

Vakrangee Finserve Limited
Balance Sheet as at March 31, 2024

(Amount in ₹ 000's)

Particulars	Note No.	As at March 31, 2024		As at March 31, 2023	
I ASSETS					
1 Non - Current Assets					
Property, Plant and Equipment	4	-		-	
Financial Assets					
(i) Other Financial assets	5	14,775.56		10,003.92	
Income Tax Assets (Net)	6	-		-	
Deferred Tax Assets (Net)	7	-		-	
Total Non-Current Assets			14,775.56		10,003.92
2 Current Assets					
Financial Assets					
(i) Trade Receivables	8	32,804.74		36,235.74	
(ii) Cash and cash equivalents	9	24,536.66		20,523.68	
(iii) Bank balance other than (ii) above	9	11,411.71		10,944.45	
(iv) Loans	10	-		-	
(v) Other Financial assets	11	567.79		736.25	
Current Tax Assets (Net)	12	40,809.46		21,496.21	
Other Current Assets	13	5,19,363.75		5,39,771.84	
			6,29,494.12		6,29,708.17
TOTAL			6,44,269.68		6,39,712.09
II EQUITY & LIABILITIES					
1 EQUITY					
Equity Share Capital	14	1,50,000.00		1,50,000.00	
Other Equity	15	4,54,446.41		4,51,316.97	
Total Equity			6,04,446.41		6,01,316.97
LIABILITIES					
2 Non-Current Liabilities					
			-		-
3 Current liabilities					
Financial Liabilities					
(i) Trade Payables	16				
(a) Total outstanding dues of micro enterprises and small enterprises		-		-	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,277.33		6,286.53	
Provisions	17	23,081.29		27,510.14	
Other Current Liabilities	18	9,677.90		4,598.45	
Current Tax Liabilities	19	1,786.75		-	
Total Current Liabilities			39,823.27		38,395.12
Total Liabilities (2 + 3)			39,823.27		38,395.12
TOTAL			6,44,269.68		6,39,712.09
Material Accounting Policies	1-3				
The accompanying notes are an integral part of the Financial Statements.	4-34				

As per our report of even date attached.

For R R Bajaj & Associates
Chartered Accountants
Firm's Registration No: 100895W

Sachin Khandella
Sachin Khandella
Partner
Membership No. 428557



For & on behalf of the Board of Directors
Vakrangee Finserve Limited
CIN: U74930MH2011PLC221655

Dinesh Nandwana
Dinesh Nandwana
Whole Time Director
DIN: 00062532

Dr. Nishikant Hayatnagarkar
Dr. Nishikant Hayatnagarkar
Director
DIN: 00062638

Ajay Jangid
Ajay Jangid
Chief Financial Officer

Sachin Khandekar
Sachin Khandekar
Company Secretary



Place : Mumbai
Date : May 7, 2024

Place : Mumbai
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Vakrangee Finserve Limited

Statement of Profit and Loss for the year ended March 31, 2024

(Amount in ₹ 000's)

	Particulars	Note No.	For the year ended March 31, 2024		For the year ended March 31, 2023	
I	Income					
	Revenue from Operations	20	3,29,712.69		3,79,356.61	
	Other Income	21	2,357.17		787.03	
	Total Income			3,32,069.86		3,80,143.64
II	Expenses					
	Operating Expenses	22	3,04,462.82		3,44,846.62	
	Employee Benefit Expenses	23	16,175.83		16,175.83	
	Finance Costs	24	-		-	
	Depreciation and Amortization Expense	4	-		-	
	Other Expenses	25	6,515.02		16,938.41	
	Total Expenses			3,27,153.67		3,77,960.87
III	Profit before tax			4,916.19		2,182.78
IV	Tax Expense:					
	(a) Current Tax		1,786.75		-	
	(b) Deferred Tax		-		-	
				1,786.75		-
V	Profit for the year			3,129.44		2,182.78
VI	Other Comprehensive Income					
	Items that will be reclassified subsequently to profit or loss		-		-	
	Items that will not be reclassified subsequently to profit or loss		-		-	
VII	Total Comprehensive income for the year			3,129.44		2,182.78
VIII	No. of equity shares for computing EPS					
	(1) Basic			15,000.00		15,000.00
	(2) Diluted			15,000.00		15,000.00
IX	Earnings Per Equity Share					
	(Face Value ₹ 10/- Per Share):					
	(1) Basic (₹)	26		0.21		0.15
	(2) Diluted (₹)			0.21		0.15
	Material Accounting Policies	1-3				
	The accompanying notes are an integral part of the Financial Statements.	4-34				

