend Tax Payable of previous year	(12.83)	(37.75)		
	(11,953.33)	94,943.94	(7,399.91)	67,750.15
TOTAL		1,48,908.95		93,118.10

Note I : With the applicability of Companies Act, 2013 with effect from April 1, 2014, and 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, 2014 where the remaining useful life of an asset is Nil, the residual value has been transferred to the retained earnings in the previous year. The block-wise break up of the amounts transferred are as follows :

Furnitures & Fixtures	82.91
Office Equipments	222.70
Computers & Printers	3,702.96
	4,008.57

The tax impact amounting to ₹ 1362.51 lakhs on the above amounts has been reduced from the amounts transferred from block of fixed assets.

Notes to Financial Statements

as on March 31, 2016

Note 4- Money Received against Share Warrant

(₹ in Lakhs)

Particulars	As at	
	March 31, 2016	March 31, 2015
Warrant Application money	-	25,000.00
TOTAL	-	25,000.00

Note :

The Company had issued 250.00 Lakhs fully convertible warrants to M/s. Vakrangee Capital Private Limited at ₹ 100/- per warrant in February, 2014. The warrants issued were convertible into equal no. of equity shares having face value of ₹ 1/- with premium of ₹ 99/- per share. Those warrants have been converted into 250.00 Lakhs fully paid-up equity shares of ₹ 1/- each in August, 2015 i.e. before the expiry of 18 months from the date of allotment of warrants. These equity shares are subject to lock-in-period of three years from date of allotment of the equity shares or such reduced period as may be permitted under the SEBI Issue of Capital & Disclosure Requirements (ICDR) Regulations, 2009 as amended time to time.

Note 5 - Long-Term Borrowings

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(A) Secured Loans		
	(i) Term Loans		
	- From Banks	1,250.00	3,740.60
	- From Others	-	3,740.60
	(ii) Long-term maturities of finance lease obligations	-	-
	(iii) Deposits	-	-
	(A)	1,250.00	3,740.60
	(B) Unsecured Loans		
	(i) Term Loans		
	- From Bank	-	-
	- From Others	-	-
	(iii) Deposits	-	-
	(B)	-	-
	TOTAL (A + B)	1,250.00	3,740.60

(b) Terms of repayment of term loans and other loans.

i) Term Loan from Banks :

- The Company had taken a term loan of ₹ 25.00 Crores. Present rate of interest is 11.95% p.a. The loan is to be repaid in 16 quarterly installments of ₹ 1.56 Crore 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.
- The Company has taken a term loan in the form of External Commercial Borrowings (ECBs) of USD 10 Million. The borrowings are 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. Present rate of interest is 3.561% p.a. The loan is 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.

Notes to Financial Statements

as on March 31, 2016

"The Company has 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 has been fixed at 9.62% p.a. for complete tenor of the term loan. The spot reference rate for repayment of the said loan has been fixed at ₹ 56.08 for 1 USD.

The bank has sanctioned Loan Equivalent Value (LEV) of ₹ 6.493 Cr under currency swap facility. Negative Mark-to-Market threshold limit for margin call has been fixed at ₹ 5.00 Cr.

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 ₹ 5.00 Cr."

(c) Nature of security of each type of secured loans.

i) Term Loans from Banks (₹ 25.00 Cr) :

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 immoveable 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.

(d) Details of the aggregate of each loan guaranteed by directors or others, each head-wise.

All the term loans amounting to ₹ 1,250.00 lakhs (P. Y. ₹ 3,740.60 lakhs) guaranteed by Mr. Dinesh Nandwana, Managing Director & CEO of the Company.

(e) Details of continuing default in the repayment of loans and interest, specifying the period and amount separately in each case.

There has been no default in the repayment of loans or interest thereon as on date.

Notes to Financial Statements

as on March 31, 2016

Note 6 - Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Liabilities		
(i) On account of difference in depreciation on Fixed Assets	1,294.44	4,249.79
(ii) Provision for Leave Encashment	-	-
(ii) Timing differences on Tax Provisions	-	-
(A)	1,294.44	4,249.79
Assets		
(i) Provision for Leave Encashment	20.40	15.39
(ii) Loss on sale of FA	-	-
(ii) Timing differences on Tax Provisions	-	-
(B)	20.40	15.39
TOTAL (A - B)	1,274.04	4,234.40

Note : In the previous year, the tax impact of ₹ 1362.51 lakhs on the amount of ₹ 4008.60 lakhs transferred from the block of fixed assets to retained earnings (Refer Note 3), as per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013, has been net off from the amounts so transferred to the retained earnings, and has been reduced from the opening deferred tax liabilities.

Note 7 - Other Long-Term Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade payables	216.62	157.17
Others :	-	-
TOTAL	216.62	157.17

Note 8 - Short-Term Borrowings

(₹ in Lakhs)

(a) Particulars	As at March 31, 2016	As at March 31, 2015
(A) Secured Loans		
(i) Loans repayable on demand		
- From Banks	28,275.04	29,968.80
(ii) Loans & Advances from Related Parties	-	-
(iii) Inter Corporate Deposits	-	-
(A)	28,275.04	29,968.80
(B) Unsecured Loans		
(i) Loans & Advances from Related Parties	-	-
(ii) Inter Corporate Deposits	-	-
(iii) Other Loans & Advances	-	-
(B)	-	-
TOTAL (A + B)	28,275.04	29,968.80

Notes to Financial Statements

as on March 31, 2016

(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 ₹ 750.00 Crores vide agreement dated June 5, 2015. Based on the operational requirements, the Company has proposed revision in working capital facilities to ₹ 510.90 Crores and the Lead Bank has assessed the working capital requirements of the Company to that extent during the year.

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 (excluding UID kits and FI kits financed by term loans & assets financed from ECB facility) both present & future.
 - First pari-passu charge on entire lands & office premises of the company & of Vakrangee Technologies Limited, situated at Marol Co-Operative Industrial Society & Hind Saurashtra Industries Co-Operative Society Limited, Marol, Andheri (East), Mumbai.
 - First Pari passu charge on residential house at Chandigarh.
 - Second pari-passu charge on the UID kits and FI kits purchased from the term loan facilities.
 - Second pari-passu charge on the assets financed through ECB facility.
3. Corporate Guarantee of Company, Vakrangee Technologies Limited.
4. Personal Guarantee of Mr. Dinesh Nandwana, Managing Director & CEO of the Company.

b) Loans and advances from Related Parties

For details, refer Note 36.

(c) 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 ₹ 28,275.04 Lakhs (P.Y. ₹ 29,968.80 Lakhs) guaranteed by Mr. Dinesh Nandwana, Managing Director & CEO of the Company.

(d) 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 9 - Trade Payables

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Current payables (including acceptances) outstanding for less than 12 months	11,087.88	21,079.56
TOTAL	11,087.88	21,079.56

Note 10 - Other Current Liabilities

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Current maturities of long-term debts	2,494.33	6,287.61
Current maturities of finance lease obligations	-	18.35
Interest accrued and due on borrowings	25.28	171.81
Unpaid Dividend	30.13	33.82

Notes to Financial Statements

as on March 31, 2016

Other Payables		
PF, ESIC & LWF Payable	27.31	62.29
Service Tax Payable	28.11	45.55
Sales Tax Payable	2.51	4.02
TDS Payable	39.82	153.43
Staff Emoluments Payable	357.05	369.98
Security Deposit	6.23	-
Advance from customers	170.81	320.53
Other Liabilities	43.26	288.49
TOTAL	3,224.84	7,755.88

Note 11 - Short-Term Provisions

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Provision for Expenses for Goods & services	3,646.26	6,697.71
Provision for Employees' benefits	185.57	117.85
Provision for Wealth Tax	-	0.01
Provision for Taxation (net of taxes paid)	642.67	5,328.40
Provision for Proposed Dividend	6,614.95	1,258.71
Provision for Tax on Proposed Dividend	1,346.65	251.67
TOTAL	12,436.10	13,654.35

Notes to Financial Statements

as on March 31, 2016

(₹ in Lakhs)

Description	Gross Block			Depreciation Block			Net Block							
	Beginning of Current Period	Additions	Acquisitions through Business Combinations	Deductions/ Adjustments	End of Current Period	Upto Beginning of Current Period	For the Period	Transfer to Retained Earnings	Deductions/ Adjustments	Upto End of Current Period	Before Impairment	Impairment	End of Current Period	End of Previous Period
(i) Tangible Assets														
Buildings	1,037.02	-	-	-	1,037.02	132.67	16.93	-	-	149.60	-	-	887.43	904.36
Plant and Machinery	988.76	343.71	-	-	1,342.47	325.76	89.01	-	-	414.76	-	-	927.71	673.00
Furnitures and Fixtures	596.48	7.75	-	-	604.23	502.94	31.03	-	-	533.98	-	-	70.25	93.54
Vehicles	52.04	5.21	-	-	57.25	20.52	7.27	-	-	27.77	-	-	29.48	31.52
Office Equipments	580.13	12.18	-	-	592.32	554.50	14.46	-	-	568.96	-	-	23.35	25.63
Computers and Printers	3,255.69	25.19	-	-	32,560.88	32,489.13	30.55	-	-	32,519.68	-	-	41.20	46.56
PROJECT ASSETS														
- Computers and Printers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	61,542.07	1,950.30	-	-	63,284.79	37,200.50	15,205.00	-	206.34	52,199.16	-	-	11,085.63	24,341.58
- Leased	596.64	-	-	-	596.64	582.96	13.68	-	-	596.64	-	-	-	13.68
- Office Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	909.97	0.32	-	-	910.29	759.29	135.84	-	-	895.14	-	-	15.15	150.67
- Leased	19.25	-	-	-	19.25	18.81	0.44	-	-	19.25	-	-	-	0.44
- Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	4,822.76	-	-	-	4,813.38	3,913.83	808.61	-	9.38	4,713.06	-	-	100.32	908.93
- Leased	23.26	-	-	-	23.26	22.72	0.53	-	-	23.26	-	-	-	0.53
TOTAL	1,03,714.07	2,344.66	-	-	1,05,841.78	76,523.63	16,353.35	-	215.72	92,661.26	-	-	13,180.52	27,190.44
<i>*(ii) Intangible Assets (Other than Internally Generated)*</i>														
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>*(iii) Capital Work-in-Progress (excluding Capital Advances)*</i>	1,009.11	-	-	-	1,009.11	-	-	-	-	-	-	-	-	1,009.11
TOTAL	1,009.11	-	-	-	1,009.11	-	-	-	-	-	-	-	-	1,009.11
GRAND TOTAL	1,04,723.18	2,344.66	-	-	1,22,606	1,05,841.78	16,353.35	-	215.72	92,661.26	-	-	13,180.52	28,199.55
PREVIOUS YEAR	1,04,457.19	4,238.34	-	-	3,972.35	1,04,723.18	16,434.59	-	67.35	76,523.63	-	-	28,199.55	-

(b) Details of Capital Work-in-Progress

Capital Work-in-Progress represents cost incurred towards advance for purchase of ATM Machine for White Label/ATM (WLA) project and other project assets.

