Vakrangee
सशक्त परिवर्तन

Vakrangee Limited "Vakrangee Corporate House", Plot No. 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai-400093, Maharashtra.
W: www.vakrangee.in | L: +91 22 2850 3412 / +91 22 6776 5100
F: +91 22 2850 2017 | CIN : L65990MH1990PLC056669

August 22, 2019

To,

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

Dear Sir/Madam,

Sub:- Submission of Annual Report under Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report 2018-19 of Vakrangee Limited for your reference and records.

Thanking you,

Yours faithfully,

For Vakrangee Limited

Mehul

VAKRANGEE LIMITED
MUMBAI

Mehul Raval
Company Secretary
ACS:18300

SCALING
Our TRANSFORMATION

2018-19 Annual Report

Launch of Nextgen
Vakrangee Kendra

Vakrangee
सशक्त परिवर्तन

We aim to reach
25,000 Nextgen Kendras
by FY2019 – 20

SCALING
Our TRANSFORMATION

Through the years, we have come a long way in delivering on our commitments. From very early in Vakrangee's life, we started with a big dream of creating the world's largest distribution network. Our ultimate goal has been to see that every Indian has the opportunity to benefit from financial inclusion and access to the global market place.

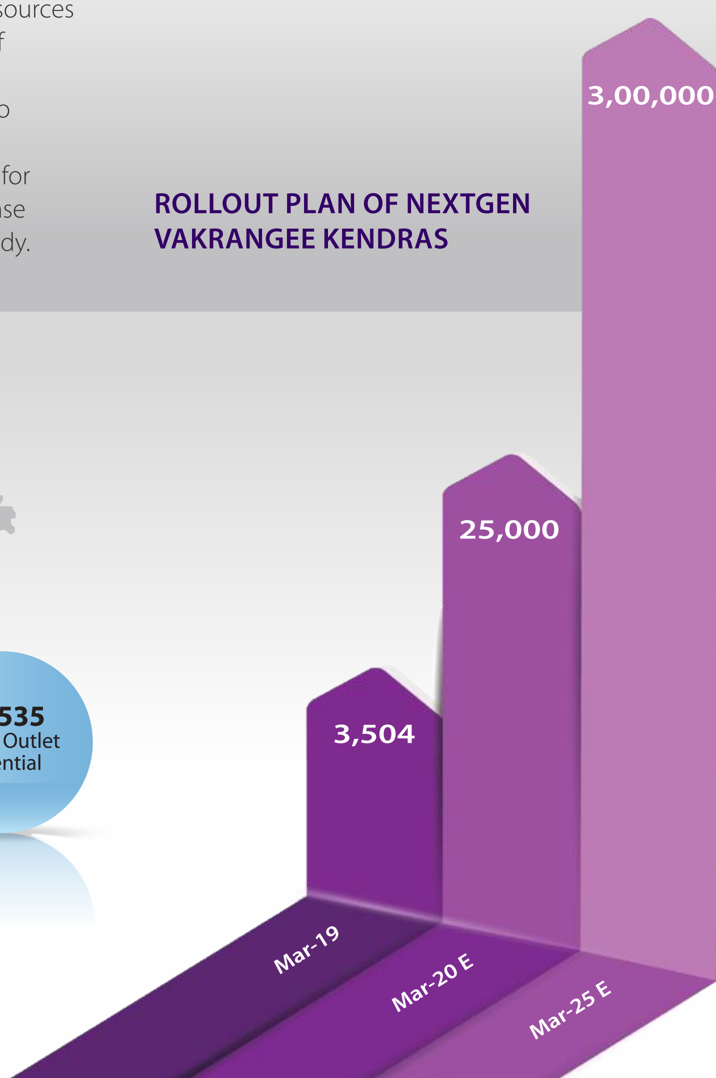
We imagined a store where one could walk in and access millions of products and thousands of services, and then leave completely satisfied. We believe that only the bold can strive for a dream so big. In our journey to achieve something that has never been done before, there were many learnings during this phase through which we were able to discover the strategies that worked and those that didn't. Now, with a highly evolved business model, we are confidently moving ahead towards having the largest franchise network in the world. With an asset light franchisee based model along with a robust debt-free balance sheet in place, we are strongly positioned to achieve our goals.

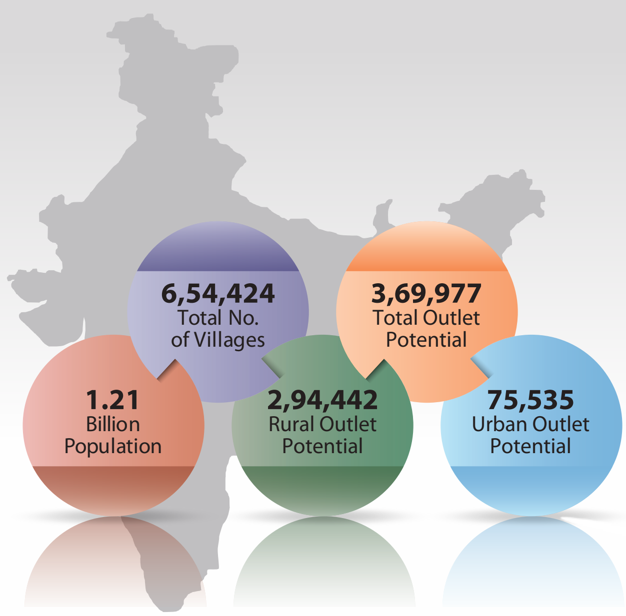
Today, with time, passion, energy and financial resources in place, we are now focusing on the execution of our strategic goals. During the last one year, we initiated our mission to transform our Kendras into the exclusive and standardised Next Gen format. These ahead-of-their-time outlets stand, not only for a modern and standardised look, but also showcase multiple unique features to make them future ready.

After the successful pilot phase of 3,504 Next Gen outlets, which are now fully operational, we believe that Vakrangee is ready to scale to new orbits of growth and achieve a planned target of 25,000 outlets by FY2020, and a further 3,00,000 NextGen Kendras by FY2025. We are working at breakneck speed, focusing on creating a network of immense value.

We maintain our long-term vision of becoming the most trusted physical and online convenience store across India. With a unique franchisee-driven business model developed over a period of time, we are confident in our mix of ingredients to achieve our vision while scaling our transformation.

ROLLOUT PLAN OF NEXTGEN VAKRANGEE KENDRAS





OVERALL MARKET POTENTIAL

Contents

ANNUAL REPORT 2018-19

NOTE ON FORWARD LOOKING STATEMENTS

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

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

Corporate Information

Board of Directors

Mr. Dinesh Nandwana
Executive Chairman

Mr. Anil Khanna
Managing Director & Group CEO

Dr. Nishikant Hayatnagarkar
Whole Time Director

Mr. Ramesh Joshi

Mr. Sunil Agarwal

Mr. B. L. Meena

Mr. Avinash Vyas

Mrs. Sujata Chattopadhyay

Mr. Ranbir Datt

Company Secretary & Compliance Officer

Mr. Mehul Raval

Statutory Auditor

M/s. A. P. Sanzgiri & Co.
Chartered Accountants, Mumbai

Bankers

HDFC Bank Limited
Axis Bank Limited
IndusInd Bank Limited
Union Bank of India
IDBI Bank Limited
Bank of Maharashtra
The Nainital Bank Limited
ICICI Bank Limited
Bank of India
Allahabad Bank
Purvanchal Bank
Baroda Uttar Pradesh Gramin Bank

Registrar

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

Registered Office

Vakrangee Limited
Vakrangee Corporate House,
Plot No. 93, Road No. 16,
M.I.D.C. Marol,
Andheri (East),
Mumbai, Maharashtra - 400093
Telephone No. : 022-28503412 / 67765100
Fax No. : 022-28502017
Email : info@vakrangee.in
Website : www.vakrangee.in

Vakrangee
सशक्त परिवर्तन

At a Glance

AT VAKRANGEE, WE ARE TECHNOLOGY DRIVEN COMPANY, FOCUSED ON BUILDING INDIA'S LARGEST NETWORK OF LAST MILE RETAIL OUTLETS TO DELIVER OUR SERVICES TO THE UNSERVED AND UNDERSERVED RURAL, SEMI-URBAN AND URBAN MARKETS. WE OFFER A BROAD SPECTRUM OF SERVICES ACROSS DIFFERENT SECTORS BY PROVIDING BANKING, ATM, INSURANCE, FINANCIAL SERVICES, E-GOVERNANCE, E-COMMERCE, AND LOGISTICS SERVICES. OUR GOAL IS TO DEEPEN OUR PRESENCE IN INDIA AND ENHANCE OUR SERVICE PORTFOLIO TO CREATE A SEAMLESS CUSTOMER EXPERIENCE.

01 TIE-UP WITH STRONG PARTNERS

- Portfolio of key licenses and partnership empanelment built over last 25 years
- Have built a strong bouquet of products and services

02 TECHNOLOGY AND INTEGRATION EXPERTISE

- Over two decades of System Integration Capabilities
- Interoperable banking – Integration with the Core Banking servers of Banks
- Pioneer in Aadhaar-based biometric enabled banking

03 ON-GROUND FIELD PRESENCE TILL BLOCK LEVEL

- Field Level Hierarchy till the Block level – More than 1,250 District and Block Area Managers
- Continuous Handholding and support to Franchisee to maintain smooth Operations and drive sales

04 SIZE AND SCALE WITH STRONG FRANCHISEE MODEL

- Robust store Economics leading to strong growth in stores
- Scale leading to emerge as a Partner of choice

05 OUR PROJECT EXECUTION CAPABILITIES

- Last mile infrastructure and grass-root level footprint to deliver projects
- Experience of on-ground complexities in Rurban regions
- Seamless real time connectivity and back-end integration with banks CBS and e-Commerce.

One of the
Largest
Franchisee Networks

Debt Free
Balance Sheet

Total Income
₹ 15,882
million

3,504
No. of Next Gen Vakrangee Kendras as on 31st March 2019

19 States
Our Presence in India

EBITDA
₹ 583
million

2,186
Postal Codes

366
No. of Districts we are present in

PAT
₹ 252
million

25,000
No. of Next Gen Vakrangee Kendras to be set up by FY2020

68%
Our Presence in Tier V and Tier VI cities

1,974
No. of Employees as of 10th May 2019

Our Vision

Vakrangee aims to be the most trustworthy Physical as well as Online Convenience Store across India. We will keep expanding this network, until we are in close proximity to the last excluded person within the country.

Our Mission

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

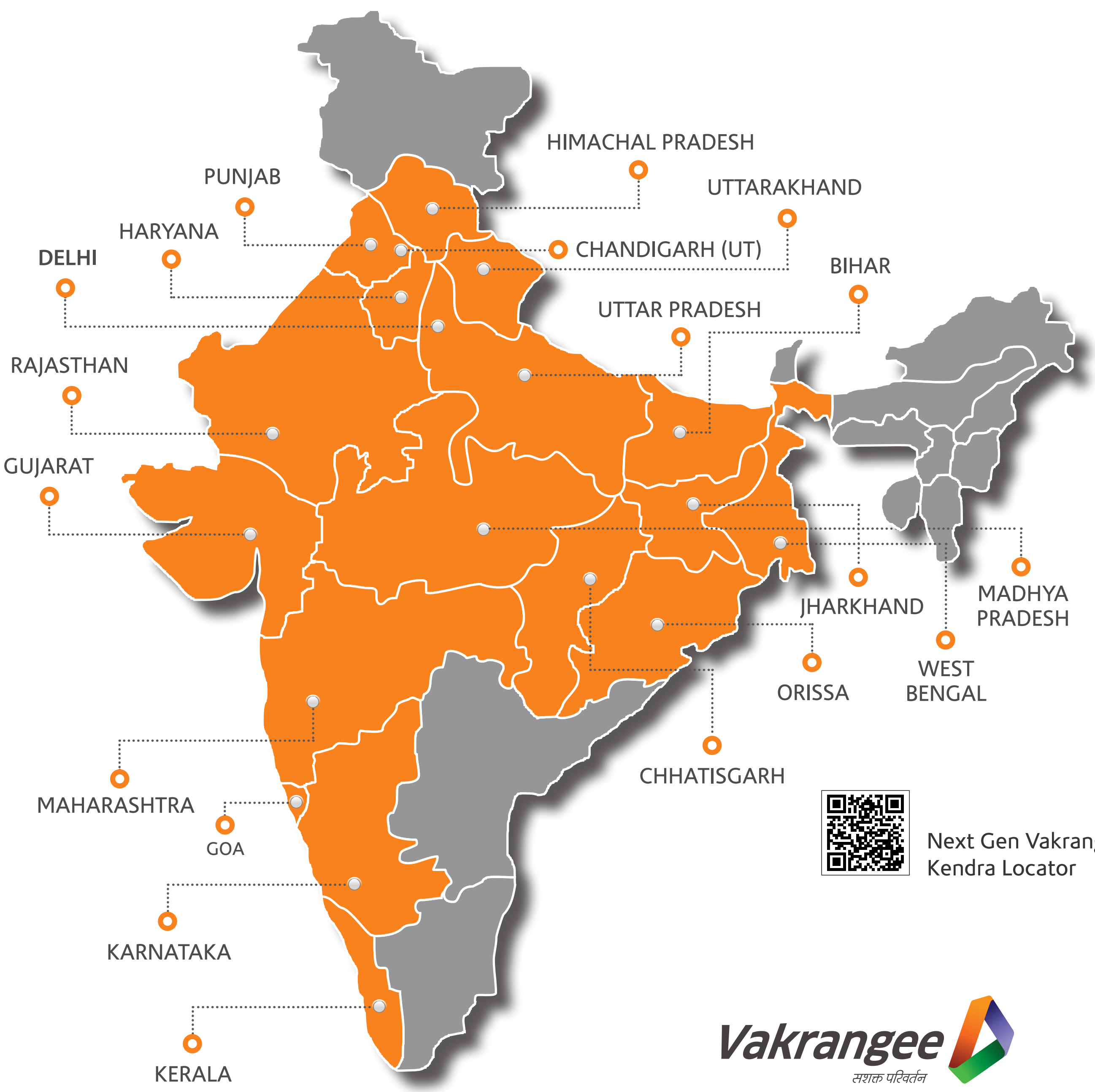
Our Brand Promise

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

Our Presence

19
States

3,504
Next Gen Outlets
as on 31st March 2019



Next Gen Vakrangee
Kendra Locator

Vakrangee
सशक्त परिवर्तन

Our Brand Principles

AT VAKRANGEE, WE ENDEAVOUR TO INCULCATE OUR BRAND PRINCIPLES INTO EVERY ASPECT OF YOUR BUSINESS OPERATIONS.

01

TRUST

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

02

PERSEVERANCE

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

03

UNYIELDING RIGOR

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

04

ENTREPRENEURIAL

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

05

PRUDENT

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


RuPay
VISA

Awards & Certifications

Guinness World Records^{TM} Title for the Most Stores Launched Simultaneously on 14th January 2019. Launches 1107 Next Gen Vakrangee Kendra stores across the country at 11.07 am on the same day

---

Awarded as the best 'Financial Services Retailer of the year' at the Indian Retail Awards 2019

CA Entrepreneur Path Breaker Award 2017 by Institute of Chartered Accountants of India

---

Selected in the Fortune 500 Companies – Fortune India 2017

Selected in the Super 50 Companies – Forbes India 2017

Selected in the Top 50 BSE 500 Companies by Growth in M-Cap-Forbes India 2017

Vakrangee has been features in 11 Indian companies, up from an all-time low of eight last year by Forbes Asia's Best Under a Billion list for 2015

ET-500 Companies for 2013 as published by ET

Nominated (Top 5) for the best CEO (IT & ITes) by Business Today in January 2014

26th in the Deloitte Technology Fast 50 companies in India, 2012

18th in the Deloitte Technology Fast 50 companies in India, 2011

226th rank in Deloitte Fastest 500 growing Asia Pacific companies in 2011

CA. Business Leader - SME (3rd Rank) of the Year Award, 2008 to the Chairman by Institute of Chartered Accountants of India

---

Economic Times ET 500 Best Companies in India in 2006-07

Guinness World Records

Financial Services Retailer of the Year

We have partnered with the best in the industry in each of our verticals.

The Kendras have emerged as modern-day Assisted Digital Convenience Stores with a deep presence.

We are giving our partners and associates an opportunity to expand their presence across India and tap a bigger market, thereby enabling economic growth.

Our Key Business Alliances

BANKING

- Union Bank of India
- बैंक ऑफ़ इंडिया Bank of India — Relationships beyond banking.
- इलाहाबाद बैंक ALLAHABAD BANK
- punjab national bank
- बैंक ऑफ़ बड़ौदा Bank of Baroda
- Other PSUs

FINANCIAL SERVICES

- Reliance Mutual Fund — Wealth Sets You Free
- EKO
- shubham
- LENDINGKART — Think Cash, Think Lendingkart Group!
- Aditya Birla Capital
- IndiaShelter — Apna Ghar, Apni Shaan

ATM

- भारतीय रिज़र्व बैंक Reserve Bank of India — India's Central Bank
- NPCI — भारतीय राष्ट्रीय भुगतान निगम NATIONAL PAYMENTS CORPORATION OF INDIA

E-GOVERNANCE

- BBPS — BHARAT BILL PAYMENT SYSTEM
- RISL
- IRCTC

INSURANCE

- LIC — भारतीय जीवन बीमा निगम LIFE INSURANCE CORPORATION OF INDIA
- HDFC ERGO
- HDFC Life — Sar utha ke jiyo!
- Cigna TTK Health Insurance
- Reliance General Insurance
- Health Insurance — Aditya Birla Health Insurance Co. Limited — Aditya Birla Capital
- TATA AIG Insurance — WITH YOU ALWAYS
- Religare Health Insurance — Values that bind
- Atal Pension Yojana
- Pradhan Mantri Suraksha Bima Yojana
- Pradhan Mantri Jeevan Jyoti Bima Yojana

E-COMMERCE

- amazon
- AUGMONT
- dishtv
- d2h
- Jio
- redBus
- netmeds.com — India Ki Pharmacy
- CyberPlat
- ZEE5

LOGISTICS

- FedEx Express
- aramex
- DELHIVERY — Small World

Evolution of the Company

1990-2005

- Incorporated as a System Integrator for E-Governance Projects
- Won Project Computerisation of Central Election Commission
- Won Project MCA 21 from Ministry of Corporate Affairs

2007-2009

- Won Project Rashtriya Swasthya Bima Yojna for Uttar Pradesh, Haryana and Rajasthan
- Worked on Project Digitisation of Land and Revenue Records for 6 districts in Uttar Pradesh
- Worked on Project Land Record Digitisation for Government of Philippines

2010-2011

- Worked on Project Passport Seva Kendra, involving setting up ultra-modern passport offices at 77 locations with Business Process Engineering
- Worked on Project Common Service Centre for Punjab with 205 CSCs established and 192 rolled out
- Won UID Enrolment Project for enrolling Aadhaar

Evolution of Vakrangee Kendras

2010-2011

PHASE 1

The outlets were primarily termed as Common Service Centre (CSC) or E-Mitra Kendra and offered only e-Governance services.

2012-2013

PHASE 2

The outlets were later transformed into a Banking BC Point Model, after it received the Banking Business Correspondence mandate, and commenced a BC point dual line of services for e-Governance and Banking.

2012-2013

- Won Common Service Centre Project for e-Governance services in Rajasthan
- National Business Correspondent Tie Up - Appointed by Major Banks
- Won Project for Inspector General Registration of Stamp (IGRS)
- Won Project for National Population Register for data digitisation

2014-2017

- RBI license to set up and manage WLA across India
- Offered various Business-to-Customer services such as –
  - Sale of Products through Assisted E-Commerce
  - Bus Ticket booking, Mobile & DTH recharge services
  - Alliance with IRCTC for offering railway E-Ticket booking

2018 Onwards

- Launched the Next Gen Vakrangee Kendra Model with standardised look and feel and consistent service level to have a uniform consumer experience
- In FY2019, we established a total network of 3,504 Next-Gen Vakrangee Kendras across 19 States
- Going forward, we plan to esablish a network of 25,000 Next Gen Kendras by 2020

2014-2017

PHASE 3

Gradually, these Kendras adopted a multi-specialty store model with multiple services offered in Banking, e-Governance, Insurance, e-Commerce, Logistics and optional ATM services.

2018 Onwards

PHASE 4

Later, these outlets evolved into the Next Gen Vakrangee Kendras, an exclusive "assisted digital convenience store model", with a multi-line of services and the mandatory ATM services.

Message from the Executive Chairman

Dinesh Nandwana
Executive Chairman

OUR VISION IS NOW SET TO CREATE THE WORLD'S LARGEST FRANCHISEE-BASED DISTRIBUTION CHANNEL IN INDIA. OUR JOURNEY FROM FY2018 TO FY2019 MARKS THE BEGINNING OF OUR EFFORTS TO CONVERT OUR NON-EXCLUSIVE KENDRA NETWORK TO THE NEW ADVANCED FORMAT — THE NEXT-GEN VAKRANGEE KENDRA.

Dear Shareholders,

For Vakrangee, FY2019 was a year of transformational rejuvenation. During the year, we took many of our old format Vakrangee Kendras to a standardised and highly recognisable "Next-Gen" format. They each became branded stores for delivering a consistent consumer experience and well-defined service levels. During the year under review, we successfully launched 3,504 Next-Gen Vakrangee Kendras, spread across 19 states, 366 districts, and 2,186 Indian postal codes. Out of our 3504 outlets, 200 outlets are in Left-Wing Extremism (LWE) districts and 476 in tribal districts. It was the year in which we resoundingly fulfilled our stated objective of transforming our Kendras into India's best version of multi-service outlets, in terms of infrastructure, ambience and convenience. It was also a year in which we enhanced our services portfolio significantly, bringing the widest range of options to our customers, while giving our franchisees a much faster path to breaking even and profitability. As we move forward to expand our new breed of Kendra across India, I believe that our growing network will benefit immensely from a regimented degree of standardisation and consistency, in terms of the quality of our facilities, and in terms of the service levels we offer our customers.

Indeed, FY2019 was also a remarkable year in terms of our achievements on the ground. We were recognised on a global level by Guinness World Records™ for the most stores launched simultaneously at multiple locations across India, on 14th January 2019. We launched 1,107 Next-Gen Kendras across the country at precisely 11:07 AM on the same day. Vakrangee has also been awarded as the best 'Financial Services Retailer of The Year' at the Indian Retail Awards 2019, for achieving excellent growth and customer satisfaction.

Empowering the Indian Economy through Financial Inclusion

The Indian Government, since 2014, has maintained an uninterrupted focus on financial inclusion. Towards that end, many key initiatives such as Jan Dhan

Yojana, Direct Benefit Transfer of subsidies into the bank accounts, affordable micro insurance schemes amongst others have been proactively initiated and developed by the Government. With a strong second-term mandate of the incumbent Government, one can confidently look forward to a re-energised strategy towards achieving even greater financial and digital inclusion across the country.

To ensure that financial inclusion permeates within the Indian rural and semi-rural areas, one needs to focus on the three most crucial needs - namely inculcating the habit of saving money; providing formal credit avenues; and plug gaps and leaks in public subsidies and welfare programmes. To achieve these objectives, one needs to focus on making financial services widely available to all sections of society. These include services such as basic savings bank account; access to need based credit; remittances facility; insurance and pension products.

The central government newly released key focus areas include multiple strategies towards achieving financial inclusion in the country. It propounds wide accessibility to banking within a distance of 5 kms of every individual. The focus is also on further promoting digital transactions and enabling the digital delivery of government services. As the rural and semi-urban population of India remains highly underserved, alleviating financial exclusion is essential to the overall growth of the economy.

To that end, Vakrangee's business model and growth plans are truly in sync with meeting this critical need of the nation. Our business model is specifically designed to cater to the requirements of the unserved and under-served sections in the society. Today, our Vakrangee Kendras have become multi-purpose convenient stores located across urban, rural and 'difficult to reach' areas of India. We offer a world of convenience just around the corner, creating an environment for the ease of urban dwelling to reach the doorsteps of rural dwellers. Through our 'one stop shop' outlets, we are making banking, insurance, financial services, ATM, assisted e-commerce, e-governance and logistics, that is all basic necessities accessible to the Indian citizens at their doorstep.

With India's majority population being concentrated in the rural and semi-urban areas, this market stands to be a buoyant opportunity for your Company. Our stakeholders can take great pride in knowing that while we make our journey ahead a rewarding one in terms of value and wealth creation, we are doing so by fostering greater financial, social and digital inclusion for India's people and its economy.

Our Journey Ahead

Our vision for the next few years is set to create the world's largest franchisee-based distribution channel, offering a plethora of products and thousands of services to the largest under-served consumer market of India. Our journey from FY2018 to FY2019 marks the beginning of our efforts to convert our non-exclusive Kendra network under the new advanced format — the Next-Gen Vakrangee Kendra. The journey of this transformation has not been easy, as reaching the milestone of launching 3,504 Next-Gen Vakrangee Kendras had its own challenges. However, I am glad to inform you that we are now well positioned to face any obstacle and are comprehensively focused on delivering our goals. Our planned target is to have a last mile presence across all postal codes, covering each and every Gram Panchayat in the country. We have set ourselves the goal to reach 25,000 Next-Gen Kendras by FY2020, and 300,000 Next-Gen Kendras by FY2025. Our aim is to become India's largest consumption platform.

Financial Results

I am pleased to report to you that, despite a year of major transformation and Kendra upgradation, your Company attained a commendable total revenue of ₹1,588.20 crore, and Profit After Tax (PAT) at ₹25.23 crore. Naturally, these numbers are materially lower than the previous year, since we entered a major transformational journey, requiring the wholesale morphing of our old-format non-exclusive Kendras into our Next-Gen Kendras. I am pleased to inform you that early indicators show encouraging financial performance coming out of the new format Kendras. Operating under two different models– 'Gold' and 'Silver', both these new Kendra models come with advanced technological capabilities and are crossing

Message from the
Executive Chairman

I BELIEVE THAT OUR GROWING NETWORK WILL BENEFIT IMMENSELY FROM A REGIMENTED DEGREE OF STANDARDISATION AND CONSISTENCY, IN TERMS OF THE QUALITY OF OUR FACILITIES, AND IN TERMS OF THE SERVICE LEVELS THAT WE OFFER OUR CUSTOMERS.

₹ 9.5 billion

Average monthly throughput as of April 2019

break-even points well within 18-24 months of starting. The profitability of these Kendras has also improved significantly, due to the service levels extended through these models; greater foot falls; and higher customer satisfaction. Overall, we attained a count of 3,504 operational outlets as of FY2019, with approximately ₹ 9.5 billion monthly throughput (as of April 2019) based on close to 4 million transactions taking place on a monthly basis on our Next-Gen platform. Due to an increase in the footfalls in the outlets and upgraded quality of services, these franchisees are reaching their break-even point very quickly as compared to the old format Kendras.

Our franchisee-based network is founded on an asset-light model, and we are adequately resourced to scale our network without the support of any new debt. We are leveraging on our efficient model to be the most trustworthy physical as well as online convenience store and financial service aggregator across India. As a debt-free company with a healthy balance sheet, running on an asset-light business model, your Company is comfortably placed to fund its expansion plans through its own accruals going forward. As we expand our operational Next-Gen Kendra outlets significantly over the next financial year, I would expect our top and bottom lines to also improve commensurately over the current and ensuing financial years.

Compliance and Regulations

In 2018, we were subjected to a series of unfounded rumours that created unwarranted concern and confusion in the marketplace. Pursuant to these events, several audits and investigations were conducted by authorities and regulators. I would like to inform you that we have received an update on the inspection report from the Ministry of Corporate Affairs, which clearly states that, pursuant to the inspection of Books of Accounts, for the last three years, there are no irregularities to be found in our Company and there are no further actions pending pertaining to Vakrangee. Furthermore, the Securities and Exchange Board of India (SEBI) had investigated the trading activities in Vakrangee's scrip and no findings or instances of any stock manipulation by promoter or promoter group entities were observed.

In addition, we have also received a clean chit from the office of Economic Offences Wing (EOW), to whom we had provided all the satisfactory replies along with supporting documents to the queries that were raised by them. Upon completion of their investigation, the office of EOW have communicated that they have not found any substance in the price or volume manipulation complaint and closed the enquiry. Apart from these findings, I am pleased to inform you that we have always remained up to date with our taxes and statutory obligations. As before, we endeavour to continue to be responsive and transparent to our stakeholders. Despite an extremely testing milieu, we remain on track to achieve our larger business goals and deliver long-term and sustainable value to all our stakeholders.

3,504
operational outlets as of FY2019

Closing Remarks

In closing, I would like to welcome on-board Mr. Anil Khanna, the new Managing Director and Group Chief Executive Officer of Vakrangee. With over four decades of proven business track record, he has the right combination of wealth of knowledge, leadership and business acumen to propel our Company to new heights. I believe that his rich experience will prove to be highly beneficial for the long-term growth and success of the Company. I am sure that under his leadership and guidance, Vakrangee will be able to broaden its strategic focus and achieve exceptional business results. We look forward to working with him and have faith in his ability to steer Vakrangee to become a highly respected Indian corporate.

I would like to take this opportunity to thank our shareholders and employees for their contribution and support. We also thank our franchisees and business partners for their perpetual support and faith in realising Vakrangee's dream.

Warm Regards,

Dinesh Nandwana
Executive Chairman

Message from MD and Group CEO

25,000
Next-Gen Kendras by FY2020

I JOINED VAKRANGEE BECAUSE I BELIEVE THAT IT CAN BE ONE OF THE BEST AND MOST RESPECTED COMPANIES IN INDIA. I CAN CLEARLY SEE THAT WE ARE EMPOWERING MILLIONS OF INDIANS TO ACCESS BASIC SERVICES, WITH DIGNITY, ULTIMATELY MAKING INDIA A FAR MORE INCLUSIVE LARGE ECONOMY.


Anil Khanna
MD and Group CEO

Dear Shareowners,

I am pleased to inform you that I joined Vakrangee Limited on 25th January 2019, as its Managing Director and Group CEO. I am indeed humbled to be entrusted to deliver the big dream that Vakrangee stands for - to create the world's largest franchisee-based distribution channel, offering a plethora of products and services to the largest consumer market in India. I am also humbled to lead a company that has already transformed the lives of tens of thousands of people, from employees, to franchisees and partners. I am also humbled to be in the company of a highly capable and proven management team, that has taken this company, from being just an experiment to begin with, to what is now on the cusp of becoming the largest most admired franchisee network the world has ever seen.

I came here because I believe Vakrangee can be one of the best and most respected companies in India. I can see how clearly, we are empowering millions to access the basic things in life with dignity, to ultimately make India a far more inclusive large economy. I know that there is no better company to join that can make such a massive difference. Despite the outstanding successes achieved thus far, I strongly believe that Vakrangee is destined to reach great crowning moments.

Becoming Future Ready

With my hands at the helm, I have a relentless near-term focus on just one thing - making Vakrangee future ready.

Your Company has built an overwhelming reputation for being the pioneer for the last mile reach presence through an asset-light franchisee-based business model in the country and delivering superior services to its clients. With many lessons learnt from this path-breaking experience, it has truly developed a highly well-honed business model that can excel unhindered into the future. It is now at the tipping point of realising its dreams through a highly tangible and visible Next Gen Kendra network that promises to deliver the highest quality service to its customers, uniformly across each outlet. There is absolutely no doubt about the superb Vakrangee experience that we are delivering in each Kendra.

Now we need to build the scale and pervasiveness that we have set out as our business plan, which requires us to reach a mark of 25,000 Next-Gen Kendras by FY2020 and 300,000 Next-Gen Kendras by FY2025. This can only happen if our operations are based on a strong bandwidth of systems, processes and people. As we get ready to enter the next phase of growth through our Next Gen outlets, it was important for us to be future ready.

To this extent, during FY2019, we took some immediate steps to further motivate and reward our execution team for the completion of our clearly stated targets. We launched attractive incentive schemes based on milestones that include the appointment of franchisees and stated Revenue and Gross Margins % thresholds.

As we go forward, we have a well-placed strategy to inculcate a culture driven by performance into our daily operations. This includes analysing how our key functions are currently operating, and may result in restructuring the organisation to enhance accountability.

Also, at the same time, we have a very Clear Focus on monitoring and improving our employees' productivity. We introduced dashboards to monitor daily and weekly performance, and also initiated a Mobile App for activity reporting and monitoring of our field-based people.

In addition, we stepped up our hiring process which would further strengthen the field team to enhance our ground level reach and availability. Our total employee strength, stands at 1,974 as of 10th May 2019. Going forward we have an aggressive Block officer recruitment plan with a planned target of adding around 150-200 block officers every month. Furthermore, we have continuously recruited and filled up positions in unrepresented states such as Andhra Pradesh, Telangana, Jammu & Kashmir and Tamil Nadu.

In Conclusion

Going forward, our purpose is to transform the Indian economy into a digitally empowered society. With our footprint increasing in most parts of India, we have the advantage to leverage on the opportunity that the market has to offer and expand our presence by capitalising on our digital infrastructure. Having achieved a determined target of transforming our franchisees, we are ready to establish India's largest network of last mile retail outlets to deliver our services to the unserved and underserved rural, semi-urban and urban markets. This is by far the most ambitious undertaking of franchisee transformation or network set-ups in the world. We will keep mounting our network, until we are in close proximity to the last excluded person within the country.

As we now focus on scaling our network, I am looking forward to sharing my experiences and knowledge to continue to drive and accelerate Vakrangee's growth. With a growing business and a vibrant team, I am indeed looking forward to steering Vakrangee to scale new heights. With the support and guidance of my Board, Partners, Shareholders and Employees, I aim to fully realise the Vakrangee promise in times to come.

Your sincerely,

Anil Khanna
MD and Group CEO

Our Board of Directors

Dinesh Nandwana

Executive Chairman

DIN: 00062532

Dinesh Nandwana holds a Chartered Accountant degree from the Institute of Chartered Accountants of India. He drives and oversees the overall business at Vakrangee since its inception in 1990. He has been instrumental in moulding Vakrangee from a modest consultancy company to a prominent force to be reckoned with. He has scaled the Company to a new orbit of growth. His vast experience is backed by astute and dynamitic leadership qualities. Under his vision, the Company has set a track record for consistent and sustainable growth. As a front-runner of the organisation, he ensures a tone of integrity and ethics across the operations and establishes the highest standards of corporate governance.