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Vakrangee Finserve Limited

Statement of Cash flows for the year ended March 31, 2024

(Amount in ₹ 000's)

S. No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Cash flow from operating activities		
	Profit before tax from continuing operations	4,916.19	2,182.78
	Profit before tax from discontinuing operations	-	-
	Profit before tax	4,916.19	2,182.78
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	-	-
	Allowance for credit losses	-	-
	Gain on disposal of property, plant and equipment	-	-
	Finance costs	-	-
	Interest income	(2,357.17)	(787.03)
	Dividend income	-	-
	Operating profit before working capital changes	2,559.02	1,395.75
	Movements in assets and liabilities :		
	Decrease / (increase) in trade receivables	3,431.00	71,627.66
	Decrease / (increase) in loans and other financial assets	(5,070.43)	1,74,111.63
	Decrease / (increase) in other current assets	20,408.09	(1,53,243.81)
	Increase / (decrease) in trade payables	(1,009.21)	(42,582.10)
	Increase / (decrease) in provisions	(4,428.84)	(30,160.75)
	Increase / (decrease) in other current liabilities	5,079.44	(33,506.69)
	Cash generated from operations	20,969.07	(12,358.31)
	Income taxes paid (net of refunds)	(19,313.25)	(21,583.98)
	Net cash flow from / (used in) operating activities (A)	1,655.82	(33,942.29)
II	Cash flow from investing activities		
	Purchase of property, plant and equipment	-	-
	Interest received	2,357.17	787.03
	Dividends received	-	-
	Net cash flow from / (used in) investing activities (B)	2,357.17	787.03
III	Cash flow from financing activities		
	Proceeds from issue of shares	-	-
	Repayment of borrowings	-	-
	Interest paid	-	-
	Net cash flow from / (used in) in financing activities (C)	-	-
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	4,012.99	(33,155.26)
	Cash and cash equivalents at the beginning of the period	20,523.67	53,678.93
	Cash and cash equivalents at the end of the period	24,536.66	20,523.67

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Material Accounting Policies

1-3

The accompanying notes are an integral part of the Financial Statements.

4-34

As per our report of even date attached.

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Vakrangee Finserve Limited

Statement of changes in equity for the year ended March 31, 2024

(Amount in ₹ 000's)

Particulars	Equity Share Capital	Other Equity	
		Reserve and Surplus	Total equity
		Retained earnings	attributable to equity holders of the Company
As at April 1, 2022	1,50,000.00	4,49,134.19	5,99,134.19
Profit for the year	-	2,182.78	2,182.78
Other comprehensive income	-	-	-
Issue of equity shares	-	-	-
As at March 31, 2023	1,50,000.00	4,51,316.97	6,01,316.97
Profit for the year	-	3,129.44	3,129.44
Other comprehensive income	-	-	-
Issue of equity shares	-	-	-
As at March 31, 2024	1,50,000.00	4,54,446.42	6,04,446.42
Material Accounting Policies			1-3
The accompanying notes are an integral part of the Financial Statements.			4-34

As per our report of even date attached.

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Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Note 1 - Corporate Information

Vakrangee Finserve Limited (hereinafter referred to as "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 'Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C. Marol, Andheri East, Mumbai - 400093, Maharashtra, India. The Company is a wholly owned subsidiary of Vakrangee Limited, whose shares are listed on two stock exchanges in India, namely BSE Limited (formerly known as Bombay Stock Exchange) and National Stock Exchange of India (NSE).

The Company is engaged in providing financial inclusion services through its business correspondent agents.

The financial statements were authorized for issue by the Company's Board of Directors on May 7, 2024.