(c) Detailed note on Fixed Assets taken on Lease

The Company had taken certain assets on finance lease. The assets taken on finance lease have been classified as leased assets under the project assets above. The finance lease was for the period of three years from the date of its commencement. Hence the depreciation on these assets has been amortised over a period of three years on straight line basis. For details on finance lease, please refer Note No. 39.

Notes to Financial Statements

as on March 31, 2016

Note 13 - Non-Current Investments

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
(a) Trade Investments		
(i) Investment in Equity Instruments		
Unquoted Investments		
- In Subsidiary Companies		
96,000 Equity Shares of Vakrangee e-Solutions Inc., Philippines of Peso 100/- each fully paid up (Previous Year 96,000)	96.00	96.00
2,50,000 Equity Shares of Vakrangee Finserve Ltd. of ₹ 10/- each fully paid up (Previous Year 2,50,000)	25.00	25.00
(A)	121.00	121.00
- In Others		
2,500 Equity Shares of CSC e-Governance Services India Ltd. of ₹ 1000/- each fully paid up (Previous Year 2,500)	25.00	25.00
(B)	25.00	25.00
(ii) Investment in Mutual Funds		
24.9375 units of Aditya Birla Real Estate Fund - I of ₹ 1,00,000/- each partly paid up ₹ 60,000/- per unit (Previous Year ₹ 60,000/- per unit, 24.9375 units)	15.00	15.00
99,990 units of Union KBC Asset Allocation Fund - Moderate of ₹ 10/- each fully paid up (Previous Year 99,990)	10.00	10.00
Nil units of Union KBC Capital Protection Oriented Fund - Series 1 of ₹ 10/- each fully paid up (Previous Year 2,99,990)	-	30.00
Nil units of Union KBC Capital Protection Oriented Fund - Series 2 of ₹ 10/- each fully paid up (Previous Year 2,00,000)	-	20.00
1,00,000 units of Union KBC Capital Protection Oriented Fund - Series 5 of ₹ 10/- each fully paid up (Previous Year 1,00,000)	10.00	10.00
4,99,990 units of Union KBC Trigger Fund Series 2 - Regular Plan of ₹ 10/- each fully paid up (Previous Year 4,99,990)	50.00	50.00
3,35,077.757 units of Union KBC Small & Midcap Fund - Regular Plan of ₹ 10/- each fully paid up (Previous Year Nil)	39.94	-
(C)	124.94	135.00
TOTAL (A + B + C)	270.94	281.00

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
(b) Aggregate value of:		
Quoted investments - Mutual Funds (Market Value : ₹123.38 lakhs, P.Y. ₹ 156.19 lakhs)	124.94	135.00
Unquoted investments	146.00	146.00
	270.94	281.00

Note : During the year, a company, Vakrangee Logistics Private Limited, has been incorporated as a wholly-owned subsidiary of the Company on March 18, 2016. However, the payment towards subscription of 10,00,000 equity shares subscribed as per the Memorandum of Association of the newly-formed company amounting to ₹ 1,00,00,000/- has not been made by the Company as at March 31, 2016.

Notes to Financial Statements

as on March 31, 2016

Note 14 - Long-Term Loans & Advances

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016		As at March 31, 2015	
	(i) Capital Advances				
	(Unsecured, considered good)				
	Advance against property	383.52		458.52	
	Advance against capital goods	716.75	1,100.27	-	458.52
	(ii) Security Deposits				
	(Unsecured, considered good)				
	Security Deposit		21.79		21.96
	(iii) Loans & Advances to Related Parties				
	(Unsecured, considered good)				
	Dues from subsidiaries	-		-	
	Dues from associate companies	-		-	
	Dues from companies in which the company's managing director is a director	-	-	-	-
	(iv) Other Loans and Advances				
	(Unsecured, considered good)				
	MAT Credit Entitlement	-		-	
	Balances with statutory / revenue authorities:				
	- Income Tax (net of provision for taxation)	-		-	
	- Sales Tax	-		-	
	TOTAL		1,122.06		480.48

(b) Details of Loans and Advances to Related Parties

For Details refer Note 36.

(c) Detailed note on loans and advances due by the following persons :

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/director	-	-
TOTAL	-	-

Note 15 - Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2016		As at March 31, 2015	
(i) Long Term Trade Receivables				
- Unsecured, considered good	1,009.86		138.36	
- Doubtful	-		-	
Less: Provision for Doubtful Debts	44.50		44.50	
		965.36		93.86
(ii) Others				
- Non-Current Bank Balances (Note No. 18)	417.15		119.23	
- Prepaid Expenses	0.69		1.42	
		417.84		120.65
TOTAL		1,383.20		214.51

Note 16 - Inventories

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	Raw Material	45,727.84	12,505.03
(ii)	Work in Progress	-	161.83
(iii)	Finished Goods	513.19	465.36
(iv)	Consumables	201.57	209.02
(v)	Stores & Spares	4.78	11.35
	TOTAL	46,447.38	13,352.59

Notes to Financial Statements

as on March 31, 2016

(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 AS 2 as issued by the ICAI.

Note 17 - Trade Receivables

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(i) Due for a period exceeding six months		
	- Unsecured, considered good	7,291.31	14,930.14
	- Doubtful	-	-
	Less: Provision for Doubtful Debts	-	-
		7,291.31	14,930.14
	(ii) Others		
	- Unsecured, considered good	80,416.65	1,07,233.95
	- Doubtful	-	-
	Less: Provision for Doubtful Debts	-	-
		80,416.65	1,07,233.95
	TOTAL	87,707.96	1,22,164.09

(b) **Detailed note on debts due by the following persons :**

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/director	-	-
TOTAL	-	-

Note 18 - Cash & Cash equivalents

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(A) Cash & Cash Equivalents		
	(i) Balances with Banks :		
	- Current Accounts	13,872.87	534.02
	(ii) Cash-in-hand	5.33	5.47
	(iii) Cheques & Drafts in-hand	-	-
		13,878.20	539.49
	(B) Other Bank Balances		
	(i) Earmarked balances	30.13	33.82
	(ii) Amount held as margin money or security against borrowings, guarantee, other commitments	3,048.64	3,213.01

Notes to Financial Statements

as on March 31, 2016

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(iii) Deposits with Banks :		
	- with original maturity period of more than 3 months but less than 12 months	-	10.75
	- with original maturity period of more than 12 months	-	-
		3,078.77	3,257.58
		16,956.97	3,797.07
	Less : Non-Current Other Bank Balances, disclosed under Other Non-Current Assets (Note No. 15)		
	(i) Amount held as margin money or security against borrowings, guarantee, other commitments	417.15	119.24
	(ii) Deposits with Banks :		
	- with original maturity period more than 12 months	-	-
		417.15	119.24
	TOTAL	16,539.82	3,677.83

Note 19 - Short-Term Loans and Advances

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(i) Security Deposits		
	(Unsecured, considered good)		
	Security Deposit	1,140.19	1,135.69
	(ii) Loans and Advances to Related Parties		
	(Unsecured, considered good)	-	-
	Dues from subsidiaries	5,161.62	2,913.76
	Dues from associate companies	-	-
	Dues from companies in which the company's managing director is a director	-	-
		5,161.62	2,913.76
	(iii) Other Loans and Advances		
	(Unsecured, considered good)		
	Loans to others	-	-
	Earnest Money Deposit	50.35	130.35
	Balances with statutory / revenue authorities :		
	- Sales Tax	23.52	15.71
	- Income Tax (net of provision for taxation)	209.42	1.31
	- CENVAT Credit receivable	-	13.09
		283.29	160.46
	TOTAL	6,585.10	4,209.91

Notes to Financial Statements

as on March 31, 2016

(b) **Details of Loans and Advances to Related Parties**

For details, refer Note 36.

(c) **Detailed note on loans and advances due by the following persons :**

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/director	-	-
TOTAL	-	-

Note 20 - Other Current Assets

(₹ in Lakhs)

(a) Particulars	As at March 31, 2016	As at March 31, 2015
Other advances receivable in cash or kind or for value to be received		
Staff Loans	18.53	18.59
Advances for Expenses	3.38	4.27
Advances for Purchases	37,549.80	30,366.41
Other Receivables	1,099.95	575.44
Prepaid Expenses	56.79	199.02
	38,728.45	31,163.73
TOTAL	38,728.45	31,163.73

Note 21 - Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(A) Contingent Liabilities		
(i) Claims against the company not acknowledged as debts	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	1,627.97	1,779.60
(iii) Other contingent liabilities	-	-
(A)	1,655.20	1,806.83
(B) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account not provided for	-	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	-
(iv) Other Commitments	-	-
(B)	110.00	35.00
TOTAL (A + B)	1,765.20	1,841.83

Note :

- 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.

Notes to Financial Statements

as on March 31, 2016

Note 22 - Dividends

(a) Detailed note on Proposed Equity Dividend and Proposed Preference Dividend for the period and related amount per share.

The Board of Directors of the Company recommended dividend of ₹ 1.25 per share on fully paid up equity share of ₹ 1/- each for the financial year ended 31st March, 2016, subject to members approval in the ensuing Annual General Meeting.