Anil Khanna

Managing Director & Group CEO

DIN: 01334483

Mr Anil Khanna has joined Vakrangee as Managing Director & Group CEO w.e.f. 25th January 2019. Prior to Vakrangee he has been in the position of Managing Director of Blue Dart Express Limited since 21st February 2007. He has 40 years of experience in various industries and has been with Blue Dart since 1992. Under his leadership and guidance, Blue Dart was able to broaden its strategic focus from being an air express company to a full-fledged logistics organisation, offering a wide range of products and services, as well as Industry specific solutions in air and ground express segments. He was also responsible for developing business potential, driving strong revenue growths and enhancing service quality. He has proven his capabilities in leading his team to achieve exceptional business results.

Dr. Nishikant Hayatnagarkar

Whole-Time Director

DIN: 00062638

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

Ramesh Joshi

Non-Executive
Independent Director

DIN: 00002683

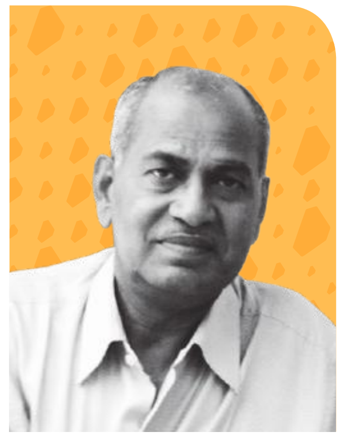
Ramesh Joshi is a graduate in Economics & Law from the university of Nagpur. In his long and illustrious career, he held several leadership positions in the Reserve Bank of India. He has been Nominee Director on behalf of RBI on the Boards of Various Banks, and retired as an Executive Director of SEBI. He has travelled abroad widely and currently is serving as a senior corporate consultants to various Companies. He is on the Panel of Arbitrators for NSE,BSE, and MCX.

Sunil Agarwal

Non-Executive
Independent Director

DIN: 00062767

Sunil Agarwal has completed his Bachelor of Commerce and has over 35 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

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.

Our Board of Directors

Avinash Vyas

Non-Executive
Independent Director

DIN: 06869633

Avinash Vyas has wide experience in audit certification for externally aided projects funded by foreign agencies such as World Bank and its extended arms, JICA-japan international cooperation agency, KFW Germany etc. He holds a Bachelor's Degree in Commerce and is L.L.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 institute of Company Secretaries of India and an Insolvency Professional. She has 30 years of rich experience across various industries and geographies. Presently in full time practice as a Company Secretary. She is an Independent Director at Polygenta Technologies Limited, Arysta Lifescience india, Steel Exchange India Limited, and Industrial Investment Trust Limited, IITL Projects Limited and Resident Director of Felguera Gruas India Private Limited.

Ranbir Datt

Nominee Director

DIN: 08064889

Ranbir Datt has joined Life Insurance Corporation of India (LIC) as Assistant Administrative Officer in 1984. Worked as Head of various channels in LIC of India viz., Deptt. of Pension & Group Superannuation, Bancassurance, Micro Insurance, Office Service & Estates etc. Also worked in LICs vertical like LIC Housing Finance Ltd and LIC Momura Mutual Fund. He was also in charge of two biggest Divisions at Nagpur and Karnal. He has an experience of training at Director level. He has retired as Executive Director of Corporate Planning/New Projects.

Our Key Management

Dinesh Nandwana

Executive Chairman

Mr Dinesh Nandwana has over 27 years of business experience. He drives and oversees the overall business at Vakrangee since its inception in 1990. He is fully committed and will continue to play an active role in the Business strategy and operations. Mr Nandwana has been instrumental in moulding Vakrangee from a modest consultancy company to a prominent force to be reckoned with. He has scaled the Company to a new orbit of growth. His vast experience is backed by astute and dynamistic leadership qualities.

Under his vision, the Company has set a track record for consistent and sustainable growth. As a front-runner of the organisation, he ensures a tone of integrity and ethics across operations and establishes the highest standards of corporate governance. He has received a CA Entrepreneur Path Breaker Award 2017 by Institute of Chartered Accountants of India and memento from the former Honourable President of India, Late Shri Shankar Dayal Sharma in 1996. Additionally, he is recipient of the 'CA Business Leader - SME (3rd Rank)' award by the Institute of Chartered Accountants of India for the year 1997. Mr Nandwana holds a bachelor's degree in Commerce from Rajasthan University and a Chartered Accountant degree from the Institute of Chartered Accountants of India.

Anil Khanna

Managing Director & Group CEO

Mr Anil Khanna has joined Vakrangee as Managing Director & Group CEO w.e.f. 28th January 2019. Prior to Vakrangee he has been in the position of Managing Director of Blue Dart Express Limited since 21st February 2007. He has 40 years of experience in various industries and has been with Blue Dart since 1992. Under his leadership and guidance, Blue Dart was able to broaden its strategic focus from being an air express company to a full-fledged logistics organisation, offering a wide range of products and services, as well as Industry specific solutions in air and ground express segments. He was also responsible for developing business potential, driving strong revenue growths and enhancing service quality. He has proven his capabilities in leading his team to achieve exceptional business results. He is a graduate from St Stephen's College, Delhi and holds an MBA degree in Marketing and Finance from UBS, Chandigarh.

Dr. Nishikant Hayatnagarkar

Director – Research & Development

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. Dr Nishikant has developed a voice recognition system, which is widely used in various applications like Tele Banking, Tele Gas Booking amongst others. He has also designed and developed Multilingual Keyboard and is consultant to Media Labs Asia – Kamal Rekhi School for Information Technology (IIT Mumbai) for development of Multilingual data input device – Marathi language Key Board (Key – Lekh) and E-Lekh (Tablet based Marathi language Input).

01 Our Strategies

BRINGING A WORLD OF CONVENIENCE AT YOUR DOORSTEPS

In India, over 1.2 billion of the total population lives in the rural regions. Through our Next Gen Kendras, we aim to connect to the rural population of India and bring them under the scope of financial, social and digital inclusion. Today, our Next Gen Vakrangee Kendras are the centre point of consumption in a rural economy.

Vakrangee's Next Gen Kendras are positioned and designed to cater to the opportunities that serving rural India represents. It can be regarded as India's largest market. Our strategy, going forward, for these Kendras is to have a last-mile presence across all postal codes, covering each and every Gram Panchayat in India.

Our outlets are assisted digital convenience stores with a multi-line of services, powered by an exclusive model. With a modern and standardised format and a uniform look and feel, they embody consistent levels of service and a uniform customer experience across all locations.

Amazon Easy point, pilot at Vakrangee Kendra

Our Services

We have adapted the services provided by our Next-Gen Kendras to meet the demands of rural India, which require a different approach when compared to urban India.

Aligning with the Indian government's encouragement to increase digital payments, our Next Gen Kendras are a one-stop shop for availing various products and services. The advent of Direct Benefit Transfer (DBT) has helped deepen the penetration of banking services into rural parts of the country. With the government's initiatives supporting financial inclusion, almost every Indian household now owns at least one bank account and has access to a debit card. Increasing access to digital platforms has also increased the demand for digital banking options and platforms. At Vakrangee, our Kendras have introduced the rural markets to digital and financial inclusion.

Our Kendras offer disruptive technologies like Aadhaar enabled Payment Systems (AePS), e-KYC, inter-operability and real time banking transactions. We are the corporate agents to several insurance companies through the provision of life, general and health insurance. Our Kendras also form a network of easily accessible ATMs, giving communities the convenience of withdrawing cash within their own neighbourhood, without having to travel long distances. Thus our Kendras act as a Cash In Cash Out point for the local area. Apart from banking services, our Kendras serve as a technology-intensive retail distribution platform for last mile touch points whereby we provide multiple services under one roof, delivering the convenience of a digital store.

Since rural markets do not have a direct access to the comforts of urban markets, accessibility of few products in rural areas come with a premium price and convenience due to high transportation costs. As an organisation with the philosophy of being the biggest equaliser franchisee-based, multi-service retail network, our efforts are inclined towards

01 Our Strategies

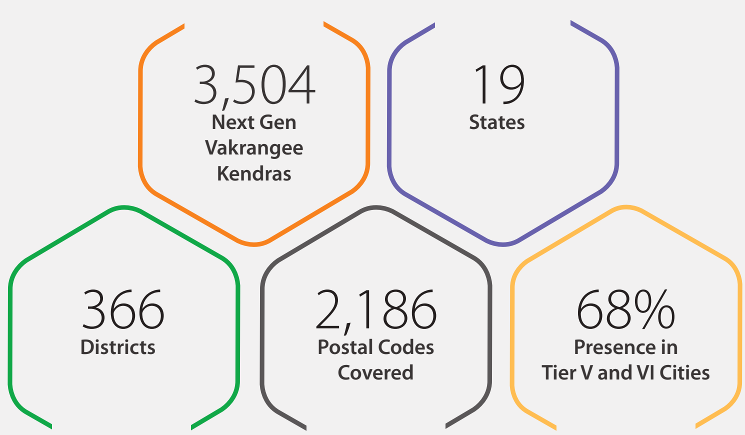
delivering utmost convenience to our customers. Our assisted e-commerce services ensures that the rural population is able to buy any product at the best price. In addition to this, our logistics services facilitates hassle-free delivery of products by giving the rural citizens a formal address via our Kendras.

Our Next Gen Kendras, across various states, caters to the rural customers by meeting their day-to-day needs. They provide services like booking of train and bus tickets, electricity bill payments, courier and logistics services, amongst others. With this, our objective remains to reach to the unapproachable and far-off areas of India and connect with the unserved sections of society.

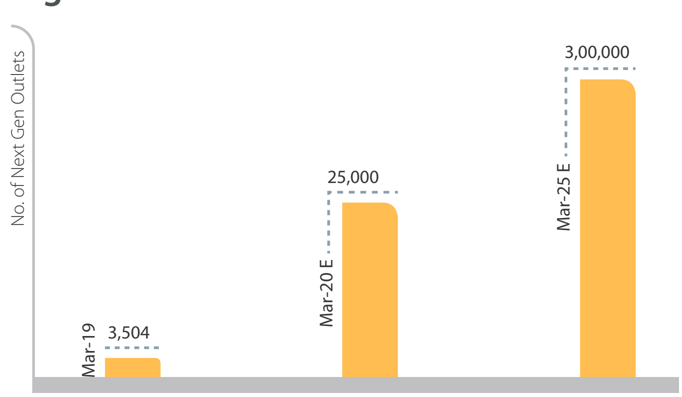
With this, we have a planned target of reaching the mark of 25,000 by FY2019-20 and 3,00,000 by FY2024-25.

At Vakrangee, our purpose is to shape the Next Gen outlets as a source, which will enable every Indian to seamlessly benefit from financial inclusion; social inclusion; digital India; skill development; employment generation; government programmes; and a wider access to basic goods and services, thereby bringing urban convenience at the doorsteps of rural dwellers.

Our Current Presence



Our Strategy Going Forward



Unique Features and Advantages of Next Gen Kendra

STORE EXCLUSIVITY AND CONSISTENT BRANDING	• Exclusive store model with same service level and same customer experience • Standardised layout and design by L&H (Lewis & Hickey) • Uniform and consistent branding for higher brand recall and visibility
MANDATORY ATM IN EACH OUTLET	• ATM installed in every outlet • Potential to enhance the footfall significantly • Additional stream of revenue for both – the franchisee and the company
CENTRALISED MONITORING SYSTEM	• Centralised CCTV system • Better security at the store • Full compliance with RBI guidelines to maintain more than 90 days video recording backup
DIGITAL ADVERTISING	• Digital signage to enable centrally monitored advertisement campaigns • To enhance the interaction between consumer and partners • Focus to initiate advertising revenue
PIN-PAD DEVICES	• To enable various kinds of payment modes at any Vakrangee Kendra • Integration in process to start accepting RuPay, Debit and Credit card payments

Quality Analysis of Next Gen Vakrangee Kendra by Grant Thornton (GT)

Vakrangee has gone under major transformation over the years from being non-exclusive stores offering a single line of services, these have evolved into a multispeciality, exclusive stores with a multi-line of services with an enviable presence in the market place.

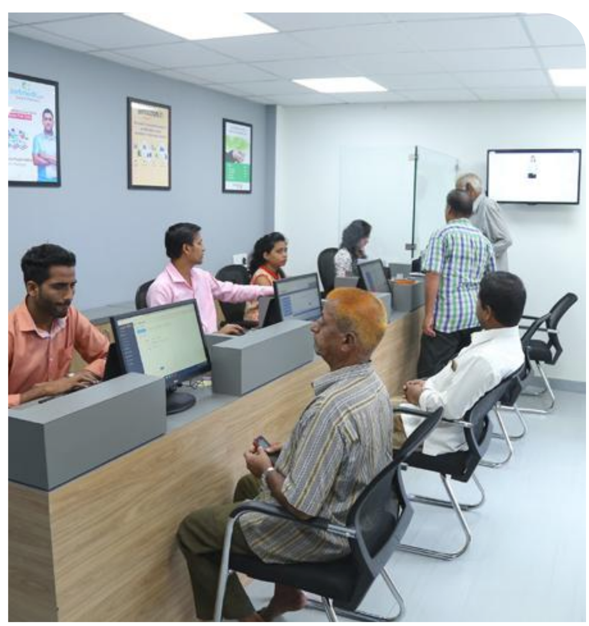
In order to ensure standardisation refering to the look and feel of the outlet, availability of the services and validating customer and franchisee satisfaction index, Vakrangee has engaged Grant Thornton to conduct an independent physical survey of the current and upcoming Vakrangee Next Gen outlets in the country. As part of the survey, GT periodically verifies the physical availability of the outlet; exclusivity and availability of services; the franchisee experience and customer feedback of Vakrangee outlets.

Scan the QR Code to access the GT Report

02 Our Strategies

STORE ECONOMICS OF OUR NEXT GEN KENDRAS

Our Kendras have evolved from being a non-exclusive store to an exclusive digital convenience store model providing access to multi-line of services, to every individual, across India. These outlets, from a point of view of their performance, are relatively more profitable than the previous Kendras in our old format. Our success stories are a testimony to our outperforming outlets across the country.



Since 2011, the Vakrangee Kendras have gone through a phase of continuous transformation to become increasingly customer centric.

Estimated Per Store Economics of a Mature* Next Gen Kendra

Next Gen Outlet Estimated Revenue Per Store	₹ 0.1 million average revenue per month
Next Gen Outlet Estimated Commission Sharing Ratio	Ranging from 65:35 to 80:20 based on Service Type
Next Gen Outlet Estimated Profit Margins %	**Vakrangee Margins** Operational Gross Level – 18-20% Sustainable EBITDA Level – 15-16%
Next Gen Outlet Estimated Capex for Franchisee and Breakeven	Total Capital Employed for Franchisee - ₹ 1-1.5 million Breakeven Period in Months – 18-24

****Maturity is defined as a 12 month old outlet***

The per store economics of our Vakrangee outlet is an estimated projection based on a mature store. A Vakrangee Kendra reaches its maturity in 12 months of its operations. Furthermore, the EBIDTA Margins have been calculated on the basis of reaching an operating leverage of minimum 10,000 operational stores.

Our Next Gen Kendras have robust revenue generating capabilities supported by an advanced technological platform and multi-line of services, which is bolstering the footfalls in the Vakrangee outlets. Each vertical of Vakrangee has the potential to achieve strong results and generate healthy returns. Every outlet of Vakrangee is supporting our key objective to set up a modern-day Next Gen Vakrangee Kendras, which makes our Kendras clearly and distinctly identifiable as “assisted digital convenience store”.

02 Our Strategies

Our Success Stories

ATM Services

A franchisee located in a Tier IV area was capable of generating a monthly commission of ₹ 85,824 through its ATM services.

Case Study

- Franchisee Location – **Tier IV**
- Monthly Franchisee Commission Income – **₹ 85,824**
- Number of Financial Transactions – **6,630**
- Number of Non-Financial Transactions – **6,508**

WORDS OF OUR FRANCHISEE

The population of this village is around 10,000. With my easily accessible ATM, I have become the go-to point for my community for withdrawing cash.
I feel very happy that my business is bringing them such convenience, they no longer have to travel long distances to access an ATM.

Banking Services

A franchisee located in a Tier IV area was capable of generating a monthly commission of ₹ 66,454 through its Banking Services.

Case Study

- Franchisee Location – **Tier IV**
- Monthly Franchisee Commission Income – **₹ 66,454**
- Banking Transaction Value – **₹ 26.1 mn**
- Number of Bank Accounts opened **– 6,000**

WORDS OF OUR FRANCHISEE

My Vakrangee Kendra is open from 8 am to 8 pm, seven days a week. I am providing my village with a place to carry out their banking needs close to home, and beyond normal banking hours. My Kendra allows me to make a good living, while also making the lives of my customers easier at the same time. This makes me very happy.

Insurance Services

A franchisee located in a Tier V area was capable of generating a monthly commission of ₹ 58,550 through its Insurance Services.

Case Study

- Franchisee Location – **Tier V**
- Monthly Franchisee Commission Income – **₹ 58,550**
- Monthly Number of Policies Sold – **101**

WORDS OF OUR FRANCHISEE

Starting my Vakrangee Kendra has been one of the best decisions I've ever made. I have been able to break the record for most commission earned through selling Insurance. Not only am I benefiting, but I have been able to educate 100% of my walk in customers about the Insurance services available at my Kendra, something they never had easy access to before.

Assisted Online Shopping Services

A franchisee located in a Tier VI area was capable of generating a monthly commission of ₹ 31,580 through its Assisted Online Shopping Services..

Case Study

- Franchisee Location – **Tier VI**
- Monthly Franchisee Commission Income – **₹ 31,580**
- Gross Sale Value – **₹ 9,88,528**
- Monthly Number of orders – **123**

WORDS OF OUR FRANCHISEE

I started working towards promoting Assisted Online Shopping services by making people aware of the benefits of e-commerce. My customers were amazed by the abundance of options available, and the convenience of getting the products delivered to my Kendra. From daily staples, to fashion items, to electronics, everything is now available within their village itself.

02 Our Strategies

Bharat Bill Payment Services (BBPS)

A franchisee located in a Tier V area offering BBPS was able to generate a monthly commission of ₹ 17,190.

Case Study

- Franchisee Location – **Tier V**
- Monthly Franchisee Commission Income – **₹ 17,190**
- Number of Bill payments – **3,397**

WORDS OF OUR FRANCHISEE

At my Vakrangee Kendra, I am able to earn high levels of commission through BBPS. Before the bill due dates, I carry out promotional activities though public address systems on bikes and auto rickshaws. But, more importantly, I give my community the convenience of paying their bills before the due dates without having to travel far from their homes.

Online Pharmacy

A Vakrangee Kendra located in Tier III location was able to generate a monthly commission of ₹ 22,669.

Case Study

- Franchisee Location – **Tier III**
- Monthly Franchisee Commission Income – **₹ 22,669**
- Gross Sale Value – **₹ 1,28,240**
- Monthly Number of orders – 8**6**

WORDS OF OUR FRANCHISEE

My Kendra gives my village access to the same pharmacy services available in big cities. At the local Pharmacy, the availability of medicines is very limited. With the Online Pharmacy service in my Kendra, I am able to meet the unique medical requirements of many different people, and offer medicines at a discounted price. My community finds this service very helpful and it also helps me generate a good revenue.

Domestic Money Transfer Services

A franchisee located in a Tier I area was able to generate a monthly commission of ₹ 20,383 with its Domestic Money Transfer services.

Case Study

- Franchisee Location – **Tier I**
- Monthly Franchisee Commission Income – **₹ 20,383**
- Total Remittance Value – **₹ 3.5 mn**
- No. of Transaction - **927**

WORDS OF OUR FRANCHISEE

Domestic Money Transfer is a popular service in my Vakrangee Kendra. There are many migrants in the neighbourhood who find this service helpful when they have to send money to their friends and family, whether they are nearby, or in a completely different village.

Home Loan Services

A franchisee located in a Tier IV area was able to generate a monthly commission of ₹ 9,259.

The outlet is further helping the customers in getting the required documents prepared and sorted for submission.

Case Study

- Franchisee Location – **Tier IV**
- Monthly Franchisee Commission Income – **₹ 9,295**
- Number of Logins – **13**

WORDS OF OUR FRANCHISEE

Home Loans and Loans Against Property are very useful services. I help my customers with meeting documentation requirements for the application process, which helps me build loyalty among customers, and gives me a better lead to login rate. I make the whole process of applying and servicing the loans easy and readily available in my village.

03 Our Strategies

VAKRANGEE'S GLOBAL RECOGNITION – THE VALIDATION OF OUR BELIEF

RECORD HOLDER GUINNESS WORLD RECORDS™

At Vakrangee, we take immense pride in being recognised globally and domestically for our belief and commitment towards the transformation of our outlets and ability to deliver on our growth plans. It marks our success in opening a number of franchises on a scale that has never been done before. This record-breaking feat demonstrates the exceptional capabilities of our family of Vakrangee employees, franchise partners and suppliers.

These recognitions have proven our capabilities to deliver on our growth plans for the next phase of our growth. It is a testament to our ability to learn, re-learn and adapt our business at all levels to ensure sustainable growth in the future.

Guinness World Records™

On 14th January 2019, Vakrangee created a history by becoming the GUINNESS WORLD RECORDS™ title holder for the *Most stores launched simultaneously*. We entered the GWR by opening 1,107 Next Gen Vakrangee Kendras at 11:07 AM. These 1,107 stores were part of the 3,300+ Next Gen Vakrangee Kendras, which were launched on January 14, 2019. These outlets are spread across 19 states, 366 districts and 2,186 postal codes and offer a comprehensive range of services across banking, insurance, ATM, e-commerce, e-governance, financial services and logistics.

Financial Services Retailer of The Year

In FY2019, we were also awarded as the best 'Financial Services Retailer Of The Year' at the Indian Retail Awards 2019. This award accredited our 'Next Gen Vakrangee Kendras' in terms of growth and customer satisfaction during FY2019. The objective of the Indian Retail Awards is to identify the retailers who are bridging the gap between operational reality and consumer expectations by adopting remarkable retailing practices. This award is a ratification of our Next Gen Kendra model. Being listed on the GWR, which documents and celebrates superlative achievements that are the best in the world. These awards are a validation to our transparency with respect to our outlets. They are a testimony to our consistent service levels across all our verticals and is also an indication of our efforts towards perpetual value enhancement for our customers.

WORDS OF OUR PARTNERS & SUPPLIERS

amazon.in

Under our Amazon Easy program, we have been serving hundreds and thousands of customers who have never shopped online before. Vakrangee has been a very important partner for us in this journey, helping customers to discover and buy products they like and also get post purchase assistance. We are happy with the services offered through Vakrangee kendras and look forward to expanding far and wide throughout India.

Mr. Zahid Khan, Head, Reach customer experience, Amazon India

NCR

NCR, the largest ATM manufacturer and deployer in the country, will partner Vakrangee Ltd. to help them to reach the 191 million unbanked population of India. We wish Vakrangee the very best in this important endeavour and will partner them to ensure that formal banking services are available to rural unbanked customers when and where they want.

Navroze Dastur, Managing Director, NCR India

netmeds.com India Ki Pharmacy

Our association with Vakrangee has helped to bridge the gap between residents of Tier VI and Tier V cities who don't have access to the internet or are not tech savvy. Vakrangee has helped us to reach out to consumers who are still not familiar with the concept of buying medicines online. With the launch of these 3,300 Kendras, a lot people residing both urban or rural areas can enjoy the benefits of Netmeds.com through their Assisted Digital platform.

Anand Pathak, Director Sales & Marketing, Netmeds.com

EKO

Eko India is a leading player in the cash to digital space, including Domestic Money Transfer business, in the country and our symbiotic association with Vakrangee Limited has helped both of us in bringing value to our customers. With the launch of these Next Gen Kendras, all customers of Vakrangee will be able to experience our dependable and top-notch service of Domestic Money Transfer at a Next Gen Kendra near them. With this partnership the extend of the Domestic Money Transfer service will reach over 10 million customers over the next 12 months. It also helps us expand our distribution reach to the hitherto untapped geographies across the country. I am sure this relationship will only grow stronger in years to come.

Abhinav Sinha, Founder, EKO India Financial Services (P) Ltd

04 Our Strategies

VAKRANGEE'S STRONG HUMAN CAPITAL

Our priority is to perpetually attract, develop and retain talent. We believe in harnessing the true potential of our most important assets - our people.

1,974
Total Employee Strength

At Vakrangee, we strongly believe that maintaining healthy employee relations is a fundamental pre-requisite for the long-term success of the organisation. Therefore, we constantly invest in our human capital, so they are efficient in delivering the best possible experience to our customers. Our vision is to become an employer of choice by providing a compelling employee value preposition.

We share our success with our employees. To that end, we have vested Employee Stock Ownership Plans (ESOPs) to our additional 250 employees, based on their performance during the year. By doing so, we have aimed towards aligning their actions with our business objectives. We feel that involving our employees in the organisation's accomplishments gives them a sense of belonging, thereby motivating them to enhance their productivity. It further results in loyalty and long-term retention of employees in the organisation.

Inclusiveness and gender diversity have always been the bedrock of Vakrangee. Our focus is on bringing advance positive change in the lives of women. We aim to empower the women community and facilitate them to achieve economic independence through sustained employment. We take complete responsibility for upholding diversity and inclusion in our organisation.

Our objective is to build a culture that encourages innovation. We have strengthened our leadership team by adding seasoned expertise to our management. Introducing experienced leadership brings team building, management expertise and understanding of different work cultures. In FY2019, we have recruited Chief Marketing officer (CMO), Chief Financial Officer Kendra (CFO), Chief Operating Officer (COO) and Head of Customer Relationship Management (CRM) at out Head Quarter.

Our efforts are always inclined towards attracting the best talent and ensuring a 360-degree development of our employees. During the year, we have hired and further strengthened our field team to enhance the ground level reach and availability. We have increased our field team by approximately 180 employees since December, last year. Our total employee strength stands at 1,974. Additionally, we have commenced our operations in Andhra Pradesh, Telangana, Jammu and Kashmir, and have appointed business heads in these territories. Going forward, we have an aggressive Block Officer recruitment strategy with a planned target of adding around 150-200 Block Officers every month.

Vakrangee believes in abiding by regulatory compliances. In FY2019, there was an inspection carried out by the Provident Fund Office and our record keeping practices were found to be accurate and as per guidelines.

The success of our franchisees and satisfaction of our customers leads to our success. To maximise the value of our services, we have also set in place a proficient team of Relationship Managers to endure trusting and long-lasting association with our franchisees and customers. With this, we ensure high quality customer service and satisfaction.

We have timely adopted new initiatives to enhance the productivity of our employees. In FY2019, We have further launched attractive incentive schemes for employees based on the targets achieved by them. To improve efficiency of our human capital, we have set our clear focus on monitoring our employees on a regular basis through performance review dashboards and App based activity surveillance.

Our customers are at the forefront of everything we do, and we recognise that we are only as strong as the employees representing us. Our human resources management works unceasingly to create new ways of ensuring a collaborative relationship that bolsters approachability and openness. The most important factor, which facilitates growth and productivity of employees, is a right work environment. Likewise, we have framed our Human Resource policies with a special focus on our employees' work life balance, providing them with a platform to excel in all aspects of life and achieve their career aspirations.

We are committed to create an engaging work environment that will encourage long-term retention and contribution. To maintain a healthy work environment, we encourage our employees to set work efficiency goals, and make proactive efforts to reduce their overtime work by increasing their productivity.

Our customers are at the forefront of everything we do, and we recognise that we are only as strong as the employees representing us.

05 Our Strategies

VAKRANGEE'S FUTURE READY TECHNOLOGY PLATFORM

Across the globe, technological evolution has transformed the way in which businesses create and capture value of how they interact with their consumers. India is experiencing digital revolution, which is triggering transformative changes in areas such as e-commerce, e-payments, financial inclusion, rural development, amongst others. Leveraging on the changing landscape of digitisation in the country, companies are now focused on unfolding the potentials of technology that will change the conventional business practices.

At Vakrangee, we are on a path of technological transformation. We strongly believe in staying adapted to the changing technologies across the world. We understand that the advancement in technology not only helps people to do things in a better and faster manner, but also enables new ways of control, coordination and collaboration on activities.

We are applying technology to create more meaningful relationships with people, employees and customers.

The IT Team At Vakrangee

We have an efficient IT team, which undertakes the responsibility of relentlessly removing bottlenecks from the technology innovation process to allow faster and smoother innovation and deliver satisfactory services to the customers.

Our team helps in integrating data between systems for operational and analytical purposes. The insights generated from this data helps us in understanding and anticipating the needs of our customers.

As organisations struggle to adhere with privacy and safety regulations, our team ensures data protection, which in return helps us in maintaining the trust of our consumers by assuring them that their data is both respected and protected.

To create an unified experience for our consumers, employees and stakeholders, our team orchestrates different solutions such as SaaS, PaaS, IaaS or on premise.

We as an organisation are quick to adopt modern technology if it is superior to what we are currently using.

Our efforts are on implementing technology to meet the needs of our organisation. We are leveraging on the best technological developments to meet the advanced needs of an organisation.

We regularly invest and upgrade software as per requirement to keep up with the changing trends of technology. This enables us to remain competitive in the transforming landscape of business.

Technologies at Vakrangee

We have moved beyond providing products and services, as we apply technology to create deeper, more meaningful relationships with people, employees and customers.

Data Security

With time, data has become the world's undebated valuable asset. One of the biggest challenges faced by the industry is implementation of user privacy rights. Challenging the organisations, are the new data privacy laws and the growing enforcement of existing regulations. At Vakrangee, we witness a rapid growth in data and proliferation across the organisation. To ensure information privacy, we have taken meaningful steps to address the privacy and safety concerns.

We discover private and sensitive data, which helps us in understand the movement of data, link identities, identify and analyse the risks, and provide a remedy for any damage.

Next Gen Payment Solutions

The Government of India has been focusing on digital payments across the country. At Vakrangee, we understand the importance of having a next-generation business model in the digital age. To align with the government's mission of digital payment and leveraging on the advantage, Vakrangee is working on developing a Unified Payment Platform to process all payments including card payment, UPI, AEPS, Aadhaar Pay, QR amongst others. This will enable our Next Gen Vakrangee Kendras to accept payments from our customers through any mode of payment. Vakrangee is one of the pioneers of Aadhaar enabled Payment System (AePS) based banking system. The implementation of an integrated digital payment mechanism is empowering us to make the banking services available to every citizen of India, till the last Tier.

Big Data and Data Analytics

At Vakrangee, we generate and store a great proportion of data on a daily basis. This data requires to be sorted, arranged and stored methodically, which is not possible through a conventional database system. To manage these large volumes of data, we have adapted our systems to big data. Since we understand that the number of devices connected and the amount of data generated will increase with the use of artificial intelligence, we have started working on data analytics – processing and analysing it to get behavioural insights. To get better results with data analytics, we are making use of artificial intelligence and machine learning, which considers the historical data and make accurate predictions which comes handy for proactive action.

Artificial Intelligence (AI) and Machine Learning (ML)

AI and ML form an integral component of any corporate strategy backed by their ability to manage high volumes of data. We initiated the process of adopting AI and ML technologies since they build cognitive abilities and are turning into prominent technologies of the Industrial Revolution. We are using

05 Our Strategies

AI and ML to improve our product lines and design advanced business solutions; pull relevant information from big piles of data to improve the accuracy; assist in the assignment of resources; maximise the automation of existing processes; and minimise countless human hours. Our focus is on deploying AI as an augmentation tool to the current workforce, providing engineers and other professionals with added insights that will increase their efficiency and free them up to focus on enriching the customer experience.

Internet of Things (IoT)

Internet of Things, in today's world, is one of the top technologies that enables management of devices and applications. It connects wearable devices, enterprise-wide physical assets, and other electronic devices through sensors, actuators, amongst others, which helps in gathering real-time data from across the departments, processes, or business lines. At Vakrangee, we are adapting and implementing this technology to reduce costs through improved process efficiency, asset utilization and productivity. With the use of IoT, we are monitoring ATMs, electric surveillance and logistics.

Chatbot Conversational Interface and Designs

As chatbots become a prominent technology across different industries, we have introduced conversational interfaces using NLP for human like voice conversation, which will be designed to play different roles and assist. A personal assistant performs instant two-way conversation by answering queries, taking notes, running video on demand, or a customer-service executive, who provides all sorts of information on products or services.

Augmented Reality (AR) and Virtual Reality (VR) as a Mixed Reality (MR)

All over the world, organisations are now using AR and VR, which are among the latest technology trends in the year 2019. The VR technology offers the users a feeling of spatial presence, while the AR technology helps simulate things that are not present in the real world. These technologies are helping the companies to innovate their products and services and train their employees to serve the customers in a better way. To make the most of these technologies, Vakrangee has also adopted them to virtually experience the product or service before buying and without making them physically available.

Blockchain Revolution

Vakrangee has initiated Blockchain in the organisation as it offers robust security features to protect any kind of transactions. Because of its complex and highly encrypted design, the blockchain has no single point of failure (SPOF). Blockchain infrastructure can provide trusted user interface to the consumers.
This technology empowers an individual to control their personal data like identity proofs, citizenships, financial and educational records. It keeps transactions cryptographically secured, which means the hackers would require ingenious computing abilities to break through. At Vakrangee, we are exploring this distributed public digital ledger to devise solutions to record critical information and transactions, such as intellectual property management, digital transactions, identity management, auditing, business agreements and contracts.

Our Steps Towards Future

Virtual Assistance – Proliferation of voice-based services

Vakrangee has also adopted Virtual Assistance and integrated voice-based services in its application for its customers to make their everyday lives more connected and convenient. The Virtual Assistants such as Apple Siri, Amazon Echo, Google Assistant, Microsoft Cortana and Samsung Bixby have proved to be trend setters and have evolved the way in which people perform their day-to-day tasks using voice recognition, artificial intelligence, natural language processing, and machine learning technologies.