Note 2 - Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These accounting policies have been consistently applied to all the years presented by the Company unless otherwise stated.

A. Basis of preparation

i. Statement of compliance

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

The Company had adopted the Ind AS standards in accordance with Ind AS 101 *First time adoption of Indian Accounting Standards* during the year ended March 31, 2017.

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

Current versus non-current classification

ii. Basis of measurement

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

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

- defined benefit plans- plan assets measured at fair value; and
- share based payments

B. Summary of material accounting policies

a. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non –current.

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

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

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

b. Foreign Currencies

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

Transaction and balances



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

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

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

Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in the statement of profit or loss except

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

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

c. Revenue from contracts with customers

The Company derives revenues primarily from providing financial inclusion services through its business correspondent services.

Ind AS 115 "Revenue from Contracts with Customers" provides a control- based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

- Recognize revenue when or as an entity satisfies performance obligations

Sales of Services

Revenue from contracts with customers is recognized when performance of the services as agreed with the customer has been completed, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The method of recognizing the revenues and costs depends on the nature of the services rendered. Revenue is recognized when no significant uncertainty exists as to its realization or collection.

The Company recognizes the commission income on earned basis for financial inclusion activities (like deposit, withdrawal, fund transfer, money transfer etc.) performed through business correspondent agents.

The amount recognised as revenue in its Statement of Profit and Loss is exclusive of Goods and Service Tax and is net of discounts.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (g) Financial Instruments.

Contract liabilities

A contract liability is the obligation to perform the services as agreed with the customer for which the Company has received consideration (or an amount of consideration is due) from the customer. A contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Insurance claims



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

d. Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replaced part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the company recognizes such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight-line method ("SLM"). Management believes based on a technical evaluation that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Rate of Depreciation
Computers and Printers, including Computer Peripherals	33.33%
Office Equipments	20.00%
Furniture & Fixtures	10.00%



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Motor Vehicles	12.50%
Plant & Machinery	6.67%
Project Assets (comprising of Computers and Printers, including Computer Peripherals, Furniture and Fixtures and Office Equipments)	25.00% – 33.33%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

e. Taxation

Current taxes

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity)



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

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

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

f. Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summaries accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

g. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

h. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

Debt Instruments at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired.

Debt instrument at Fair Value through Other Comprehensive Income (OCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment gains or losses and foreign exchange gains and losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

Debt instrument at Fair Value through Profit or Loss (FVTPL)

A financial asset which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income is classified as fair value through profit or loss. Debt instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Dividends from such investments are recognized in profit or loss as other income. There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiaries is carried at cost in the financial statements.

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company balance sheet) when:



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

d) Impairment of financial assets

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

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables or any contractual right to receive cash or other financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortization is included as finance costs in the statement of profit and loss.



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Notes to the financial statements for the year ended March 31, 2024

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

i. Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

k. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

l. Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

m. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

o. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and



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Notes to the financial statements for the year ended March 31, 2024

highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

p. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration.

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently remeasured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be



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Notes to the financial statements for the year ended March 31, 2024

payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset will be separately presented in the balance sheet and lease payments will be classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in the statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

q. Employee Benefits

- **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

- **Other Long-term employee benefit obligations**

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the treated are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/gains) are recognized in the Statement of Profit and Loss.

The obligations are presented as current in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



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Notes to the financial statements for the year ended March 31, 2024

- **Post- employment obligations**

Defined benefit plan - Gratuity Obligations

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows outflows by reference to market yields at the end of the reporting period on government bonds that have a term approximating to the terms of the obligation

The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Note 3 - Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures of contingent liabilities. The estimates and associates assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period,



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Notes to the financial statements for the year ended March 31, 2024

or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

▪ Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

▪ Revenue from contracts with customers

The Company's contracts with customers include promises to provide the services to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of the each period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customer's actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.