Note 23 - Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Income from e-governance activities	3,15,502.14	2,77,334.15
(b) Sale of Products		
- Computer consumables & peripherals	64.98	22.25
- Others	-	-
	64.98	22.25
(c) Sale of Services		
- Information Technology-Enabled Services (ITES)	1,292.60	171.83
- Others	0.09	8.51
	1,292.69	180.34
(d) Other Operating Revenues		
- Commission	-	-
- Scrap Sale	1.46	0.46
	1.46	0.46
TOTAL	3,16,861.27	2,77,537.20

Note 24 - Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(i) Interest Income on		
- Bank Deposits	249.20	264.03
- Others	490.86	406.38
- Income Tax Refund	-	740.06
	740.06	670.41
(ii) Dividend Income on		
- Investment in Subsidiaries	-	-
- Investment in Other Long-Term Instruments	2.00	-
	2.00	-
(iii) Net gain/ (Loss) on sale of Fixed Assets	134.89	18.41
(iv) Net gain on sale of Investments	14.61	66.24
(v) Gain on Foreign Exchange Fluctuation (net)	308.49	197.58
(vi) Other Non-Operating Income (net of expenses directly attributable to such income)		
- Rent Received	1.50	1.50
- Sundry Balances written back	1.24	0.15
- Miscellaneous Income	0.21	2.02
	2.95	3.67
TOTAL	1,203.00	956.31

Notes to Financial Statements

as on March 31, 2016

Note 25 - Operating Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Cost for Sales		
- Opening Stock	12,725.40	12,498.61
- Add : Purchases during the year	2,61,811.24	2,00,185.40
	2,74,536.64	2,12,684.01
- Less : Closing Stock	45,934.19	12,725.40
	2,28,602.45	1,99,958.61
Procurement of Manpower	60.63	219.76
Project Expenses	843.23	1,139.09
Image Processing Expenses	-	121.80
Commission Expenses	1,099.74	189.14
Printing Charges	24.80	15.77
Communication Costs	64.02	169.99
Conveyance & Travelling Expenses	42.63	33.21
Transportation, Octroi and Loading / Unloading Charges	7.08	16.02
Rent, Rates and Taxes	45.25	44.76
TOTAL	2,30,789.82	2,01,908.15

Note 26 - Changes in Inventories

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) At the beginning of the period		
(i) Finished Goods	465.36	508.31
(ii) Work-in-Progress	161.83	53.59
	627.19	561.90
Less : (b) At the end of the period		
(i) Finished Goods	513.20	465.36
(ii) Work-in-Progress	-	161.83
	513.19	627.19
TOTAL	113.99	(65.29)

Note 27 - Employee Benefits Expenses

(₹ in Lakhs)

(a) Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(i) Salaries & Wages	2,451.07	1,802.47
(ii) Contribution to Provident & Other Funds	152.50	99.85
(iii) Employee Compensation Expenses	(134.34)	9.12
(iv) Staff Welfare Expenses	66.57	45.97
TOTAL	2,535.80	1,957.41

Notes to Financial Statements

as on March 31, 2016

(b) Detailed note on disclosure as required by AS-15

For details, refer Note No. 37.

Note 28 - Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Interest Expenses				
- Banks	5,290.75		6,631.65	
- Others	139.85	5,430.60	135.53	6,767.18
Bank Charges & Commission		161.65		724.71
TOTAL		5,592.25		7,491.91

Note 29 - Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Repairs & Maintenance :				
- Building	51.64		39.75	
- Vehicle	1.98		1.85	
- Others	36.13	89.75	29.07	70.67
Advertisement and Publicity Expenses		244.30		191.33
Business Promotion Expenses		85.61		78.46
Sponsorship Fees		28.73		46.34
Commission & Brokerage		0.65		0.98
Rates & Taxes		63.72		62.82
Insurance		17.57		24.18
Electricity Expenses		44.29		36.17
Printing and Stationery		35.53		25.71
Communication Costs		109.37		96.74
Fees & Subscriptions		32.48		26.59
Listing, Registrar & Share Issue/Transfer Expenses		5.04		27.60
Directors' Remuneration		95.85		82.14
Directors' Sitting Fees		6.70		3.87
Legal & Professional Fees - Other than payments to Auditor :				
- Consultancy Charges	73.16		176.91	
- Legal & Professional Fees	649.17		471.15	
- Filing Stamp Duty and Franking Charges	13.81		23.69	
- Registration charges	0.73	736.87	0.01	671.76
Payments to Auditors :				
- Audit fees	21.00		14.04	
- Tax Audit fees	4.00		2.81	
- For Other Services	5.52		3.31	
- For Reimbursement of Expenses	0.20	30.72	-	20.16
Conveyance & Travelling		127.72		86.63
Vehicle Expenses		6.55		6.65
Corporate Social Responsibility Expenditure		420.73		321.25
Office & General Expenses		54.76		35.71
Donation		-		32.00
Miscellaneous Expenses		4.15		8.55
Total		2,241.09		1,956.30

Notes to Financial Statements

as on March 31, 2016

Note 30 - Earnings Per Equity Share

(₹ in Lakhs)

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	39,147.12	32,057.30
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for	39,147.12	32,057.30
Diluted EPS		
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	51,98,24,565	50,34,82,240
For Diluted EPS	53,04,24,580	53,11,03,578
(c) Face Value per Equity Share (₹)	1.00	1.00
Basic EPS	7.53	6.37
Diluted EPS	7.38	6.04
(d) Reconciliation between no. of shares used for calculating basic and diluted EPS		
No. of shares used for calculating Basic EPS	51,98,24,565	50,34,82,240
Add: Potential equity shares	1,06,00,014	2,76,21,338
No. of shares used for calculating Diluted EPS	53,04,24,580	53,11,03,578

Note 31 - Prior Period Items

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Prior Period Expenses		
Purchases	0.45	26.97
Repair & Maintenance	1.74	2.91
Professional Fees	-	0.84
Salary & Wages	1.07	1.00
Rent	1.64	-
Communication Costs	0.03	-
TOTAL	4.93	31.72
(b) Prior Period Incomes		
Other Income	-	0.02
TOTAL	-	0.02

Note 32 - Value of Raw Materials, Spare Parts and Components Consumed

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

Notes to Financial Statements

as on March 31, 2016

Note 33 - Earnings & Expenditure in Foreign Currency

(a) Earnings in Foreign Currency

(₹ in Lakhs)

Particulars	As at	
	March 31, 2016	March 31, 2015
FOB Value of Exports	-	-
Interest on loan to subsidiary	485.11	395.47
TOTAL	485.11	395.47

(b) Expenditure in Foreign Currency

(₹ in Lakhs)

Particulars	As at	
	March 31, 2016	March 31, 2015
Travelling Expenses	15.70	20.33
Interest on ECB	127.19	191.48
Professional and Consultation Fees	20.31	119.09
TOTAL	163.20	330.90

Note 34 - CIF Value of Imports

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
In respect of :		
(i) Raw Materials	-	-
(ii) Components and Spare parts	-	-
(iii) Capital Goods	-	-
TOTAL	-	-

Note 35 - Loans and Advances in the nature of loans given to subsidiaries and associates as required to be disclosed in the annual accounts of the company pursuant to clause 32 of the listing agreement is as under :

(i) Details of loans to subsidiaries

(₹ in Lakhs)

Name of Subsidiaries	2015-2016		2014-2015	
	Amount	Max. Amount	Amount	Max. Amount
Vakrangee e-Solutions Inc. (Purpose of loan is to provide financial assistance to the subsidiary company)	3,581.67	3,581.67	2,913.76	2,913.76
Vakrangee Finserve Limited (Purpose of loan is to provide financial assistance to the subsidiary company)	1,579.94	1,579.94	-	38.92

Notes to Financial Statements

as on March 31, 2016

(ii) Details of Investment in Subsidiaries

(₹ in Lakhs)

Name of Subsidiaries	No. of Shares as at year-end	% of shareholding
Vakrangee e-Solutions Inc.	96,000	100.00%
Vakrangee Finserve Limited	2,50,000	100.00%

Note : During the year, a company, Vakrangee Logistics Private Limited, has been incorporated as a wholly-owned subsidiary of the Company on March 18, 2016. However, the payment towards subscription of 10,00,000 equity shares subscribed as per the Memorandum of Association of the newly-formed company amounting to ₹ 100.00 lakhs has not been made by the Company as at March 31, 2016. Accordingly, the amounts paid during the year for incorporation and other expenses amounting to ₹9.54 Lakhs by the Company and recoverable from Vakrangee Logistics Private Limited has not been covered above.

Note 36 - Related Party Details**(a) Key Management Personnel**

Mr. Dinesh Nandwana	Managing Director & CEO (Chairman & Managing Director upto 26.07.2015)
Dr. Nishikant Hayatnagarkar	Whole-Time Director
Mr. Ramesh Mulchand Joshi	Director
Mr. Sunil Agarwal	Director
Mr. Babulal Meena	Director
Ms. Darshi Shah	Company Secretary

(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

Vakrangee Lacteus & Hortus Limited
Vakrangee Capital Private Limited
Vakrangee Technologies Limited
Mr. Manoj Nandwana

(c) Subsidiary Companies with whom the Company has entered into transactions during the year

Name of Subsidiaries	Country of incorporation	Holding as at	
		March 31, 2016	March 31, 2015
Vakrangee e-Solutions Inc.	Phillipines	100.00%	100.00%
Vakrangee Finserve Ltd.	India	100.00%	100.00%

Note : During the year, a company, Vakrangee Logistics Private Limited, has been incorporated as a wholly-owned subsidiary of the Company on March 18, 2016. However, the payment towards subscription of 10,00,000 equity shares subscribed as per the Memorandum of Association of the newly-formed company amounting to ₹ 100.00 Lakhs has not been made by the Company as at March 31, 2016. Accordingly, the amounts paid during the year for incorporation and other expenses amounting to ₹ 9.54 Lakhs by the Company and recoverable from Vakrangee Logistics Private Limited has not been covered below.