ISO 27001:2013 Certification

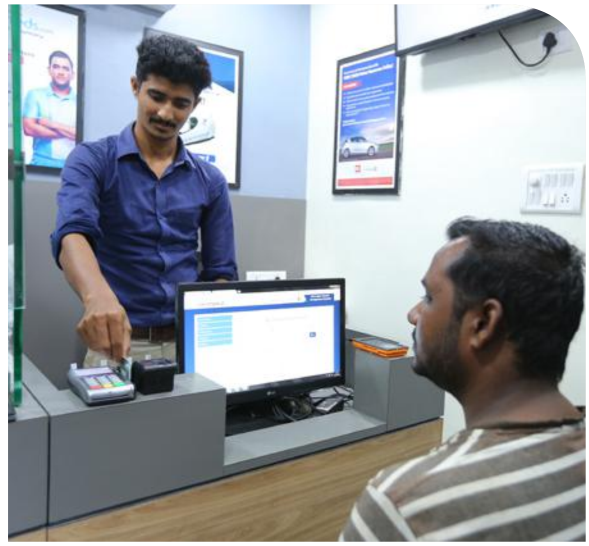
ISO 27001:2013 is an internationally recognised framework that specifies the requirements for establishing, implementing, maintaining, and improving information security management within an organisation. These certification standards are intended to help organisations achieve the highest level of performance possible, reduce data risk, and create an environment of continuous improvement. Vakrangee is certified with ISO 27001:2013 certification (Information Security Management System (ISMS)) since 2009. Compliance with this internationally recognised standard validated by an independent third-party audit, validates our security management program and confirms that it is comprehensive and follows industry-leading practices. At Vakrangee, our focus is to be remain committed to maintaining this certification. We have demonstrated our promise towards continuous improvement in Information Security standards and further strengthening of our credentials as a managed service provider.

An Information Security Management System (ISMS) is a way to protect and manage information based on a systematic business risk approach, to establish, implement, operate, monitor, review, maintain, and improve information security.

Protecting information is a top priority for Vakrangee and ISO 27001:2013 certification ensures protection of data that belongs to the Company, its customers and its partners. Our priority is to secure the valuable information assets by putting in place appropriate policies, procedures and controls with an objective to assess and treat risks. The ISO 27001:2013 Information Security Management System certification process requires Vakrangee to:

- thoroughly evaluate information security risks, including the impact of identified threats and vulnerabilities.
- design and implement 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.
- implement an overarching program to ensure that the information security controls meet the security needs for both Vakrangee and its customers, on an ongoing basis.

Going forward, we are planning to undertake certifications such as ISO 31000 Risk Management; ISO 22301 Societal security – Business continuity management; ISO/TR 13569 – Financial services



– Information security guidelines; ISO/IEC 13335 Information technology – Security techniques – Management of information and communications.

With the advent of technological advancements across the globe, the business landscape has transformed profoundly and will continue to evolve with time, as businesses keep on adopting advanced technologies to add value to the lives of consumers. Given its role in determining customer experience and satisfaction, an organisation cannot underplay the value, which technological advancements deliver to various businesses and customers. With a purpose of delivering convenience to our customers, we are regularly investing in best-in-class technologies and upgrading our systems so that we can seamlessly cater to our customers, while ensuring safety and protection of confidential data.

06 Our Strategies

THE VAKRANGEE EFFECT

At Vakrangee, we endeavour to adopt Environmental, Social and Governance (ESG) initiatives and make them a fundamental business process for sustainable development.

+100 million
Products offered in our Next Gen Vakrangee Kendra

At Vakrangee, we believe that businesses can have a positive impact on the societies in which they serve. Sustainable development is a key that enhances synchronisation between the community and the industry. With an aim of creating a positive influence on the underprivileged communities by supporting a myriad of socio-economic, educational and health initiatives, it is committed to assimilate business values and operations.

Being one of the largest franchisee-based, multi-service retail network, Vakrangee is focused on creating India's extensive network of last-mile retail outlets at every postal code in the country, enabling Indians to benefit from financial inclusion. Our vast network financially empowers a large section of the society, which was previously excluded from the prevailing activities of a developing economy.

The Sustainable Development Goals are a blueprint to achieve better tomorrow. Our aim is to efficiently adopt these goals and address the global challenges, which includes poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. At Vakrangee, we endeavour to adopt Environmental, Social and Governance (ESG) initiatives and make them a fundamental business process for sustainable development. In pursuing these activities, we are working on building capacities of our personnel through institutions with established track record.

The ESG Policies of our Company are founded on the following key elements:

1. Social Inclusion

- **Enhancing Skills:** Our business model facilitates skill enhancement. We take ordinary individuals and train them with skillsets that helps them yield remarkable results. Additionally, a basic certification is needed for rendering Aadhaar and Banking Services, which helps these individuals to enhance their technical skills.
- **Creating Employment:** Our Business model is a pure franchisee-based model. Not only does this create employment opportunities in itself, but each franchisee employs minimum of 1 to 2 resources, thereby creating further employment opportunities and financial stability. In this way, our business model creates a ripple effect for employment generation in society at large.
- **Social Inclusion through e-Governance:** Social inclusion helps a resident in getting an identity; recognising his/her existence; helping the government in reaching out to the resident for delivery of the various welfare initiatives. It further enables to drive financial inclusion and in providing easy access to loans.

2. Financial Inclusion

We provide access to basic Banking and Insurance services. Also, we enable transfer of Government subsidies directly into the bank accounts of citizens through the Government's Direct Benefit Transfer (DBT) scheme. With the prospective financial inclusion of a larger section of the society responsible for more than half of India's GDP, the Indian economy can be further enlarged and energised.

3. Digital Inclusion

We are taking digital literacy to the bottom of the socio-economic pyramid and serving as the last-mile link to connect India's unserved and under-served Rural and Urban citizens by offering them biometric-enabled banking, assisted e-commerce services and digital e-governance services at our Kendras. We provide the same products and services to India's urban and rural population at affordable prices. Furthermore, Vakrangee is taking digital literacy to the bottom of the socio-economic pyramid by offering assisted e-commerce services through our Kendras. This enables us to ensure last-mile link and connect India's rural and urban citizens to modern e-commerce sites.

Vakrangee is taking digital literacy to the bottom of the socio-economic pyramid by offering assisted e-commerce services through our Kendras.

06 Our Strategies

4. Reducing Inequalities

We are the human equalisers of life, bridging the gap between India's urban and rural population. Our Next Gen Vakrangee Kendras are in sync with our theme "Ab Poori Duniya Pados Mein". Our Kendras are 'One Stop Shop Digital Convenience Stores', offering the urban and rural citizens goods and services at the same price, same time and of the same quality. Out of our 3504 outlets, 200 outlets are in Left-Wing Extremism (LWE) districts and 476 in tribal districts.

5. Promoting Decent Work and Economic Growth

We provide right opportunities to people – to get work that is productive, stable, and well-paid. We are driving rural consumption and rural growth through our kendras. Our franchisees create local work opportunities by hiring resources and undertaking skill development, with certification for banking, insurance and UIDAI services. We make people contribute to India's economic growth to achieve fair globalisation and poverty reduction.

476
No. of Vakrangee Kendras in Tribal districts

200
No. of Vakrangee Kendras in Left-Wing Extremism (LWE) districts

6. Building and Innovating Buoyant Infrastructure

We leverage our technology platform to provide a one-stop solution and real-time access to over 100 million products and 1 ,000 services under a single roof, thereby creating last mile infrastructure for distribution of various products and services. We are building resilient infrastructure and fostering technology innovation through real-time paperless biometric-enabled banking. Also, inter-operable banking is being achieved by connecting the core banking servers of major banks.

7. Our Environmental Impact

- **Reducing Carbon Footprint:** Our Vakrangee Kendras contribute towards reducing carbon footprint. We provide biometric enabled paperless banking services, ATM, financial services, insurance services, e-Governance services, logistics services and e-Commerce products and services. We cater to our customers by offering them a bouquet of products and services within walking distance, which is time effective and saves fuel cost.
- **Using Disruptive Technology:** We make use of disruptive technology such as e-KYC, inter-operability, and real-time transactions. Furthermore, we use advanced features that are environment-friendly, such as paperless banking, real-time banking, and biometric evaluation.
- **Paperless Banking:** Our banking services are paperless, thereby reducing ink and paper wastage. Moreover, the bank accounts are opened electronically through e-KYC process.

8. Treating Right- Gender Equality

Vakrangee has a focus on gender equality. We invite both male and female as franchisees. We ensure full and effective participation and equal opportunities for leadership at all levels of decision making. Additionally, we adopt and strengthen sound policies for the promotion of gender equality and women empowerment. We have established guideline and policies that ensure both genders are compensated equally for performing the same work. Beyond equal pay for equal work, our policies ensure that both genders are treated equally in recruitment, training, hiring and promotion.

9. Clean Water and Sanitation

We understand the importance of having access to clean and safe water. Every Vakrangee Kendra has an arrangement of a water cooler providing drinking water facilities to people, free of cost. Since 68% of Vakrangee Kendras are centred in Tier V and Tier VI cities, we are thus creating clean water drinking facilities in remote areas.

10. Greening the path

We have adopted 'Go Green' initiatives. Our banking processes run on AePS (Aadhaar enabled Payment System) model. Moreover, ATM transactions do not generate printed receipts. The transaction acknowledgments are sent via SMS. We are working towards achieving environmentally sound management of paper through prevention, reduction, recycling and reuse, in order to minimise their adverse impacts on the environment.

At Vakrangee, we believe in our philosophy of giving back to the society and empowering the underprivileged communities. Through this, we aspire to contribute towards the overall development of the country, thereby doing our part in making the world a better place to live.

Last mile reach till Tier V & Tier VI cities


Consistence service experience to unserved & underserved citizens


Paperless Digital Transactions through Bio-metric, AEPS & Pin pad Devices


Cash in Cash out point through Banking & ATM Facility


Clean water & Drinking Facility

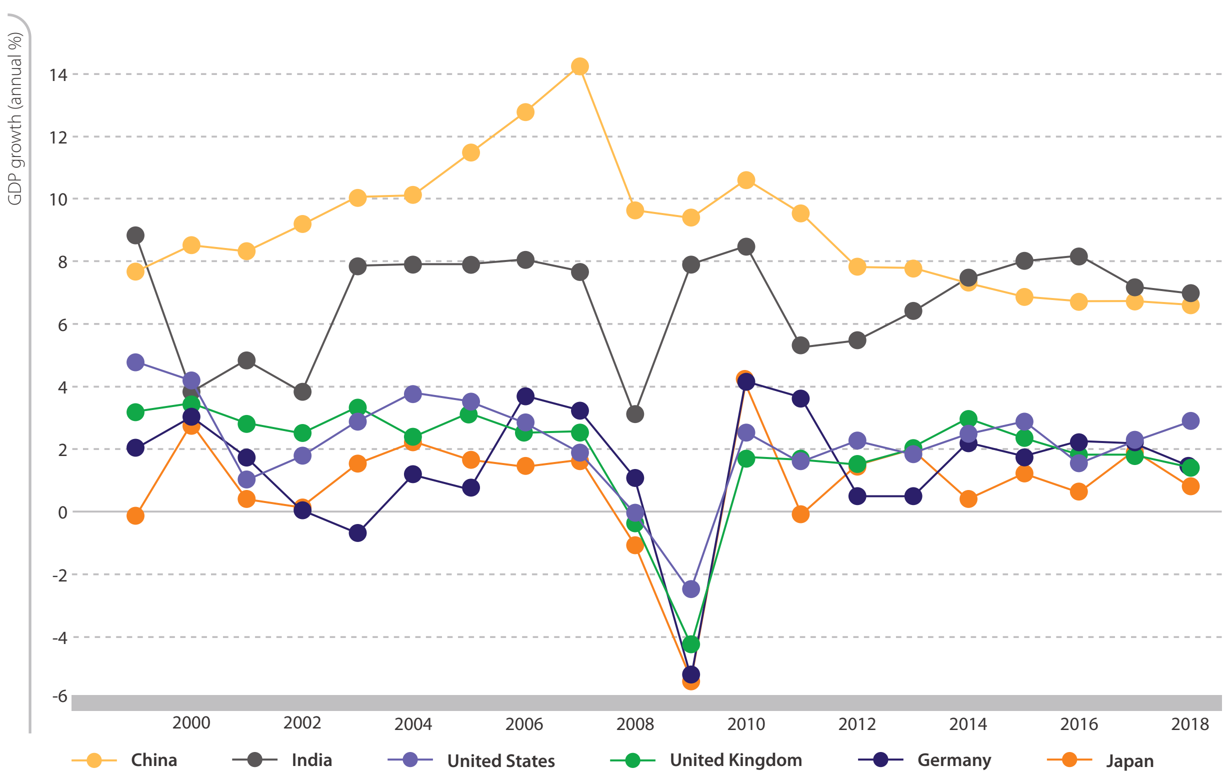
We believe in our philosophy of giving back to the society and empowering the underprivileged communities.

Management Discussion & Analysis

THE INDIAN ECONOMY IS EXPECTED TO BE ONE OF THE TOP THREE ECONOMIC POWERS OVER NEXT 10-15 YEARS.

Economic Overview

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers over the next 10-15 years, backed by its mature democracy and well established global trade partnerships.[1] The Indian economy started the fiscal year 2018-19 with a healthy 8.2% growth in the first quarter on the back of domestic resilience. Growth eased to 7% in the subsequent quarter due to rising global financial volatility; normalised monetary policy in advanced economies; externalities from trade disputes; and investment rerouting. Despite softer growth, the Indian economy remains one of the fastest growing and possibly the least affected by global turmoil.[2]



Source: The World Bank Data

[1] *Source: IBEF*
[2] *Source: Deloitte*

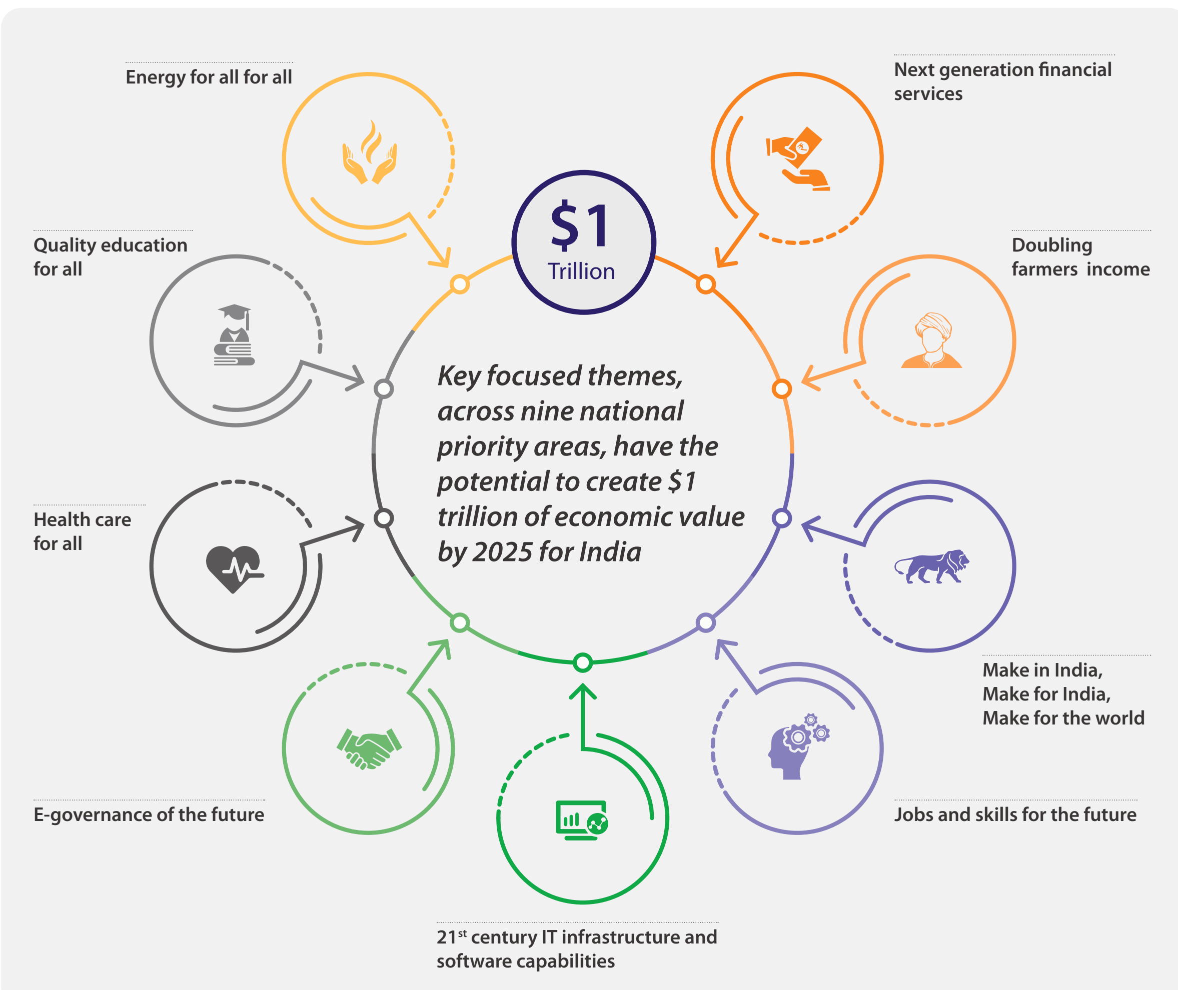
Unique Features and Advantages of Next Gen Kendra

Vision of $5 Trillion Indian Economy

Currently, India ranks as the world's sixth largest economy. Over the medium term, the projections of growth remain encouraging and optimistic for India. The fundamental strengths are indicative of the country's potential to achieve a $5 trillion economy by 2025. The current structure of the economy and the emerging dynamics provide grounds to realise 1 trillion dollar from agriculture and allied activities; 1 trillion from manufacturing; and 3 trillion from services.[3]

7%
GDP growth of India in FY2019

Creating $1 trillion of economic value by 2025 for India



Source: Press Information Bureau (PIB)[4]

[3] http://pib.nic.in/newsite/PrintRelease.aspx?relid=184130
[4] http://pib.nic.in/PressReleaseIframePage.aspx?PRID=1565669

Management Discussion & Analysis

VAKRANGEE KENDRAS ARE MULTIPURPOSE "DIGITAL CONVENIENCE STORES" LOCATED ACROSS RURAL, URBAN AND "DIFFICULT TO REACH" AREAS OF INDIA.

Industry Overview

With growing digitisation and preference for convenience stores gathering momentum in India, businesses are today focusing on becoming an omni-channel by integrating different methods of services available to consumers at one single point. On the same idea, Vakrangee Kendras are multipurpose "Digital Convenience Stores" located across rural, urban and "difficult to reach" areas of India. These Kendras enable every Indian to seamlessly benefit from Financial Inclusion, Social Inclusion, Digital India, Skill Development, Employment, Government programmes and a wider access to basic goods and services. Vakrangee is India's consumption enabler, which is selling a host of products and services, thus fostering Financial & Digital Inclusion by involving greater access to Banking, ATM, Insurance, Financial Services, e-Commerce, e-Governance and Logistics.

Financial Inclusion in India

Financial Inclusion refers to universal access to a wide range of financial services at a reasonable cost. These not only include banking products but also other financial services such as insurance and equity products. It is the process of ensuring access to affordable financial services and adequate credit, needed by vulnerable groups such as weaker and low-income sections of the society. The essence of financial inclusion is to ensure delivery of financial services, which include bank accounts for savings and transactional purposes; low cost credit for productive, personal and other purposes; financial advisory services; insurance facilities (life and non-life); amongst others.[5]

Importance of Financial Inclusion in India

The Government of India has been making concerted efforts to promote financial inclusion as one of the important national objectives of the country. Some of the major efforts made over the last five decades include nationalisation of banks; building up of robust branch network of scheduled commercial banks; co-operatives and regional rural banks; introduction of mandated priority sector lending targets; lead bank scheme; formation of self-help groups; permitting BCs and BFs to be appointed by banks to provide door step delivery of banking services; zero balance BSBD accounts amongst others. The fundamental objective of all these initiatives is to reach the large sections of the hitherto financially excluded Indian population.[6]

a) Financial inclusion, in an economy, broadens the resource base of the financial system by developing the culture of savings among large segment of the rural population.

b) In the process economic development, financial inclusion plays a crucial role by unleashing the untapped potential of the bottom-of-pyramid section of Indian economy.

c) Financial inclusion protects the wealth of the low-income groups in trying times by bringing them within the perimeter of formal banking sector.

d) Financial inclusion also mitigates the exploitation of vulnerable sections by the unreasonable money lenders by facilitating easy access to formal credit.

Government's Initiatives towards Financial Inclusion

The Government of India has had a vision to enhance financial inclusion in the country. To that end, the government has taken several initiatives such as Jan Dhan Yojana, Direct Benefit Transfer (DBT), affordable Micro Insurance schemes such as Atal Pension Yojana, Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana. There is a clear focus to achieve financial and digital inclusion across the country.

---

[5] *Source: RBI*
[6] *Source: RBI*

Government key focus areas: Financial and Digital Inclusion

01 To ensure that every citizen has access to a bank account

02 To ensure the availability of banking services within 5 kms of every individual

03 Promote and increase digital transactions

04 Enable digital delivery of government services

India has witnessed the largest improvement in access to financial services over the past few years. The government has been focusing on financial inclusion of Indian rural and semi-rural areas primarily for three most important pressing needs that is, creating a platform for inculcating the habit to save money, providing formal credit avenues and plugging the gaps and leaks in public subsidies and welfare programs.

RBI's steps towards Financial Inclusion

Financial Inclusion is a cherished policy objective for RBI and its economic policy has always been driven by an underlying intent of a sustainable and inclusive growth. RBI has been pursuing the goal of financial inclusion for a long time. Its financial inclusion efforts can be traced back to the 1960's when the focus was on channelising of credit to the neglected sectors of the economy and weaker sections of the population. This role encapsulates the essence of renewed national focus on Financial Inclusion, promoting financial education and literacy and making credit available to productive sectors of the economy including the rural and MSME sector.

Deepening of Digital Payments in India

The high-level committee on deepening of digital payments, led by Nandan Nilekani, has recommended a reduction in costs to widen the acceptance infrastructure and improve digital financial inclusion.

The panel reviewed the existing status of digitisation of payments in the country, identified the current gaps in the ecosystem and suggested ways to bridge them, and assessed the current levels of digital payments in financial inclusion.

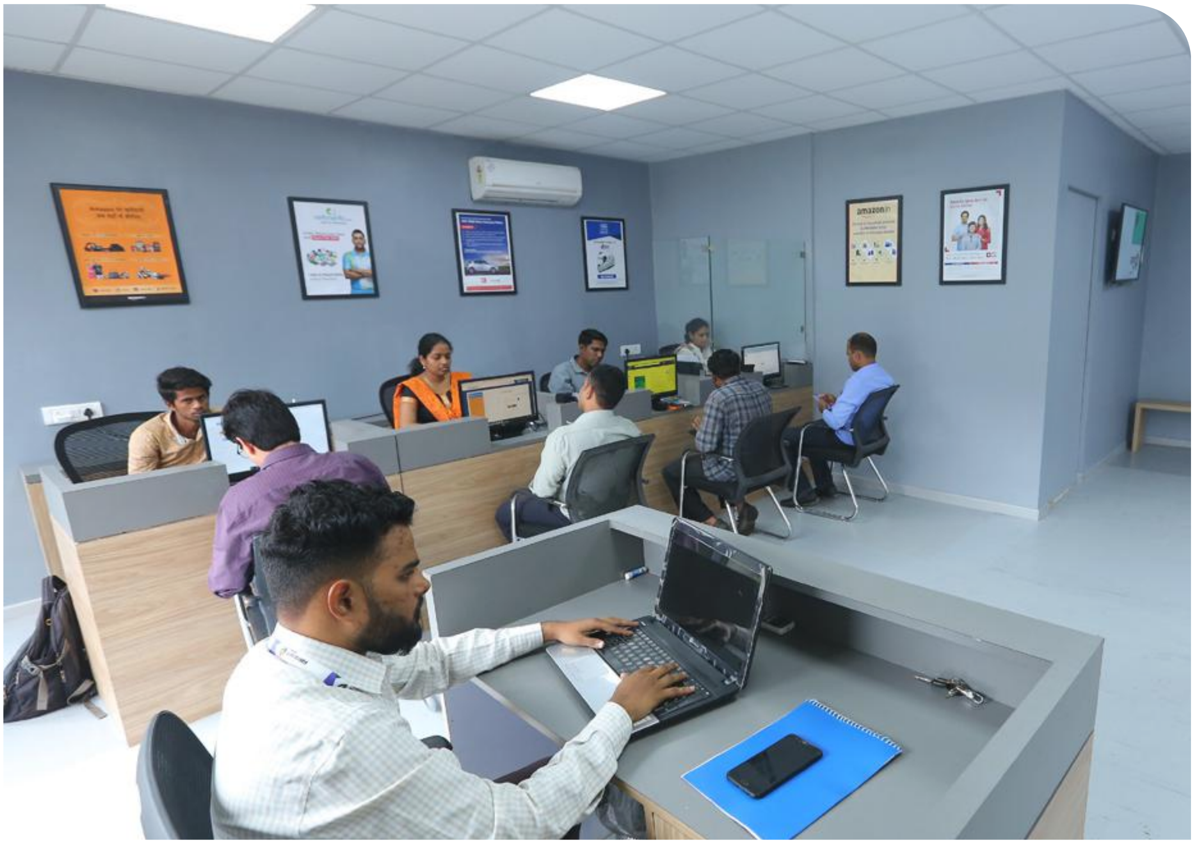
ATMs:

The Committee recommended that features of ATMs should be enhanced merely from being a cash dispenser to support the gamut of banking facilities including Cash Deposit, Bills Payment, Funds Transfer, Tax Deposits, Mobile Recharge amongst others. In addition to customer support and grievance reporting so as to act as a complete Digital facilitation point.

Business Correspondents:

The Committee recognises the key role that business correspondents and agents play in extending the reach of the banking system to the common man. The business correspondent industry is large, with a few lakh agents spread around the country. They are the face of banking to a large part of the population. They are treated as banking outlets and governed by the contracts that they have with the banks. The SLBC/ DLCC/ BLCC need to ensure that no user is more than 5 kms away from a banking access point. Looking into the difficulties being faced by farmers, the committee recommended that the efforts, which are being made to convert KCCs issued by banks into RuPay cards

Management Discussion & Analysis



FINANCIAL INCLUSION IS A CHERISHED POLICY OBJECTIVE FOR RBI AND ITS ECONOMIC POLICY HAS ALWAYS BEEN DRIVEN BY AN UNDERLYING INTENT OF A SUSTAINABLE AND INCLUSIVE GROWTH.

should be completed on priority basis and adequate acceptance infrastructure should be put in place where KCC holders can make transactions digitally for their agriculture procurements using KCC cards. With the objective of promoting financial inclusion, the committee recommended that spending on digital financial inclusion, including setting up payment facilities, education camps amongst others for this purpose must be allowed under the CSR budgets.

Card Payments – POS:

In order to ensure that small merchants continue to accept digital payments, the committee recommends that the Government continue the current scheme to refund the Merchant Discount Rate for small value transactions (under ₹ 2,000) beyond December 2019 for another two years. The Committee recommends that current import duty of 18% on POS machines be reduced to Nil for a period of three years to facilitate adequate expansion of acquiring infrastructure in the country. The Interchange on card payments be reduced by 15 basis points (0.15%). This will increase the incentive for acquirers to sign up merchants. The RBI setup a standing committee to review the MDR and interchange on a periodic basis to ensure equitable growth of the market for digital payments. The committee must include a balance of stakeholders – issuers, acquirers, merchants, and academics. In order to ensure that a willing customer is able to do financial transactions digitally, the committee recommends that each merchant support at least one digital mode viz BharatQR, BHIM UPI

QR, or Cards. Accepting payments through QR code allows a merchant to accept payments with very low fixed costs, and this can serve the basis for a large growth in acceptance.

Aadhaar Enabled Payment System:

APBS and AEPS are the medium to cater to large number of users, the committee recommends that AEPS, and the Micro ATM must be reimagined to meet the growing needs of users. It must be rearchitected to allow more services to be delivered to users through the BC network, and Aadhaar Pay POS devices. The committee recommends that complete support must be provided for off-us transactions by all banks that receive DBT transfers. An interchange of 1% may be charged to the issuing bank, and delivered to the BC agent, so that the agent is compensated fairly, and that the user has a choice to use a BC agent close to their location. With a view to streamline usage of accounts that receive DBT transfers through business correspondents, banks who receive DBT payments may be required to support Off Us transactions through AEPS.

Cash In Cash Out Network:

With a view to increase digital transaction and provide a safety net of a robust Cash In Cash Out network (CICO), specially at Tier III, IV, V and VI (Semi Urban to Rural) centres, the committee recommends strengthening of Business Correspondent infrastructure, besides empowering small merchants to provide cash at POS to the customers to meet their immediate requirements. The RBI must ensure a healthy CICO network such that every user has access to a financial institution, such as a cooperative, or a bank branch within 5 km for banking needs. All users must have access to ATMs or Business Correspondents within 3 km radius for cash management needs. The primary use of cash is for transactions, and hence, the officials must ensure that all local markets - including the weekly markets have adequate facilities for cash-in and cash-out. The customers must be supported by a bank branch within a range of 5 kilometres for cash management needs.

Automatic Teller Machines (ATMs) in India

Over the years, ATMs have changed the landscape of the Indian Banking industry. An ATM is the oldest of the alternative banking channels and enjoys the highest level of acceptance amongst consumers. Apart from cash withdrawal, ATMs offer other enhanced banking services. One of the major priorities of the Reserve Bank of India (RBI) has been the installation of ATMs to ensure financial inclusion. With this the Government is extending financial services to the large and unserved population of the country.

ONE OF THE MAJOR PRIORITIES OF THE RESERVE BANK OF INDIA HAS BEEN THE INSTALLATION OF ATMS TO ENSURE FINANCIAL INCLUSION.

India ranks at 148 in the world in terms of ATM density. As on March 2019, the country has approximately 2,42,000 ATMs.

Need for ATMs in India

However, despite the popularity and wide-scale usage of digital payments, people have not done away with carrying hard currency. Data released by the Reserve Bank of India (RBI) shows an increase in cash withdrawals from ATMs. There is also a surge in the number of times debit cards were swiped at ATMs across the country. Per day transactions at ATMs and the average ticket size of each withdrawal has gone up. ATM withdrawals are likely to go up further with growth of the economy and with more cash in circulation. This is being supported by the demand for withdrawals in rural India in order to access Direct Benefit Transfer (DBT) funds which are being put into the bank accounts of the poor by the Government.

White Label ATMs

The model of White Label ATM was conceived to drive financial inclusion and to ensure more geographical reach and financial inclusivity. The ATMs under this model are not owned by any bank but are the

Management Discussion & Analysis

property of a non-banking entity. The penetration of ATMs in India has not been the best. The government, by inviting more private institutions to invest in building ATMs, is catering to the masses living in the age of digitalisation.[7]

There is a low ATM penetration in Tier III, IV, V and VI cities, which poses as an opportunity for White Label ATMs to bridge the gap between urban and rural India.

White label ATMs in India have a major acumen in rural areas as government is encouraging non-banking entities to install white label ATMs in order to reduce the shortage of financial services in rural areas of the country.

At Vakrangee, every Next Gen Kendra has a white label ATM installed. 68% of our outlets are located in Tier V and VI locations. With our current strategy in place, we have set our target to become the largest white label ATM network by 2020.

The e-Commerce Scenario

E-Commerce has transformed the way in which business is done in India. The Indian e-Commerce market is expected to grow to US$ 200 billion by 2026, from US$ 38.5 billion as of 2017, according to a report by India Brand Equity Foundation (IBEF). The growth of the industry has been triggered by increasing internet and smartphone penetration. The ongoing digital transformation in the country is expected to increase

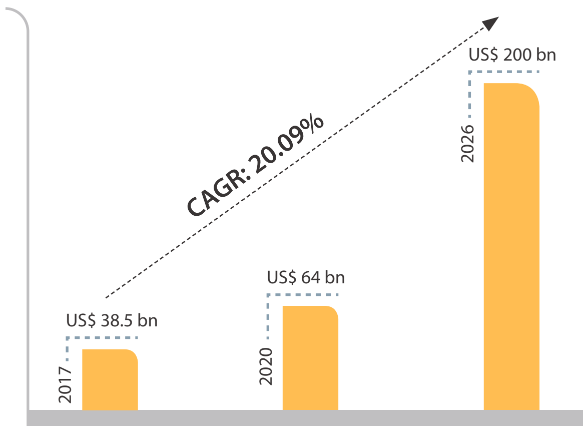
AT VAKRANGEE, EVERY NEXT GEN KENDRA HAS A WHITE LABEL ATM INSTALLED. 68% OF OUR OUTLETS ARE LOCATED IN TIER V AND VI LOCATIONS.

[7] *https://blog.ipleaders.in/white-label-atms/*

India's total internet use base to 829 million by 2021. The timely and effective implementation of programs such as Digital India, Make in India, Innovation Fund amongst others, will support the e-commerce growth in the country. The growth in e-commerce sector will also accelerate employment, increase revenues from export, and provide better products and services to customers in the long term.[8]

US$1.2 trillion

Expected growth of retail market by 2021



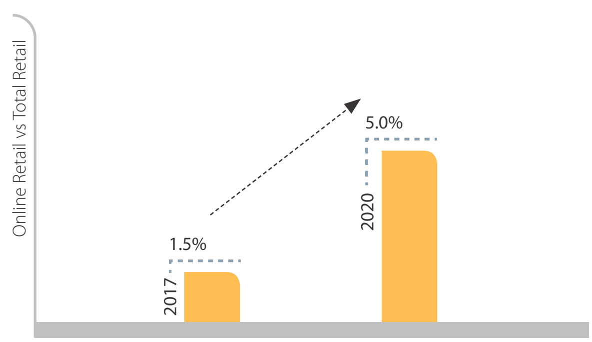
Trend point: *The e-commerce market in India is expected to increase at a CAGR of 20.09 per cent from US$ 39 billion in the end of 2017 to US$ 200 billion by 2026.*

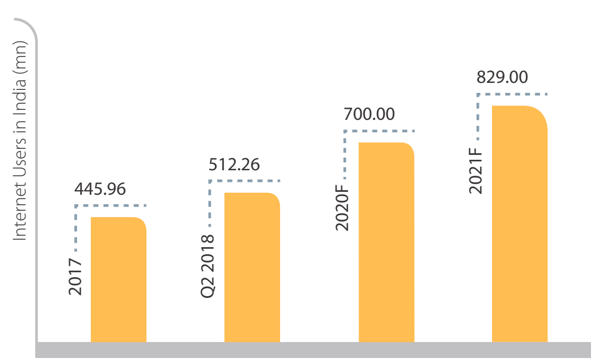
Source: IBEF

Growth of e-Commerce in India

The e-Commerce segment in India is well-equipped to drive the next level of Indian consumer growth in 2019, despite the regulatory challenges surrounding the sector. The e-commerce marketplace is poised to grow to $1.2 trillion by 2021 from the current market of $200 billion. The sector is currently progressing at a CAGR of 32% and would, further, rise due to increasing penetration of internet.[9]

A fast-growing economy and robust demographics provide a positive outlook to the consumer businesses in India, according to a report by Deloitte India and Retail Association of India. The factors will fuel the growth of retail market in the country, making India the third-largest retail market in Asia and fourth largest in the world. The retail market is expected to grow to $1.2 trillion by 2021 from $795 billion in 2017. Further, as the internet penetration in the country increases and with more international retailers operating in India, the share of organised retail market is expected to amplify from 12% in 2017 to 22-25% by 2021. Given the strong retail and consumer outlook, the country is expected to witness redefining trends in the consumer market, which will shape the future of the retail industry.[10] This will encourage more online window-shopping and therefore enhance assisted e-commerce.