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Notes to the financial statements for the year ended March 31, 2024

Note 4 - Property, Plant and Equipment

(Amount in ₹ 000's)

Description	Computer and Peripharals
Cost or Valuation	
At April 01, 2022	20,310.57
Additions	-
Disposals	-
At March 31, 2023	20,310.57
Additions	-
Disposals	-
At March 31, 2024	20,310.57
Depreciation and Impairment	
At April 01, 2022	20,310.57
Depreciation charged for the year	-
Disposals	-
At March 31, 2023	20,310.57
Depreciation charged for the year	-
Disposals	-
At March 31, 2024	20,310.57
Net Book Value	
At March 31, 2024	-
At March 31, 2023	-
At April 01, 2022	-



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Notes to the financial statements for the year ended March 31, 2024

**Note 5 - Others Financial Assets
(Non-Current)**

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with bank :		
- with maturity period of more than 12 months *	12,185.55	7,413.92
Security Deposit	90.00	90.00
Earnest Money deposit	2,500.00	2,500.00
TOTAL	14,775.55	10,003.92

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

12,185.55 7,413.92

Note 6 - Income Tax Assets (Net)

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax (net of provision for taxation)	-	-
TOTAL	-	-

Note 7 - Deferred Tax Assets (Net)

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
Assets		
(i) On account of difference in	4.00	4.00
(ii) MAT Credit Entitlement	-	-
(iii) Temporary differences on Tax Provisions	-	-
(A)	4.00	4.00
Liabilities		
(i) Temporary differences on Tax Provisions	-	-
(B)	-	-
TOTAL (A - B)	4.00	4.00
Add : Impact on deferred tax asset carrying value*	(4.00)	(4.00)
Balance Carried to Balance Sheet	-	-

*The temporary differences arising as at year-end are deferred tax assets. There are no items for which there is deferred tax liability as at year-end. Hence, on the basis of reasonable certainty, such deferred tax assets have not been recognised and carried forward.

Under the Income Tax Act, 1961, Minimum Alternate Tax paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. Accordingly, the Company has recognised a deferred tax asset of ₹ Nil (March 31, 2023 : ₹ Nil)



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Notes to the financial statements for the year ended March 31, 2024

Note 8 - Trade Receivables

(Current)

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	32,804.74	36,235.74
(c) Trade Receivables which have significant increase in Credit Risk	-	-
Less: Allowance for credit Losses	-	-
(d) Trade Receivables - credit impaired	-	-
TOTAL	32,804.74	36,235.74

Ageing for Trade Receivables outstanding as at March 31, 2024 is as follows :-

(Amount in ₹ 000's)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
1)Undisputed Trade receivables – considered good	32,804.74	-	-	-	-	32,804.74
2)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
3)Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
4) Disputed Trade Receivables-considered good	-	-	-	-	-	-
5)Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
6)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total:	32,804.74	-	-	-	-	32,804.74

Ageing for Trade Receivables outstanding as at March 31, 2023 is as follows :-

(Amount in ₹ 000's)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
1)Undisputed Trade receivables – considered good	36,235.74	-	-	-	-	36,235.74
2)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
3)Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
4) Disputed Trade Receivables-considered good	-	-	-	-	-	-
5)Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
6)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total:	36,235.74	-	-	-	-	36,235.74



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Notes to the financial statements for the year ended March 31, 2024

Note 9 - Cash and Cash Equivalents and Other Bank Balances

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Cash and Cash equivalents		
(i) Balances with Banks :		
- Current Accounts*	24,241.62	20,515.61
(ii) Cash-in-hand	295.04	8.07
TOTAL	24,536.66	20,523.68

* It includes amount transferred to earmarked/separate unspent Corporate Social Responsibility account.

(B) Other Bank Balances

(i) Fixed Deposits with Bank	11,411.71	10,944.45
- with maturity period of more than 3 months but less than 12 months *		
TOTAL	11,411.71	10,944.45

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

Note 10 - Loans

(Current)

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Loans Receivables considered good - Secured	-	-
(ii) Loans Receivables considered good - Unsecured		
(a) Loan to Others	-	-
(b) Loan to Related Parties	-	-
(iii) Loans Receivables which have significant increase in Credit Risk	-	-
(iv) Loans Receivables - credit impaired	-	-
TOTAL	-	-

Note 11 - Other Financial Assets

(Current)