Related Party Transactions

- In relation to (a)

(₹ in Lakhs)

Nature of Transactions	For the year ended March 31, 2016	For the year ended March 31, 2015
Director Remuneration	95.85	82.14
ESOP Perquisites	2.85	-
Directors' Sitting Fees	6.70	3.87
Employee Benefits Expenses	5.92	4.90
Balance outstanding as on 31 March	NIL	NIL

Notes to Financial Statements

as on March 31, 2016

- In relation to (b) (₹ in Lakhs)

Nature of Transactions	For the year ended March 31, 2016	For the year ended March 31, 2015
Reimbursement of Expenses	17.29	14.15
Salary Paid	5.05	5.10
Realisation from Debtors	-	72.13
Warrant Application Money Received	-	14,784.95
Conversion of Warrants into Equity Shares	25,000.00	-
Balance Outstanding as on 31 March:		
Warrant Application Money Received	-	25,000.00

- In relation to (c) (₹ in Lakhs)

Nature of Transactions	For the year ended March 31, 2016	For the year ended March 31, 2014
Realisation from Debtors	57.64	-
Loans granted	2,053.50	205.64
Interest received on loan granted	488.09	398.26
Loan Received back	476.53	123.40
Balance Outstanding as on 31 March:		
Sundry Debtors (including foreign exchange fluctuation as at year end)	2,594.97	2,501.20
Short - Term Loans and Advances	5,161.62	2,913.76

Note 37 - Gratuity & Leave encashment

The Company has provided for Gratuity and leave encashment, in accordance with revised AS-15, "Employee Benefits", the company has provided the liability on actuarial basis.

a) Gratuity

Actuarial assumptions:

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Mortality Table (LIC)	2006-08 (Ultimate)	1994-96 (Ultimate)
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age
Discount rate	8% per annum	8% per annum
Salary Escalation	5%	5%

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

Amount recognized in the Profit and Loss account

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
PV of Past Service Benefit	132.77	104.59
Current Service Cost	45.17	35.13
Actuarial (gains)/losses for the period	57.64	76.56
Obligation at the end of the year.	218.55	178.83

Notes to Financial Statements

as on March 31, 2016

b) Leave encashment

Actuarial assumptions:

(₹ in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Period	From 1st April, 2015 to 31st March, 2016	From 1st April, 2014 to 31st March, 2015
Discount rate	8.00% per annum	8.00% per annum
Salary growth rate	5.00% per annum	5.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	-	-
Withdrawal rate (per annum)	2.00 % per annum (18 - 60 years)	2.00 % per annum (18 - 60 years)

Amount recognized in the Profit and Loss account

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Current Liability	2.78	1.78
Non current liability	56.17	43.50
Total	58.95	45.28

Note 38 - Segment Reporting

The Company'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 Accounting Standard 17 – "Segment Reporting" notified in the Companies (Accounting Standards) Rules 2006. 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.

(₹ in Lakhs)

Particulars	e-Governance Projects	Vakrangee Kendra	Total
Revenue from Operations	1,48,181.02	1,68,680.25	3,16,861.27
	(1,58,700.00)	(1,18,837.20)	(2,77,537.20)
Segmental Results (Profit before Depreciation, Interest and Tax)	40,808.10	40,372.45	81,180.56
	(35,848.51)	(35,932.12)	(71,780.63)
Less :			
Depreciation			16,353.35
			(16,434.59)
Finance Costs			5,592.25
			(7,491.91)
Unallocable expenses (net of unallocable income)			(1,203.00)
			(956.31)
Profit before exceptional and extra-ordinary item			60,437.97
			(48,810.45)
Less : Exceptional and extra-ordinary item			-
Profit Before Tax			60,437.97

Notes to Financial Statements

as on March 31, 2016

			(₹ in Lakhs)
Particulars	e-Governance Projects	Vakrangee Kendra	Total
			(48,810.45)
Less : Tax Expense			21,290.84
			(16,753.14)
Profit After Tax			39,147.12
			(32,057.30)

Note : Figures in brackets pertains to previous year.

Note 39 - Leases

Finance Leases

The Company has taken Computer Equipments & other Fixed Assets on finance lease. Future minimum lease payments & present value of minimum lease payments towards the finance lease are as below :

			(₹ in Lakhs)	
Particulars	As at March 31, 2016	As at March 31, 2015		
i) Minimum lease payments				
Not later than one year	-	18.56		
Later than one year and not later than five years	-	-		
Total	-	18.56		
ii) Present value of minimum lease payments				
Not later than one year	-	18.35		
Later than one year and not later than five years	-	-		
	-	18.35		
Add : Future finance charges	-	0.21		
Total	-	18.56		

Note 40 - 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 41 - Previous year figures

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

As per our report of even date attached.

For S. K. Patodia & Associates

Chartered Accountants
FRN : 112723W

Arun Poddar

Partner
Mem. No. 134572

Place : Mumbai
Date : May 11, 2015

For & on behalf of the Board

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Darshi Shah
Company Secretary

Independent Auditor's Report

To the Members of Vakrangee Limited,

Report on the Consolidated 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 comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"), which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors are responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group 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. 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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.

4. 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 consolidated 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 on whether the Holding Company has 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the accompanying consolidated 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, 2016, and their consolidated profit and their consolidated cash flows 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 ₹ 6,702.03 lakhs as at March 31, 2016, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have

Independent Auditor's Report

been furnished to us by the Management and our opinion on the consolidated 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-sections (3) and (11) 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 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.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report to the extent applicable, that:
- 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 financial statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - In our opinion, the accompanying consolidated 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;
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors

of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act;

- 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
- 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:
 - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29 to the consolidated financial statements;
 - The Group has long-term contracts other than derivative contracts as at March 31, 2016 for which there were no material foreseeable losses;
 - 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, 2016 and there were no amounts which were required to be transferred by the subsidiary company.

For **S. K. Patodia & Associates**
Chartered Accountants
FRN: 112723W

Arun Poddar
Partner
Mem. No. : 134572

Place : Mumbai
Date : May 11, 2016

Annexure A to Independent Auditors' Report

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, 2016, 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 and the representation received from the management for the entities un-audited referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure A to Independent Auditors' Report

- 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, 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 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.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of internal financial controls over financial reporting, insofar as it relates to the un-audited one subsidiary company is based on the representation received from the management (also refer para 8 of the Independent Auditor's Report above). Our opinion is not qualified in respect of this matter.

For **S. K. Patodia & Associates**
Chartered Accountants
FRN: 112723W

Arun Poddar
Partner
Mem. No. : 134572

Place : Mumbai
Date : May 11, 2016

Consolidated Balance Sheet

as at March 31, 2016

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I Equity & Liabilities			
1. Shareholders' funds			
(a) Share Capital	2	5,291.96	5,034.82
(b) Reserves and Surplus	3	1,46,817.74	90,698.88
(c) Money received against share warrants	4	-	25,000.00
		1,52,109.70	1,20,733.70
2. Non - Current Liabilities			
(a) Long - Term Borrowings	5	1,250.00	3,740.60
(b) Deferred Tax Liabilities (Net)	6	1,285.37	4,253.08
(c) Other Long - Term Liabilities	7	216.62	157.17
		2,751.99	8,150.85
3. Current Liabilities			
(a) Short - Term Borrowings	8	28,275.04	31,557.40
(b) Trade Payables	9	11,435.69	21,313.21
(c) Other Current Liabilities	10	3,990.23	8,303.07
(d) Short - Term Provisions	11	12,445.16	13,665.41
		56,146.12	74,839.09
TOTAL		2,11,007.81	2,03,723.64
II Assets			
1. Non - Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		13,222.21	27,283.07
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	1,009.11
(b) Non - Current Investments	13	149.94	160.00
(c) Long - Term Loans and Advances	14	1,188.94	493.35
(d) Other Non - Current Assets	15	1,719.79	548.42
		16,280.88	29,493.96
2. Current Assets			
(a) Inventories	16	50,705.70	16,936.28
(b) Trade Receivables	17	85,785.22	1,19,932.40
(c) Cash and Cash equivalents	18	16,734.37	3,820.48
(d) Short - Term Loans and Advances	19	1,765.97	1,579.34
(e) Other Current Assets	20	38,741.69	31,165.49
		1,93,732.95	1,73,433.98
3. Foreign Currency Translation Reserve		993.98	795.70
TOTAL		2,11,007.81	2,03,723.64

As per our report of even date

For S. K. Patodia & Associates

Chartered Accountants

FRN : 112723W

Arun Poddar

Partner

Mem. No. 134572

Place : Mumbai

Date : May 11, 2016

For & on behalf of the Board**Dinesh Nandwana**

Managing Director & CEO

DIN : 00062532

Dr. Nishikant Hayatnagarkar

Director

DIN : 00062638

Subhash Singhania

Chief Financial Officer

Darshi Shah

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
I Revenue from Operations	21	3,19,073.66	2,78,047.93
II Other Income	22	564.01	591.18
III Total Revenue (I + II)		3,19,637.67	2,78,639.11
IV Expenses			
Operating Expenses	23	2,32,645.08	2,02,264.03
Changes in Inventories	24	(560.63)	(460.95)
Employee Benefits Expenses	25	2,536.15	1,959.23
Finance Costs	26	5,603.72	7,494.76
Depreciation and Amortization Expense	12	16,404.30	16,485.61
Other Expenses	27	2,250.44	1,963.67
Total Expense		2,58,879.04	2,29,706.35
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		60,758.63	48,932.76
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax (V-VI)		60,758.63	48,932.76
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII-VIII)		60,758.63	48,932.76
X Tax Expense:			
(a) Current Tax		24,129.53	18,260.89
(b) Deferred Tax		(2,967.70)	(1,500.33)
(c) Tax of Earlier Year		176.29	0.78
(d) MAT Credit Entitlement		(54.62)	(12.87)
		21,283.50	16,748.47
XI Profit for the Period from Continuing Operations (IX-X)		39,475.13	32,184.29
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 Minority Interest		-	-
XVI Profit for the Period (XI + XIV-XV)		39,475.13	32,184.29
XVI No. of equity shares for computing EPS			
(1) Basic		51,98,24,565	50,34,82,240
(2) Diluted		53,04,24,580	53,11,03,578
XVII Earnings Per Equity Share (Face Value ₹ 1/- Per Share):	30		
(1) Basic (₹)		7.59	6.39
(2) Diluted (₹)		7.44	6.06