Note: F - Forecast, Q2 2018 - As of June 2018

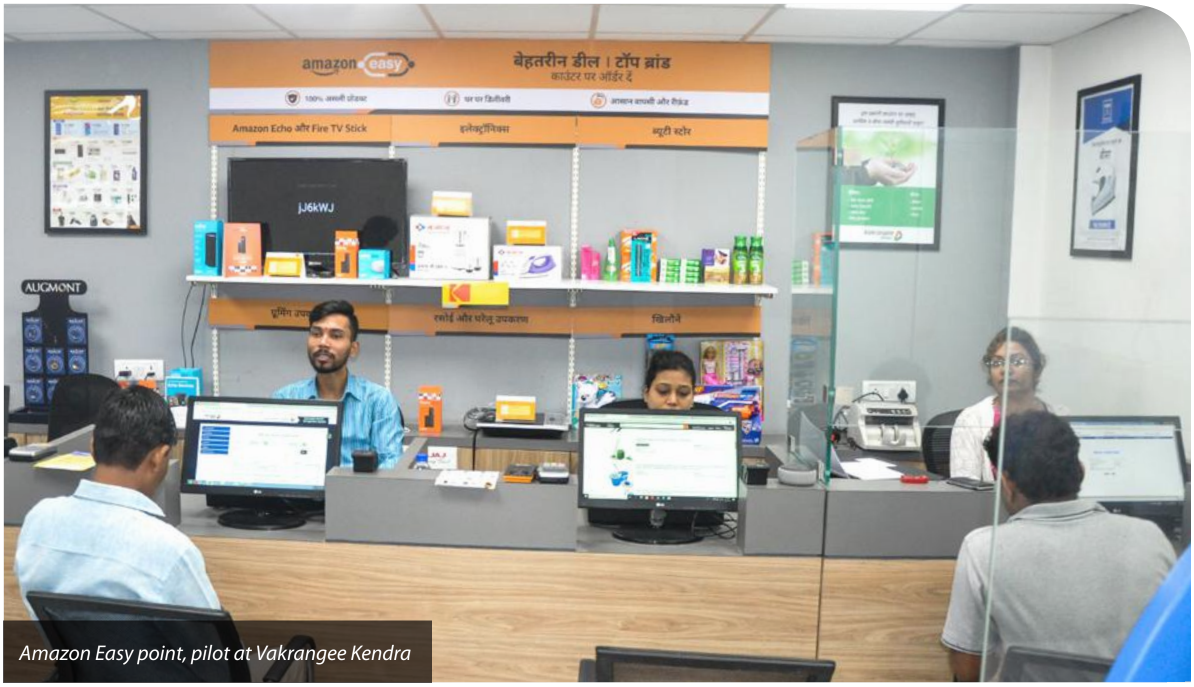
Source: IBEF

[8] *https://www.ibef.org/industry/ecommerce.aspx*

[9] *https://www.thehindubusinessline.com/info-tech/next-level-of-consumer-growth-in-india-in-2019-through-e-commerce-deloitte/article26373617.ece*

[10] *https://www.bloombergquint.com/business/indian-e-commerce-market-to-touch-usd-84-billion-in-2021-report*

Management Discussion & Analysis



Amazon Easy point, pilot at Vakrangee Kendra

Amazon in India

In India, Amazon empowers small and medium-sized businesses to reach millions of customers with a number of programmes that help enhancement of their revenue, reach and productivity. Its ambition in the country is to become everything for everyone. In the long-term, India will be a 'material-driver' for Amazon's growth.

India's e-commerce growth has accelerated. Amazon India's initiatives in infrastructure, financing, launch of Hindi version, and start of Amazon Easy Stores in small towns helped improve the shopping experience for customers. A growing number of people in Tier II and III cities and towns are now familiar with online shops. Amazon is, further, going all out to serve the nest 100 million users that it believes will come from Tier II and III markets.[11]

THE ASSISTED E-COMMERCE SERVICES OFFERED IN A VAKRANGEE KENDRA HELPS IN ENHANCING THE SHOPPING EXPERIENCE OF SEVERAL CUSTOMERS.

How Assisted E-Commerce is addressing the challenges in rural India

1. The customer in a rural town walks into a neighbourhood retail store
2. The retail store will have a kiosk, which is an online platform
3. The store will showcase thousands of virtual products
4. The store person assists the customer in checking out the products
5. The store person assists the customer in placing the order and making payment
6. The product arrives at the retail store, which is then passed onto the customer

[11] ***Source: Livemint https://www.livemint.com/Companies/lurjUhGPebAdExiucyJeAN/Amazon-Prime-Flipkart-Plus-lead-ecommerce-user-base-growth.html***

Business Overview

About Us

Vakrangee Limited is one of the largest franchisee-based, multi-service retail network, offering a broad spectrum of services across different sectors to offer a "one stop shop" solution for all its customers. We are focused on creating India's largest network of last-mile retail outlets at every postal code in India to enable Indians to benefit from financial inclusion. Vakrangee, as a technology company provides banking, ATM, insurance, financial services, e-governance, e-commerce, and logistics services. With over 25 years of consistent experience, we have evolved from being an e-Governance projects system integrator to a unique technology-enabled retail-led franchisee model. We provide multiple services to the under-served and unserved population across India through our Vakrangee Kendra outlets set up in 19 states of India.

WE PROVIDE MULTIPLE SERVICES TO THE UNDER-SERVED AND UNSERVED POPULATION ACROSS INDIA THROUGH OUR VAKRANGEE KENDRA OUTLETS SET UP IN 19 STATES OF INDIA.

Our Services

With a transforming landscape of India and rapidly accelerating digitisation, Vakrangee has developed its Next Gen Kendra model to keep pace with the advancing economy. Our Next Gen Kendra outlets are a technology intensive retail distribution platform for last-mile touchpoints, delivering services across Banking, ATM, Insurance, Financial Services, E-Commerce, E-Governance, and Logistics services to domains on a real-time basis to potential customers across the under-served rural and urban India.

A. Banking:

Vakrangee offers an advanced platform for real time, paperless, inter-operability banking, which provides a unique service experience to citizens.

Banking Transactions:

- Bank Account Opening
- Cash Deposits, Withdrawals, Money Transfer
- Fixed and Recurring Deposits
- Balance Enquiry, Statement of Accounts
- Disbursement of money under Direct Benefit Transfer

B. ATM Services:

Vakrangee owns the license from RBI to set up and manage White label ATMs, enabling real-time cash withdrawals from all the banks. We have a network of co-located ATM in urban and semi-urban branches to cater to the holistic banking needs of customers while optimising cost of operations. Our ATMs are much more profitable compared to any standalone ATM. As our ATMs are located within the Kendra, there is no incremental store rental, no requirement of a security guard as well as no cash refilling charges, as the franchisee himself refills the ATM. The presence of ATM inside the Kendra further proves to be beneficial for the storekeeper as it improves footfalls, optimises the cost of operations of the store and also enhances the revenue stream.

Sr. No.	Operating Cost	Vakrangee	Peers
1	Rent Expense	✗	✓
2	Civil Work & Interiors	✓	✓
3	Internet Connectivity	✓	✓
4	Cash Management Charges	✗	✓
5	ATM Operational Costs	✓	✓
6	Security Guard	✗	✓

C. Insurance:

Vakrangee is the corporate agent of Life Insurance Corporation of India, HDFC Standard Life Insurance Limited for life insurance; and with Tata AIG General Insurance Company Limited, Reliance General Insurance Company Limited, and HDFC Ergo General Insurance Limited for general insurance. We also have tie-ups with

Management Discussion & Analysis

OUR VAST NETWORK OF VAKRANGEE KENDRA OUTLETS ACROSS INDIA ENABLES US TO PROVIDE LAST-MILE DELIVERY AND DISTRIBUTION OF PRODUCTS – USING THE HUB-AND-SPOKE MODEL.

Cigna TTK Health Insurance Company Limited, Religare Health Insurance Company Limited, and Aditya Birla Health Insurance Company Limited for health insurance. Furthermore, we provide insurance under the Atal Pension Yojana, Jeevan Jyoti Bima Yojana, and Pradhan Mantri Suraksha Bima Yojana.

Insurance Services:

- Corporate agency tie-up for Life, General, and Health Insurance
- Micro Insurance schemes under Atal Pension Yojna, Jeevan Jyoti Bima Yojana, and Pradhan Mantri Suraksha Bima Yojna

D. Financial Services:

- Lead generation for Loan Products- Consumer, Housing, and SME loans.
- Domestic Money Transfer Services

E. e-Governance:

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

e-Governance Services:

- Payment of Utility Bills, Taxes, Levies, Certificates, Hall tickets, and Exam Fee Payments
- Alliance with IRCTC for offering railway E-Ticket booking
- Bharat Bill Payment System (BBPS) platform to deliver wide range of bill payment services
- Other G2C services based on state to state
- Online Form Filling

F. E-Commerce:

Our e-Commerce segment offers various Business-to-Customer services such as mobile and DTH recharge. We have an alliance with Amazon India to facilitate sale of various goods and products; with Redbus for offering bus ticketing services; with Augmont for sale of gold products; and with Reliance Jio for the issuance of mobile sim connection and mobile handsets.

e-Commerce Services:

- Telecom- Mobile Recharge
- DTH service- Recharge, bill payments
- Assisted e-Commerce Model
- Alliance with Amazon to facilitate sale of products
- Alliance with Reliance Jio for issuance of sim connection and sale of mobile handsets.
- Alliance with Redbus for offering bus ticketing services
- Alliance with Augmont for offering gold and jewellery products
- Alliance with Netmeds Marketplace Limited to offer medicines and other health products
- Alliance with Zee5 and Dish TV India Limited for distribution of subscriptions and recharges.

G. Logistics:

At Vakrangee, we are leveraging the presence of our Kendra to enhance the reach of our courier booking services. Our vast network of Vakrangee Kendra outlets across India enables us to provide last-mile delivery and distribution of products – using the Hub-and-Spoke model.

- Alliance with FedEx Express, Delhivery and Aramex India for courier and logistics services (Forward Delivery as well as Reverse Pick Up services)

About Vakrangee Kendras

Over the years, Vakrangee has built a vast franchisee network of over 3,504 Vakrangee Kendras across 19 states in India. Our network is established on an asset-light franchisee-based model. These are technologically advanced retail distribution platforms for last mile touchpoints delivering services across Banking, ATM, Insurance, Financial Services, e-Governance, e-Commerce, and Logistics services on a real-time basis to potential customers across the underserved rural and urban India. Today we have created an enviable presence in the marketplace, albeit with a variegated level of service across the network. Our Kendras are essentially multipurpose "Digital Convenience Stores" located across rural, urban and "difficult to reach" areas of India. Vakrangee Kendras enable every Indian to seamlessly benefit from Financial Inclusion, Social Inclusion, Digital India, Skill Development, Employment, Government programmes and a wider access to basic goods and services.

3,504
Number of Next Gen Vakrangee Kendras as of FY2019

Evolution of Vakrangee Kendras

The Evolution

The initial Vakrangee Kendra was a non-exclusive 'Kirana' store model where the franchisees would add a counter in their existing store or in a place provided by the government within the Gram Panchayat office. The primary reason for a non-exclusive model was low viability on standalone basis due to a single line of services. Over the next few years, Vakrangee kept on adding more services across verticals such as Banking, E-Commerce, E-Governance, Insurance, ATM, Logistics, and Financial services, which kept on developing

Management Discussion & Analysis

and improving the viability of the store. Finally, the Vakrangee Kendra evolved into an Assisted Digital convenience store with multi line of services and with an exclusive store model due to enhanced feasibility.

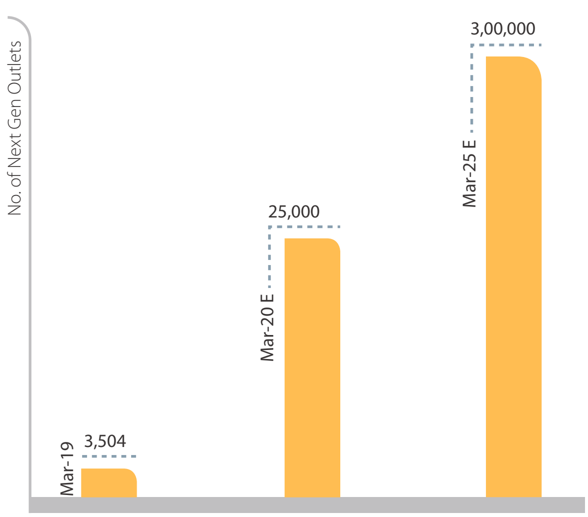
In the recent years of solid and rapid growth, we have ascended our network responsibly and cost-effectively. We developed a vast number of Kendras made up of an assorted basket of large, small and micro outlets. These have progressed from being non-exclusive stores offering a single line of services termed as Common Service Centres; into an e-Governance player and a Banking BC Point model; into a multi-specialty store model; and finally, into an exclusive next-gen, assisted multi-specialty, exclusive digital convenience store, with a multi-line of services. During the year under review, to work towards the upgradation of the outlets, Vakrangee focused on rebranding its existing outlets by advancing the Kendras not only in terms of look and feel but also well-equipped technological features.

Growth of the Kendra Model:

1. Number of outlets - We have 3,504 outlets as on 31st March 2019, with a 2020 target of 25,000 outlets.

2. Number of services- More services were introduced in the current outlets. As we keep on doing newer tie-ups, more services kept getting added to the outlets.

3. Maturity of existing services- Maturity of the existing services provided to our customers will lead to growth. A mix of all these drivers which will give effect of future growth.



VAKRANGEE KENDRAS HAVE EVOLVED INTO ASSISTED DIGITAL CONVENIENCE STORES, WITH MULTIPLE LINES OF SERVICES.

Performance of Our Next Gen Outlets

Average No. of Daily Transactions- ATM	Approximately 40-50 Transactions Per Day
Average Total Banking and ATM Throughput- Transaction value	Approximately ₹ 7-8 billion Per Month (Cumulative for all Next Gen Outlets)
Avg. No of Bill Payments, Ticket Bookings, Courier, Money Transfer	Approximately 40-50 Transactions Per Month Per Outlet

The above figures are the average data for the month of April 2019

Product-wise Performance

The Company's activities predominantly comprise providing various services through Vakrangee Kendra. Considering the nature of the Company's business and operations, there is only one reportable operating segment that is Vakrangee Kendra.

Upgrading Kendra Network

Vakrangee Kendras offer a broad spectrum of services across different sectors to deliver a 'One Stop Shop' solution to its customers. We have upgraded our outlets and have enhanced them as our Next Gen Kendras. As of 31st March 2019, we have launched over 3,504 Next Gen Vakrangee Kendras pan India. These outlets are spread across 19 states, over 366 districts and 2,186 postal codes of the country, out of which approximately 68% outlets are from Tier V and VI cities. These Next Gen Kendras offer a comprehensive range of products and services across banking, insurance, ATM, assisted e-commerce, e-governance, financial services, and logistics. The outlets are based on an exclusive digital convenience store model providing access to multiline of services. The Next Gen Kendras reflect a modern and standardised format with a uniform look and feel in all the outlets aimed towards building consistent service levels and uniform consumer experience.

Our introduction of improvised Next Gen Vakrangee Kendras is receiving an enthusiastic response from the existing franchisees, most of whom are opting to upgrade to the advanced franchisee model. We have a planned target to reach 25,000 Next Gen Vakrangee Kendras by FY2020.

Impact of Upgradation to Next Gen:

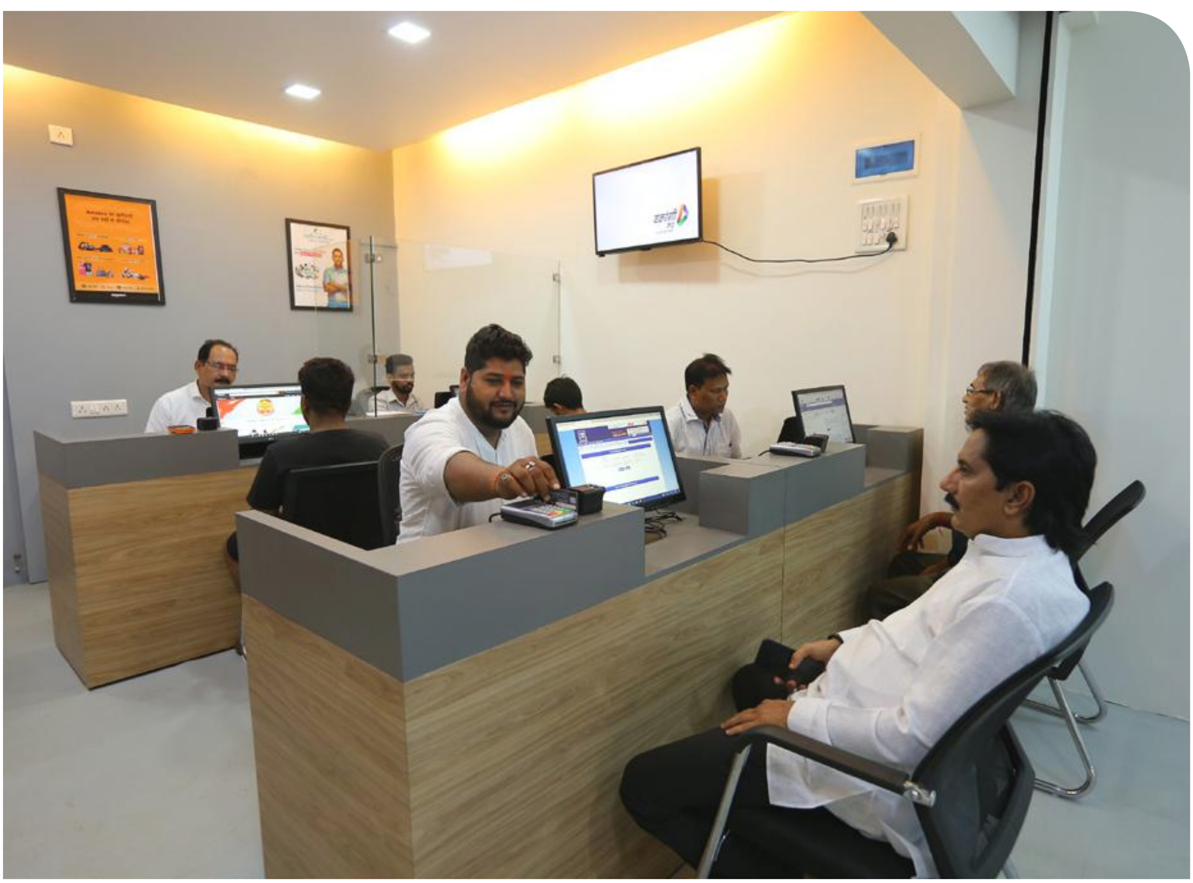
Vakrangee's Next Gen Kendras will lead to a better brand visibility and enhanced profitability.

- ***Store Exclusivity***
  The outlets will have enhanced store visibility and brand awareness. It will further enhance efficiency and productivity.
- ***Service Availability and Consistent Branding***
  The Next Gen outlets will provide consistent service level and customer experience.
- ***Technological Features***
  The Kendras are equipped by CCTVs and digital signage for centralised monitoring and promotional campaigns. Advancement in outlets with respect to technological upgradation will enable all kind of payment mechanisms.
- ***Sales and Profitability Impac***t
  Next Gen Vakrangee Kendras will generate enhanced revenue streams and footfalls via installation of ATMs.

Financial Performance

Financial Summary

In financial year 2018-19, the total Income of your Company stood at ₹ 15,279.07 million as against ₹ 64,131.38 million in the previous year. The EBIDTA stood at ₹ 490.33 million in FY2018-19 as against ₹ 10,140.05 million in the previous year. The PAT stood at ₹ 201.79 million in FY2018-19 as against



Management Discussion & Analysis

₹ 6,626.21 million in the previous year. The EPS (basic) for the face value of ₹ 1 stood at ₹ 0.19 in FY2018-19 as against ₹ 6.26 in FY2017-18.*

Operational Summary

Vakrangee currently has 3,504 Next Gen Vakrangee Kendra's spread across 19 states, 366 districts and 2,186 postal codes. More than 68% outlets are from Tier V and Tier VI cities and out of 3,504 Next Gen Vakrangee Kendra's outlets 200 Next Gen Kendras are in LWE Districts and 476 Next Gen Kendras are in Tribal Area Districts.

Key Financial Ratios

Sr. No.	Particulars	FY2018-19*	FY2017-18*	Reason
1	Debtors Turnover	1.13	6.02	There is decrease in the revenue due to up-gradation of the old format outlets to New standardized Next Gen Vakrangee Kendra format. Also the realization of receivables from legacy e-Governance projects was pending.
2	Inventory Turnover	128.08	22.13	There was no major inventory in FY2018-19. Due to which the inventory turnover is low.
3	Interest Coverage Ratio	N.A	128.29	The Company is a Debt Free Company and there is no borrowings. Hence, due to which there is change in interest coverage.
4	Current Ratio	24.22	7.18	There has been decrease in the current liabilities due to payment made to the sundry creditors. Hence, due to which there is change in the current ratio
5	Debt Equity Ratio	N.A	N.A	The Company is a Debt Free Company and there are no borrowings. Hence Debt Equity Ratio is not applicable.
6	Operating Profit Margin (%)	6.12	20.51	Revenue has been materially impacted as outlets undergo up-gradation process. However, There are Fixed costs due to which Operating Profit Margins have been impacted.
7	Net Profit Margin (%)	1.39	10.39	Revenue as well as Profitability has been materially impacted as outlets undergo up-gradation process.
8	Return on Networth (%)	0.78	28.54	Revenue as well as Profitability has been materially impacted as outlets undergo up-gradation process.

Business Outlook

Moving ahead, we are focused on leveraging the uniqueness of our business model. Vakrangee is the only Company offering such a diverse range of services, all under one roof. We also have the deepest market reach in the business as we are catering to rural, semi-urban and urban areas of the country. Moreover, we have an aggressive target of reaching a mark of 25,000 outlets in the current financial year. We further plan to reach a target of 3,00,000 outlets by FY2025. Additionally, the Next Gen outlets are expected to be more profitable, as these stores have all the services available under one roof, accelerating the speed at which each Kendra reaches its breakeven point, and produces free cash flows for Bothe the Franchisee, and the Vakrangee. These Kendras are exclusive stores with consistent branding with the incremental addition of new revenue streams, such as ATMs, assisted e-commerce and Logistics. Consequently, this would generate superior revenue and profitability per store as compared to earlier outlets. At Vakrangee, we believe that the key to success is convenience and we

** The above figures and calculations are on standalone basis*

will strive towards this by embracing advancement in technology to simplify the lives of our customers at every touchpoint. We are aspiring to be the most trustworthy physical as well as online convenience store across India, positively moving towards Vakrangee Kendra's new brand philosophy of 'Ab Poori Duniya Pados Mein'.

WE ARE ASPIRING TO BE THE MOST TRUSTWORTHY PHYSICAL AS WELL AS ONLINE CONVENIENCE STORE ACROSS INDIA.

Opportunities and Threats

Opportunities

The Indian Government is focusing on financial inclusion for a long time. Vakrangee's business model is in sync with the current Government's objective to encourage financial inclusion across the country. It also goes in line with the aim to enhance digitisation in India. The Next Gen Vakrangee Kendras extend their reach to the last mile, thereby connecting the most underserved regions of the country. We are also adding new services such as PAN card, GST services and lead generation of various other loan products. In addition to that, the Company aims to leverage its deep presence by being an enabler for the EV charging facility through its network of retail outlets. The electrical vehicle space stands as a growth opportunity in the years to come. Vakrangee continues to focus on expanding the bouquet of services available at its Next Gen Vakrangee Kendras.

Threats

Increasing penetration of smartphones in India can possess to be a threat to the business model of Vakrangee. As more and more people adopt smartphones, it gives them access to several services directly. However, our Vakrangee Kendras act as a technology intensive, retail distribution platform for last mile reach. We also act as a physical Cash In

Management Discussion & Analysis

VAKRANGEE'S HR DIVISION IS RESPONSIBLE FOR MAPPING CAPABILITIES, ASSESSING TRAINING NEEDS, DEVELOPING A BROAD RANGE OF TRAINING AND DEVELOPMENT PROGRAMS FOR THE EMPLOYEES.

Cash Out network that gives every user an access to a financial institution.

Risk and Concerns

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

b. **Rapid Changes in Technology:** Financial sector is undergoing rapid technological changes. Hence, the new technologies may change all the existing business models. The Company's margins may hit due to new cost-effective disruptive innovations.

c. **Heavy Dependence on Franchisee model:** Though franchisee model enables aggressive expansion, the risks associated with the franchisee model still persist. Any reputation loss in single franchisee may suffer the brand name. Moreover, the margins on franchisees are less and legal issues may disrupt the smooth operations.

Internal Control System and Adequacy

Vakrangee has always focused on maintaining a strong internal control system, which is commensurate withthe Company's size and nature of operations. The Company's internal controls are structured in a manner that ensure reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies, laws and accounting standards.

Corruption and Instability

Vakrangee has a Bribery and Anti-Corruption Policy in place governed through a strict code of conduct.

Energy Conservation

We promote town development in harmony with nature by implementing energy-saving and waste control policies. Towards this end, we introduce the latest technologies to minimize the environmental load and create ways to protect the local ecology. We are taking efforts to preserve the environment and bring about a sustainable society. We have also made use of several energy saving technologies and reducing environmental load at our offices and the Kendras.

Technology

Our proprietary technology platform is integrated with Core Banking Server (CBS) of various banks, which delivers real-time and inter-operable banking access. We have a biometric authentication system that enables quick KYC and paperless banking. Additionally, Vakrangee has integrated with all partner systems across e-commerce, e-governance, insurance, financial services and logistics. Besides, we have ensured that technical support is available to our customers at all times. We have trained our human resources to handle day-to-day IT glitches. Furthermore, we have seamless internet connectivity across all our Kendras through V-Sat and broadband internet. For security purposes, we have a defined user policy, which requires authentication for each and every user of the server for safe transactions.

Human Capital

At Vakrangee, our goal is to be an organisation with high levels of performance by investing in the personal and professional development of its people to ensure that they possess the competencies and qualities, which the Company needs to deliver its business objectives. Vakrangee's Human Capital Division is responsible for mapping capabilities, assessing training needs and planning, developing and facilitating a broad range of training and development programs for each level of the organisation. At Vakrangee, we recognise and reward good performance, identify training and development needs, match employees to positions that make the best use of their skill sets, and identify potential future leaders who should be placed on a fast-tracked career path to management positions.

During the financial year, there has been an increase in the human capital in the organisation from to 1,974 employees in FY2019 (as on 10th May 2019). Besides, we have had a low attrition rate. Our objective is to create an inspiring and satisfying working environment, where employees contribute more to the Company. We use a range of tools to monitor employee satisfaction on a regular basis. We also believe that a rewarding compensation package can be a key factor in attracting and retaining capable and talented employees. The Company offers a competitive salary as well as a range of benefits and incentives for employees above certain grades. We are, further, committed to an equal and diverse workforce in recruitment, training, career development, and promotion practices. Through this, we ensure that all our employees have equal access to opportunities, regardless of their gender, age, racial or ethnic background, religion or social status.

Key Initiatives:

1. We have strengthened our field team by hiring new talent to enhance the ground level reach and availability.

2. We have launched attractive incentive schemes for employees, based on targets-
   - Incentive scheme to achieve the set target for appointment of franchisees
   - Incentive scheme to achieve the set target of Revenue and Gross Margin percentage.

3. We have a clear focus on monitoring and improving the employee productivity through methods such as daily and weekly performance review dashboards and App-based activity monitoring.

Awards and Accolades

1. Vakrangee made history by setting GUINNESS WORLD RECORDS™ title for the Most Stores launched simultaneously on 14th January 2019. Launches 1107 Next Gen Vakrangee Kendra stores across the country at 11.07 Am on the same day. Overall the Company launched 3,300+ stores on a Pan India basis. This is the highest number of stores opened anywhere in the world.

2. Vakrangee has been awarded as the best 'FINANCIAL SERVICES RETAILER OF THE YEAR' at the Indian Retail Awards 2019. The award recognises company's 'Next Gen Vakrangee Kendras' growth and customer satisfaction in 2018-19. The objective of the Indian Retail Awards is to recognise the retailers who are bridging the gap between operational reality and consumer expectations by adopting effective practices.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Vakrangee Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Vakrangee Limited Annual Report, FY2019.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 29th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended March 31, 2019.

1. PERFORMANCE OF THE COMPANY

The Company's performance is summarized below:

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2018 - 2019	2017-2018	2018 - 2019	2017 - 2018
Revenue from Operations	144977.39	637930.84	150822.69	650199.56
Other Income	7813.29	3382.96	7997.11	3448.59
Profit / Loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	4903.32	101678.15	5830.23	104112.29
Less: Depreciation/ Amortisation/ Impairment	870.98	694.02	873.54	694.65
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	4032.34	100984.13	4956.69	103417.64
Less: Finance Costs	0.00	787.15	0.00	1030.54
Profit /Loss before Exceptional items and Tax Expense	4032.34	100196.98	4956.69	102387.10
Add/(Less): Exceptional Expense	177.40	0.00	177.40	0.00
Profit /Loss before Tax Expense	4209.74	100196.98	5134.09	102387.10
Less: Tax Expense (Current & Deferred)	2191.80	33934.88	2611.46	34341.46
Profit /Loss for the year (1)	2017.94	66262.10	2522.63	68045.64
Total Comprehensive Income/Loss (2)	(58.46)	(3094.46)	(13.8)	(3186.74)
Total (1+2)	1959.48	63167.64	2508.83	64858.90
Balance of profit /loss for earlier years	194693.38	146404.24	195170.60	145097.94
Less: Transfer to Reserves	(6626.21)	(5229.46)	(6626.21)	(5229.46)
Less: Dividend paid on Equity Shares	(2647.01)	(10588.03)	(2647.01)	(10588.03)
Less: Dividend Distribution Tax	(544.10)	(2155.47)	(544.10)	(2155.47)
Balance carried forward	186894.00	194693.38	187875.91	195170.60

PERFORMANCE

Standalone:

Your Company's total income during the year under review was ₹ 152790.68 Lakhs as compared to ₹ 641313.80 Lakhs in the previous year. The Profit after tax was ₹ 2017.94 Lakhs as compared to ₹ 66262.10 Lakhs in the previous year.

Consolidated:

Your Company's total income during the year under review was ₹ 158819.80 Lakhs as compared to ₹ 653648.15 Lakhs in the previous year. The Profit after tax was ₹ 2522.63 Lakhs as compared to ₹ 68045.64 Lakhs in the previous year.

Directors' Report

2. **STATE OF COMPANY'S AFFAIRS**

FY 2018 - 2019 has been the year of transformation whereby the Company have made significant efforts to upgrade it's old format non-exclusive Kendra network into an Exclusive standardized advanced format called as NextGen Vakrangee Kendras. Thus, this year has witnessed upgradation of Vakrangee Kendra to enable a highly consistent brand experience across the Kendras and to become the world's top-notch multi-service, assisted digital convenience store with standardised, unified and one-look branding for infrastructure. Besides offering the same portfolio of services, each Kendra will be equipped with an ATM machine, CCTVs, digital signages, and also pin-pad devices to enable all kinds of payment mechanisms across services.

During the year under review, we successfully launched 3,504 Next-Gen Vakrangee Kendras, spread across 19 states, 366 districts, and 2,186 postal codes. Out of our 3504 outlets, 68% outlets are in Tier V & VI cities. Our planned target is to have a last mile presence across all postal codes, covering each and every Gram Panchayat in the country.

As we move forward to expand our network of Next-Gen Kendras across India, we believe that our growing network will benefit immensely from a regimented degree of standardisation and consistency, in terms of the quality of our facilities, and in terms of the service levels we offer our customers. Our Planned target is to reach 25,000 Next-Gen Kendras by FY2019-20, 45,000 by FY2020-21, 75,000 by FY2021-22 and 300,000 Next-Gen Kendras by FY2024-25. Our aim is to become India's largest consumption platform.

Indeed, FY2019 was also a remarkable year in terms of our achievements on the ground. We were recognised on a global level by Guinness World Records™ for the most stores launched simultaneously at multiple locations across India, on 14th January 2019. We launched 1,107 Next-Gen Kendras across the country at precisely 11:07 AM on the same day. Vakrangee has also been awarded as the best 'Financial Services Retailer of The Year' at the Indian Retail Awards 2019, for achieving excellent growth and customer satisfaction.

3. **DIVIDEND**

Your Directors are pleased to recommend a dividend of ₹ 0.25/- per equity share (previous year ₹ 0.25/- per equity share), subject to the approval by the shareholders at the forthcoming Annual General Meeting.

The total dividend payout will be of ₹ 3192.92 Lakhs including Dividend Distribution tax of ₹ 544.41 Lakhs.

The dividend payout is in accordance with company's Dividend Distribution Policy. The Dividend Distribution Policy as adopted by the Company is annexed herewith as **"Annexure 1"**. The policy is also available on the web-site of the Company, www.vakrangee.in.