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance for Outlets	63.82	355.94
Advances to Business Correspondents Agents	503.97	380.30
Interest accrued but not due	-	-
TOTAL	567.79	736.25



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Note 12 - Current Tax Assets (Net)

Particulars	(Amount in ₹ 000's)	
	As at March 31, 2024	As at March 31, 2023
Income Tax	40,809.46	21,496.21
TOTAL	40,809.46	21,496.21

Note 13 - Other Current Assets

Particulars	(Amount in ₹ 000's)	
	As at March 31, 2024	As at March 31, 2023
- GST Receivable	8,477.45	3,022.54
- Advances to Vendor	5,10,886.30	5,36,749.30
TOTAL	5,19,363.75	5,39,771.84



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Notes to the financial statements for the year ended March 31, 2024

Note 14 - Equity Share Capital

(Amount in ₹ 000's)

Particulars	As at March 31, 2024		As at March 31, 2023	
(i) Authorised Share Capital :	Number of Shares (in 000's)	Amount	Number of Shares (in 000's)	Amount
As at start of year	20,000	2,00,000	20,000	2,00,000
Increase during the year	-	-	-	-
As at end of year	20,000	2,00,000	20,000	2,00,000

(Amount in ₹ 000's)

(ii) Issued Equity Share Capital	Number of Shares (in 000's)	Amount	Number of Shares (in 000's)	Amount
Increase during the year	15,000	1,50,000	15,000	1,50,000
Increase during the year	-	-	-	-
As at end of year	15,000	1,50,000	15,000	1,50,000

(iii) Shares held by Holding Company, its Subsidiaries and Associates

- Equity Shares held by the Holding Company

Particulars	As at March 31, 2024	As at March 31, 2023
1,50,00,000 equity shares are held by Vakrangee Limited (March 31, 2022 : 1,50,00,000 equity shares)	15,00,00,000	15,00,00,000

(iv) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% Holding	Number of shares	% Holding
Vakrangee Limited	15,00,00,000	100	15,00,00,000	100
TOTAL	15,00,00,000	100	15,00,00,000	100

(v) Disclosure of shareholding of Promoters

Disclosure of shareholding of Promoters as at March 31, 2024 is as follows:

Shares held by Promoters					% Change during the year
Promoters' Name	As at March 31, 2024		As at March 31, 2023		
	Number of shares	% of Total Shares	Number of shares	% of Total Shares	
Vakrangee Limited	15,00,00,000	100	15,00,00,000	100	-

Disclosure of shareholding of Promoters as at March 31, 2023 is as follows:

Shares held by Promoters					% Change during the year
Promoters' Name	As at March 31, 2023		As at March 31, 2022		
	Number of shares	% of Total Shares	Number of shares	% of Total Shares	
Vakragee Limited	15,000	100	15,000	100	-



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

(vi) 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 ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. New equity shares issued shall be ranked pari-passu to the existing equity shares.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(vii) The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

Note 15 - Other Equity

Particulars	(Amount in ₹ 000's)	
	As at March 31, 2024	As at March 31, 2023
Surplus in Statement of Profit & Loss	4,54,446.41	4,51,316.97
Total	4,54,446.41	4,51,316.97

Particulars	(Amount in ₹ 000's)	
	As at March 31, 2024	As at March 31, 2023
Opening balance	4,51,316.97	4,49,134.19
Add:- Profit for the year	3,129.44	2,182.78
Closing balance	4,54,446.41	4,51,316.97



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Note 16 - Trade Payables

(Amount in ₹ 000's)

Particulars	As at March 31, 2024		As at March 31, 2023	
Trade Payables				
- Dues of micro enterprises and small enterprises				
	Principal	Interest	Principal	Interest
Amount due to vendor	-	-	-	-
Principal amount paid (including unpaid) beyond the	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	-	-	-	-
Total Dues of micro enterprises and small enterprises	-	-	-	-
- Dues of Creditors other than micro enterprises and small enterprises	5,277.33	-	6,286.53	-
TOTAL	5,277.33		6,286.53	

As at March 31, 2024 and March 31, 2023, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same.