As per our report of even date

For S. K. Patodia & Associates

Chartered Accountants

FRN : 112723W

Arun Poddar

Partner

Mem. No. 134572

For & on behalf of the Board

Dinesh Nandwana

Managing Director & CEO

DIN : 00062532

Subhash Singhania

Chief Financial Officer

Place : Mumbai

Date : May 11, 2016

Dr. Nishikant Hayatnagarkar

Director

DIN : 00062638

Darshi Shah

Company Secretary

Consolidated Cash Flow Statement

for the year ended 31 March 2016

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
I	Cash flow from operating activities		
	Profit before tax from continuing operations	60,758.63	48,932.76
	Profit before tax from discontinuing operations	-	-
	Profit before tax	60,758.63	48,932.76
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation/ amortization on continuing operation	16,404.30	16,485.61
	Depreciation/ amortization on discontinuing operation	-	-
	Loss/(profit) on sale of fixed assets	(134.89)	(18.41)
	Employee stock compensation expense	(134.34)	9.12
	Net gain on sale of non-current investments	(14.62)	(66.23)
	Net gain on disposal of Subsidiary	-	-
	Interest expense	5,439.74	6,768.73
	Interest income	(283.87)	(305.28)
	Dividend income	(2.00)	-
	Operating profit before working capital changes	82,032.95	71,806.30
	Movements in working capital :		
	Increase / (decrease) in trade payables	(9,877.52)	(3,929.94)
	Increase / (decrease) in short-term provisions	(2,985.74)	(1,206.07)
	Increase / (decrease) in other current liabilities	(4,312.84)	(1,962.51)
	Increase / (decrease) in other long-term liabilities	59.45	(174.89)
	Decrease / (increase) in trade receivables	34,147.18	(43,102.57)
	Decrease / (increase) in inventories	(33,769.43)	(687.74)
	Decrease / (increase) in long-term loans and advances	(641.59)	5,050.22
	Decrease / (increase) in short-term loans and advances	93.63	(69.78)
	Decrease / (increase) in other current assets	(7,576.20)	(11,964.00)
	Decrease / (increase) in other non-current assets	(1,171.37)	350.75
	Cash generated from / (used in) operations	55,998.52	14,109.77
	Direct taxes paid (net of refunds)	(29,271.21)	(14,219.50)
	Net cash flow from / used in operating activities (A)	26,727.31	(109.73)
II	Cash flow from investing activities		
	Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,335.55)	(436.11)
	Proceeds from sale of fixed assets	136.13	121.17
	Decrease in liability of minority interests	-	-
	Proceeds on disposal of Subsidiary	-	-
	Proceeds of non-current investments	64.61	236.24
	Purchase of non-current investments	(39.94)	(75.00)
	Interest received	283.87	305.28
	Dividends received	2.00	-
	Foreign Currency Translation Reserve	(198.28)	(175.87)
	Net cash flow from/ (used in) investing activities (B)	(1,087.16)	(24.29)

Consolidated Cash Flow Statement

for the year ended 31 March 2016

		(₹ in Lakhs)	
Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
III	Cash flow from financing activities		
	Proceeds from issuance of share capital	7.14	-
	Proceeds from Warrant & Share Application Money	-	14,784.95
	Proceeds from securities premium on issuance of share capital	66.69	-
	Proceeds from long-term borrowings	(2,490.60)	(4,880.42)
	Proceeds from short-term borrowings	(3,282.35)	(605.22)
	Interest paid	(5,439.74)	(6,768.73)
	Dividends paid on equity shares	(1,322.89)	(1,258.71)
	Tax on equity dividend paid	(264.50)	(251.67)
	Net cash flow from/(used in) in financing activities (C)	(12,726.25)	1,020.20
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	12,913.89	886.19
	Cash and cash equivalents at the beginning of the year	3,820.48	2,934.29
	Cash and cash equivalents at the end of the year	16,734.37	3,820.48
	Components of cash and cash equivalents		
	Cash on hand	7.10	6.64
	Cheques/ drafts on hand	-	-
	With banks - on current account	14,051.34	675.49
	on deposit account	2,645.80	3,104.53
	unpaid dividend accounts*	30.13	33.82
	Total cash and cash equivalents (Note 18)	16,734.37	3,820.48

* The company can utilize these balances only toward settlement of the respective unpaid dividend.

For S. K. Patodia & Associates
Chartered Accountants
FRN : 112723W

For & on behalf of the Board

Arun Poddar
Partner
Mem. No. 134572

Dinesh Nandwana
Managing Director & CEO
DIN : 00062532

Subhash Singhania
Chief Financial Officer

Place : Mumbai
Date : May 11, 2016

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Darshi Shah
Company Secretary

Notes to Consolidated Financial Statements

as on March 31, 2016

(1) General Information

Vakrangee Limited ("the Company") is a public company domiciled in India and incorporated in May 1990 under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India.

Vakrangee Limited along with its subsidiaries, Vakrangee e-Solutions Inc. (Philippines), Vakrangee Finserve Ltd. provides diverse solutions, activities in e-governance sector with special competencies in handling massive, multi-state, and e-governance enrollment projects and software and IT solutions, Data Digitization, etc.

(2) Significant Accounting Policies

A. Basis of Consolidation:

- a. The consolidated financial statements relate to Vakrangee Limited ("the Company") and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:
 - i. The Consolidated financial results comprise of the results of Vakrangee Limited (hereinafter referred to as "the Company" and its subsidiaries, Vakrangee e-Solutions Inc., Philippines and Vakrangee Finserve Limited which are consolidated in accordance with Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI).
 - ii. Investment in Associate Company has been accounted under the equity method as per Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements", whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the Associate Company.
 - iii. In case of foreign subsidiaries, being Non-Integral Foreign Operations, revenue items are consolidated at the average rate prevailing during the year. All asset and liabilities are converted at the rate prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve. In case of Integral Foreign Operations, the foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction or at an average rate that approximates the actual rate at the date of the transaction. Monetary items denominated in foreign currency are translated into the reporting currency at the exchange rates in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. The resultant exchange gain / loss have been included in Statement of Profit and Loss.
 - iv. The Financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group transactions resulting in the unrealized profit or loss.
 - v. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
 - vi. The excess of cost to the company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statements as Goodwill. When the cost to the parent of its investment in subsidiaries is less than the parent's portion of equity, the difference is recognized in the financial statements as Capital reserve.

Notes to Consolidated Financial Statements

as on March 31, 2016

b. The Subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the Company	Country of Incorporation	% voting power held as at March 31, 2016
1	Vakrangee Finserve Limited	India	100%
2	Vakrangee E-Solutions INC	Philippines	100%

B. Basis of Accounting

These consolidated 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.

C. Use of Estimates

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

D. 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 Income

E. Fixed Assets and Intangible 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.

Notes to Consolidated Financial Statements

as on March 31, 2016

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.

F. 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.

G. 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%

*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, 2014:

- 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.

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

H. Investments

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

Notes to Consolidated Financial Statements

as on March 31, 2016

I. Valuation of inventories

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

J. Lease

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognized as Operating leases. The lease agreements contain rent escalation clause. Lease rental expenses including escalations for operating leases are recognized in the Profit and Loss Account on a Straight-Line basis over the minimum lease term.

Assets leased by the Company in its capacity as lessee, where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

K. Miscellaneous Expenditure

Preliminary expenditures are amortised in the year in which incurred.

L. Foreign Currency Transactions

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

M. Treatment of Contingent Liabilities

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

N. Accounting for Taxation of Income

Current taxes

Income Tax is accrued in the same period the related revenue and expenses 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 disallowance 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 recognised 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.

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 virtual certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

O. Retirement benefits of the Employee:

The Company has both defined contribution and defined benefit plans of which some have assets in special funds or similar securities. The Plans are financed by the Company and in case of some defined contribution plans, by the Company along with its employees.

• Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Company's gratuity benefit scheme is a defined benefit plan. The company's obligation in respect of the gratuity plan is provided by for based on actuarial valuation carried out by an

Notes to Consolidated Financial Statements

as on March 31, 2016

independent actuary using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in the profit and loss account.

- **Provident fund, State Insurance, Labour Welfare Fund, Professional Tax**

These are the defined contribution plans in which the Company pays pre-defined amounts to separate funds. The Company's contributions to these funds are reported as an expense during the period in which the employees perform services that the payment covers.

- **Compensated Absences**

The employees of the Company are entitled to compensate absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The company follows the cash basis of accounting for recording the obligation of leave encashment. In other words, the company records an obligation for compensated absences in the period in which it has been encashed by the employees.

- **Employee Stock Option Plan (ESOP)**

In respect of Employee's Stock Option, the excess of market price on the date of grant over the exercise price is recognized as deferred employee compensation expense amortized over vesting period.

As per our report of even date attached.

For S. K. Patodia & Associates

Chartered Accountants
FRN : 112723W

Arun Poddar

Partner
Mem. No. 134572

Place : Mumbai
Date : May 11 , 2016

For & on behalf of the Board

Dinesh Nandwana

Managing Director & CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar

Director
DIN : 00062638

Subhash Singhania

Chief Financial Officer

Darshi Shah

Company Secretary

Notes to Consolidated Financial Statements

as on March 31, 2016

Note 2 - Share Capital

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Authorised :		
75,00,00,000 (Previous Year 75,00,00,000) Equity Shares of ₹ 1/- each	7,500.00	7,500.00
TOTAL	7,500.00	7,500.00
Issued, Subscribed and Paid-up :		
52,91,96,170 (Previous Year 50,34,82,240) Equity Shares of ₹ 1/- each fully paid up	5,291.96	5,034.82
TOTAL	5,291.96	5,034.82

Note 3 - Reserves & Surplus

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
(i) Securities Premium Account		
As per last Balance Sheet	16,997.11	16,997.11
Add: On shares issued during the year	24,816.69	-
Add : Transferred from Shares Options outstanding account	181.86	-
Less: Capitalised on issue of shares	-	-
Less: Share issue expenses	-	-
	41,995.66	16,997.11
(ii) a) Shares Options Outstanding Account		
As per last Balance Sheet	1,248.41	959.41
Add : On further grant of options	1,065.68	691.71
Less: Reversal due to lapsation of options	(519.07)	(402.71)
Less: Transferred to Securities Premium Account	(181.85)	-
	1,613.17	1,248.41
b) Deferred Employee Compensation Expense		
As per last Balance Sheet	(669.25)	(389.36)
Add : On further grant of options	(1,065.68)	(691.71)
Less: Reversal due to lapsation of options	190.98	-
Less : Amortised during the year	193.75	411.83
	(1,350.20)	(669.24)
(iii) General Reserve		
As per last Balance Sheet	7,791.68	4,585.95
Add: Transferred from Profit and Loss Account	3,914.71	3,205.73
Less: Transferred to Profit and Loss Account	-	-
	11,706.39	7,791.68
(iv) Surplus in the Profit & Loss Account		
As per last Balance Sheet	65,330.92	40,546.54
Add: Profit for the year	39,475.13	32,184.29
Amount available for appropriations	1,04,806.05	72,730.83
Appropriations:		
Add: Transferred from reserves	-	-
Add: Profit on disposal of investment in subsidiary	-	-
Less : Amounts transferred from block of Fixed Assets (net of taxes) (Refer Note I below)	-	(2,646.06)
Less: Transferred to general reserve	(3,914.71)	(3,205.73)
Proposed dividend	(6,614.95)	(1,258.70)
Corporate Dividend Tax	(1,346.65)	(251.67)
Short Provision for Dividend of previous year	(64.19)	-
Short Provision for Dividend Tax Payable of previous year	(12.83)	(37.75)
	(11,953.33)	(7,399.91)
TOTAL	1,46,817.74	90,698.88

Notes to Consolidated Financial Statements

as on March 31, 2016

Note :

Note I : With the applicability of Companies Act, 2013 with effect from April 1, 2014, and 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, 2014 where the remaining useful life of an asset is Nil, the residual value has been transferred to the retained earnings in the previous year. The block-wise break up of the amounts transferred are as follows :

Furnitures & Fixtures	82.91
Office Equipments	222.70
Computers & Printers	3,702.96
	4,008.57

The tax impact amounting to ₹ 1362.51 lakhs on the above amounts has been reduced from the amounts transferred from block of fixed assets.