4. **SHARE CAPITAL**

The Paid-up Equity Share Capital of the Company as on March 31, 2019 was ₹ 105,88,03,090 comprising of 105,88,03,090 equity shares of ₹ 1/- each. On May 03, 2019 the Company have issued and allotted 47,750 equity shares at the rate of ₹ 10/- per share and 5,54,800 equity shares at the rate of ₹ 32.35/- per share aggregating to 6,02,550 equity shares having face value of ₹ 1/- each to the employees of the Company upon conversion of stock options.

Pursuant to the above allotment, the paid-up Share Capital of the Company stood at ₹105,94,05,640/- comprising of 105,94,05,640 equity shares of ₹ 1/- each.

5. **PUBLIC DEPOSITS**

During the year under review, the Company has not accepted or renewed any deposits falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

6. **SUBSIDIARIES**

As on March 31, 2019, the Company has three wholly owned subsidiaries viz, Vakrangee Finserve Limited, Vakrangee Logistics Private Limited and Vakrangee e-Solutions INC.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company, which forms part of this Annual Report. Further, a statement containing the salient features of the Financial Statements of Subsidiary Companies in prescribed **Form AOC – 1** is annexed herewith as **"Annexure 2"**. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the company and its subsidiaries are available on the website of the Company. These documents will also be available for inspection during the business hours at the Registered Office of the Company. Any Member desirous of obtaining a copy of the said Financial

Directors' Report

Statements may write to the Company. As on March 31, 2019, 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.

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. The prestigious LTCP project was successfully executed, through deployment of world class technology and more than 8500 manpower resources to digitize land titles from 168 Districts of Philippines.

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. 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.

Vakrangee Finserve Limited

Vakrangee Finserve Limited is a 100% Subsidiary of the Vakrangee Limited, incorporated in September 2011 with a focus on working as Business Correspondent for various Banks under the Business Correspondent (BC) Model of Reserve Bank of India (2006) in the area of Financial Inclusion. The Company has already signed agreements with various PSU Banks and their Rural Regional banks for carrying out BC services for these banks in identified Rural, Semi-Urban and Urban areas. The services include bank activities such as opening of Bank Accounts, Deposits, Withdrawals and Remittances, etc. Besides, the Company would provide Business Facilitator Services to these Banks which involve mobilization of deposits and loans.

7. 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 2015), is forming part of this Annual Report.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Your Board of Directors hereby states that:

a) in the preparation of the annual accounts, for the financial year ended March 31, 2019, 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.

9. CORPORATE GOVERNANCE

The Report on Corporate Governance as per the requirement of SEBI LODR 2015 forms part of this Annual Report.

The requisite certificate from M/s. S.K. Jain & Co., Practicing Company Secretary, confirming the compliance with the conditions of Corporate Governance has been included in the said Report.

A Certificate from the Managing Director & Group CEO and CFO of the Company in terms of SEBI LODR 2015, inter alia, confirming the correctness of the Financial

Directors' Report

Statements and Cash Flow Statements, adequacy of the internal control for financial reporting, and reporting of matters to the Audit Committee, is also forming part of this Annual Report.

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

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

- **Conservation of Energy**

  The Operations of the Company are not energy intensive. However, measures have been taken to reduce energy consumption by using efficient computers, IT Assets and other Equipments with latest technologies.

- **Technology Absorption**

  Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company continues its focus on quality up-gradation of products and services development. It has helped maintain margins.

- **Foreign Exchange Earnings and Outgo**

Particulars	31st March, 2019	31st March, 2018
Foreign Exchange Earnings	Nil	₹ 594.41 Lakhs
Foreign Exchange Outgo	40.47 Lakhs	₹ 25.93 Lakhs

11. PARTICULARS OF EMPLOYEES AND OTHER DISCLOSURE

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

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review and in the Board Meeting held on January 25, 2019 Mr. Dinesh Nandwana has been re-designated and elevated from Managing Director and CEO to Executive Chairman of the Company. Further, the Board of Directors at its meeting held on January 25, 2019, appointed Mr. Anil Khanna as Managing Director and Group CEO of the Company for a period of 5 years with effect from January 25, 2019, which shall be subject to the approval of Members at the ensuing Annual General Meeting.

In terms of Section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel of the Company:

- Mr. Dinesh Nandwana, Executive Chairman
- Mr. Anil Khanna, Managing Director & Group CEO
- Dr. Nishikant Hayatnagarkar, Whole Time Director
- Mr. Subhash Singhania, Chief Financial Officer
- Mr. Mehul Raval, Company Secretary

None of the Independent Directors had any pecuniary relationship or transactions with the Company during Financial Year 2018-19. In the opinion of the Board, they fulfill the conditions of independence as specified in the Companies Act, 2013 and Listing Regulations and are independent of the management.

None of the Directors or Key Managerial Personnel (KMP) of the Company are related inter-se.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 Mr. Dinesh Nandwana, Executive Chairman, retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting.

Further, the Board at its meeting held on August 13, 2019, after taking into account the report of their performance evaluation and the recommendation of the Nomination and Remuneration and Compensation Committee, re-appointed the following Independent Directors for a second term of five consecutive years:

Directors' Report

Sr. No.	Name of Independent Director	Tenure of Second Term
1	Mr. Ramesh Joshi*	Five years from September 25, 2019
2	Mr. Sunil Agarwal	Five years from September 25, 2019
3	Mr. B.L. Meena	Five years from September 25, 2019
4	Mr. Avinash Vyas	Five years from November 14, 2019
5	Mrs. Sujata Chattopadhyay	Five years from March 31, 2020

* Consent of the members by way of Special Resolution is sought by the Company in compliance with regulation 17(1A) of SEBI Listing Regulations, 2015, for continuance of Mr. Ramesh Joshi as an independent director of the Company beyond September 25, 2019, on account of his attaining the age of 75 years.

The information as required to be disclosed under regulation 36 of SEBI LODR 2015 in case of reappointment is forming part of Notice.

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.

13. DECLARATION OF INDEPENDENCE

All Independent Directors have given declarations affirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR 2015 and there has been no change in the circumstances which may affect their status as Independent Directors during the year. Further, all the Independent Directors have complied with Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013 and Code of Conduct for Directors and senior management.

14. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS

The Board met at least once in each quarter and 6 meetings of the Board were held during the year and the maximum time gap between two Board meetings did not exceed the time limit prescribed in the Act and SEBI LODR 2015. The details have been provided in the Corporate Governance Report.

b. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR 2015, 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 judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on October 30, 2018.

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 2015. 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 viz, Composition, number of meetings, dates of meetings and attendance of Directors at such meeting are given in the Corporate Governance Report.

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

d. NOMINATION & REMUNERATION AND COMPENSATION COMMITTEE

The Company has duly constituted Nomination & Remuneration and Compensation Committee as per the requirements prescribed under the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR 2015.

The composition of the Committee was re-constituted on July 19, 2019 with the following members:

1. Mr. Ramesh Joshi – Chairman

2. Mr. Avinash Vyas – Member

3. Mr. Ranbir Datt – Member

The Board has framed a Nomination & Remuneration & Compensation Policy and

Directors' Report

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

The details viz, number of meetings, dates of meetings and attendance of Directors at such meeting are given in the Corporate Governance Report.

e. RISK MANAGEMENT

Pursuant to Regulation 21 of SEBI LODR 2015, the Company have constituted a Risk Management Committee to review and mitigate risk factors. 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. The Board reviews the risk trend, exposure and potential impact analysis and prepares risk mitigation plans, if necessary.

Risk Management Committee comprises of following members:

Name	Designation
Mrs. Sujata Chattopadhyay	Chairperson
Mr. Dinesh Nandwana	Member
Mr. Anil Khanna	Member
Dr. Nishikant Hayatnagarkar	Member
Mr. Prabodh Bhusari	Member

f. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 the Company has adopted a CSR Policy outlining various CSR activities to be undertaken by the Company. The Company during 2018-19 undertook CSR activities by spending the earmarked amount in the fields of Social Awareness, Health Care and Education. The CSR Committee evaluates various proposals diligently and then selects few of them.

The Company has always adhered to the main thrust and spirit of the law to generate conducive environment for enabling corporates to conduct themselves in a socially responsible manner, while contributing towards human development goals of the country.

Further, the Company's business model itself is in the nature of providing services to the unserved & underserved rural, semi urban and urban markets.

The Company's 70% retail outlets are concentrated in tier V and tier VI cities. Company's technology intensive, retail distribution platform for last mile touchpoints deliver services across Banking, Financial Services, ATMs, Insurance, E-governance, E-Commerce and Logistics services on a real time basis across the under-served rural and urban India.

We take seriously our responsibility to Our Submission the call of those who aspire a better tomorrow – even as we constantly innovate to solve the challenges of tomorrow.

Company's Business model is franchisee based, who preferably is a localite. In addition, each franchisee employs minimum of 1-3 resources, creating employment opportunities and financial stability. The Company's business model thus creates a ripple effect in the larger society. It facilitates skill enhancement. We take ordinary individuals and train them with skill-sets that helps them yield remarkable results. There is basic certification needed for rendering banking and insurance services, thereby enhancing his skill-sets.

Therefore, the Company's business model is totally focused on financial and social inclusion of the society.

With respect to the unspent CSR amount for the financial year 2018-19, the Board of Directors would like to state that, the CSR Committee has put in its best efforts and considered/evaluated various proposals diligently and also selected few of them viz, Bharat Vikas Parishad Sewa Sanstha and My Home India.

The Board is fully confident that the overall CSR spends in these projects would fully meet the guidelines.

Directors' Report

However the schedules of these projects is spread over 2 to 3 years which would also cover the unspent amount of previous years and will meet the future guidelines too.

The CSR Policy of the Company is available on the Company's website www.vakrangee.in.

The Board has constituted a CSR committee inter-alia to define and monitor budgets to carry out CSR activities, to decide CSR projects or activities to be undertaken and to oversee such projects.

CSR Committee comprises of following:

Name	Designation
Mr. Dinesh Nandwana	Executive Chairman
Mr. Ramesh Joshi	Independent Director
Mr. Sunil Agarwal	Independent Director

Further, the disclosures as required under Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 has been enclosed to this Report in **"Annexure 5"**.

g. **STAKEHOLDERS RELATIONSHIP COMMITTEE**

As per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI LODR 2015, the company has constituted Stakeholders Relationship Committee. The details of Composition of the Committee is given in the Corporate Governance Report.

15. **AUDITORS AND REPORTS**

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

Statutory Auditor

M/s A.P. Sanzgiri & Co., Chartered Accountants, Mumbai (Firm Regn. No.116293W) were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 28th September, 2018 for a period of 4 years i.e. from the conclusion of the said Annual General Meeting until the conclusion of Thirty Second Annual General Meeting. .The Company has received a certificate from M/s. A.P. Sanzgiri & Co., confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditor

M/s. S. K. Jain & Co., Practicing Company Secretary, was appointed to conduct Secretarial Audit of the Company for the financial year 2018 - 2019 as required under Section 204 of the Companies Act, 2013 and the rules thereunder. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith as **"Annexure 6"** to this Report.

Explanation with respect to the observations contained in Secretarial Audit Report:

Observation 1: With respect to the delayed submission of Annual Audited Financial Results within 60 days from the end of financial year, the Board of directors would like to state as under:

On April 27, 2018, PWC had resigned from their position as the Statutory Auditors of the Company with immediate effect. Pursuant to the provisions of the Companies Act, 2013, any casual vacancy in the office of an auditor shall be filled by the Board of Directors within 30 days and in case of resignation of auditors, such appointment shall also be approved by the members of the Company.

The Company at its Board Meeting held on May 5, 2018, recommended the appointment of M/s. A. P. Sanzgiri & Co., Chartered Accountants, (Firm Registration No. 116293W) as Statutory Auditors of the Company for the financial year 2017 – 2018 until the conclusion of ensuing Annual General Meeting to fill in the casual vacancy caused due to resignation of M/s. Price Waterhouse & Co Chartered Accountants LLP.

The Company also sought the approval of the members of the Company through Postal Ballot to consider the appointment of M/s. A. P. Sanzgiri & Co., Chartered Accountants as Statutory Auditors of the Company.

The new auditors carried out the Annual Audit of the financial statements (standalone and consolidated) of the Company for the financial year 2017-18 and the Audited results were filed with Stock Exchanges on June 14, 2018.

Based on the above facts and circumstances, which were beyond the control of the Company, the Company was not in the position to submit the annual audited financial statements for the year ended March 31, 2018 by May 30, 2018.

Also note that it was the first instance wherein the Company had failed to submit the results within the prescribed time limit.

Directors' Report

Observation 2: With respect to the Inspection under Section 206(5) read with Section 207 of the Companies Act, 2013, Board of Directors would like to state as under:

The Ministry of Corporate Affairs (Office of the Regional Director, Western Region) vide its letter dated 25th September, 2018 ordered an Inspection of Books of Accounts under section 206(5) r.w. section 207 of the Companies Act, 2013 of Vakrangee Limited (hereinafter referred to as "Company") having its registered office at Vakrangee Corporate House, Plot No.93, Road No. 16, MIDC, Marol, Andheri – East, Mumbai – 400 093 and also asked for information.

The Company submitted its reply and based on the reply, the Ministry of Corporate Affairs, (Office of the Regional Director, Western Region) vide its letter dated 09th January, 2019 further communicated its preliminary findings report to the Company.

The Company submitted its reply on 24th January, 2019 on the above preliminary findings. The Ministry of Corporate Affairs vide its letter dated May 2, 2019, requested the company to furnish certain information which was replied by the Company.

Thereafter the Company made suo motto compounding application to Regional Director (Western Region) under section 441 of the Companies Act, 2013 for violation of section 129 of the Act. The matter was heard on 25th June, 2019 and Order was issued by Regional Director on 03rd July, 2019 wherein the matter was compounded.

Apart from the above, the Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

16. 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 Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is placed on the website of the Company at http://www.vakrangee.in/pdf/company-policies/Whistle_Blower_and_Vigil_Mechanism.pdf

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All women employees (permanent, contractual, temporary and trainee) are covered under this Policy. During the year 2018 - 19, no complaints on sexual harassment were received.

We hereby state and confirm that, the Company has constituted an internal complaints committee to redress complaints received regarding sexual harassment under provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial year of the Company to which the Financial Statement relate and the date of this report.

There was no change in company's nature of business during the FY 2018 - 19.

19. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Policy of the Company on materiality of related party transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. The members may refer Note. 42 to

Directors' Report

the Financial Statements which sets out Related Party disclosures pursuant to Ind AS. There are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on the Company's website http://www.vakrangee.in/company_policies.php. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

20. BUSINESS RESPONSIBILTY REPORT

A separate section on Business Responsibility Report forms part of this Annual Report as required under Regulation 34(2)(f) of SEBI LODR 2015.

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

Particulars of Loans, Guarantees and Investments covered under provisions of section 186 of the Act, if any, are given in the notes to the Financial Statements.

22. 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.

The statutory auditors of the Company has audited the financial statements included in this annual report and has issued a report on our internal financial controls over financial reporting as defined in Section 143 of the Act.

23. EMPLOYEES STOCK OPTION SCHEME

The Company has in place two Employees Stock Option Scheme ("ESOP Scheme") namely, ESOP scheme 2008 and ESOP scheme 2014. The Company has implemented both the schemes in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines').

Both the ESOP Schemes of the Company are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("the Regulations") and no material changes in both the scheme were carried out during the year under review.

The details required to be disclosed under SEBI Guidelines are available on Company's web-site www.vakrangee.in.

24. 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, 2019 made under the provisions of Section 92(3) of the Companies Act, 2013 in **Form MGT-9** is annexed herewith as **"Annexure 7"**.

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

During the year under review, no significant and material orders were passed by the Regulators, Securities Exchange Board of India, Stock Exchanges, Tribunal or Courts which impact the going concern status and the Company's operations in future.

26. HUMAN RESOURCES DEVELOPMENT AND 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.

27. AFFIRMATION ON COMPLIANCE OF SECRETARIAL STANDARDS

The Company hereby affirms that during the year under review Company has complied with all the applicable secretarial standards (including any modifications or amendments thereto) issued by the Institute of Company Secretaries of India.

Directors' Report

28. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

29. DISCLOSURE WITH RESPECT TO MAINTENANCE OF COST RECORDS

Your Company doesn't fall within the scope of Section 148(1) of the Companies Act, 2013 and hence does not require to maintain cost records as specified by the Central Government.

30. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

As required under section 124 of the Act, Unclaimed dividend amount aggregating to ₹ 2,84,076/- pertaining to financial year ended on March 31, 2011 lying with the Company for a period of seven years was transferred during the financial year 2018-19, to Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, as required under section 124 of the Act, 78,536 equity shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund Authority during the financial year 2018-19. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

The Company have appointed Mr. Mehul Raval, as the Nodal Officer to ensure compliance with the IEPF Rules.

CAUTIONARY STATEMENT

Statements in the Board's Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply, input costs, availability, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

ACKNOWLEDGEMENT AND APPRECIATION

Your Directors take this opportunity to thank the employees, customers, vendors, investors of the Company and the communities in which the Company operates. The Board also wishes to place on record their appreciation for the hard work, dedication and commitment of the employees at all levels. The Board looks forward to their continued support and understanding in the years to come.

On behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
(DIN: 00062532)

Place: Mumbai
Date: August 13, 2019

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 1

DIVIDEND DISTRIBUTION POLICY

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

1. Interpretation

1.1 "The Company" refers to Vakrangee Limited.

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

2. Introduction

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

3. Objectives

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

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

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

4. Provisions of Companies Act, 2013

Section 123 - Declaration of Dividend:

1. No dividend shall be declared or paid for any financial year except—

(a) out of the profits of the company for that year arrived at after providing for depreciation, or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or

(b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:

- The company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company.
- No dividend shall be declared or paid by a company from its reserves other than free reserves.

2. For the purposes of clause (a) of sub-section (1), depreciation shall be provided in accordance with the provisions of Schedule II.

3. The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared.

Directors' Report

5. **FACTORS TO BE CONSIDERED**

- The liquidity position of the Company.
- Need to repay debt – often times there are negative covenants that restrict the dividends that can be paid as long as the debt is outstanding.
- The rate of asset expansion – the greater the rate of expansion of the firm, the greater the need to retain earnings to finance the expansion.
- Control of the firm – if dividends are paid out today, equity may have to be sold in the future causing a dilution of ownership.

Financial Parameters / Internal Factors:

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

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

External Factors:

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

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

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

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

7. **Utilization of retained earnings**

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

This Policy will be reviewed periodically by the Board.

Annexure - 2

ANNEXURE TO THE DIRECTORS' REPORT

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 subsidiaries companies

(in ₹ Lakhs, except % of shareholdings and exchange rate)

Sr. No.	Name of the Subsidiary	The date when the subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
1	Vakrangee Finserve Limited	11/09/2011	March 31, 2019	INR	1500	1452.06	4150.04	1197.98	0.00	6193.30	998.60	312.37	686.24	Nil	100%
2	Vakrangee e-Solutions Inc.	08/05/2009	March 31, 2019	1 PHP=1.31	96.00	405.93	3008.34	2506.41	0.00	0.00	(13.80)	(107.20)	(121.00)	0.00	100%
3	Vakrangee Logistics Private Limited	18/03/2016	March 31, 2019	INR	1200	(298.66)	905.08	3.74	Nil	22.09	(60.45)	(0.10)	(60.55)	Nil	100%

Note: 1. Names of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year - NIL

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 3

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

1	The ratio of the remuneration of each Director to the median Remuneration of the employees of the company for the financial year;	**Executive Directors** Mr. Dinesh Nandwana (Executive Chairman) - 113.79:1 #Mr. Anil Khanna (Managing Director & Group CEO) - N.A. Dr. Nishikant Hayatnagarkar (Whole-time Director) -26.53:1 **Non-Executive Directors**** Mr. Ramesh Joshi – 1.40:1 Mr. Babu Lal Meena - 0.93:1 Mr. Avinash Vyas – 1.19:1 Mr. Sunil Agarwal - 0.64:1 Mrs. Sujata Chattopadhyay - 1.27:1 Mr. Ranbir Datt - 1.06:1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr. Dinesh Nandwana – Executive Chairman - NIL Mr. Anil Khanna - Managing Director & Group CEO - N.A. Dr. Nishikant Hayatnagarkar - Whole-time Director - NIL Mr. Mehul Raval – Company Secretary - NIL Mr. Subhash Singhania – Chief Financial Officer - NIL
3	The percentage increase in the median remuneration of Employees in the financial year;	NIL
4	the number of Permanent Employees on the rolls of the Company;	1863 (excluding Executive Chairman, Managing Director & Group CEO and Whole-time Director)
5	Average percentile increase already made in the Salaries of Employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There have been no increase in the salaries of the employees as well as managerial remuneration as compared to last year.
6	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.

**Non-Executive Directors of the Board were paid only sitting fees.
Since the remuneration of these Directors is only part of the year, the ratio of their remuneration to median remuneration is not comparable.

For and on behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman

Mumbai,
August 13, 2019

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 4

A. Nomination and Remuneration and Compensation Policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations & Disclosure Requirements) 2015 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 Management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and shall comprise all members of management one level below the Chief Executive Officer / Managing Director / Whole time Director / Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

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

Directors' Report

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.

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

Directors' Report

such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

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

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

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

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

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

3) Remuneration to Key Managerial Personnel and Senior Management:

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

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

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

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

IMPLEMENTATION

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

B. Appointment Policy

The Appointment Policy for Independent Directors, Key Managerial Personnel & Senior Executives will be as under-

(A) Independent Directors:

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

(B) Key Managerial Personnel (KMP):

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

(C) Senior Executives:

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

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 5

STATEMENT CONTAINING INFORMATION AS PER SECTION 135 READ WITH 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	Mr. Dinesh Nandwana (Chairman) Mr. Ramesh Joshi (Member) Mr. Sunil Agarwal (Member)
3	Average net profit of the Company for last three financial years	₹ 80,575 Lakhs
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 1,611.51 Lakhs
5.	Details of CSR spent during the financial year. (1) Total amount to be spent for the F.Y.2018-2019 (2) Amount unspent	 ₹ 1,611.51 Lakhs ₹ 1,519.01 Lakhs

Directors' Report

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

(₹ in Lakhs)

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the project is covered (Clause number of Schedule VII to the Companies Act, 2013, as amended)	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	(7) Cumulative Expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
1	My Home India	Cl.(iii) Social Awareness	Mumbai (Maharashtra)	80.00	80.00	710.00	Direct
2	Rajasthani Seva Sanstha, Bhayander	Cl.(i) Health Care	Thane (Maharashtra)	2.50	2.50	9.75	Direct
3	Lions Club of Juhu Service Fund	Cl.(ii) Infrastructure for Education	Mumbai (Maharashtra)	5.00	5.00	5.50	Direct
4	Mental Health Foundation (India)	Cl.(i) Health Care	New Delhi	5.00	5.00	5.00	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.	The reasons for not spending the CSR amount have been explained in the main Directors' Report.

Mr. Dinesh Nandwana
Chairman of CSR Committee
(DIN: 00062532)

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

Place: Mumbai
Date: 13th August, 2019

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 6

Form No. MR-3
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, 2019

To,
The Members,
Vakrangee Limited
Vakrangee Corporate House,
Plot No 93, Road No. 16,
M.I.D.C. Marol,
Andheri (East),
Mumbai - 400093

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by **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 Company'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, 2018 to 31st March, 2019 ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, for the period 1st April, 2018 to 31st March, 2019 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment; **(Not Applicable to the Company during the period under Audit)**

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

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

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

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

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

e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable as the Company has not made any further issue of Shares)**

f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Now known as The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(The Company has not issued any Debt Securities during the financial year under review)**

Directors' Report

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

i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; **(Not applicable as the Company has not brought back/propose to Buy-back any of its securities during the Financial Year under review)**

(vi) The Company has complied with following specific laws applicable to the Company

i. Information Technology Act, 2000;

ii. Payment and Settlement Systems Act, 2007;

iii. Insurance Regulatory and Development Authority Act, 1999.

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 list of major head/ groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure II**.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, guidelines, Standards etc. mentioned above except to the extent mentioned below:

1. The Company has not submitted annual audited standalone and consolidated financial results for the financial year ended 31st March, 2018 along with audit report within 60 days from the end of the financial year as required under Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to Bombay Stock Exchange and National Stock Exchange. However the Company has paid the penalty as levied by the said Stock Exchanges for delayed submission of the said financial results on June 14, 2018.

2. The Ministry of Corporate Affairs, Office of the Regional Director, Western Region, Mumbai 400002 had conducted inspection under Section 206(5) read with Section 207 of the Companies Act, 2013 and had asked for various information which were duly furnished by the Company. During the course of inspection, certain replies/explanations/documents were sought, which were submitted by the Company. The Company on January 09, 2019 received Preliminary Findings Report from MCA asking for further explanation, to which the Company had submitted its reply. Further, vide letter dated May 02, 2019 the Regional Director, Western Region, had asked the Company to furnish the information with regard to amount collected from franchisees and details with regard to disclosure requirements of other assets and liabilities.

   No further action was directed to be taken against the Company on rest of the queries raised except with regard to amount collected from franchisees and details with regard to disclosure requirements of other assets and liabilities.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 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.

Directors' Report

In case of Direct and Indirect Tax Laws like Income Tax Act, Goods and Service Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period, the Company has not undertaken event/action 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:

1. M/s. Price Waterhouse & Co Chartered Accountants LLP, (FRN 304026E/300009) were appointed as Statutory Auditors of the Company for a term of 5 (five) years at the 27th Annual General Meeting of the Company held on September 23, 2017. However the said Statutory Auditors resigned vide letter dated April 27, 2018 resigned from their position as the Statutory Auditors of the Company with immediate effect.
2. The Board of Directors of the Company at its meeting held on May 05, 2018 recommended to the members of the Company, the appointment of M/s. A. P. Sanzgiri & Co., Chartered Accountants. (Firm Registration No. 116293W) as the Statutory Auditors of the Company to fill up the casual vacancy caused by resignation of M/s. Price Waterhouse & Co Chartered Accountants LLP.

   The Members of the Company granted their consent to appoint M/s. A. P. Sanzgiri & Co., Chartered Accountants. (Firm Registration No. 116293W) as the Statutory Auditors of the Company to fill up the casual vacancy vide Ordinary Resolution passed through Postal Ballot effective June 13, 2018.

   The Members of the Company at the 28th Annual General Meeting of the Company held on September 28, 2018 appointed M/s. A. P. Sanzgiri & Co., Chartered Accountants. (Firm Registration No. 116293W) as the Statutory Auditors of the Company for a term of 4 (four) consecutive years from the conclusion of 28th Annual General Meeting till the conclusion of the Thirty Second (32nd) Annual General Meeting.
3. Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from April 01, 2019 the Members of the Company at the Annual General Meeting of the Company held on September 28, 2018 accorded their consent for continuation of the directorship of Mr. Ramesh Joshi (DIN: 00002683) who has already attained the age of 75 years as Non-Executive Independent Director of the Company.
4. The Board of Directors of the Company in its meeting held on January 25, 2019 re-designated Mr. Dinesh Nandwana (DIN: 00062532), Managing Director and CEO of the Company to Executive Chairman of the Company with immediate effect.
5. The Board of Directors of the Company in its meeting held on January 25, 2019, subject to approval by the members, appointed Mr. Anil Khanna (DIN: 01334483), as the Managing Director & Group CEO of the Company for a period of 5 (five) years with immediate effect.
6. A complaint was filed against the Company with the office of Economic Offence Wing (EOW), Crawford Market, Mumbai 400001. After investigation, EOW has closed the said complaint.

Place: Mumbai
Date: May 10, 2019

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

Dr. S. K. Jain
Practicing Company Secretary
Membership No. FCS 1473
COP No. 3076

This report is to be read with our letter of even date which is annexed as **"Annexure - III"** and forms an integral part of this report.

Directors' 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 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 Obligations and Disclosure Requirements 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 Statutory Auditor;
10. Closure of Register of Members/record date for dividends;
11. Declaration and payment of dividend.

Place: Mumbai
Date: May 10, 2019

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

Dr. S. K. Jain
Practicing Company Secretary
Membership No. FCS 1473
COP No. 3076

Directors' Report

ANNEXURE – II

List of applicable laws to the Company

1. The payment of Bonus Act, 1965
2. The payment of Gratuity Act, 1972
3. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
4. The Maternity Benefits Act,1961
5. The Employees Provident Fund and Miscellaneous Provision Act,1952
6. The Professional tax Act, 1975

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.

Place: Mumbai
Date: May 10, 2019

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

Dr. S. K. Jain
Practicing Company Secretary
Membership No. FCS 1473
COP No. 3076

Directors' Report

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - 7

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
as on the Financial year ended March 31, 2019
[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/ Indian Non-Government Company
Address of the Registered Office and Contact Details	Vakrangee Corporate House, Plot No. 93, Road No. 16, M.I.D.C. Marol, Andheri (E), Mumbai - 400 093. Tel No.: 022-67765100 Email Id: info@vakrangee.in Website: www.vakrangee.in
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059 Tel No.: 022-62638200 Email Id: info@bigshareonline.com Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Vakrangee Kendra	631, 639, 662, 461, 479, 791, 641, 661, 649	93.27

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 Corporate House, Plot No. 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai-400093	U74930MH20 11PLC221655	Subsidiary	100	2(87)
2	Vakrangee e-Solutions INC	19th Floor, Octagon Center, San Miguel Avenue, Ortigas Center, Pasig City, Metro Manila, Philippines	-	Subsidiary	100	2(87)
3	Vakrangee Logistics Private Limited	Vakrangee Corporate House, Plot No. 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai-400093	U60231MH20 16PTC274618	Subsidiary	100	2(87)

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: 01/04/2018				No. of Shares held at the end of the year: 31/03/2019				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(A) Shareholding of Promoter and Promoter Group										
(1) Indian										
(a)	INDIVIDUAL / HUF	59930200	0	59930200	5.66	59930200	0	59930200	5.66	0.00
(b)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	BODIES CORPORATE	382050070	0	382050070	36.08	382050070	0	382050070	36.08	0.00
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)									
(i)	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(1) :	**441980270**	**0**	**441980270**	**41.74**	**441980270**	**0**	**441980270**	**41.74**	**0.00**
(2) Foreign										
(a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
(c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total holding for promoters									
	(A)=(A)(1) + (A)(2)	**441980270**	**0**	**441980270**	**41.74**	**441980270**	**0**	**441980270**	**41.74**	**0.00**
(B) Public shareholding										
(1) Institutions										
(a)	CENTRAL/STATE GOVERNMENT	0	0	0	0.00	0	0	0	0.00	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	776231	16000	792231	0.07	54383	16000	70383	0.01	(0.07)
(c)	MUTUAL FUNDS / UTI	37560	0	37560	0.00	0	0	0	0.00	0.00
(d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	INSURANCE COMPANIES	68191981	0	68191981	6.44	68191981	0	68191981	6.44	0.00
(f)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(g)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(h)	ANY OTHERS (Specify)	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: 01/04/2018				No. of Shares held at the end of the year: 31/03/2019				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(i)	FOREIGN PORTFOLIO INVESTOR/FII's	308290166	0	308290166	29.12	153771933	0	153771933	14.52	(14.60)
(j)	ALTERNATE INVESTMENT FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(1) :	**377295938**	**16000**	**377311938**	**35.64**	**222018297**	**16000**	**222034297**	**20.97**	**(14.67)**
(2) Non-institutions										
(a)	BODIES CORPORATE	104384983	64000	104448983	9.86	130234326	56000	13029036	12.31	2.44
(b)	INDIVIDUAL									
(i)	(CAPITAL UPTO TO ₹ 1 Lakh)	42380623	2081059	44461682	4.20	144806168	1731024	146537192	13.84	9.64
(ii)	(CAPITAL GREATER THAN ₹ 1 Lakh)	65956649	0	65956649	6.23	83160759	0	83160759	7.85	1.62
(c)	ANY OTHERS (Specify)									
(i)	HUF	0	0	0	0.00	32331	0	32331	0.00	0.00
(ii)	TRUSTS	558496	0	558496	0.05	302842	0	302842	0.03	(0.02)
(iii)	CLEARING MEMBER	13445404	0	13445404	1.27	16298666	0	16298666	1.54	0.27
(iv)	NON RESIDENT INDIANS (NRI)	4554199	0	4554199	0.42	15568298	0	15568298	1.47	1.05
(v)	IEPF	1914423	0	1914423	0.18	1992959	0	1992959	0.19	0.01
(vi)	NBFCs registered with RBI	4171046	0	4171046	0.39	605150	0	605150	0.06	(0.34)
	SUB TOTAL (B)(2) :	**237365823**	**2145059**	**239510882**	**22.62**	**393001499**	**1787024**	**394788523**	**37.29**	**14.67**
	Total Public Shareholding									
	(B)=(B)(1) + (B)(2)	**614661761**	**2161059**	**616822820**	**58.26**	**615019796**	**1803024**	**616822820**	**58.26**	**(0.00)**
(C) Shares held by Custodians and against which Depository Receipts have been issued										
(a)	SHARES HELD BY CUSTODIANS									
(i)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (C)(1) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	(C)=(C)(1)		**0**		**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Grand Total (A) + (B) + (C)	**1056642031**	**2161059**	**1058803090**	**100.00**	**1057000066**	**1803024**	**1058803090**	**100.00**	**0.00**

Directors' Report

(ii) Shareholding of Promoters

Sr. No	NAME	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	DINESH NANDWANA (HUF)	196000	0.02	0.00	196000	0.02	0.00	0.00
2	DINESH NANDWANA	59734200	5.64	0.00	59734200	5.64	0.00	0.00
3	VAKRANGEE HOLDINGS PRIVATE LIMITED	250950388	23.70	0.00	250950388	23.70	0.00	0.00
4	NJD CAPITAL PRIVATE LIMITED	131099682	12.38	0.00	131099682	12.38	0.00	0.00
		441980270	**41.74**	**0.00**	**441980270**	**41.74**	**0.00**	**0.00**

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

Name	Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
Dinesh Nandwana	Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
At the beginning of the year	5,97,34,200	5.64	5,97,34,200	5.64
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
At the end of the year (31-03-2019)	**5,97,34,200**	**5.64**	**5,97,34,200**	**5.64**

Name	Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
Dinesh Nandwana (HUF)	Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
At the beginning of the year	1,96,000	0.02	1,96,000	0.02
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
At the end of the year (31-03-2019)	**1,96,000**	**0.02**	**1,96,000**	**0.02**