Ageing for Trade Payables outstanding as at March 31, 2024 is as follows :-

(Amount in ₹ 000's)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	5,277.33	-	-	-	5,277.33
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	5,277.33	-	-	-	5,277.33

Ageing for Trade Payables outstanding as at March 31, 2023 is as follows :-

(Amount in ₹ 000's)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	6,286.53	-	-	-	6,286.53
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	6,286.53	-	-	-	6,286.53



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Note 17 - Provisions

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Expenses	23,081.29	27,510.14
TOTAL	23,081.29	27,510.14

Note 18 - Other Current Liabilities

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
Withholding taxes and others	8,795.24	3,711.26
Employee Related Liabilities	815.15	819.70
Audit Fees Payable	67.50	67.50
TOTAL	9,677.90	4,598.45

Note 19 - Current Tax Liabilities (Net)

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax (net of provision for taxation)	1,786.75	-
TOTAL	1,786.75	-



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Note 20 - Revenue from Operations

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Sale of Services		
- Information Technology-enabled Services (ITeS)	3,29,712.69	3,79,356.61
TOTAL	3,29,712.69	3,79,356.61

Note:- The amount of revenues above are exclusive of indirect taxes (Goods and Service Tax, Service Tax, etc.).

Note 21 - Other Income

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Interest Income on Bank Deposits	1,146.64	787.03
(b) Misc. Income	1,210.53	-
(c) Interest on IT Refund	-	2,357.17
TOTAL	2,357.17	787.03

Note 22 - Operating Expenses

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Commission Expenses	2,63,962.82	2,90,846.62
Support Services	40,500.00	54,000.00
TOTAL	3,04,462.82	3,44,846.62

Note 23 - Employee Benefit Expenses

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries & Wages	16,175.83	16,175.83
TOTAL	16,175.83	16,175.83

Note 24 - Finance Costs

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses		
- Others	-	-
Bank Charges & Commission	-	-
TOTAL	-	-



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Note 25 - Other Expenses

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Telephone & Postage Expenses	1.06	-
Sundry Balances written off	-	-
Corporate Social Responsibility Expenditure (Refer Note 31)	1,974.59	2,731.90
Allowance for credit losses		
- Opening Allowances	-	20,282.28
- Add : Written off during the year	-	(20,282.28)
- Less : Closing Allowances	-	-
Bank Charges	16.14	31.01
Legal & Professional Fees - Other than payments to Auditor		
- Legal & Professional Fees	27.50	137.50
- Filing Stamp Duty and Franking Charges	12.95	5.98
Payments to Auditors :		
- Audit fees	120.00	120.00
- Tax Audit	-	-
- For Other Services	120.00	120.00
Office & General Expenses	4,362.79	13,912.01
TOTAL	6,515.02	16,938.41

Note 26 - Earnings Per Equity Share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Net profit after tax attributable to equity shareholders for		
Basic EPS	3,129.44	2,182.78
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	3,129.44	2,182.78
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	15,000.00	15,000.00
For Diluted EPS	15,000.00	15,000.00
(c) Basic EPS (₹)	0.21	0.15
Diluted EPS (₹)	0.21	0.15
Face Value per Equity Share (₹)	10	10
(d) Reconciliation between no. of shares used for calculating basic and diluted EPS		
No. of shares used for calculating Basic EPS	15,000.00	15,000.00
Add: Potential equity shares	-	-
No. of shares used for calculating Diluted EPS	15,000.00	15,000.00



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Note 27 - Related Party Transactions

(a) Key Management Personnel & Directors

Mr. Dinesh Nandwana	Whole Time Director
Dr. Nishikant Hayatnagarkar	Director
Mr. Vedant Dinesh Nandwana	Director
Mr. Sunil Agarwal	Director
Mr. Sachin Khandekar	Company Secretary
Mr. Ajay Jangid	Chief Financial Officer

(b) Relative of key management personnel and Name of the enterprises having same key management personnel and/ or their relatives as the reporting enterprises with whom the Company has entered into transactions during the year.