Note 4- Money Received against Share Warrant

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Warrant Application money	-	25,000.00
TOTAL	-	25,000.00

Note :

The Company had issued 250.00 lacs fully convertible warrants to M/s. 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 lacs fully paid-up equity shares of ₹ 1/- each in August, 2015 i.e. before the expiry of 18 months from the date of allotment of warrants. These equity shares are subject to lock-in-period of three years from date of allotment of the equity shares or such reduced period as may be permitted under the SEBI Issue of Capital & Disclosure Requirements (ICDR) Regulations, 2009 as amended time to time.

Note 5 - Long-Term Borrowings

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(A) Secured Loans		
	(i) Term Loans		
	- From Banks	1,250.00	3,740.60
	- From Others	-	3,740.60
	(ii) Long-term maturities of finance lease obligations	-	-
	(iii) Deposits	-	-
	(A)	1,250.00	3,740.60
	(B) Unsecured Loans		
	(i) Term Loans		
	- From Bank	-	-
	- From Others	-	-
	(iii) Deposits	-	-
	(B)	-	-
	TOTAL (A + B)	1,250.00	3,740.60

Notes to Consolidated Financial Statements

as on March 31, 2016

Note 6 - Deferred Tax Liabilities (Net)

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	Liabilities		
	(i) On account of difference in depreciation on Fixed Assets	1,305.77	4,271.89
	(ii) Timing differences on Tax Provisions	-	-
	(A)	1,305.77	4,271.89
	Assets		
	(i) Provision for Leave Encashment	20.40	18.81
	(ii) Timing differences on Tax Provisions	-	-
	(B)	20.40	18.81
	TOTAL (A - B)	1,285.37	4,253.08

Note 7 - Other Long-Term Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade payables	216.62	157.17
Others :	-	-
TOTAL	216.62	157.17

Note 8 - Short-Term Borrowings

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(A) Secured Loans		
	(i) Loans repayable on demand		
	- From Banks	28,275.04	29,968.80
	(ii) Loans & Advances from Related Parties	-	-
	(iii) Inter Corporate Deposits	-	-
	(A)	28,275.04	29,968.80
	(B) Unsecured Loans		
	(i) Loans & Advances from Related Parties	-	1,588.60
	(ii) Inter Corporate Deposits	-	-
	(iii) Other Loans & Advances	-	-
	(B)	-	1,588.60
	TOTAL (A + B)	28,275.04	31,557.40

Notes to Consolidated Financial Statements

as on March 31, 2016

Note 9 - Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Current payables (including acceptances) outstanding for less than 12 months	11,435.69	21,313.21
TOTAL	11,435.69	21,313.21

Note 10 - Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term debts	2,494.33	6,287.61
Current maturities of finance lease obligations	-	18.35
Interest accrued and due on borrowings	25.27	171.81
Unpaid Dividend	30.13	33.82
Other Payables		
PF, ESIC & LWF Payable	27.31	62.29
Service Tax Payable	129.64	45.55
Sales Tax Payable	2.51	4.02
TDS Payable	109.59	188.05
Staff Emoluments Payable	357.05	369.97
Security Deposit	6.23	-
Advance from customers	170.81	320.53
Other Liabilities	637.36	801.07
TOTAL	3,990.23	8,303.07

Note 11 - Short-Term Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Expenses for Goods & services	3,655.32	6,708.77
Provisions for Employees' benefits	185.57	117.85
Provision for Wealth Tax	-	0.01
Provision for Taxation (net of taxes paid)	642.67	5,328.40
Provision for Proposed Dividend	6,614.95	1,258.71
Provision for Tax on Proposed Dividend	1,346.65	251.67
TOTAL	12,445.16	13,665.41

Notes to Consolidated Financial Statements

as on March 31, 2016

Note 12 – Fixed Assets

(₹ in Lakhs)

Description	Gross Block			Depreciation Block				Net Block						
	Beginning of Current Period	Additions	Acquisitions through Business Combinations	Deductions/ Adjustments	End of Current Period	Upto Beginning of Current Period	For the Period	Transfer to retained Earnings	Deductions/ Adjustments	Upto End of Current Period	Before Impairment	Impairment	End of Current Period	End of Previous Period
(i) Tangible Assets														
- Buildings	1,037.02	-	-	-	1,037.02	132.67	16.93	-	-	149.60	-	-	887.43	904.36
- Plant and Machinery	998.76	343.71	-	-	1,342.47	325.76	89.01	-	-	414.76	-	-	927.71	673.00
- Furnitures and Fixtures	606.32	7.75	-	-	614.07	506.46	31.03	-	-	537.50	-	-	76.57	99.86
- Vehicles	52.75	5.21	-	-	57.96	20.61	7.26	-	-	27.87	-	-	30.09	32.14
- Office Equipments	580.13	12.18	-	-	592.32	555.85	14.46	-	-	570.31	-	-	22.01	24.29
- Computers and Printers	32,544.84	25.19	-	-	32,570.03	32,501.19	30.56	-	-	32,531.74	-	-	38.29	43.65
Project Assets														
- Computers and Printers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	61,745.86	1,950.30	-	-	63,488.58	37,314.33	15,255.95	-	206.34	52,363.94	-	-	11,124.64	24,431.52
- Leased	596.64	-	-	-	596.64	582.96	1,368	-	-	596.64	-	-	-	13.68
- Office Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	909.97	0.32	-	-	910.29	759.30	135.84	-	-	895.14	-	-	151.15	150.67
- Leased	19.25	-	-	-	19.25	18.81	0.44	-	-	19.25	-	-	-	0.44
- Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	4,822.76	-	-	-	4,813.38	3,913.83	808.61	-	9.38	4,713.06	-	-	100.32	908.93
- Leased	23.26	-	-	-	23.26	22.72	0.53	-	-	23.25	-	-	-	0.53
TOTAL	1,03,937.56	2,344.66	-	-	1,06,065.27	76,654.49	16,404.30	-	215.72	92,843.06	-	-	13,222.21	27,283.07
"(ii) Intangible Assets (Other than Internally Generated)"														
- Capital Work-in-Progress (excluding Capital Advances)"	1,009.11	-	-	-	1,009.11	-	-	-	-	-	-	-	-	1,009.11
TOTAL	1,009.11	-	-	-	1,009.11	-	-	-	-	-	-	-	-	1,009.11
GRAND TOTAL	1,04,946.67	2,344.66	-	-	1,06,065.27	76,654.49	16,404.30	-	215.72	92,843.06	-	-	13,222.21	28,292.19
PREVIOUS YEAR	1,04,680.68	4,238.34	-	-	1,04,946.67	56,227.66	16,485.61	4,008.57	67.35	76,654.49	-	-	28,292.19	-

Note:

(b) **Details of Capital Work-in-Progress**

Capital Work-in-Progress represents cost incurred towards advance for purchase of ATM Machine for White Label ATM (WLA) project and other project assets.

(c) **Detailed note on Fixed Assets taken on Lease**

The Company had taken certain assets on finance lease. The assets taken on finance lease have been classified as leased assets under the project assets above. The finance lease was for the period of three years from the date of its commencement. Hence the depreciation on these assets has been amortised over a period of three years on straight line basis. For details on finance lease, please refer Note No. 35.

Notes to Consolidated Financial Statements

as on March 31, 2016

Note 13 - Non-Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Trade Investments		
(i) Investment in Equity Instruments		
Unquoted Investments		
- In Others		
2500 Equity Shares of CSC e-Governance Services India Ltd. of ₹ 1000/- each fully paid up (Previous Year Nil)	25.00	25.00
(A)	25.00	25.00
(ii) Investment in Mutual Funds		
24,9375 units of Aditya Birla Real Estate Fund- I	15.00	15.00
of ₹ 1,00,000/- each partly paid up ₹ 60,000/- per unit (Previous Year ₹ 60,000/- per unit, 24.9375 units)		
99,990 units of Union KBC Asset Allocation Fund - Moderate	10.00	10.00
of ₹ 10/- each fully paid up (Previous Year 99,990)		
2,99,990 units of Union KBC Capital Protection Oriented Fund - Series 1	-	30.00
of ₹ 10/- each fully paid up (Previous Year 2,99,990)		
2,00,000 units of Union KBC Capital Protection Oriented Fund - Series 2	-	20.00
of ₹ 10/- each fully paid up (Previous Year 2,00,000)		
1,00,000 units of Union KBC Capital Protection Oriented Fund - Series 5	10.00	10.00
of ₹ 10/- each fully paid up (Previous Year 1,00,000)		
4,99,990 units of Union KBC Trigger Fund Series 2 - Regular Plan	50.00	50.00
of ₹ 10/- each fully paid up (Previous Year Nil)		
3,35,077.757 units of Union KBC Small & Midcap Fund - Regular Plan	39.94	-
of ₹ 10/- each fully paid up (Previous Year Nil)		
(B)	124.94	135.00
Total (A+B)	149.94	160.00

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Aggregate value of:		
Quoted investments - Mutual Funds (Market Value : ₹ 123.38 lakhs, P.Y. ₹ 156.19 lakhs)	124.94	135.00
Unquoted investments	25.00	25.00
	149.94	160.00

Notes to Consolidated Financial Statements

as on March 31, 2016

Note 14 - Long-Term Loans & Advances

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016		As at March 31, 2015	
	(i) Capital Advances				
	(Unsecured, considered good)				
	Advance against property	383.52		458.52	
	Advance against capital goods	716.76	1,100.28	-	458.52
	(ii) Security Deposits				
	(Unsecured, considered good)				
	Security Deposit		21.79		21.96
	(iii) Other Loans and Advances				
	(Unsecured, considered good)				
	MAT Credit Entitlement	66.87		12.87	
	Balances with statutory / revenue authorities :	-		-	
	- Income Tax (net of provision for taxation)	-		-	
	- Sales Tax	-	66.87	-	12.87
	TOTAL		1,188.94		493.35

Note 15 - Other Non-Current Assets

(₹ in Lakhs)

	Particulars	As at March 31, 2016		As at March 31, 2015	
(i)	Long Term Trade Receivables				
	- Unsecured, considered good	1,009.85		138.36	
	- Doubtful	-		-	
	Less: Provision for Doubtful Debts	44.50		(44.50)	
			965.35		93.86
(ii)	Others				
	- Non-Current Bank Balances (Note No. 18)	753.75		453.14	
	- Prepaid Expenses	0.69		1.42	
			754.44		454.56
	TOTAL		1,719.79		548.42

Note 16 - Inventories

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016		As at March 31, 2015	
(i)	Raw Material	45,727.84		12,505.03	
(ii)	Work in Progress	4,258.32		3,745.17	
(iii)	Finished Goods	513.19		465.70	
(iv)	Consumables	201.57		209.02	
(v)	Stores & Spares	4.78		11.36	
	TOTAL		50,705.70		16,936.28

(b) Basis of valuation of Inventories

Inventories are valued at lower of cost or net realizable value on FIFO basis which is in accordance with AS 2 as issued by the ICAI.