Directors' Report

Name	Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
Vakrangee Holdings Private Limited	**Number of Shares**	**% of total shares of the company**	**Number of Shares**	**% of total shares of the company**
At the beginning of the year	25,09,50,388	23.70	25,09,50,388	23.70
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
At the end of the year (31-03-2019)	**25,09,50,388**	**23.70**	**25,09,50,388**	**23.70**

Name	Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
NJD Capital Private Limited	**Number of Shares**	**% of total shares of the company**	**Number of Shares**	**% of total shares of the company**
At the beginning of the year	13,10,99,682	12.38	13,10,99,682	12.38
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
At the end of the year (31-03-2019)	**13,10,99,682**	**12.38**	**13,10,99,682**	**12.38**

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

Sr. No.	Name	Shareholding		Date of Credit/ Debit	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	**Life Insurance Corporation of India**	6,71,29,647	6.34	01-04-2018	0	Nil movement during the year		
		6,71,29,647	6.34	31-03-2019			6,71,29,647	6.34
2	**Mathews Emerging Asia Fund**	1,703,494	0.16	01-04-2018				
				24-04-2018	9,22,544	Transfer	26,26,038	0.25
				07-12-2018	10,18,964	Transfer	36,45,002	0.34
				14-12-2018	77,61,945	Transfer	1,14,06,947	1.08
				08-02-2019	41,04,488	Transfer	1,55,11,435	1.47
		1,55,11,435	1.47	31-03-2019			1,55,11,435	1.47

Directors' Report

Sr. No.	Name	Shareholding		Date of Credit/ Debit	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
3	**Wellington Trust Company, National Association Multiple Common Trust Funds Trust, Emerging**	1,17,59,045	1.11	01-04-2018				
				03-04-2018	(9,657)	Transfer	1,17,49,388	1.11
				20-04-2018	4,65,815	Transfer	1,22,15,203	1.15
				07-09-2018	(9,55,433)	Transfer	1,12,59,770	1.06
		1,12,59,770	1.06	31-03-2019			1,12,59,770	1.06
4	**Bay Pond Partners, L.P.**	0	0.00	01-04-2018				
				25-01-2019	33,86,854	Transfer	33,86,854	0.32
				01-03-2019	(3,38,685)	Transfer	30,48,169	0.29
				08-03-2019	8,58,257	Transfer	39,06,426	0.37
				15-03-2019	26,06,455	Transfer	65,12,881	0.62
				22-03-2019	23,34,930	Transfer	88,47,811	0.84
				29-03-2019	21,64,759	Transfer	1,10,12,570	1.04
		1,10,12,570	1.04	31-03-2019			1,10,12,570	1.04
5	**Jeshtha Properties Private Limited**	17,09,987	0.16	01-04-2018				
				25-04-2018	(17,00,000)	Transfer	9,987	0.00
				11-05-2018	95,50,000	Transfer	95,59,987	0.90
				14-12-2018	5,75,000	Transfer	1,01,34,987	0.96
		1,01,34,987	0.96	31-03-2019			1,01,34,987	0.96
6	**Amita Ravi Agarwal**	0	0.00	01-04-2018				
				01-02-2019	35,60,895	Transfer	35,60,895	0.34
				08-02-2019	1,93,9105	Transfer	55,00,000	0.52
				15-02-2019	22,00,000	Transfer	77,00,000	0.73
				22-02-2019	8,50,000	Transfer	85,50,000	0.81
		85,50,000	0.81	31-03-2019			85,50,000	0.81
7	**Vanguard Total International Stock Index Fund**	6,939,170	0.66	01-04-2018				
				06-07-2018	5,40,824	Transfer	74,79,994	0.71
				21-12-2018	23,938	Transfer	75,03,932	0.71
				28-12-2018	7,51,629	Transfer	82,55,561	0.78
		82,55,561	0.78	31-03-2019			82,55,561	0.78

Directors' Report

Sr. No.	Name	Shareholding: No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	Shareholding: % of total shares of the Company	Date of Credit/ Debit	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019): No. of Shares	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019): % of total shares of the Company
8	**Highpoint Trading Company Private Limited**	65,58,616	0.62	01-04-2018				
				12-04-2018	19,00,000	Transfer	84,58,616	0.80
				20-04-2018	(1,30,000)	Transfer	83,28,616	0.79
				23-04-2018	45,000	Transfer	83,73,616	0.79
				24-04-2018	(59,732)	Transfer	83,13,884	0.79
				11-05-2018	(19,00,000)	Transfer	64,13,884	0.61
				25-05-2018	9,00,000	Transfer	73,13,884	0.69
				15-06-2018	9,40,000	Transfer	82,53,884	0.78
		82,53,884	0.78	31-03-2019			82,53,884	0.78
9	**Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity**	87,21,926	0.82	01-04-2018				
				19-04-2018	(43,550)	Transfer	86,78,376	0.82
				05-06-2018	(13,065)	Transfer	86,65,311	0.82
				29-06-2018	(5,89,262)	Transfer	80,76,049	0.76
				29-03-2019	20,884	Transfer	80,96,933	0.76
		80,96,933	0.76	31-03-2019			80,96,933	0.76
10	**Hetanshi Properties Private Limited**	6,39,290	0.06	01-04-2018				
				11-05-2018	1,01,10,000	Transfer	1,07,49,290	1.02
				29-06-2018	(30,01,000)	Transfer	77,48,290	0.73
				12-10-2018	5,00,000	Transfer	82,48,290	0.78
				19-10-2018	3,32,049	Transfer	85,80,339	0.81
				02-11-2018	1,79,098	Transfer	87,59,437	0.83
				07-12-2018	(5,00,000)	Transfer	82,59,437	0.78
				21-12-2018	(3,50,000)	Transfer	79,09,437	0.75
				29-03-2019	6,000	Transfer	79,15,437	0.75
		79,15,437	0.75	31-03-2019			79,15,437	0.75

Directors' Report

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
1.	**Mr. Dinesh Nandwana**				
	At the beginning of the year	5,97,34,200	5.64	5,97,34,200	5.64
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year (31-03-2019)	**5,97,34,200**	**5.64**	**5,97,34,200**	**5.64**
2.	**Mr. Anil Khanna**				
	At the beginning of the year (25-01-2019)	24,22,600	0.23	24,22,600	0.23
	Transactions (purchase) from January 25, 2019 upto March 31, 2019)	23,03,000	0.22	47,25,600	0.45
	At the end of the year (31-03-2019)	**47,25,600**	**0.45**	**47,25,600**	**0.45**
3.	**Mr. Ramesh Multanchand Joshi**				
	At the beginning of the year	300	0.00	300	0.00
	Transactions (purchase) from April 01, 2018 upto March 31, 2019)	200	0.00	500	0.00
	At the end of the year (31-03-2019)	**500**	**0.00**	**500**	**0.00**
4.	**Dr. Nishikant Hayatnagarkar**				
	At the beginning of the year	99,288	0.00	99,288	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year (31-03-2019)	**99,288**	**0.00**	**99,288**	**0.00**
5.	**Mr. Sunil Agarwal**				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-

Directors' Report

Sr. No.	Name	Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
	At the end of the year (31-03-2019)	**-**	**-**	**-**	**-**
6.	**Mrs. Sujata Chattopadhyay**				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year (31-03-2019)	**-**	**-**	**-**	**-**
7.	**Mr. Babu Lal Meena**				
	At the beginning of the year	14,670	0.00	14,670	0.00
	Transactions (purchase) from April 01, 2018 upto March 31, 2019	19,142	0.00	33,812	0.00
	At the end of the year (31-03-2019)	**33,812**	**0.00**	**33,812**	**0.00**
8.	**Mr. Avinash Chandra Vyas**				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year (31-03-2019)	**-**	**-**	**-**	**-**
9.	**Mr. Ranbir Datt**				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year (31-03-2019)	**-**	**-**	**-**	**-**
10.	**Mr. Subhash Singhania**				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-

Directors' Report

Sr. No.	Name	Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
	At the end of the year (31-03-2019)	**100**	**0.00**	**100**	**0.00**
11.	**Mr. Mehul Raval**				
	At the beginning of the year	750	0.00	750	0.00
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year (31-03-2019)	**750**	**0.00**	**750**	**0.00**

V. INDEBTEDNESS

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

(₹ in Lakhs)

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

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 (Executive Chairman)	Mr. Anil Khanna (Managing Director & Group CEO)	Dr. Nishikant Hayatnagarkar (Whole-time Director)	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	268.77	139.11	62.65	470.53
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Options*	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission (as % of profit)	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	**268.77**	**139.11**	**62.65**	**470.53**
	Ceiling as per the Act (being 10% of the Net Profit computed in the manner laid down in Section 198 of Companies Act, 2013)	396.99 Lakhs			

* Mr. Anil Khanna was granted 1,00,00,000 number of stock options as per the ESOP plan of the Company.

B. Remuneration to other Directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Ramesh Joshi	Mr. Sunil Agarwal	Mrs. Sujata Chattopadhyay	Mr. Babu Lal Meena	Mr. Avinash Chandra Vyas	Mr. Ranbir Datt	
1.	Independent Directors							
	Sitting fee for attending Board / Committee Meetings	3.30	1.50	3.00	2.20	2.80	--	12.80
	- Commission	--	--	--	--	--	--	--
	- Others	--	--	--	--	--	--	--
	Total (1)	**3.30**	**1.50**	**3.00**	**2.20**	**2.80**	**--**	**12.80**
2.	Other Non-Executive Directors							
	Sitting fee for attending Board / Committee meetings	--	--	--	--	--	2.50	2.50
	- Commission	--	--	--	--	--	--	-
	- Others	--	--	--	--	--	--	-
	Total (2)	**--**	**--**	**--**	**--**	**--**	**2.50**	**2.50**
	Total (B)=(1+2)	**3.30**	**1.50**	**3.00**	**2.20**	**2.80**	**2.50**	**15.30**
	Total Managerial Remuneration							NIL
	Overall Ceiling as per the Act (being 1% of the Net Profit computed in the manner laid down in Section 198 of Companies Act, 2013)	N.A.						

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
		Mr. Subhash Singhania (Chief Financial Officer)	Mr. Mehul Raval (Company Secretary)	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	57.61	28.12	85.73
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(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)	-	-	-
5.	Others, please specify	-	-	-
	Total (C)	**57.61**	**28.12**	**85.73**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

On behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
(DIN:00062532)

Place: Mumbai
Date: August 13, 2019

Corporate Governance Report

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, fair play and independence in its decision making.

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

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

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

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

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. Your Company is committed to maintain the highest standards of Corporate Governance. Your directors adhere to the stipulations set out in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015).

Your Board of Directors present the Corporate Governance Report for the year 2018-19:

BOARD OF DIRECTORS

Composition:

The Board comprises of 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 Nine Directors comprising five non-executive Independent Directors (including one women director), one Nominee Director representing Life Insurance Corporation of India Limited, holding equity investment in the Company and three Executive Directors.

None of the Directors of your Company are inter-se related to each other. The composition of Board is in conformity with the SEBI LODR 2015.

None of the Director on the Board is a Member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the Indian public companies in which he/she is a Director. Necessary disclosures regarding their committee positions have been made by all the Directors.

None of the Directors hold office in more than ten public companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of Listed Companies as prescribed under regulation 17A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

None of the Whole Time Director/Managing Director is an Independent Director in any other listed Companies

Board is of the opinion that the Independent Directors fulfil the conditions specified in the SEBI LODR 2015 and are independent of the Management.

Corporate Governance Report

The Board has identified the following skills/expertise/competencies for the effective functioning of the Company which are currently available with the Board Members:

- Knowledge on Company's business, policies and culture, major risks, threats and potential opportunities and knowledge of the Industry.
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, sales and marketing, corporate governance, forex management administration, decision making.
- Technical/Professional skills and specialized knowledge in relation to Company's business.

The Board consists of 9 directors. The details of the Board of Directors as on March 31, 2019 are given below:

Name	Category	Designation	Date of appointment	No. of other Directorship held #	Directorship in other Listed Company and category of Directorship	Chairmanship in Committees of Boards of other companies$	Membership in Committees of Boards of other companies
Mr. Dinesh Nandwana	Promoter & Executive	Executive Chairman	28/05/1990	3	NIL	NIL	NIL
Mr. Anil Khanna*	Executive	Managing Director and Group CEO	25/01/2019	NIL	NIL	NIL	NIL
Dr. Nishikant Hayatnagarkar	Executive	Whole-Time Director	27/08/1999	2	NIL	NIL	NIL
Mr. Sunil Agarwal	Non Executive, Independent	Director	28/06/2002	NIL	NIL	NIL	NIL
Mr. Ramesh Joshi	Non Executive, Independent	Director	20/10/2006	1	Nil	Nil	Nil
Mr. B. L. Meena	Non Executive, Independent	Director	25/10/2010	NIL	NIL	NIL	NIL
Mr. Ranbir Datt	Nominee Director -	Nominee Director	12/02/2018	NIL	NIL	NIL	NIL
Mr. Avinash Vyas	Non Executive, Independent	Director	14/11/2014	NIL	NIL	NIL	NIL
Mrs. Sujata Chattopadhyay	Non Executive, Independent	Director	31/03/2015	5	1) IITL Projects Limited - Non Executive, Independent Director 2) Polygenta Technologies Ltd - Non - Executive, Independent Director 3) Industrial Investment Trust Limited - Non excutive, Independent Director 4) Steel Exchange India Limited - Non executive, Independent Director	1	2

* Mr. Anil Khanna was appointed as Managing Director & Group CEO of the Company w.e.f January 25, 2019.

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 2015.

Corporate Governance Report

BOARD MEETINGS:

During the financial year 2018-19, your Board met six times on 05/05/2018, 19/05/2018, 14/06/2018, 10/08/2018, 30/10/2018 and 25/01/2019 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 2015. All the Board meetings were held at the Company's registered office at Mumbai, India.

The attendance of the directors at the Board Meeting and Annual General Meeting (AGM) held during the year is given below:

Name of the Director	Number of meetings attended	Attended Last AGM	Shareholding in the Company as of March 31, 2019 (no. of shares)
Mr. Dinesh Nandwana	6	Yes	59734200
Mr. Ramesh Joshi	6	Yes	500
Dr. Nishikant Hayatnagarkar	6	Yes	99288
Mr. Sunil Agarwal	3	Yes	NIL
Mr. B. L. Meena	4	Yes	33812
Mr. Avinash Vyas	5	Yes	NIL
Mrs. Sujata Chattopadhyay	6	No	NIL
Mr. Ranbir Datt	5	No	NIL
Mr. Anil Khanna*	Nil	N.A.	4725600

*Mr. Anil Khanna was appointed as Managing Director & Group CEO of the Company w.e.f January 25, 2019.

MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI LODR 2015, a separate meeting of the Independent Directors of the Company was held on October 30, 2018 to review the performance of Non-Independent Directors, Chairman and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

BOARD COMMITTEES

The Board Committees 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. The constitution of the committees and their terms of reference are set out as below:

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 2015.

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;

Corporate Governance Report

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

Composition

The composition of Audit Committee as on March 31, 2019 is as follows:

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

Meetings & Attendance during the year

There were six meetings of the Audit Committee viz. on April 27, 2018, May 05, 2018, June 14, 2018, August 10, 2018, October 30, 2018 and January 25, 2019 and following is the table showing attendance for the same. The Company Secretary acts as the Secretary to the Committee. The gap between two consecutive meetings were not more than 120 days. The details of meeting attended by its members is as follows:

Name of the Director	Category	No. of meetings held	No. of meetings attended
Mr. B. L. Meena	Independent Director (Chairman)	6	4
Mr. Ramesh Joshi	Independent Director	6	6
Mr. Avinash Vyas	Independent Director	6	6

The Chairman of the Audit Committee was present at the last Annual General Meeting.

NOMINATION AND REMUNERATION AND COMPENSATION COMMITTEE

The Nomination and Remuneration and Compensation Committee (NRC 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 2015. Its composition as on March 31, 2019 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

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 functions 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.

Meetings & Attendance during the year

During the year under review, total three meetings of the NRC Committee were held on August 10, 2018 and two meetings were held on January 25, 2019 and following is the table showing attendance for the same. The details of meeting attended by its members is as follows:

Name of the Director	Category	No. of meetings held	No. of meetings attended
Mr. B. L. Meena	Independent Director (Chairman)	3	3
Mr. Ramesh Joshi	Independent Director	3	3
Mr. Sunil Agarwal	Independent Director	3	1

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. The remuneration paid to the Executive Directors is in accordance with the provisions of Section 197 and Part II of Schedule V of Companies Act, 2013.

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

The Directors, whether whole-time or not, but excluding Independent Directors and Promoters of the Company and its subsidiaries, working in India or abroad shall be eligible to participate in the ESOP Schemes of the Company, provided that a director holding, either by himself or through his relative or through any body corporate, directly or indirectly, more than 10% of the outstanding equity shares of the company shall not be entitled to participate in the ESOP Schemes of the company.

Performance Evaluation of Board of Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR 2015, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on October 30, 2018.

Remuneration of Directors

The details of remuneration paid to Directors during the financial year 2018-2019 are as under:

(a) Non Executive Directors

(₹. in Lakhs)

Name of Directors	Sitting Fees
Mr. Ramesh Joshi	3.30
Mr. Sunil Agarwal	1.50
Mr. B. L. Meena	2.20
Mr. Avinash Vyas	2.80
Mrs. Sujata Chattopadhyay	3.00
Mr. Ranbir Datt	2.50

Corporate Governance Report

Independent Directors and Non - Independent Non - Executive Directors are paid sitting fees of ₹ 50,000/- for attending each Meeting of the Board and Members of the Audit Committee are paid sitting fees of ₹5,000/- per meeting.

Sitting fees paid to Independent Directors and Non - Independent Non - Executive Directors are within the regulatory limits.

(b) Executive Directors

(₹. in Lakhs)

Particulars	Mr. Dinesh Nandwana	Mr. Anil Khanna	Dr. Nishikant Hayatnagarkar
Basic	96.00	92.74	33.03
Allowances	96.00	NIL	12.10
HRA	48.00	46.37	13.37
Others (Bonus & Leave Encashment)	28.77	NIL	4.15
Stock Options	NA	#	NIL
Total	268.77	139.11	62.65

The service contract for Mr. Dinesh Nandwana, Mr. Anil Khanna and Dr. Nishikant Hayatnagarkar is for a period of five years effective from October 1, 2014, January 25, 2019 and October 1, 2015 respectively. The notice period is three months for Mr. Dinesh Nandwana and Dr. Nishikant Hayatnagarkar and six months for Mr. Anil Khanna. There is no severance fees.

Mr. Anil Khanna, Managing Director and Group CEO of the Company has been granted 1,00,00,000 stock options of the Company at a exercise price of ₹25/- per option. Options granted shall be exercised after a completion of vesting period of 1 year from the date of grant i.e. January 25, 2019.

STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI LODR 2015, the Company has constituted Stakeholders Relationship Committee.

The composition of the Committee as on March 31, 2019 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:

- De-materialization of Shares
- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meeting etc.
- To review measures taken for effective exercise of voting rights by shareholders.
- To review adherence to the service standards adopted by the listed entity in respect of various service being rendered by the Registrar and Share Transfer Agent.
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Any other related issue.

Mr. Mehul Raval, Company Secretary functions as Compliance Officer as required under SEBI LODR 2015 and also acts as Nodal Officer to ensure compliance with IEPF Rules.

During the financial year under review, 21 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, 2019.

The Company had no transfers pending at the close of 31.03.2019.

Corporate Governance Report

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

The composition of the committee as on March 31, 2019 is as follows:

Sr. No.	Name of the Director	Designation
1.	Mr. Dinesh Nandwana	Executive 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.

General Body Meetings

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

Date	Venue	Time	Special Resolutions passed
September 28, 2018	The Lalit Plaza, Sahar Airport Road, Andheri (East), Mumbai – 400059	10.00 AM	2
September 23, 2017	Hotel Sofitel Mumbai BKC, C 57 Bandra Kurla Complex Bandra East, Mumbai 400051	11.00 AM	NIL
September 30, 2016	The Leela Mumbai, Andheri Kurla Road, Sahar, Mumbai 400 059	11.00 AM	NIL

RESOLUTION(S) PASSED THROUGH POSTAL BALLOT

During the year, members of the Company have approved the resolutions, stated in the below table by requisite majority, by means of Postal Ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated May 05, 2018 along with the Postal Ballot Form was sent in electronic form to the members whose e-mail addresses were registered with the Company / respective Depository Participants. In case of physical shareholding, copies of the Postal Ballot Notice along with Postal Ballot Form was sent in physical, by permitted mode along with self-addressed postage pre-paid Business Reply Envelope.

The Company had published a notice in the newspaper on May 15, 2018 in The Freepress Journal and Navshakti in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard - 2. The voting period commenced from Tuesday, May 15, 2018 at 9:00 a.m. (IST) and ended on Wednesday , June 13, 2018 at 05.00 p.m. (IST).

The voting rights of members were reckoned on the paid-up value of shares registered in the name of member / beneficial owner (in case of electronic shareholding) as on Friday, May 04, 2018.

The Board had appointed Dr. S.K. Jain proprietor of S.K. Jain & Co., Practising Company Secretary, as Scrutiniser to conduct the postal ballot process in a fair and transparent manner and had engaged the services of Central Depository Services (India) Limited as the agency for the purpose of providing e-voting facility.

Dr. S.K. Jain, Scrutiniser, had submitted his report on the Postal Ballot on June 13, 2018. The resolution was passed on June 13, 2018.

Corporate Governance Report

The Company passed following Ordinary Resolution through postal ballot:

Sr. No.	Description	Votes in favour of the resolution (%)	Votes against the resolution (%)
1.	Appointment of M/s. A. P. Sanzgiri & Co., Chartered Accountants, (Firm Registration No. 116293W) as Statutory Auditors to fill the casual vacancy, caused due to resignation of M/s. Price Waterhouse & Co Chartered Accountants LLP	95.94	4.06

No Special Resolution is proposed to be passed through postal ballot.

MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual financial results of the Company are communicated to the stock exchanges immediately after the same are approved by the Board and those are published in prominent English (Free Press Journal) and Marathi (Nav Shakti) newspapers. The results and other news releases are also posted on the Company's website, www.vakrangee.in.

Detailed Investor's presentations on the Company's quarterly, half - yearly as well as annual financial results are available on the Company's website, www.vakrangee.in. and are also sent to the Stock Exchanges.

EQUITY SHARES IN THE SUSPENSE ACCOUNT

As on March 31, 2019, no shares are lying in suspense account.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

The 29th Annual General Meeting of the Company will be held on September 25, 2019 at 10 am at Courtyard by Marriott Mumbai International Airport, CTS 215, Opposite Carnival Cinemas, Andheri Kurla Road, Andheri East, Mumbai, 400059.

Financial Year

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

Financial Calendar for 2019-20

Tentative Schedule	Likely Board Meeting Schedule
Financial reporting for the quarter ending June 30, 2019	On or before August 14, 2019
Financial reporting for half year ended September 30, 2019	On or before November 14, 2019
Financial reporting for the quarter ending December 31, 2019	On or before February 14, 2020
Financial reporting for the year ended March 31, 2020	On or before May 30, 2020
Annual General Meeting for the year ending March 31, 2020	On or before September 30, 2020

Book Closure:

The Company's Register of Members and Share transfer books shall remain closed from Saturday, September 21, 2019 to Wednesday September 25, 2019 (both days inclusive).

Corporate Governance Report

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 25, 2019.

ii. Payment Entitlement:

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

a. For shares in demat form: As beneficial owner as at the end of the business hours on September 20, 2019 as per the list to be provided by the Depositories to the Company.

b. For shares in physical form: As a member in the Register of Member of the Company as on September 20, 2019.

Listing on Stock Exchanges:

Your company's securities are listed on the following stock exchanges.

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

Listing fees for the year 2019-20 have been paid to the above Stock Exchanges.

Stock Code

Stock Exchange	Code
BSE Ltd.	511431
National Stock Exchange of India Ltd.	VAKRANGEE
ISIN no. for Equity Shares (NSDL & CDSL)	INE051B01021

Stock Market Data relating to Equity Shares listed in India:

Month (2018-19)	Price on BSE during each month		Volume traded	Price on NSE during each month		Volume traded
	High	Low		High	Low	
April	210.10	99.90	2,73,63,217	210.30	99.95	9,89,63,760
May	94.95	32.60	38,15,899	95.00	32.60	3,36,28,773
June	66.85	30.85	11,27,14,447	66.85	30.85	40,63,73,991
July	70.15	40.95	4,18,50,494	70.15	40.90	20,44,85,276
August	73.30	37.95	7,23,67,254	73.25	37.95	32,46,62,413
September	43.20	27.95	2,65,32,423	43.25	27.90	12,03,81,159
October	41.75	25.65	2,18,91,254	41.65	25.65	8,67,75,102
November	32.20	22.35	2,44,88,931	32.20	22.35	11,51,74,266
December	41.00	31.40	4,01,98,268	41.00	31.30	16,99,89,524
January	53.05	33.50	4,69,19,588	53.00	33.40	19,96,37,471
February	47.50	39.50	3,41,47,579	47.30	39.50	10,95,78,240
March	54.80	42.30	2,80,30,626	55.00	42.00	12,36,75,775

Corporate Governance Report

Stock Performance of Vakrangee Limited v/s. BSE Sensex & Nifty:

Month (2018-19)	Price on Sensex during each month		Volume traded	Sensex	Price on NSE during each month		Volume traded	Nifty
	High	Low			High	Low		
April	210.10	99.90	2,73,63,217	35160.36	210.30	99.95	9,89,63,760	10739.35
May	94.95	32.60	38,15,899	35,322.38	95.00	32.60	3,36,28,773	10736.15
June	66.85	30.85	11,27,14,447	35,423.48	66.85	30.85	40,63,73,991	10714.30
July	70.15	40.95	4,18,50,494	37,606.58	70.15	40.90	20,44,85,276	11356.50
August	73.30	37.95	7,23,67,254	38,645.07	73.25	37.95	32,46,62,413	11680.50
September	43.20	27.95	2,65,32,423	36,227.14	43.25	27.90	12,03,81,159	10930.45
October	41.75	25.65	2,18,91,254	34,442.05	41.65	25.65	8,67,75,102	10386.60
November	32.20	22.35	2,44,88,931	36,194.30	32.20	22.35	11,51,74,266	10876.75
December	41.00	31.40	4,01,98,268	36,068.33	41.00	31.30	16,99,89,524	10862.55
January	53.05	33.50	4,69,19,588	36,256.69	53.00	33.40	19,96,37,471	10830.95
February	47.50	39.50	3,41,47,579	35,867.44	47.30	39.50	10,95,78,240	10792.50
March	54.80	42.30	2,80,30,626	38,672.91	55.00	42.00	12,36,75,775	11623.90

Registrar and Share Transfer Agent:

Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East),
Mumbai, Maharashtra, 400059.
Telephone No. : 022-62638200
Fax No. : 022-28475207
Email : info@bigshareonline.com

Share Transfer System

Transfers in physical form are registered by the Registrar and Share Transfer Agent immediately on receipt of completed documents and certificates are issued within stipulated time. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective April 1, 2019, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to March 31, 2019 and, have received the same under objection can relodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days.

The Company obtains half-yearly certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub division, consolidation and renewal as required under Regulation 40(9) of SEBI LODR 2015 and files a copy of the said certificate with the concerned Stock Exchanges.

Distribution of shareholding as on March 31, 2019: - (Face Value ₹ 1/- per Share)

Category (No. of Shares)	No. of shareholders	% of shareholders	No. of shares	% total equity
0-5000	154739	96.1966	69978007	6.6092
5001-10000	2897	1.8010	21447836	2.0257
10001-20000	1566	0.9735	22549800	2.1297
20001-30000	482	0.2996	11922134	1.1260
30001-40000	254	0.1579	8911871	0.8417
40001-50000	178	0.1107	8236674	0.7779
50001-100000	288	0.1790	20997153	1.9831
100001- above	453	0.2816	894759615	84.5067
Total	160857	100.0000	1058803090	100.0000

Corporate Governance Report

Category wise Shareholding as on March 31, 2019

Category	No. of Shares	%
Promoters	44,19,80,270	41.74
Financial Institutions/Banks	70,383	0.01
Insurance Companies	6,81,91,981	6.44
Foreign Portfolio Investors	15,37,71,933	14.52
Public	39,47,88,523	37.29
Total	1,05,88,03,090	100.00

Dematerialization of Shares and Liquidity:

The Company's shares are traded in dematerialized form and are available for trading with both the depositories, namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Mode of Holding	No. of shares (as on March 31, 2019)	%
Held with NSDL	842577413	79.58
Held with CDSL	214422653	20.25
Held in Physical Form	1803024	0.17
Total	1058803090	100.00

Outstanding GDRs, ADRs, warrants or any convertible instruments.

The Company has not issued any GDRs/ADRs/Warrants.

Commodity Price Risks or Foreign Exchange Risks and Hedging Activities:

The details of foreign currency exposure have been disclosed in standalone notes to accounts of the Annual Report.

Plant Locations:

In view of the nature of the Company's business viz. Specialty Retail, the Company operates from various offices in India and does not have any manufacturing plant.

Address of Correspondence:

The address of correspondence:

Vakrangee Limited

"Vakrangee Corporate House", Plot No.- 93, Road No. 16, M.I.D.C. Marol, Andheri (E), Mumbai – 400 093.

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

Name	Telephone No.	Email ID	Fax No.
Mehul Raval	022 - 67765100	info@vakrangee.in	022-28502017

Credit Ratings:

During the year under review, the Company has not obtained any credit ratings.

DISCLOSURES

Disclosure on materially significant Related Party Transactions with its Promoter, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

During the year there were no material significant transactions with the related parties viz. Promoters, Directors and their relatives, their Subsidiaries, conflicting with the Company's interest. The policy as to Related Party Transactions as approved by the Board, is available on the Company's website, www.vakrangee.in.

Necessary disclosures as to Related Party Transactions, as required have been made in the standalone notes to accounts of the Annual Report.

Corporate Governance Report

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 year under review, BSE Limited and National Stock Exchange of India Ltd levied a penalty of ₹ 88,500 /- each for delayed submission of Audited Financial Results for the year ended March 31, 2018.

Apart from above, 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.

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 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 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, www.vakrangee.in.

Compliance with Discretionary requirements of SEBI LODR 2015:

The Company has complied with all the mandatory requirements of SEBI (LODR) 2015. The status of compliance with discretionary requirements under Regulation 27(1) and Part E Schedule II of SEBI (LODR), 2015 is provided below:

- Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not sent to the shareholders.
- Audit Qualifications: The Company's financial statement for the financial year 2018-19 does not contain any audit qualification.
- Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee.

MATERIAL SUBSIDIARIES

As on date the Company do not have any material subsidiaries as stipulated under the SEBI LODR 2015. The Company has adopted a policy for determining Material subsidiaries and is available on the website of the Company, www.vakrangee.in.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company at its various meetings held during the Financial year 2018-19 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 them 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 familiarization program imparted to the Independent Directors is available on the website of the Company at www.vakrangee.in.

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.

Corporate Governance Report

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 in line with SEBI (Prohibition of Insider Trading) Regulations, 2015 and followed in spirit.

Disclosure on Compliance:

The Company is in Compliance with,

- The Corporate Governance Requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46.
- all the requirements mentioned in sub- paras (2) to (10) of section C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- During the year under review the Board has accepted all the recommendations of its Committees.
- The Company has obtained certificate from S.K. Jain & Co., Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority.
- Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part is given below:

Payment to Statutory Auditor	FY 2018 - 19 (₹ In Lakhs)
Audit Fees	50.00
Tax Audit Fees	7.50
Other Services	0.23
Reimbursement of Expenses	3.38
Total	61.11

- Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of complaints filed during the year 2018 - 19.	NIL
Number of complaints disposed off during the year 2018 - 19.	NIL
Number of complaints pending as on 31 March 2019	NIL

Compliance Certificate:

The Certificate dated May 10, 2019 issued by Dr. S.K. Jain proprietor of S.K. Jain & Co., Practicing Company Secretary on Compliance with the Corporate Governance requirements by the Company is annexed herewith.

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 2018-19.

Sd/-
Anil Khanna
Managing Director & Group CEO
(DIN:01334483)

Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
VAKRANGEE LIMITED.
Vakrangee Corporate House, Plot No 93, Road No. 16,
M.I.D.C. Marol, Andheri (East), Mumbai - 400093

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vakrangee Limited having CIN: L65990MH1990PLC056669 and having registered office at Vakrangee Corporate House, Plot No 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai - 400093 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Dinesh Nandwana	00062532	28/05/1990
2.	Anil Khanna	01334483	25/01/2019
3.	Nishikant Hayatnagarkar	00062638	27/08/1999
4.	Ramesh Joshi	00002683	20/10/2006
5.	Sunil Agarwal	00062767	28/06/2002
6.	Sujata Chattopadhyay	02336683	31/03/2015
7.	Babu Lal Meena	03281592	25/10/2010
8.	Avinash Vyas	06869633	14/11/2014
9.	Ranbir Datt	08064889	12/02/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR S. K. JAIN & CO.
Dr. S. K. JAIN
Membership No. FCS 1473
C. P. NO. 3076

Place: Mumbai
Date: May 10, 2019

Corporate Governance Report

To The Members of
VAKRANGEE LIMITED
Vakrangee Corporate House,
Plot No.93, Road No.16,
M.I.D.C. Marol, Andheri East,
Mumbai – 400093

We have examined the compliance of conditions of Corporate Governance by **VAKRANGEE LIMITED** for the year ended on 31st March, 2019

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements Responsibility

The Compliance of conditions of Corporate Governance is responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to 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 on the financial statements of the Company.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

We 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.

Restriction on Use

The certification is addressed to and provided to the members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

FOR S. K. JAIN & CO.
Practicing Company Secretary

(Dr. S. K. JAIN)
Proprietor
C. P. NO. 3076

Place : Mumbai
Dated: May 10, 2019

Corporate Governance Report

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, 2019 and that to the best of our knowledge and belief, we state that;

(a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.