Mr. Amit Sabarwal	Director - Fellow Subsidiary
VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited)	Group Company

(c) Holding Company of the company with whom company has entered in transactions during the year

- Vakrangee Limited

Transactions during the year

- In relation to (b)

(Amount in ₹ 000's)

Nature of Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023
Employee Benefit Expenses		
- Amit Sabarwal	16,175.83	16,175.83
Advance granted		
- VL E-Governance & IT Solutions Limited	1,32,683.59	5,36,749.30
Advance received back		
- VL E-Governance & IT Solutions Limited	1,06,820.59	-
Balance Outstanding as on March 31 :		
- Amit Sabarwal	815.15	819.70
- VL E-Governance & IT Solutions Limited	5,10,886.30	5,36,749.30

- In relation to (c)

(Amount in ₹ 000's)

Nature of Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023
Support Services	40,500.00	54,000.00
Balance as on March 31 :		
Equity share capital	1,50,000.00	1,50,000.00
Trade Payable	-	-
Margin Money against Guarantee received	-	12,500.00



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Note 28 - Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Contingent Liabilities		
i) Company has provided Bank Guarantee to various parties which is not acknowledged in books of accounts	2,500.00	15,000.00
Total (A)	2,500.00	15,000.00
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances).	-	-
Total (B)	-	-
Total (A+B)	2,500.00	15,000.00

Note 29 - Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

Exposure arising from	Risk	Measurement	Management
Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Credit Risk	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Borrowings and other liabilities	Liquidity Risk	Rolling cash flow	Availability of committed credit lines and
Future commercial transactions. Recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Market Risk - foreign exchange	Cash flow forecasting Sensitivity	Forwarded foreign exchange contracts Foreign currency options
Long-Term borrowings at variable rates	Market Risk - interest rate	Sensitivity analysis	Interest rate swaps
Investments in equity securities	Market Risk - security prices	Sensitivity analysis	Portfolio diversification

Note 30 - Income Taxes

(a) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before income taxes	4,916.19	2,182.78
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	1,237.31	549.36
Effect of non-deductible expenses	549.44	(3,626.27)
Absorption of unabsorbed brought forward losses and depreciation	-	-
Income Tax expense	1,786.75	-

(b) The following table provides the details of income tax liabilities and income tax asset

(Amount in ₹ 000's)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Income Tax Liabilities	1,786.75	-
Income Tax Assets	40,809.46	21,496.21
Net current income tax liabilities / (assets) at the end	(39,022.71)	(21,496.21)



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

The gross movement in the current income tax liability / (asset) for the year ended 31st March 2024 and 31st March 2023:

Particulars	(Amount in ₹ 000's)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Net current income tax liability / (asset) at the beginning	(21,496.21)	87.77
Income taxes paid (net of refunds)	(19,313.25)	(21,583.98)
Current Income Tax expense	1,786.75	-
Net current income tax liability / (asset) at the end	(39,022.71)	(21,496.21)

(c) The gross movement in the deferred income tax account for the year ended March 31, 2024 and March 31, 2023, are as follows:

Particulars	(Amount in ₹ 000's)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Net deferred income tax liability / (asset) at the beginning	(5.00)	(5,112.00)
Movements relating to temporary differences	-	5,107.00
Temporary differences on other comprehensive income		
Net deferred income tax liability / (asset) at the end	(5.00)	(5.00)

The timing differences arising as at year-end are deferred tax assets. There are no items for which there is deferred tax liability as at year-end. Hence, on the basis of reasonable certainty, such deferred tax assets have not been recognised and carried forward.

Note 31 - Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

Particulars	(Amount in ₹ 000's)	
	As at March 31, 2024	As at March 31, 2023
a) Gross Amount required to be spent by the company during the year	1,974.58	2,731.90
b) Amount of expenditure incurred on:		
(i) Construction / acquisition of any asset		
(ii) On purposes other than (i) above	1,974.58	2,731.90
c) Shortfall at the end of the year	-	-
d) Total of previous years' short fall	-	-
e) Reason for short fall	Pertains to ongoing projects	Pertains to ongoing projects
f) The nature of CSR activities undertaken by the Company	Eradication of hunger and malnutrition, promoting education, healthcare	Eradication of hunger and malnutrition, promoting education, healthcare



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Note 32 - Statutory Information

- (a) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (b) The Company has not entered into any transactions with struck off companies during the year.
- (c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (f) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Further, the Company has not received any funds from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (g) The Company has complied with the number of layers prescribed under clause (87) of the Section of the Companies Act read with the Companies (Restrictions on Number of Layers) Rule, 2017.
- (h) The Company is not declared wilful defaulter by bank or financial institutions or any lender during the financial year.
- (i) Since there are no borrowings in the financial year 2023- 2024, the company has not submitted any quarterly returns or statements of current assets with banks or financial institutions.