Notes to Consolidated Financial Statements

as on March 31, 2016

Note 17 - Trade Receivables

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(i) Due for a period exceeding six months		
	- Unsecured, considered good	4,696.34	12,465.60
	- Doubtful	-	-
	Less: Provision for Doubtful Debts	-	-
	(ii) Others		
	- Unsecured, considered good	81,088.88	1,07,466.80
	- Doubtful	-	-
	Less: Provision for Doubtful Debts	-	-
	TOTAL	85,785.22	1,19,932.40

Note 18 - Cash & Cash equivalents

(₹ in Lakhs)

(a)	Particulars	As at March 31, 2016	As at March 31, 2015
	(A) Cash & Cash Equivalents		
	(i) Balances with Banks :		
	- Current Accounts	14,051.34	675.49
	(ii) Cash-in-hand	7.10	6.64
	(iii) Cheques & Drafts in-hand	-	-
		14,058.44	682.13
	(B) Other Bank Balances		
	(i) Earmarked balances	30.13	33.82
	(ii) Amount held as margin money or security against borrowings, guarantee, other commitments	3,399.55	3,546.92
	(iii) Deposits with Banks :		
	- with original maturity period of more than 3 months but less than 12 months	-	10.75
	- with original maturity period of more than 12 months	-	-
		3,429.68	3,591.49
		17,488.12	4,273.62
	Less: Non-Current Other Bank Balances, disclosed under Other Non-Current Assets (Note No. 15)		
	(i) Amount held as margin money or security against borrowings, guarantee, other commitments	753.75	453.14
	(ii) Deposits with Banks :		
	- with original maturity period more than 12 months	-	-
		753.75	453.14
	TOTAL	16,734.37	3,820.48

Notes to Consolidated Financial Statements

as on March 31, 2016

Note 19 - Short-Term Loans and Advances

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Security Deposits		
(Unsecured, considered good)		
Security Deposit	1,140.19	1,135.69
(ii) Loans and Advances to Related Parties		
(Unsecured, considered good)		
Dues from subsidiaries	-	-
Dues from associate companies	-	-
Dues from companies in which the company's managing director is a director	-	-
	-	-
(ii) Other Loans and Advances		
(Unsecured, considered good)		
Loans to others	-	-
Earnest Money Deposit	70.35	150.35
Other Deposit	0.05	0.04
Balances with statutory / revenue authorities :		
- Sales Tax	24.73	28.03
- Income Tax (net of provision for taxation)	530.65	250.39
- CENVAT Credit receivable	-	14.84
	625.78	443.65
TOTAL	1,765.97	1,579.34

Note 20 - Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Other advances receivable in cash or kind or for value to be received		
Staff Loans	18.53	18.59
Advances for Expenses	15.60	4.90
Advances for Purchases	37,549.80	30,366.41
Other Receivables	1,099.95	575.44
Prepaid Expenses	57.81	200.15
	38,741.69	31,165.49
TOTAL	38,741.69	31,165.49

Notes to Consolidated Financial Statements

as on March 31, 2016

Note 21 - Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Income from e-governance activities	3,15,502.14	2,77,334.15
(b) Sale of Products		
- Computer consumables & peripherals	64.98	22.25
- Others	-	-
	64.98	22.25
(c) Sale of Services		
- Information Technology-Enabled Services (ITES)	1,666.47	679.34
- Information Technology-Enabled Services (ITES) (Rural)	1,832.59	
- Others	4.15	8.80
	3,503.21	688.14
(d) Other Operating Revenues		
- Commission	1.67	2.94
- Scrap Sale	1.46	0.45
	3.33	3.39
TOTAL	3,19,073.66	2,78,047.93

Note 22 - Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(i) Interest Income on		
- Bank Deposits	279.77	289.58
- Others	4.10	15.70
	283.87	305.28
(ii) Dividend Income on		
- Investment in Other Long-Term Instruments	2.00	-
	2.00	-
(iii) Net gain/loss on sale of Fixed Assets	134.89	18.41
(iv) Net gain on sale of Investments	14.61	66.24
(v) Gain on Foreign Exchange Fluctuation (net)	125.69	197.58
(vi) Other Non-Operating Income (net of expenses directly attributable to such income)	-	-
(vii) Other Non-Operating Income (net of expenses directly attributable to such income)		
- Rent Received	1.50	1.50
- Sundry Balances written back	1.24	0.15
- Miscellaneous Income	0.21	2.02
	2.95	3.67
TOTAL	564.01	591.18

Notes to Consolidated Financial Statements

as on March 31, 2016

Note 23 - Operating Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Cost for Sales		
- Opening Stock	12,725.40	12,498.61
- Add : Purchases during the year	2,61,811.24	2,00,185.52
	2,74,536.64	2,12,684.13
- Less : Closing Stock	45,934.19	12,725.40
	2,28,602.45	1,99,958.73
Procurement of Manpower	60.64	219.75
Project Expenses	843.23	1,139.09
Image Processing Expenses	-	121.80
Printing Charges	24.80	15.77
Communication Costs	71.21	175.92
Conveyance & Travelling Expenses	51.69	34.13
Transportation, Octroi and Loading / Unloading Charges	7.08	16.36
Rent, Rates and Taxes	45.79	45.30
Refurbishment Charges	-	-
Commission Expenses	2,938.19	537.19
TOTAL	232645.08	202264.03

Note 24 - Changes in Inventories

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) At the beginning of the period		
(i) Finished Goods	465.71	508.66
(ii) Work-in-Progress	3745.17	3241.26
	4210.88	3749.92
Less : (b) At the end of the period		
(i) Finished Goods	513.19	465.71
(ii) Work-in-Progress	4258.32	3745.17
	4771.51	4210.88
TOTAL	(560.63)	(460.95)

Note 25 - Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(i) Salaries & Wages	2,451.07	1,803.96
(ii) Contribution to Provident & Other Funds	152.50	99.92
(iii) Employee Compensation Expenses	(134.34)	9.11
(iv) Staff Welfare Expenses	66.92	46.24
TOTAL	2,536.15	1,959.23

Notes to Consolidated Financial Statements

as on March 31, 2016

(b) Detailed note on disclosure as required by AS-15

For details, refer Note No. 34.

Note 26 - Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Interest Expenses				
- Banks	5,290.74		6,631.65	
- Others	149.00	5,439.74	137.08	6,768.73
Bank Charges & Commission		163.98		726.03
TOTAL		5,603.72		7,494.76

Note 27 - Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Repairs & Maintenance :				
- Building	51.64		39.75	
- Vehicle	1.98		1.85	
- Others	36.13	89.75	29.07	70.67
Advertisement and Publicity Expenses		244.30		191.33
Business Promotion Expenses		86.78		78.46
Sponsorship Fees		28.74		46.34
Commission & Brokerage		0.65		0.98
Rates & Taxes		63.72		62.82
Insurance		17.57		24.18
Electricity Expenses		44.29		36.17
Printing and Stationery		35.53		25.71
Communication Costs		111.57		100.10
Fees & Subscriptions		32.48		26.60
Listing, Registrar & Share Issue/Transfer Expenses		5.04		27.60
Directors' Remuneration		95.85		82.14
Directors' Sitting Fees		6.70		3.87
Legal & Professional Fees - Other than payments to Auditor :				
- Consultancy Charges	73.16		177.03	
- Legal & Professional Fees	651.14		471.87	
- Filing Stamp Duty and Franking Charges	14.57		24.08	
- Registration charges	0.75	739.61	0.02	673.00
Payments to Auditors :				
- Audit fees	22.27		14.33	
- Tax Audit fees	4.15		2.98	
- For Other Services	5.56		3.81	
- For Reimbursement of Expenses	0.20	32.17	-	21.12
Conveyance & Travelling		129.38		88.30
Vehicle Expenses		6.55		6.65
Corporate Social Responsibility Expenditure		420.73		321.25
Office & General Expenses		54.88		35.84
Donation		-		32.00
Miscellaneous Expenses		4.15		8.55
TOTAL		2,250.44		1,963.67

Notes to Consolidated Financial Statements

as on March 31, 2016

Note 28 - Companies considered in the consolidated financial statement are :

Name of the Company	Date of becoming subsidiary	Country of Incorporation	% voting power held	
			As at 31st March, 2016	As at 31st March, 2015
Vakrangee e-Solutions Inc.	08-May-09	Philippines	100.00	100.00
Vakrangee Finserve Limited	07-Sep-11	India	100.00	100.00

The audited financial statements of the Company and its subsidiaries are drawn for the twelve-month period ending on 31st March, 2016, except for the subsidiary Company, M/s Vakrangee e-Solutions Inc., Philippines, whose audited accounts are for the period from 1st January, 2015 to 31st December, 2015. For the purpose of consolidation, unaudited financial statements for the period from 1st April, 2015 to 31st March, 2016 have been considered so as to incorporate adjustments for the effect of transactions or other events that occurred between 1st January, 2016 to 31st March, 2016.