(d) We have indicated to the auditors and the Audit committee-

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Yours sincerely,

For **Vakrangee Limited**

Anil Khanna
Managing Director & Group CEO
(DIN : 01334483)

Subhash Singhania
Chief Financial Officer

Place: Mumbai
Date: May 10, 2019

Business Responsibility Report

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L65990MH1990PLC056669
2	Name of the Company	Vakrangee Limited
3	Registered address	Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C. Marol, Andheri (E), Mumbai - 400093.
4	Website	www.vakrangee.in
5	E-mail id	info@vakrangee.in
6	Financial Year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	631 - Data processing, hosting and related activities; web portals 639 - Other information service activities 662 - Activities auxiliary to insurance and pension funding 461 - Wholesale on a fee or contract basis 479 - Retail trade not in stores, stalls or markets 791 - Travel agency and tour operator activities 641 - Monetary intermediation 661 - Activities auxiliary to financial service activities, except insurance and pension funding 649 - Other financial service activities, except insurance and pension funding activities
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Vakrangee provides following services through its Kendras viz, Banking, ATM, E-governance, E-Commerce, Financial Services, Insurance and Logistics.
9.	Total number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major 5) ii. Number of National Locations	 i. Company undertakes its business only in India. ii. Company has 3504 NextGen Vakrangee Kendras across 19 States.
10	Markets served by the Company – Local/State/National/International	Local/State/National

Section B: Financial Details of the Company

1	Paid up Capital (INR)	10588.03 Lakhs
2	Total Turnover (INR)	144977.39 Lakhs
3	Total profit after taxes (INR)	2017.94 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR is 0.11% of the average net profits of the previous three financial years.
5	List of activities in which expenditure in 4 above has been incurred	a) Social and Community Development b) Education c) Health Care

Business Responsibility Report

Section C: Other Details

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

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

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

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

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

   No.

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

The Corporate Governance Committee and Corporate Social Responsibility Committee ("CSR") of the Board of Directors is responsible for implementation of BR policies. The members of the Corporate Governance Committee and CSR Committee are as follows:

Corporate Governance Committee:

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

CSR Committee

DIN	Name	Designation
00062532	Mr. Dinesh Nandwana	Executive Chairman (Chairman)
00002683	Mr. Ramesh Joshi	Independent Director (Member)
00062767	Mr. Sunil Agarwal	Independent Director (Member)

b) Details of the BR head

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

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words) Refer Note 1	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Indicate the link for the policy to be viewed online?	Y[1]	Y[2]	Y[3]	Y[4]	Y[3]	Y[2]	Y[2]	Y[3]	Y[2]
8	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
11	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y[$]	Y[$]	Y[$]	Y[$]	Y[$]	Y[$]	Y	Y[$]	Y[$]

Business Responsibility Report

Y1: http://www.vakrangee.in/pdf/company-policies/Ethics_and_Bribery_And_Corruption.pdf

Y2: https://vakrangee.in/pdf/code-of-conduct/code-of-conduct-for-directors.pdf

Y3: Code of Conduct and HR Manual

Y4 – http://www.vakrangee.in/pdf/company-policies/Corporate_Social_Responsibility_Policy.pdf

$ Policies are evaluated internally.

Note 1: (The policies are based on NVG, in addition to conformance to the spirit of international standards like ISO 9000, ISO 20000, ISO 27000 , UNGC guidelines and ILO principles)

3. Governance related to BR

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

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

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

  BR report is published on annual basis. Business Responsibility Report for the financial year ended 31st March, 2019 is forming part of the Annual Report for the Financial Year 2018 – 19 which is available on the website of the Company www.vakrangee.in

Section E: Principle-wise performance

Principle 1

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

   No, Human Resource manual of the Company relating to Ethics, Bribery and Corruption applies to the all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with the Company, its subsidiaries and group companies. This policy is available on the website - http://www.vakrangee.in/pdf/company-policies/Ethics_and_Bribery_And_Corruption.pdf.

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

   For details on investor complaints and resolution, refer to the Corporate Governance section which is a part of this Annual Report.

Principle 2

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

   i. Promoting financial, social and digital Inclusion in underserved and unserved areas through business correspondent, paperless banking model as well as services such as ATM, Assisted Online Shopping, digital Payment of All Type of Bill Payment. Approximately 30% of country's population is illiterate and does the most advanced form of banking which is biometric enabled and does not require form filling. Also all government subsidies are provided directly into the bank account of beneficiary through the DBT (Direct Benefit Transfer) Scheme of the government. Citizens can visit our Kendras and withdraw their subsidies from their bank account.

   ii. Promoting skill development of franchisees in underserved and unserved areas as they have to obtain certification for providing banking services, insurance services and various trainings to offer services such as, e-commerce, e-governance, financial services, logistics , etc at the Nextgen Vakrangee Kendras.

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

   Not Applicable

   i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? – Not Applicable

   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year? – Not Applicable

Business Responsibility Report

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

   Not Applicable

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

   Not Applicable

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

   Not Applicable

Principle 3

1. Please indicate the Total number of employees - **1866 (as on March 31, 2019)**

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

3. Please indicate the Number of permanent women employees - 84

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

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

6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable

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

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   - Permanent Employees – 100%
   - Permanent Women Employees – 100%
   - ~~Casual/Temporary~~/Contractual Employees – 0%
   - Employees with Disabilities – 100%

Principle 4

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

   Yes

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

   Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Business Responsibility Report

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

Apart from this, Vakrangee also carries out CSR activities for various disadvantaged, vulnerable and marginalized stakeholders. The details of these activities can be obtained in CSR Report attached as Annexure 5 to the Directors Report.

Principle 5

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

   It covers the company and its group.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? – No Complaints have been received on Human Rights violation in the past financial year.

Principle 6

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

   It covers the company and its group.

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

   Vakrangee has a huge positive environmental impact in areas where it has its Kendras. All services and goods required by citizens of the area are easily available at one location which saves a lot of transportation cost as well as time for citizens. Also, banking services provided at these outlets are paperless and biometric enabled. Due to this there is no usage of paper and ink for carrying out these activities. This helps in significantly reducing the carbon footprints. Further the Vakrangee Outlets have ATM machines due to which the people do not have to travel and they have easy access to cash. In addition, our Kendras also have an arrangement of a water cooler providing drinking water facility for people free of cost since 68% of our Kendras are in tier V and VI rural locations thereby creating clean water drinking facilities in remotest part of the country. For detailed information, refer to Strategy 6: The Vakrangee Effect. forming part of this Annual Report.

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

   Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Not Applicable

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

   Yes. Few of our Nextgen Vakrangee Kendras run the outlet completely on solar power. In addition, solar panels have been installed at our corporate office to ensure optimum use of resources.

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

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

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

   Not Applicable

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   a. Associated Chambers of Commerce and Industry of India (AASOCHAM)

   b. Confederation of ATM Industry (CATMi)

   c. National Association of Software and Services Companies (NASSCOM)

   d. CSC e-Governance Services India Limited

Business Responsibility Report

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

   Yes. The Company participates in consultations on Economic Reforms, Tax and other Legislations.

Principle 8

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

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

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

   The programmes are undertaken by Company's in house team.

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

   Morgan Stanley Capital International Inc. (MSCI), a leading provider of global indices and benchmark related products and services to investors worldwide has provided an ESG Rating Report dated January, 2018.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

   Apart from company's daily initiatives as mentioned in Principle 4 above, the company is also involved in CSR initiatives, detail of which is given in Annexure to the Directors' Report annexed with this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

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

Principle 9

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

   1%.

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

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

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No

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

   Yes. The Company have appointed Grant Thornton India LLP as consultant to carry Outlet Quality Analysis of Nextgen Vakrangee Kendras. The first interim report has already been published and is available at our website at following link : https://vakrangee.in/news-announcement.php.

Independent Auditors' Report

To the Members of Vakrangee Limited,

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **VAKRANGEE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the Independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. **Estimates Involving in Capitalisation of Capital Expenditure, and determining their useful lives**

   (Refer Note 1" Significant Accounting Policies", Critical Accounting Estimates and Note 4 "Property, Plant and Equipment" for details)

   Company has capitalized items of Property, Plant and Equipment (PPE), mainly related to the Automated Teller Machine (ATM) purchased newly from the OEM. Expenditure such as freight cost and acquisition cost are capitalized. Identification and allocation of the related expenditures involves judgement and estimation of future economic benefit.

   The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experiences, market practices and Company's decision on technical evaluation of useful lives of the ATM.

   Capital expenditure and new acquisition is not considered to be an area of significant risk for our audit but as it requires considerable time and resource to audit due to its magnitude, it is considered to be a key audit matter.

   Principal Audit Procedure

   We assessed whether the Company's accounting policy in relation to the capitalisation of expenditures are in sync and in compliance with IND AS and found them to be consistent.

   We obtained a listing of capital expenditures and major acquisition during the year and, on a sample basis, checked whether the assets were undertaken based on internal purchase order that had been properly approved by the key person with such authority with no material exceptions noted. We inspected a sample of contracts and underlying invoices to determine whether the classification between capital and operating expenditure was appropriate. We noted no material exceptions.

   We evaluated whether the useful lives of the component determined and applied by the management were in line with historical experience, Company's assessment and the market practice.

Independent Auditors' Report

We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from work in progress to asset in use, with the date of the act of completion of the work. We noted no material exceptions.

Reference to related disclosures

The Company has provided information on the disclosure of the addition, deletion of PPE and depreciation for the year on such addition and existing asset in Note 4 of the Standalone financial statement.

2. **Cash, Cash Equivalent, Bank Balance and Bank Deposit (Including Margin Money)**

Cash, cash equivalent, Bank Balance and fixed deposit consist of cash in hand, Balance with bank in current accounts and term deposit (current and non-current). The nature and contractual terms of the financial assets determined the presentation on the balance sheet. We focused on this area as it is material to the standalone financial statements and area of significant risk for our audit as it requires considerable time and resource to audit due to its magnitude, it is considered to be a key audit matter.

The Company's disclosure about cash, cash equivalent and other financial assets are included in Note 9 and Note 15 of the Standalone financial statements.

Principal Audit Procedure

Balance with Bank in Current Account

We have obtained list of various bank accounts maintained by Company along with their usages, type and closing balance as appearing in the books as of the reporting date. We reconciled the Bank balances to bank confirmations and items of reconciliation as appearing in the books of accounts. We have independently sought Bank Balance confirmation from the respective bank.

Cash in Hand and cash lying in the ATM owned and Operated by Company

We have conducted physical verification on the reporting date and have obtained the details of denomination of cash in hand verified. For cash lying in ATM machines owned and operated by Company, we have sought physical cash verification report conducted by management. We have also independently verified on sample basis during our audit period and the reconciliation has been carried out.

Bank Deposit (Non-current and current)

We have obtained list of Fixed deposit opened by Company and lying in the Bank as on the reporting date. We have verified Balance appearing in the Books to the Bank Balance confirmation provided by management to us. We have also independently sought Fixed Deposit Bank Balance confirmation on the reporting date from the respective Banks. We have also verified interest income against these Fixed deposit booked by the Company with the statement of fixed deposit provided to us during the audit period.

We have independently sought from the Bank for the Fixed deposit which are lien against Bank guarantee and letter of credit provided to various government departments and vendors.

Our audit procedures included review of the classification of the cash, cash equivalent and other financial assets and any restriction on the use of the cash and cash equivalent.

3. **Information Technology environment**

We identified the information technology environment as an area of focus in our audit, since Vakrangee Limited is dependent on their technology structure, both for the processing of their operations, as well as for the reasonable preparation and presentation of their standalone financial statements.

The Company has technological infrastructure for its business activities, as well as ongoing plans for the improvement and maintenance of the access of the management and change in the pertinent systems and applications, the development of new programs and automated controls and automated components in the relevant business processes. The Control to authorise, control restrict and cancel accesses to technology environment and programme changes are fundamental for mitigating the potential risk of fraud or error based on the misuse or improper change in the systems of the Company, thus ensuring the integrity of the financial information and accounting records.

The Company has an information technology structure which comprises more than one technology environment with different processes and segregated controls. The lack of suitability of the general technology control environment and its dependent controls could trigger incorrect processing of critical information for the preparation of the standalone financial statements

Independent Auditors' Report

Principal Audit Procedure

We evaluated and tested the design and operational effectiveness of the general controls of information system i.e. VKMS of the Company. Although our audit is not for the purpose of giving an opinion on effectiveness of the information technology controls, we reviewed the Company's framework of governance of IT and the controls on the management of access to the data, the development of and changes in programs, generation of financial information and other useful data for review of analytical data.

The IT environment and the controls established by management combined with the testing of controls, including compensating controls, which we have applied, provide us reasonable basis for our reliance in the integrity and reliability of the information generated for the preparation of the Company's standalone financial Statements.

4. **Assessment of Credit Impairment loss of Financial Assets**

The assessment of credit impairment loss is a Key Audit Matter as the Company applies Expected Credit Loss (ECL) model on the financial assets as defined in the significant accounting policies given under Note 2 (B) (xi) (d). The value of financial assets on the balance sheet is significant and there is a high degree of complexity and judgement involved for the Company in estimating individual and collective credit impairment provisions against these assets.

The Company's models to calculate ECLs are the weighted average of credit losses with the respective risks of default occurring as the weights being inherently complex and judgement is applied in determining the correct construct of the models.

There are also a number of key assumptions made by the Company in applying the accounting standard requirements to the models, including the selection and input of forward-looking information.

The ECL model adopted by the management is based on their specific recoverability assessment on individual item with reference to the ageing profile, historical payment pattern and the past record of default.

For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realisation of these assets, are required for the identification of impairment events and the determination of the impairment charge.

Principal Audit Procedure

We have performed the following procedures in relation to assessment of Credit Impairment loss of Financial Assets:

- Tested the accuracy of ageing of financial assets at year end based on the agreed terms of contract with respective party;
- Assessed the recoverability of the unsettled financial assets on a sample basis through our evaluation of management's assessment and latest correspondence with customers; and
- Evaluated the assumption used in ECL calculations under various stress scenarios and the process used by management for classification of trade receivables as given in Note 7 & 14 of the standalone financial statements.

We found the key judgements and assumptions used by management in the Credit Impairment loss assessment of financial assets to be supportable based on the available evidence.

5. **Recognition and Measurement of Deferred Tax**

The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of assets and liabilities in accordance with the respective local tax provisions and financial reporting in accordance with IND AS as well as the calculation of tax loss carry forward. This requires the significant calculation on account of carry forward of losses, Mat Credit entitlement and identification of temporary and deductible differences. Furthermore, the assessment of the ability to use deferred tax assets is based on the expectations of the management regarding the Company's economic development, which is influenced by the current market environment, and the assessment of future market development (Domestic and Overseas) and thus requires the use of judgment.

Deferred Tax disclosed in Note 10 of the Standalone Financial Statement of Company for year ended include Deferred tax asset created on temporary, deductible difference of Rs 520.74 lacs. In light of this, the recognition and measurement of deferred taxes was a key audit matter.

Principal Audit Procedure

In assessing the recognition and measurement of deferred taxes for the Company, among other procedures, we analyzed the underlying processes for

Independent Auditors' Report

the complete capture and measurement of deferred taxes and examined the controls implemented to prevent or detect and correct errors.

Current tax laws allow to carry forward unused tax loss and unused tax credit for 8 assessment years and 15 assessment years respectively from the assessment year in which such tax loss/tax credit was incurred.

We examined on a sample basis the identification and quantification of differences between the recognition and measurement of assets and liabilities according to tax regulations and financial reporting pursuant to IND AS. We also reperformed the calculation of deferred taxes, checking that the correct tax rate was applied (Enacted Income Tax Rate-for FY 19-20 since the asset going to be realised in future period: Para 47 of IND AS 12). We compared the tax plans with the Company's budget on a sample basis in terms of the recoverability of deferred tax assets from temporary differences and from unused tax credit. We have also assessed critically whether the sales and taxable profit before tax loss adjustment forecast are reasonable in relation to historical trends, current year performance and plans. We have also focused on adequacy of the Company's disclosures on deferred income tax positions and assumption used.

Our audit procedures did not lead to any reservations regarding the recognition and measurement of deferred taxes.

Reference to related disclosures

The Company has provided information on the recognition and measurement of deferred taxes in the Note 10 and under Note 47(c) of the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, for example Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this our auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibilities for the Standalone Financial Statements

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

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

Independent Auditors' Report

assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  Materiality is the magnitude of the misstatement in the standalone financial statement that, individually or in aggregate, makes it probable that the economic decision of the reasonably knowledgeable user of the financial statement may be influenced. We considered quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the result of our work, and (ii) evaluate the effects of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matter communicated with those charge with governance, we determine those matters that were of most significance in audit of standalone financial statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that the matters should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order

Independent Auditors' Report

2. As required by Section 143(3) of the Act, based on our audit we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over the financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

   According to the information and explanations given to us, the Company paid remuneration amounting of ₹470.53 lacs to its Executive Directors. As the Company did not have adequate profits in the financial year ended March 31, 2019, the remuneration paid in excess of limits specified under section 197 of Act read with Schedule V thereto, the Company is in the process of complying with statutory requirement prescribed to regularize such excess payments, including seeking approval of shareholders, as necessary.

   (h) 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, as amended, 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 39 to the standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amount, required to be transferred to the Investor Education and Protection Fund by the Company.

For **A.P.Sanzgiri & Co.**
Chartered Accountants
FRN : 116293W

Ankush Goyal
Partner
Membership No.146017

Place: Mumbai
Date: May 10, 2019

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VAKRANGEE LIMITED)

i. FIXED ASSET

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a program of verification to cover all the item of fixed assets in a phased manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. Pursuant to program, certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firm, limited liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act")

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of the Section 185 and 186 of the Act in respect to the loans, making investment and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and therefore the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. STATUTORY DUES

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, employees' state insurance, value added tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, employees' state insurance, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no dues of duty of customs, goods and service tax and Income tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Service Tax and Value added Tax have not been deposited by the Company on account of disputes:

Name of the statute	F.Y. to which the matter pertains	Amount in (₹) lakhs*(1)	Forum where the dispute is pending
The Finance Act, 1994	2009-2013	144.47	Customs Excise and Service Tax Appellate Tribunal
Maharashtra Value Added Tax Act, 2002	2011-12	444.47	Joint Commissioner of Sales Tax (Appeals)

* (1) Net of Amount paid under Protest.

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VAKRANGEE LIMITED)

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations give to us, the Company paid remuneration amounting of ₹ 470.53 lacs to its Executive Directors. As the Company did not have adequate profits in the financial year ended March 31, 2019, the remuneration paid in excess of limits specified under section 197 of Act read with Schedule V thereto, the Company is in the process of complying with statutory requirement prescribed to regularize such excess payments, including seeking approval of shareholders, as necessary.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Section 177 and 188 of the Companies Act, 2013 where applicable and the details of transactions with the related parties have been disclosed in the standalone financial statements as required by applicable Indian Accounting Standard.

xiv. According the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is 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.

For **A.P.Sanzgiri & Co.**
Chartered Accountants
FRN : 116293W

Ankush Goyal
Partner
Membership No.146017

Place: Mumbai
Date: May 10, 2019

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of VAKRANGEE LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of VAKRANGEE LIMITED (“the Company”) as of March 31, 2019 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

The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, 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 risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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 system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control 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 generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of VAKRANGEE LIMITED of even date)

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 periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 **A.P.Sanzgiri & Co.**
Chartered Accountants
FRN : 116293W

Ankush Goyal
Partner
Membership No.146017

Place: Mumbai
Date: May 10, 2019

Balance Sheet
as at March 31, 2019

(Amount in ₹ lakhs)

Particulars	Note No.	As at March 31, 2019		As at March 31, 2018	
I ASSETS					
1 Non - Current Assets					
Property Plant and Equipment	4		14,280.16		8,966.94
Capital Work-in-Progress	4		1,336.31		315.45
Investment Property	5		-		8.51
Financial Assets					
(i) Investments	6	3,163.07		5,606.83	
(ii) Trade Receivables	7	-		-	
(iii) Loans	8	2,584.16		3,302.31	
(iv) Other Financial Assets	9	23.62	5,770.85	112.53	9,021.67
Deferred Tax Assets (net)	10		520.74		1,061.57
Other Non - Current Assets	11		1,205.14		847.55
Total Non-current Assets			**23,113.20**		**20,221.69**
2 Current Assets					
Inventories	12		410.67		1,714.63
Financial Assets					
(i) Investments	13	-		88.66	
(ii) Trade Receivables	14	1,28,220.73		1,27,658.36	
(iii) Cash and Cash equivalents	15	2,081.48		70,244.69	
(iv) Bank Balances other than (iii) above	15	1,11,413.63		73,661.10	
(v) Loans	16	16.61		14.54	
(vi) Other Financial Assets	17	3,109.34	2,44,841.79	585.70	2,72,253.05
Current Tax Assets (Net)	18		132.51		201.46
Other Current Assets	19		895.69		3,224.07
Total Current Assets			**2,46,280.66**		**2,77,393.21**
TOTAL			**2,69,393.86**		**2,97,614.90**
II EQUITY AND LIABILITIES					
1 Equity					
Equity Share Capital	20		10,588.03		10,588.03
Other Equity	21		2,48,066.91		2,47,637.12
Total Equity			**2,58,654.94**		**2,58,225.15**
2 Liabilities					
i Non - Current Liabilities					
Financial Liabilities					
(i) Trade Payables	22				
- Dues of micro enterprises and small enterprises		-		-	
- Dues of Creditors other than micro enterprises and small enterprises		342.16		354.13	
(ii) Other Financial Liabilities	23	38.42	380.58	38.10	392.23
Employee Benefit Obligations	24		189.29		354.82
Total Non-Current Liabilities			**569.87**		**747.05**
ii Current Liabilities					
Financial Liabilities					
(i) Borrowings		-		-	
(ii) Trade Payables	25				
- Dues of micro enterprises and small enterprises		26.05		9.56	
- Dues of Creditors other than micro enterprises and small enterprises		2,712.74		33,481.49	
(iii) Other Financial Liabilities	26	4,461.30	7,200.09	1,244.37	34,735.42
Other Current Liabilities	27		2,584.85		3,640.18
Provisions	28		362.43		251.81
Employee Benefit Obligations	29		21.68		15.29
Current Tax Liabilities			-		-
Total Current Liabilities			**10,169.05**		**38,642.70**
Total Liabilities (i + ii)			**10,738.92**		**39,389.75**
TOTAL			**2,69,393.86**		**2,97,614.90**
Significant Accounting Policies and Notes forming Part of the Standalone Financial Statements	1-49				

As per our report of even date
For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Ankush Goyal
Partner
Membership No.: 146017

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
DIN : 00062532

Anil Khanna
MD & Group CEO
DIN : 01334483

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Mehul Rawal
Company Secretary

Statement of Profit and Loss
for the year ended March 31, 2019

(Amount in ₹ lakhs)

	Particulars	Note No.	For the year ended March 31, 2019		For the year ended March 31, 2018	
I	**Income**					
	Revenue from Operations	30	1,44,977.39		6,37,930.84	
	Other Income	31	7,813.29		3,382.96	
	Total Income			**1,52,790.68**		**6,41,313.80**
II	**Expenses**					
	Operating Expenses	32	1,32,761.43		5,05,751.58	
	Purchase of Stock-in-Trade		2,338.77		2,011.37	
	Changes in Inventories	33	1,002.97		(678.23)	
	Employee Benefit Expenses	34	8,726.51		6,714.18	
	Finance Costs	35	0.00		787.15	
	Depreciation and Amortization Expense	4,5	870.98		416.41	
	Impairment Loss	4	-		277.61	
	Other Expenses	36	3,057.68		25,836.75	
	Total Expenses			**1,48,758.34**		**5,41,116.82**
III	**Profit Before Tax and exceptional Items**			**4,032.34**		**1,00,196.98**
IV	**Exceptional Items**	37		**177.40**		**-**
V	**Profit Before Tax**			**4,209.74**		**1,00,196.98**
VI	**Tax Expense:**					
	(a) Current Tax		1,655.34		34,992.08	
	(b) Deferred Tax		536.46		(1,057.20)	
				2,191.80		**33,934.88**
VII	**Profit for the year**			**2,017.94**		**66,262.10**
VIII	**Other Comprehensive Income**					
	Items that will be reclassified subsequently to profit or loss					
	i) Exchange difference on translation of foreign exchange			-		-
	Items that will not be reclassified subsequently to profit or loss					
	i) Fair value gain on financial instruments at fair value through OCI		-		(3,086.34)	
	ii) Remeasurement of net defined benefit obligations (net of taxes)		(58.46)	(58.46)	(8.12)	(3,094.46)
	Other Comprehensive Income net of tax			**(58.46)**		**(3,094.46)**
	Total Comprehensive Income for the period			**1,959.48**		**63,167.64**
IX	**Weighted Average No. of equity shares for computing EPS (in lakhs)**	38				
	(1) Basic			10,588.03		10,587.79
	(2) Diluted			10,621.18		10,622.41
X	**Earnings Per Equity Share (Face Value ₹ 1/- Per Share):**	38				
	(1) Basic (₹)			0.19		6.26
	(2) Diluted (₹)			0.19		6.24
	Significant Accounting Policies and Notes forming Part of the Standalone Financial Statements	1-49				

As per our report of even date
For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Ankush Goyal
Partner
Membership No.: 146017

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
DIN : 00062532

Anil Khanna
MD & Group CEO
DIN : 01334483

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Mehul Rawal
Company Secretary

Cash Flow Statement

for the year ended March 31, 2019

(Amount in ₹ lakhs)

S. No	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
I	**Cash flow from operating activities**		
	Profit before tax from continuing operations	4,209.74	1,00,196.98
	Profit before tax	**4,209.74**	**1,00,196.98**
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	870.87	416.24
	Depreciation of investment properties	0.11	0.17
	Impairment of Property, Plant and Equipment	-	277.61
	Employee share based payment expenses	1,661.42	1,626.37
	Net foreign exchange differences	(217.16)	9.28
	Allowance for credit losses	(170.31)	(961.88)
	Fair value gain on financial instrument at fair value through Profit and loss	(62.42)	(77.89)
	Remeasurement of defined benefit obligations	(54.11)	(12.49)
	Gain on disposal of property, plant and equipment	(177.40)	-
	Finance costs	0.00	787.15
	Interest income	(7,527.05)	(3,253.19)
	Dividend income	(1.83)	(49.28)
	Operating profit before working capital changes	**(1,468.14)**	**98,959.07**
	Movements in assets and liabilities :		
	Decrease / (increase) in inventories	1,303.96	42,397.44
	Decrease / (increase) in trade receivables	(389.59)	(42,767.31)
	Decrease / (increase) in loans and other financial assets	(36,977.45)	(70,400.73)
	Decrease / (increase) in other current assets	2,328.38	25,410.99
	Decrease / (increase) in other non-current assets	23.30	(64.64)
	Increase / (decrease) in trade payables	(30,764.22)	32,436.65
	Increase / (decrease) in employee benefit obligations	(159.14)	130.90
	Increase / (decrease) in provisions	110.62	(39.59)
	Increase / (decrease) in other current liabilities	(1,055.33)	1,977.73
	Cash generated from operations	**(67,047.61)**	**88,040.50**
	Income taxes paid (net of refunds)	(1,967.27)	(38,050.07)
	Net cash flow generated from operating activities (A)	**(69,014.88)**	**49,990.44**
II	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(7,236.82)	(7,114.40)
	Proceeds from sale of property, plant and equipment	217.67	-
	Purchase of investments	-	(41,127.62)
	Proceeds from sale of investments	2,594.84	35,404.51
	Investment in subsidiaries	-	(1,000.00)
	Loans of subsidiaries	938.21	865.05
	Interest received	7,527.05	3,253.19
	Dividends received	1.83	49.28

Cash Flow Statement
for the year ended March 31, 2019

(Amount in ₹ lakhs)

S. No	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	Net cash flow generated from / (used in) investing activities (B)	**4,042.78**	**(9,669.99)**
III	**Cash flow from financing activities**		
	Proceeds from issue of shares	-	1.69
	Proceeds towards securities premium on issue of shares	-	122.57
	Repayment of borrowings	-	-
	Interest paid	(0.00)	(787.15)
	Dividends paid to company's shareholders	(2,647.01)	(10,588.03)
	Dividend Distribution Tax paid	(544.10)	(2,155.47)
	Net cash flow (used in) in financing activities (C)	**(3,191.11)**	**(13,406.39)**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(68,163.21)**	**26,914.04**
	Effects of exchange rate changes on cash and cash equivalents	(0.00)	(0.34)
	Cash and cash equivalents at the beginning of the year	70,244.69	43,330.99
	Cash and cash equivalents at the end of the year	**2,081.48**	**70,244.69**

Significant Accounting Policies and Notes forming part of the Standalone Financial Statements 1-49

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

For and on behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
DIN : 00062532

Anil Khanna
MD & Group CEO
DIN : 01334483

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Ankush Goyal
Partner
Membership No.: 146017

Place : Mumbai
Date : May 10, 2019

Subhash Singhania
Chief Financial Officer

Mehul Rawal
Company Secretary

Statement of changes in equity
for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	Equity Share Capital	Other Equity						Total equity attributable to equity holders of the Company
		Reserves and surplus				Other Comprehensive Income		
		Securities premium	Retained earnings	General Reserve	Share Options Outstanding Account	Equity instruments through other comprehensive income	Other items of other comprehensive income	
Balance as at March 31, 2017	**5,292.32**	**42,009.83**	**1,46,404.24**	**11,706.39**	**691.93**	**-**	**(54.33)**	**2,06,050.38**
Increase in share capital on account of conversion of ESOPs	1.69	-	-	-	-	-	-	**1.69**
Amount received on shares issued during the year	-	122.57	-	-	-	-	-	**122.57**
Transferred from Share Options Outstanding Account	-	186.12	-	-	(186.12)	-	-	**-**
Profit for the year	-	-	66,262.10	-	-	-	-	**66,262.10**
Dividends (including dividend distribution tax)	-	-	(12,743.50)	-	-	-	-	**(12,743.50)**
Transfer to General Reserve	-	-	(5,229.46)	5,229.46	-	-	-	**-**
Transfer from General Reserve for issue of Bonus Shares	5,294.02	-	-	(5,294.02)	-	-	-	**-**
Share-based payments (net)	-	-	-	-	1,626.37	-	-	**1,626.37**
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	(8.12)	**(8.12)**
Fair value gain on financial instruments at fair value through OCI	-	-	-	-	-	(3,086.34)	-	**(3,086.34)**
Balance as at March 31, 2018	**10,588.03**	**42,318.52**	**1,94,693.38**	**11,641.83**	**2,132.18**	**(3,086.34)**	**(62.45)**	**2,58,225.15**
Increase in share capital on account of conversion of ESOPs	-	-	-	-	-	-	-	**-**
Amount received on shares issued during the year	-	-	-	-	-	-	-	**-**
Transferred from Share Options Outstanding Account	-	-	-	-	-	-	-	**-**
Profit for the year	-	-	2,017.94	-	-	-	-	**2,017.94**
Dividends (including dividend distribution tax)	-	-	(3,191.11)	-	-	-	-	**(3,191.11)**
Transfer to General Reserve	-	-	(6,626.21)	6,626.21	-	-	-	**-**
Share-based payments (net)	-	-	-	-	1,661.42	-	-	**1,661.42**
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	(58.46)	**(58.46)**
Balance as at March 31, 2019	**10,588.03**	**42,318.52**	**1,86,894.00**	**18,268.04**	**3,793.60**	**(3,086.34)**	**(120.91)**	**2,58,654.94**

Significant Accounting Policies and Notes forming part of the Standalone Financial Statements 1-49

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Ankush Goyal
Partner
Membership No.: 146017

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
DIN : 00062532

Anil Khanna
MD & Group CEO
DIN : 01334483

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Mehul Rawal
Company Secretary

Notes to Standalone Financial Statements
for the year ended March 31, 2019

Note 1 - Corporate Information

Vakrangee Limited (hereinafter referred to as "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 'Vakrangee Corporate House', Plot No. 93, Road No. 16, M.I.D.C., Andheri (East), Mumbai – 400 093, Maharashtra, India. The Company's shares are listed on two stock exchanges in India- the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

The Company is engaged in providing diverse solutions, activities in e-governance,e-commerce,White Label ATM, Financial Services (Including Banking) and Logistics sector, including bullion and jewellery, through its Vakrangee Kendra (on B2B and B2C basis) with special competencies in handling massive, multi-state, and e-governance enrollment projects, data digitization, software and licence.

The financial statements were authorized for issue by the Company's Board of Directors on May 10, 2019.

Note 2 - Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies have been consistently applied by the Company unless otherwise stated or where a newly issued accounting standard is initially adopted.

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.

ii. Basis of preparation

The financial statements have been prepared on historical cost basis except the following assets and liabilities which have been measured at fair value amount:

- certain financial assets and liabilities (including derivative instruments)
- defined benefit plans- plan assets; and
- Equity-settled Share Based Payments

The Financial statements of the Company are presented in Indian Rupees (`), which is also its functional currency and all values are rounded off to Lakhs, except when otherwise indicated.

B. Summary of significant accounting policies

i. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non current.

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

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

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

ii. Segment Reporting

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

Notes to Standalone Financial Statements
for the year ended March 31, 2019

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

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

iii. Foreign Currencies

Transaction and balances

Transactions in foreign currencies are initially recorded by the company in their functional currency at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency using rate of exchange prevailing on the balance sheet date.

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

- 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 recorded 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 on the date when the fair value was measured. 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).

Effective 1st April,2018, the Company has adopted Appendix B to the Ind-AS 21-foreign currency transaction and advance consideration, which clarify the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related assets, expenses or income when an entity has received or paid advance consideration in foreign currency. The effect on account of adoption of this amendment was insignificant.

iv. Revenue recognition

The Company derives revenue primarily from activities in e-governance, e-commerce, White Label ATM, Financial Services (Including Banking) and Logistics sector, including bullion and jewellery, through its Vakrangee Kendra (on B2B and B2C basis) with special competencies in handling massive, multi-state, and e-governance enrolment projects, data digitization, software and licence.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers notified on March 28, 2018. This standard will supersede all current revenue recognition requirements. The Company has decided to use the modified retrospective approach for transition method, applied to contracts that were not completed as of April 1, 2018. Please refer Note 2(B)(iv) "Significant Accounting Policies," in the Company's 2018 standalone financial statement for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Notes to Standalone Financial Statements
for the year ended March 31, 2019

Arrangement for software-related services are either on a fixed price, fixed-timeframe or on a time-and material basis.

Revenue from software usages and license where the customer obtains a "right to use" the revenue from software and license is recognised at the time the software and license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognised over the access period.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet

Revenue from sale of goods and services is shown as net of sales tax, value added tax, service tax, goods and services tax and applicable discounts and allowances.