Note 33 - Ratio Analysis

The analytical ratios for the year ended March 31, 2024 and March 31, 2023 are as follows:

Particulars	Numerator	Denominator	As at		Variance
			March 31, 2024	March 31, 2023	
Current Ratio (Note: Significant drop in the current liabilities has resulted to the increase in the ratio)	Total current assets	Total current liabilities	15.81	16.40	-3.62%
Debt equity ratio (in times) (Note: As the company does not have any debt, the Ratio is not	Total Debt includes non current and current borrowings and lease liabilities.	Total Equity	N.A.		
Debt service coverage ratio (in times) (Note: As the company does not have any debt, the Ratio is not applicable.)	Earnings of Debt service = Net Profit after Taxes + Depreciation and Amortisation Expense + Finance costs (excluding interest on lease liabilities)	Debt Service = Finance Costs (excluding cost pertaining to lease liabilities) + Repayment of borrowings	N.A.		



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Particulars	Numerator	Denominator	As at		Variance
			March 31, 2024	March 31, 2023	
Return on Equity ratio (in %) (Note: Decrease in the profit has resulted in to decrease in the ratio.)	Profit for the year	Shareholder's equity	0.52%	0.36%	42.63 %
Inventory Turnover Ratio (in times) (Note : As the company does not have inventories and business nature of company is providing services, the ratio is not applicable.)	Cost of Goods Sold	Average Inventory	N.A.		
Trade Receivables Turnover ratio (in times) (Note: Decrease in the operational revenue and trade receivables has resulted to the decrease in the ratio.)	Revenue from operations	Average Trade Receivables	9.55	5.27	81.40 %
Trade Payables Turnover ratio (in times)	Purchases of raw materials, stores & packing	Average Account Payables	52.66	12.50	321.11 %
Net Capital Turnover ratio (in times) (Note: Decrease in the operational revenue and working capital has resulted to the decrease in the ratio.)	Revenue from operations	Average working capital (i.e. total current asset- total current liabilities)	0.56	0.64	(12.84)%
Net Profit ratio (in %) (Note: Decrease in the profit has resulted to the decrease in the ratio.)	Profit for the year	Revenue from operations	0.95%	0.58%	64.96 %
Return on Capital Employed (in %) (Note: Decrease in the profit has resulted to the decrease in the ratio.)	EBITDA = Net Profit after Taxes + Depreciation and Amortisation Expense + Finance	Average Capital employed (Total equity+Total Debt)	0.81%	0.36%	124.06 %
Return on Investment (in %) (Note: Decrease in the profit has resulted to the decrease in the ratio.)	EBITDA = Net Profit after Taxes + Depreciation and Amortisation Expense + Finance	Networth	0.81%	0.36%	124.06 %



Vakrangee Finserve Limited

Notes to the financial statements for the year ended March 31, 2024

Note 34 - Previous year / period figures

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The previous year's figures have been regrouped or rearranged wherever necessary.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached.

For R R Bajaj & Associates

Chartered Accountants

Firm's Registration No: 100895W

Sachin Khandelvia

Partner

Membership No. 428557



For & on behalf of the Board of Directors

Vakrangee Finserve Limited

CIN : U74930MH2011PLC221655

Dinesh Nandwana

Whole Time Director

DIN: 00062532

Dr. Nishikant Hayatnagarkar

Director

DIN: 00062638

Ajay Jangid

Chief Financial Officer

Sachin Khandekar

Company Secretary



Place : Mumbai

Date : May 7, 2024

Place : Mumbai

Date : May 7, 2024

Place : Mumbai

Date : May 7, 2024