Note 29 - Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(A) Contingent Liabilities		
(i) Claims against the company not acknowledged as debts	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	1,938.27	2,089.90
(iii) Other contingent liabilities (Refer Note 1 below)	-	-
(A)	1,965.50	2,117.13
(B) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account not provided for	-	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	-
(iv) Others commitments	-	-
(B)	110.00	35.00
TOTAL (A + B)	2,075.50	2,152.13

Note :

- 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 30 - Segment Reporting

The Company'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 Accounting Standard 17 – "Segment Reporting" notified in the Companies (Accounting Standards) Rules 2006. 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.

Notes to Consolidated Financial Statements

as on March 31, 2016

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.

(₹ in Lakhs)

Particulars	e-Governance Projects	Vakrangee Kendra	Total
Revenue from Operations	1,48,181.02	1,70,892.64	3,19,073.66
	(1,58,700.00)	(1,19,347.94)	(2,78,047.93)
Segmental Results (Profit before Depreciation, Interest and Tax)	41,476.99	40,725.64	82,202.63
	(35,848.51)	(36,077.90)	(71,926.41)
Less :			
Depreciation			16,404.30
			(16,485.54)
Finance Costs			5,603.72
			(7,497.55)
Unallocable expenses (net of unallocable income)			(564.01)
			(989.44)
Profit before exceptional and extra-ordinary item			60,758.63
			(48,932.76)
Less : Exceptional and extra-ordinary item			-
Profit Before Tax			60,758.63
			(48,932.76)
Less : Tax Expense			21,283.50
			(16,748.47)
Profit After Tax			39,475.13
			(32,184.29)

Note: Figures in brackets pertains to previous year.

Note 31 - Earnings Per Equity Share

(₹ in Lakhs)

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	39,475.13	32,184.29
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	39,475.13	32,184.29
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	51,98,24,565	50,34,82,240
For Diluted EPS	53,04,24,580	53,11,03,578
(c) Face Value per Equity Share (₹)		
Basic EPS	1.00	1.00
Diluted EPS	7.59	6.39
	7.44	6.06

Notes to Consolidated Financial Statements

as on March 31, 2016

(d) Reconciliation between no. of shares used for calculating basic and diluted EPS

No. of shares used for calculating Basic EPS	51,98,24,565	50,34,82,240
Add: Potential equity shares	1,06,00,014	2,76,21,338
No. of shares used for calculating Diluted EPS	53,04,24,580	53,11,03,578

Note 32 - Prior Period Items

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Prior Period Expenses		
Purchases	0.44	26.97
Repair & Maintenance	1.74	2.91
Professional Fees	-	0.84
Salary & Wages	1.07	1.00
Rent	1.64	-
Communication Costs	0.03	-
TOTAL	4.92	31.72
(b) Prior Period Incomes		
Salary & Wages	-	0.13
Other Income	-	0.02
TOTAL	-	0.15

Note 33 - Related Party Details

(a) Key Management Personnel

Mr. Dinesh Nandwana	Managing Director & CEO (Chairman & Managing Director upto 26.07.2015)
Dr. Nishikant Hayatnagarkar	Whole-Time Director
Mr. Ramesh Mulchand Joshi	Director
Mr. Sunil Agarwal	Director
Mr. Babulal Meena	Director
Ms. Darshi Shah	Company Secretary

(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

Vakrangee Lacteus & Hortus Limited
Vakrangee Capital Private Limited
Vakrangee Technologies Limited
Mr. Manoj Nandwana

Notes to Consolidated Financial Statements

as on March 31, 2016

Related Party Transactions

- In relation to (a)

(₹ in Lakhs)

Nature of Transactions	For the year ended March 31, 2016	For the year ended March 31, 2015
Director Remuneration	95.85	82.14
ESOP Perquisites	2.85	-
Directors' Sitting Fees	6.70	3.87
Employee Benefits Expenses	5.92	4.90
Balance outstanding as on 31 March	NIL	NIL

- In relation to (b)

(₹ in Lakhs)

Nature of Transactions	For the year ended March 31, 2016	For the year ended March 31, 2015
Reimbursement of Expenses	17.29	14.15
Salary Paid	5.05	5.10
Realisation from Debtors	-	72.13
Warrant Application Money Received	-	14,784.95
Conversion of Warrants into Equity Shares	25,000.00	-
Interest Paid	3.46	-
Loans Taken	-	79.00
Loans Repaid	1,592.06	14.00
Balance Outstanding as on 31 March:		
Short Term Borrowings	-	1,588.60
Warrant Application Money Received	-	25,000.00

Note 34 - Gratuity & Leave encashment

The Company has provided for Gratuity and leave encashment, in accordance AS-15, "Employee Benefits", the Company has provided the liability on actuarial basis.

a) Gratuity

Actuarial assumptions:

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Mortality Table (LIC)	2006-08 (Ultimate)	1994-96 (Ultimate)
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age
Discount rate	8% per annum	8% per annum
Salary Escalation	5%	5%

The estimates of future salary increase, considered in actuarial

Amount recognized in the Profit and Loss account

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
PV of Past Service Benefit	132.77	104.59
Current Service Cost	45.17	35.13
Actuarial (gains)/losses for the period	57.64	76.56
Obligation at the end of the year.	218.55	178.83

Notes to Consolidated Financial Statements

as on March 31, 2016

b) Leave encashment

Actuarial assumptions:

Particulars	As at March 31, 2016	As at March 31, 2015
Period	From 1st April, 2015 to 31st March, 2016	From 1st April, 2014 to 31st March, 2015
Discount rate	8.00% per annum	8.00% per annum
Salary growth rate	5.00% per annum	5.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	-	-
Withdrawal rate (per annum)	2.00 % per annum (18 - 60 years)	2.00 % per annum (18 - 60 years)

Amount recognized in the Profit and Loss account

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Current Liability	2.78	1.46
Non current liability	56.17	38.06
Total	58.95	39.52

Note 35 - leases

II. Finance Leases

The Company has taken Computer Equipments & other Fixed Assets on finance lease during the year. Future minimum lease payments & present value of minimum lease payments towards the finance lease are as below :

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
i) Minimum lease payments		
Not later than one year	-	18.56
Later than one year and not later than five years	-	-
Total	-	18.56
ii) Present value of minimum lease payments		
Not later than one year	-	18.35
Later than one year and not later than five years	-	-
Add : Future finance charges	-	0.21
Total	-	18.56

Note 36 - 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
FRN : 112723W

Arun Poddar

Partner
Mem. No. 134572

Place : Mumbai
Date : May 11, 2016

For & on behalf of the Board

Dinesh Nandwana

Managing Director & CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar

Director
DIN : 00062638

Subhash Singhania

Chief Financial Officer

Darshi Shah

Company Secretary



VAKRANGEE LIMITED

"Vakrangee House", Plot No. 66, Marol Co-op Industrial Estate,
Off. M. V. Road, Andheri (E), Mumbai – 400 059
CIN : L65990MH1990PLC056669

Phone: 022 28503412 Fax No. 022 28502017 Email ID: info@vakrangee.in

ATTENDANCE SLIP

I hereby record my presence at the Twenty Sixth Annual General Meeting of the Company, to be held on Friday, September 30, 2016 at 11.00 AM at The Leela Mumbai, Andheri Kurla Road, Sahar, Mumbai, Maharashtra-400 059.

Name & Address of the Member _____

Registered Folio /Client ID _____

DPID _____

No. of Shares _____

Name of the Proxy _____

Name of the Member or Proxy or Representative present _____

Signature of the Member or Proxy or representative present _____

Note: A member or his/her duly appointed Proxy wishing to attend the Meeting, must complete this Attendance Slip and hand it over at the entrance.



VAKRANGEE LIMITED

"Vakrangee House", Plot No. 66, Marol Co-op Industrial Estate,
Off. M. V. Road, Andheri (E), Mumbai – 400 059
CIN : L65990MH1990PLC056669

Phone: 022 28503412 Fax No. 022 28502017 Email ID: info@vakrangee.in

PROXY FORM

Name of the member(s):

Registered Address:

..... E-mail ID:

Folio No. / Client Id: DP ID:

I/We, being the member(s) of shares of the Vakrangee Limited, hereby appoint.

- Name : Address :
Email Id : Signature:or failing him,
- Name : Address :
Email Id : Signature :or failing him,
- Name : Address :
Email Id : Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Sixth Annual General Meeting of the Company, to be held on Friday, September 30, 2016 at 11.00 AM at The Leela Mumbai, Andheri Kurla Road, Sahar, Mumbai, Maharashtra-400 059 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	For	Against
		I/We assent to the resolution	I/We dissent from the resolution.
ORDINARY BUSINESSES			
1	Adoption of Financial Statements for FY ended March 31, 2016		
2	Declaration of Dividend for FY ended March 31, 2016		
3	Re-appointment of Dr. Nishikant Hayatnagarkar (DIN: 00062638) who retires by rotation and being eligible, offers himself for re-appointment		
4	Appointment of M/s. S K Patodia & Associates, Chartered Accountants as Statutory Auditor		

Signed this day of 2016.

Signature of Shareholder:

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, at "Vakrangee House", Plot No. 66, Marol Co-op Industrial Estate, Off. M. V. Road, Andheri (E), Mumbai – 400 059, Maharashtra not less than FORTY EIGHT HOURS before the commencement of the meeting.



OTHER OFFICE ADDRESS:

New Delhi

Vakrangee Limited 2nd Floor,
Flat No. 238, Ansal Chamber-2, 6,
Bhikaji Cama Place, New Delhi-110066

Jaipur

3/55 Paras Ram Nagar,
Dher Ke Balaji, Sikar Road Jaipur-302023

Chandigarh

House No. 1170,
Sector - 22/B, Chandigarh-160022

Lucknow

413, Aashiyana Colony,
Near Aashiyana Thana,
Kanpur Road, Lucknow-226012

Pune

Unit No 243/244, 2nd Floor,
Akshay Complex Condominium,
Dhole Patil Road,
Near to Ganpati Mandir, Pune-411001

Indore

Flat No 306,
Diamond Trade Center,
Opp. Bansi Trade
Center, Palasia Indore-452001

Bhubaneswar

House No. GA 382,
1st Floor, Shailashree Vihar,
Near Niladri Vihar Auto Stand,
Bhubaneswar-751 016

Patna

Flat No 203/B, Aditya Tower,
2nd Floor, White House,
Budh Marg, Patna Bihar-800001

Ranchi

Hari Kunj, Shiboo Chowk,
Sukhdeo Nagar, Opp. Reliance Fresh,
Ratu Road, Ranchi, Jharkhand-834005



VAKRANGEE LIMITED
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