Interest Income

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

Dividend Income

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

Insurance claims

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

v. **Property, Plant and Equipment**

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

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

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

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

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

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

Description of Asset	Useful lives
Buildings	60 years
Computers and Printers, including Computer Peripherals	3 years
Office Equipments	5 years
Furniture & Fixtures	10 years
Motor Vehicles	8 years
Plant & Machinery	15 years
ATM Machine	10 years
Leasehold Land and Building, including leasehold improvements (Also refer Note 4)	51 years
Project Assets (comprising of Computers and Printers, including Computer Peripherals, Furniture and Fixtures and Office Equipments)	3-4 years

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.

vi. Intangible Asset

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over license period which equates the useful life ranging between 2-5 years on a straight-line basis.

vii. Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized 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 taxes

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

Notes to Standalone Financial Statements
for the year ended March 31, 2019

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 either in other comprehensive income or in equity.

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

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

viii. 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

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

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

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

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

ix. Investment property

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management expert.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

x. 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

Notes to Standalone Financial Statements

for the year ended March 31, 2019

an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the 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 it is 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.

xi. 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.

<u>**Financial Assets**</u>

a) Initial recognition and measurement

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

b) Subsequent measurement

Debt Instruments at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

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

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

Notes to Standalone Financial Statements
for the year ended March 31, 2019

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 less impairment in the financial statements.

c) **De-recognition**

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

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

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

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

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

d) **Impairment of financial assets**

The Company recognises impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or another 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

Notes to Standalone Financial Statements
for the year ended March 31, 2019

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

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

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

Financial Liabilities

a) **Initial recognition and measurement**

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

b) **Subsequent measurement**

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered 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/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

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

Loans and borrowings

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

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

Notes to Standalone Financial Statements
for the year ended March 31, 2019

Financial guarantee contracts

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

c) **Derecognition**

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

Offsetting of financial instruments

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

xii. **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.

xiii. **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease.

Finance Lease as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating Lease as a lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Notes to Standalone Financial Statements
for the year ended March 31, 2019

xiv. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period 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.

xv. 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.

xvi. 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.

xvii. 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, it 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.

xviii. 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.

xix. 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 equities shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider

- 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.

xx. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xxi. Employee Benefits

Short-term obligations

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

Other Long-term employee benefit obligations

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

Notes to Standalone Financial Statements
for the year ended March 31, 2019

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

Post- employment obligations

The Company operates the following post-employment schemes:

I. Defined benefit plans such as gratuity

II. Defined contribution plans such as provident fund.

Defined benefit plan - Gratuity Obligations

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

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

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

Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

xxii. Share-based Payments

Shared based compensation benefits are provided to employees via Vakrangee Limited Employee Stock Option Plan.

Employee options

The cost of equity-settled transactions is determined by the fair value of the options granted at the date when the grant is made. The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the Company's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employee to save or holding shares for a specific period of time.

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to be vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Note 3 (a) - Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made by the management of the Company that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Notes to Standalone Financial Statements
for the year ended March 31, 2019

The estimates and associate's 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 are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

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

- **Share-based payments**
  Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 45.

- **Defined benefit plans**
  The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

  The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

  The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

  Further details about gratuity obligations are given in Note 43.

- **Fair value measurement of financial instruments**
  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 47 for further disclosures.

- **Depreciation and useful lives of Property, Plant and Equipment**
  Property, Plant and Equipment are depreciated over the estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and taken into account anticipated technological changes. The depreciation for future periods is revised if there are significant changes from previous estimates.

- **Provision and Contingent Liabilities**
  A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Note 3 (b) - Indian Accounting Standards issued but not effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

Ind AS 116 Leases:

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee

Notes to Standalone Financial Statements
for the year ended March 31, 2019

accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

a. It carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application

b. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

   Certain practical expedients are available under both the methods.

   The Company is in the process of evaluating the impact of the standard.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

The amendment will come into force from April 1, 2019. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The effect on adoption would be insignificant in the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

Notes Forming Part of Standalone Financial Statements

Note 4 - Property, Plant and Equipment

(Amount in ₹ lakhs)

(a) Description	Buildings	Plant and Machinery	Furnitures and Fixtures	Motor Vehicle	Office Equipments	Computers including Computer	Leasehold Land & Building	Leasehold Improvement	Total	Capital Work-In-Progress	Grand Total
Cost or Valuation											
At March 31, 2017	**1,421.55**	**1,701.82**	**384.48**	**146.77**	**166.34**	**1,771.07**	**-**	**-**	**5,592.03**	**-**	**5,592.03**
Additions	551.42	1,182.86	218.01	-	328.57	315.16	3,150.30	1,052.63	6,798.95	315.45	7,114.40
Disposals/Transfers	-	-	-	-	-	-			-	-	-
At March 31, 2018	**1,972.97**	**2,884.69**	**602.49**	**146.77**	**494.90**	**2,086.23**	**3,150.30**	**1,052.63**	**12,390.98**	**315.45**	**12,706.43**
Additions	69.72	5,399.31	13.49	-	53.41	373.81	34.94	271.28	6,215.96	6,628.06	12,844.02
Disposals/Transfers	39.70	-	-	-	0.45	-	-	-	40.15	5,607.20	5,647.35
At March 31, 2019	**2,002.99**	**8,284.00**	**615.98**	**146.77**	**547.86**	**2,460.04**	**3,185.24**	**1,323.91**	**18,566.79**	**1,336.31**	**19,903.10**
Depreciation and Impairment											
At March 31, 2017	**166.78**	**518.67**	**310.52**	**20.04**	**113.57**	**1,600.62**	**-**	**-**	**2,730.19**	**-**	**2,730.19**
Depreciation charged for the year	25.73	220.25	29.25	18.04	24.32	85.18	4.98	8.49	416.24	-	416.24
Impairment during the year	-	277.61	-	-	-	-	-	-	277.61	-	277.61
Disposals/Transfers	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2018	**192.51**	**1,016.52**	**339.77**	**38.08**	**137.89**	**1,685.80**	**4.98**	**8.49**	**3,424.04**	**-**	**3,424.04**
Depreciation charged for the year	33.10	369.18	38.96	16.62	70.76	165.54	59.06	117.65	870.87	-	870.87
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-
Disposals/Transfers	8.16	-	-	-	0.12	-			8.28	-	8.28
At March 31, 2019	**217.45**	**1,385.70**	**378.73**	**54.70**	**208.53**	**1,851.34**	**64.04**	**126.14**	**4,286.63**	**-**	**4,286.63**
Net Book Value											
At March 31, 2019	1,785.54	6,898.30	237.25	92.07	339.33	608.70	3,121.20	1,197.77	**14,280.16**	1,336.31	**15,616.47**
At March 31, 2018	1,780.46	1,868.17	262.72	108.69	357.01	400.43	3,145.32	1,044.14	**8,966.94**	315.45	**9,282.39**

(b) **Impairment of Assets :** Impairment loss mainly pertains to one high speed printer categorised under Plant & Machinery. Based on technical valuation, the recoverable amount is less than the carrying value of the asset.

(c) **Change in Estimate :** During the previous year, the management has analysed the remaining useful life of assets and based on technical valuation of one class of Property, Plant and Equipment viz. ATM, life expectation has been changed from previous estimates. The change in life expectation has been accounted as per Para 38 of Ind-AS 8, Accounting Policies, Change in Estimates and Errors.

(d) **Finance Lease arrangement (Leasehold Land and Building)**

The net carrying amount of Property, Plant and Equipment under finance lease arrangements are as follows:

(Amount in ₹ lakhs)

	As at March 31, 2019	As at March 31, 2018
Leasehold Land & Building	3,121.20	3,145.32

During the previous year, the company has entered into a long term finance lease arrangement for a land and building situated at Plot No.93, Road No.16, MIDC, Marol, Andheri (East) Mumbai 400093 for the remaining period of 51 years out of the total lease term of 95 years in consideration of a lump sum premium amounting to ₹ 3,000.00 lakhs.

In consideration to the provisions of Ind AS 17 - Leases, the leasehold land and building have been assessed for classification as finance lease based on the evaluation of the facts and circumstances of the lease arrangement. The lease arrangement does not contain any clause for renewal or escalation.

Consideration paid shall be equally amortized over the period of leases and the company is not subject to any other future minimum lease rental commitments.

Notes Forming Part of Standalone Financial Statements

Note 5 - Investment Property

(Amount in ₹ lakhs)

(a) Description	Amount
Gross Block	
At March 31, 2017	**11.73**
Additions	-
Disposal	-
At March 31, 2018	**11.73**
Additions	-
Disposal	11.73
At March 31, 2019	**-**
Depreciation and Impairment	
At March 31, 2017	**3.05**
Depreciation Charged for the year	0.17
Impairment during the year	-
Disposal	-
At March 31, 2018	**3.22**
Depreciation Charged for the year	0.11
Impairment during the year	-
Disposal	3.33
At March 31, 2019	**-**
Net Book Value	
At March 31, 2019	-
At March 31, 2018	8.51

(b) Amounts recognised in statement of profit and loss for Investment property

(Amount in ₹ lakhs)

Particulars	At March 31, 2019	At March 31, 2018
Rental income derived from investment properties	3.55	2.30
Less - Depreciation	0.11	0.17
Profit arising from investment properties before indirect expenses	**3.44**	**2.13**

(c) Fair Value

As at March 31, 2019 and March 31, 2018, the fair value of property is ₹ NIL and ₹ 173.88 lakhs respectively.

Notes Forming Part of Standalone Financial Statements

Note 6 - Investments
(Non - Current)

(Amount in ₹ lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	**Unquoted**		
	Investment carried at Cost		
	- Investments in Equity Instruments of Subsidiaries		
	96,000 Equity Shares of Vakrangee e-Solutions Inc., Philippines of Peso 100/- each fully paid up	96.00	96.00
	(March 31, 2018 : 96,000 Equity shares)		
	1,20,00,000 Equity Shares of Vakrangee Logistics Private Limited of ₹ 10/- each fully paid up	1,200.00	1,200.00
	(March 31, 2018 : 1,20,00,000 Equity shares)		
	1,50,00,000 Equity Shares of Vakrangee Finserve Limited of ₹ 10/- each fully paid up	1,500.00	1,500.00
	(March 31, 2018 : 1,50,00,000 Equity shares)		
	(A)	**2,796.00**	**2,796.00**
	Investment carried at Fair value through Profit and Loss (FVTPL)		
	- In Equity Shares		
	2,500 Equity Shares of CSC e-Governance Services India Limited of ₹ 1000/- each fully paid up	126.94	96.20
	(March 31, 2018 : 2,500 Equity shares)		
	(B)	**126.94**	**96.20**
(b)	**Quoted**		
	Investment carried at Fair value through Profit and Loss (FVTPL)		
	Investments in Mutual Funds		
	24.9375 units of Aditya Birla Real Estate Fund - I of ₹ 1,00,000/- each partly paid up 60,000/- per unit (March 31, 2018 : ₹ 60,000/- per unit, 24.9375 units)	10.26	10.26
	1,20,000 units of Union Capital Protection Oriented Fund Series 7 (March 31, 2018 : 1,20,000 units)	13.77	12.71
	NIL units of Union Asset Allocation Fund - Moderate Plan Growth (March 31, 2018 : 99,990 units)	-	15.12
	NIL units of Union Small & Midcap Fund - Regular Plan (March 31, 2018 : 3,35,077.757 units)	-	53.01
	20,00,000 units of Union Capital Protection Oriented Fund Series 8 (March 31, 2018 : 20,00,000 units)	216.10	204.28
	NIL units of Axis Multicap Fund - Regular Plan Growth (March 31, 2018 : 50,00,000 units)	-	501.50
	Nil units of Aditya Birla Sun Life Equity Fund - Growth (March 31, 2018 : 8,209.844 units)	-	56.52
	Nil units of Aditya Birla Sun Life Short Term Fund - Regular Growth (March 31, 2018 : 4,59,632.7530 units)	-	305.25
	Nil units of Franklin India Short Term Income Plan - Growth (March 31, 2018 : 6,961.7130 units)	-	255.51

Notes Forming Part of Standalone Financial Statements

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Nil units of IDFC Corporate Bond Fund - Direct Growth (March 31, 2018 : 21,28,529.1010 units)	-	254.64
Nil units of Kotak Select focus Fund - Direct Growth (March 31, 2018 : 1,97,818.3460 units)	-	66.22
Nil units of Motilal Oswal Multicap 35 Fund - Direct Growth (March 31, 2018 : 2,47,509 units)	-	67.63
Nil units of Motilal Oswal Multicap 35 Fund - Regular Growth (March 31, 2018 : 1,13,093.174 units)	-	29.75
Nil units of Aditya Birla Sun Life Frontline Equity Fund - Growth (March 31, 2018 : 18,557.179 units)	-	38.82
Nil units of Kotak Treasury Advantage Fund - Direct Growth (March 31, 2018 : 5,50,180.092 units)	-	152.91
Nil units of Kotak Select Focus Fund - Growth Plan (March 31, 2018 : 91,738.898 units)	-	29.18
Nil units of DHFL Pramerica Ultra Short Term Fund - Growth (March 31, 2018 : 7,26,501.315 units)	-	153.20
Nil units of IDFC Money Manager Fund - Treasury Plan (March 31, 2018 : 5,63,907.654 units)	-	152.42
Nil units of HDFC Short Term Opportunity Fund (March 31, 2018 : 10,61,069.877 units)	-	203.46
Nil units of HDFC Medium Term Opportunity Fund (March 31, 2018 : 7,88,340.963 units)	-	152.24
(C)	**240.13**	**2,714.63**
TOTAL (A + B + C)	**3,163.07**	**5,606.83**
Aggregate amount of quoted investments	240.13	2,714.63
Aggregate market value of quoted investments	240.13	2,714.63
Aggregate amount of unquoted investments	2,922.94	2,892.20

Investment at fair value through profit and loss reflect investment in quoted and unquoted equity securities and quoted mutual fund units.

The strategic investments in subsidiaries have been taken at cost.

The fair value of the unquoted equity shares have been estimated using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable.

The fair value of quoted mutual fund units are based on quoted net asset value at the reporting date.

Note 7 - Trade Receivables
(Non Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	-	-
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivable - credit impaired	324.28	357.66
	324.28	**357.66**
Less: Allowance for credit losses	324.28	357.66
TOTAL	**-**	**-**

Notes Forming Part of Standalone Financial Statements

Note 8 - Loans
(Non - Current)

(Amount in ₹ lakhs)

	Particulars			As at March 31, 2019		As at March 31, 2018
I	**Loans Receivable considered good (Secured)**			-		-
II	**Loans Receivable considered good (Unsecured)**					
	(a) Loan to Others					
	Security Deposit	43.28			37.91	
	Earnest Money Deposit	41.00			41.00	
	(b) Loan to Related Parties					
	Dues from subsidiaries	2,499.88			3,223.40	
				2,584.16		**3,302.31**
III	**Loans Receivable which have significant increase in Credit Risk**			-		-
IV	**Loans Receivable - credit impaired**			-		-
				2,584.16		**3,302.31**

Note 9 - Other Financial Assets
(Non - Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits with bank		
- with maturity period of more than 12 months *	23.62	112.53
TOTAL	**23.62**	**112.53**
* Amount held as margin money or security against borrowings, guarantee, other commitments	23.08	111.98

Note 10 - Deferred Tax Assets (net)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
Assets				
(i) On account of difference in depreciation on Property, Plant and Equipment	262.08		680.58	
(ii) Provision for Employees' obligations	73.72		136.53	
(iii) On account of Expected Credit Losses	184.94		244.46	
(A)		520.74		1,061.57
Liabilities				
(i) Temporary differences on Tax Provisions	-		-	
(B)		-		-
Balance carried to Balance Sheet (A - B)		**520.74**		**1,061.57**

Notes Forming Part of Standalone Financial Statements

(a) Movement in deferred tax account during the year is as follows:

(Amount in ₹ lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balances
For the year ended March 31, 2019 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	680.58	(418.50)	-	262.08
Expenses provided but allowable in Income Tax on payment	136.53	(58.45)	(4.36)	73.72
Allowance for expected credit losses	244.46	(59.52)	-	184.94
	1,061.57	(536.47)	(4.36)	520.74
Others	-	-	-	-
	-	-	-	-
TOTAL	**1,061.57**	**(536.47)**	**(4.36)**	**520.74**
For the year ended March 31, 2018 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	-	680.58	-	680.58
Expenses provided but allowable in Income Tax on payment	-	132.17	4.36	136.53
Allowance for expected credit losses	-	244.46	-	244.46
	-	**1,057.21**	**4.36**	**1,061.57**
Others	-	-	-	-
	-	-	-	-
TOTAL	**-**	**1,057.21**	**4.36**	**1,061.57**

The analysis of Deferred Tax Assets is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets to be recovered after more than 12 months	276.47	793.15
Deferred Tax Assets to be recovered within 12 months	244.27	268.42
TOTAL	**520.74**	**1,061.57**

(b) Explanation of changes in the applicable tax rate(s) compared to the previous accounting period

Particulars	As at March 31, 2019	As at March 31, 2018
Applicable Tax rate considered for deferred tax asset or liability	34.94%	34.94%

The applicable tax rates have been changed on the bases of using the tax rates that have been enacted as at the end of the each reporting period.

Notes Forming Part of Standalone Financial Statements

Note 11 - Other Non-Current Assets
(Non - Current)

(Amount in ₹ lakhs)

Particulars		As at March 31, 2019		As at March 31, 2018
Capital Advances		-		10.00
Prepaid Expenses		1.85		-
Balances with statutory / revenue authorities				
- Income Tax (net of provision for taxation)	1,129.67		748.79	
- Sales Tax	11.91		27.05	
- Service Tax	61.71	1,203.29	61.71	837.55
TOTAL		**1,205.14**		**847.55**

Note 12 - Inventories

(Amount in ₹ lakhs)

(a)

Particulars	As at March 31, 2019	As at March 31, 2018
Stock-in-Trade	393.09	1,682.98
Consumables	9.27	9.99
Stores & Spares	8.31	21.66
TOTAL	**410.67**	**1,714.63**

(b) Basis of valuation of Inventories

Inventories are valued at lower of cost or net realizable value on FIFO basis which is in accordance with Ind AS-2.

Note 13 - Investments
(Current)

(Amount in ₹ lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	**Quoted**		
	Investment carried at Fair value through Profit and Loss (FVTPL)		
	Investment through Portfolio services		
	Kotak PMS Value Series 2	-	88.66
	TOTAL	**-**	**88.66**
	Aggregate amount of quoted investments	-	88.66
	Aggregate market value of quoted investments	-	88.66

Investment at fair value through profit and loss reflect investment in quoted and unquoted equity securities and quoted mutual fund units.

The fair value of quoted mutual fund units are based on quoted net asset value at the reporting date.

Notes Forming Part of Standalone Financial Statements

Note 14 - Trade Receivables
(Current)

(Amount in ₹ lakhs)

(a)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	1,27,953.81	1,26,578.47
Trade Receivable which have significant increase in Credit Risk	471.89	1,421.80
Trade Receivable - credit impaired	-	-
	1,28,425.70	**1,28,000.27**
Less: Allowance for credit Losses	204.97	341.91
TOTAL	**1,28,220.73**	**1,27,658.36**

(b) Debts due from related parties

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Subsidiaries	388.80	583.46
TOTAL	**388.80**	**583.46**

Note 15 - Cash and Cash equivalents and Other Bank Balances

(Amount in ₹ lakhs)

(a)

	Particulars	As at March 31, 2019	As at March 31, 2018
(A)	**Cash and Cash Equivalents**		
(i)	Balances with Banks :		
	- Current Accounts	1,874.43	2,143.90
	- Deposit Accounts	-	8,695.00
(ii)	Cheques-in-hand *	-	58,977.16
(iii)	Cash-in-hand	207.05	152.19
(iv)	Remittance in Transit	-	276.44
TOTAL		**2,081.48**	**70,244.69**
(B) Bank Balances other than above			
(i)	Earmarked balances in unclaimed dividend account	86.66	89.34
(ii)	Fixed Deposits with maturity period of more than 3 months but less than 12 months **	1,11,326.97	73,571.76
TOTAL		**1,11,413.63**	**73,661.10**
* The amounts disclosed as cheques-in-hand are amounts of cheques received upto March 31, 2018 and the same have been presented in the bank and cleared during the month of April, 2018.			
** Amount held as margin money or security against borrowings, guarantee, other commitments		1,333.15	1,205.42

Notes Forming Part of Standalone Financial Statements

(b) For the purpose of cash flow statement

(Amount in ₹ lakhs)

Particulars		As at March 31, 2019		As at March 31, 2018
(A)	**Cash & Cash Equivalents**			
(i)	Balances with Banks :			
	- Current Accounts	1,874.43	2,143.90	
	- Deposit Accounts	-	8,695.00	
(ii)	Cheque-in-hand	-	58,977.16	
(iii)	Cash-in-hand	207.05	152.19	
(iv)	Remittance in Transit	-	276.44	
			2,081.48	70,244.69
Less : - Cash Credit			-	-
TOTAL			**2,081.48**	**70,244.69**

Note 16 - Loans

(Amount in ₹ lakhs)

Particulars			As at March 31, 2019		As at March 31, 2018
(i)	Loans Receivable considered good (Secured)				
(ii)	Loans Receivable considered good (Unsecured)				
	(a) Loan to Others				
	Security Deposit	15.72		5.27	
	Staff Advances	0.89		9.27	
			16.61		14.54
(iii)	Loans Receivable which have significant increase in Credit Risk		-		-
(iv)	Loans Receivable - credit impaired		-		-
TOTAL			**16.61**		**14.54**

Note 17 - Other Financial Assets (Current)

(Amount in ₹ lakhs)

Particulars		As at March 31, 2019		As at March 31, 2018
Insurance claim Receivable	10.04		-	
Accrued Interest on FD	582.78		173.31	
ATM Settlement Receivable	2,516.52		412.39	
		3,109.34		585.70
TOTAL		**3,109.34**		**585.70**

Note 18 - Current Tax Assets (Net)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Income Tax (net of provision for taxation)	132.51	201.46
TOTAL	**132.51**	**201.46**

Notes Forming Part of Standalone Financial Statements

Note 19 - Other Current Assets

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
Advances to Vendors		289.32		175.72
Prepaid Expenses		178.09		89.50
Other Receivable				
- Accrued Revenue	28.18		63.56	
- Fund with LIC (Group Gratuity)	10.65		-	
- Receivable against sale of investments	-		2,702.11	
		38.83		2,765.67
Balances with statutory / revenue authorities				
- Goods & Service Tax		389.45		193.18
TOTAL		**895.69**		**3,224.07**

Note 20 - Equity Share Capital

Equity share capital

(i) Authorised share capital

(Amount in ₹ lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2018	12,500.00	12,500.00
Increase during the year	-	-
As at March 31, 2019	**12,500.00**	**12,500.00**

(ii) Paid up Equity share capital

(Amount in ₹ lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2017	**5,292.32**	**5,292.32**
Bonus Share issued during the year	5,294.02	5,294.02
Exercise of options	1.69	1.69
As at March 31, 2018	**10,588.03**	**10,588.03**
Exercise of options	-	-
As at March 31, 2019	**10,588.03**	**10,588.03**

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
Vakrangee Holdings Private Limited	2,509.50	23.70%	2,509.50	23.70%
NJD Capital Private Limited	1,311.00	12.38%	1,311.00	12.38%
Life Insurance Corporation of India	671.30	6.34%	671.30	6.34%
Dinesh Nandwana	597.34	5.64%	597.34	5.64%

Notes Forming Part of Standalone Financial Statements

(iv) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2019, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 0.25/- per share of ₹ 1/- each for the year ended March 31, 2018.

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.

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

(No. of shares in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
-	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	5,294.02	5,294.02
-	No. of shares bought back	-	-
-	No. of shares issued on exercise of options granted under the ESOP scheme.	9.19	19.02

(vi) Capital Management

The Company's objectives when managing capital are to :

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet, including non-controlling interests).

The Company's strategy is to maintain a gearing ration within 1:1. The gearing ratios were as follows :

(Amount in ₹ lakhs)

Particulars	As at March 31,	
	2019	2018
Net debt	-	-
Total equity	2,58,654.94	2,58,225.15
Net debt to equity ratio	**-**	**-**

Notes Forming Part of Standalone Financial Statements

Note 21 - Other Equity

(i) Reserves and surplus

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities Premium	42,318.52	42,318.52
Share Options Outstanding Account	11,025.85	9,442.83
Deferred Employee Compensation Expense	(7,232.25)	(7,310.65)
General Reserve	18,268.04	11,641.83
Surplus in Statement of Profit and Loss	1,86,894.00	1,94,693.38
Total (A)	**2,51,274.16**	**2,50,785.91**

(a) Securities Premium Reserve

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	**42,318.52**	**42,009.83**
Add:- On share issued during the year	-	122.57
Add:- Transfer from shares options outstanding account	-	186.12
Closing balance	**42,318.52**	**42,318.52**

(b) Share Options Outstanding Account

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	**9,442.83**	**2,063.68**
Add:- On further grant of options	3,551.57	8,734.56
Less:- Reversal due to Lapsation of option	(1,968.55)	(1,169.29)
Less: Transfer to Securities premium account	-	(186.12)
Closing balance	**11,025.85**	**9,442.83**

(c) Deferred Employee Compensation Expense

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	**(7,310.65)**	**(1,371.75)**
Add:- On further grant of options	(3,551.57)	(8,734.56)
Less:- Reversal due to Lapsation of option	1,551.53	1,082.23
Less:- Amortised during the year	2,078.44	1,713.43
Closing balance	**(7,232.25)**	**(7,310.65)**

(d) General Reserve

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	**11,641.83**	**11,706.39**
Add:- Transfer from Profit and Loss account	6,626.21	5,229.46
Less:- Utilisation for issue of bonus shares	-	(5,294.02)
Closing balance	**18,268.04**	**11,641.83**

Notes Forming Part of Standalone Financial Statements

(e) Surplus in Statement of Profit & Loss

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	**1,94,693.38**	**1,46,404.24**
Add:- Profit for the year	2,017.94	66,262.10
Less:- Transfer to General Reserve	(6,626.21)	(5,229.46)
Less:- Dividend declared and paid	(2,647.01)	(10,588.03)
Less:- Dividend distribution tax	(544.10)	(2,155.47)
Closing balance	**1,86,894.00**	**1,94,693.38**

(ii) Other Comprehensive Income

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	**(3,148.79)**	**(54.33)**
Remeasurement of net defined benefit obligations (net of taxes)	(58.46)	(8.12)
Fair value gain on financial instruments at fair value through OCI	-	(3,086.34)
Closing balance Total (B)	**(3,207.25)**	**(3,148.79)**
Total (A+B)	**2,48,066.91**	**2,47,637.12**

Nature of reserves

(a) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

(b) General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, Items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Note 22 - Trade Payables
(Non - Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
- Dues of micro enterprises and small enterprises				
	Principal	Interest	Principal	Interest
Amount due to vendor	-	-	-	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
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		342.16		354.13
TOTAL		**342.16**		**354.13**

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by Management.

Notes Forming Part of Standalone Financial Statements

Note 23 - Other Financial Liabilities
(Non - Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposit	38.42	38.10
TOTAL	**38.42**	**38.10**

Note 24 - Employee Benefit Obligations
(Non - Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employees' benefits	189.29	354.82
TOTAL	**189.29**	**354.82**

Note 25 - Trade Payables
(Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
Trade Payables				
- Dues of micro enterprises and small enterprises				
	Principal	Interest	Principal	Interest
Amount due to vendor	26.05	-	9.56	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	26.05	-	9.56	-
Total Dues of micro enterprises and small enterprises		26.05		9.56
- Dues of Creditors other than micro enterprises and small enterprises		2,712.74		33,481.49
TOTAL		**2,738.79**		**33,491.05**

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by Management.

Note 26 - Other Financial Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Payable to Franchisee under WLA	3,239.25	417.16
Payable for acquisition of Property, Plant & Equipments	1,135.39	737.87
Unpaid Dividend	86.66	89.34
TOTAL	**4,461.30**	**1,244.37**

Notes Forming Part of Standalone Financial Statements

Note 27 - Other Current Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues	289.29	214.05
Advance from customers	329.30	1,602.27
Kendra money received pending allotment	1,137.36	544.50
Franchisee Wallet Balance	541.55	636.72
Staff Emoluments Payable	287.35	642.64
TOTAL	**2,584.85**	**3,640.18**

Note 28 - Provisions

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Expenses for Goods & services	362.43	251.81
TOTAL	**362.43**	**251.81**

Note 29 - Employee Benefit Obligations (Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employees' benefits	21.68	15.29
TOTAL	**21.68**	**15.29**

Note 30 - Revenue from Operations

(Amount in ₹ lakhs)

	Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
(a)	Revenue from vakrangee kendra, including e-governance activities		1,35,221.04		6,29,871.06
(b)	**Revenue from Sale of Products**				
	- Computer consumables & peripherals	3,755.27		1,976.97	
			3,755.27		1,976.97
(c)	**Revenue from Sale of Services**				
	- Information Technology-enabled Services (ITeS)	5,512.95		6,081.47	
			5,512.95		6,081.47
(d)	**Other Operating Revenues**				
	- Kit Transportation charge	487.53		-	
	- Scrap Sales	0.60		1.34	
			488.13		1.34
TOTAL			**1,44,977.39**		**6,37,930.84**

Note:- The amount of revenues are exclusive of indirect taxes (service tax, value added tax, GST etc.).

Notes Forming Part of Standalone Financial Statements

Note 31 - Other Income

(Amount in ₹ lakhs)

Particulars			For the year ended March 31, 2019		For the year ended March 31, 2018	
(i)	**Interest Income**					
	(a)	Interest Income on the financial assets at amortized cost				
	-	Bank Deposits	7,489.15		2,614.07	
	-	Loan to Subsidiary	-		594.41	
	(b)	Other Interest Income	37.90	7,527.05	44.71	3,253.19
(ii)	Dividend income			1.83		49.28
(iii)	**Other non-operating income**					
	-	Rent Received	4.92		2.30	
	-	Gain on Foreign Exchange Fluctuation	217.00		-	
	-	Fair value gain on financial instrument at fair value through Profit and loss*	62.42		77.89	
	-	Miscellaneous Income	0.07		0.30	
				284.41		80.49
TOTAL				**7,813.29**		**3,382.96**

*Total Fair value gain on financial instrument at fair value through profit and loss includes ₹50.16 lakhs (previous year ₹ 5.74 lakhs) as ' Net Gain on sale of Investments'

Note 32 - Operating Expenses

(Amount in ₹ lakhs)

Particulars		For the year ended March 31, 2019		For the year ended March 31, 2018	
Project Delivery Cost					
-	Opening Stock	31.65		43,107.33	
-	Add : Purchase of goods and services	1,28,060.29		4,58,867.76	
-	Less : Closing Stock	17.58		31.65	
			1,28,074.36		5,01,943.44
Project Expenses			381.33		898.74
Commission Expenses			3,928.95		2,666.74
Communication Costs			14.37		24.75
Conveyance & Travelling Expenses			35.02		75.19
Transportation, Octroi and Loading / Unloading Charges			133.49		26.33
Rent, Rates and Taxes			193.91		116.38
TOTAL			**1,32,761.43**		**5,05,751.58**

Notes Forming Part of Standalone Financial Statements

Note 33 - Changes in Inventories

(Amount in ₹ lakhs)

Particulars		For the year ended March 31, 2019		For the year ended March 31, 2018	
(a)	**At the beginning of the period**				
(i)	Work-in-Progress	-		-	
(ii)	Stock-in-Trade	1,682.98		1,004.75	
	Less : Stock converted into Fixed Assets	(286.92)		-	
			1,396.06		1,004.75
	Less : at the end of the period				
(i)	Work-in-Progress	-		-	
(ii)	Stock-in-Trade	393.09		1,682.98	
			393.09		1,682.98
TOTAL			**1,002.97**		**(678.23)**

Note 34 - Employee Benefits Expenses

(Amount in ₹ lakhs)

(a)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
(i)	Salaries & Wages	6,641.21	4,712.92
(ii)	Contribution to Provident & Other Funds	288.59	272.89
(iii)	Share-based Payment Expenses	1,661.42	1,626.37
(iv)	Staff Welfare Expenses	135.29	102.00
TOTAL		**8,726.51**	**6,714.18**

(b) Detailed note on disclosure as required by Ind AS-19

For details, refer Note No. 43.

Note 35 - Finance Costs

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Interest Expenses				
- Banks	-		513.83	
- Others	0.00	0.00	57.21	571.04
Other Borrowing Costs		-		216.11
TOTAL		**0.00**		**787.15**

Notes Forming Part of Standalone Financial Statements

Note 36 - Other Expenses

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Repairs & Maintenance :				
- Building	7.31		9.19	
- Vehicle	3.77		2.04	
- Others	27.50	38.58	29.18	40.41
Advertisement and Publicity		461.69		497.24
Business Promotion		200.30		314.06
Sponsorship Fees		-		15.90
Rates & Taxes		119.93		50.03
Insurance		38.64		21.07
Electricity Charges		92.03		78.74
Printing and Stationery		101.93		46.43
Communication Costs		148.11		168.23
Fees & Subscriptions		12.74		7.76
Listing, Registrar & Share Issue/Transfer Charges		21.60		57.50
Loss on Foreign Exchange Fluctuation		-		9.49
Directors' Remuneration		470.53		313.17
Directors' Sitting Fees		15.30		16.00
Legal & Professional Fees - Other than payments to Auditor:				
- Legal & Professional	960.79		557.66	
- Filing Stamp Duty and Franking Charges	2.39	963.18	56.24	613.90
Payments to Auditors :				
- Audit fees (including limited review)	50.00		71.00	
- Tax Audit fees	7.50		7.50	
- For Other Services	0.23		0.31	
- For Reimbursement of Expenses	3.38	61.11	0.63	79.44
Conveyance & Travelling		230.70		242.75
Vehicle Expenses		11.43		12.13
Corporate Social Responsibility Expenditure (Refer Note 40)		92.50		424.00
Office & General Expenses		123.27		104.49
Bad debts written off		-		23,640.81
Allowance for credit losses				
- Opening Allowances	(699.57)		(1,661.44)	
- Less : Closing Allowances	(529.26)	(170.31)	(699.57)	(961.87)
Miscellaneous Expenses		24.42		45.10
TOTAL		**3,057.68**		**25,836.75**

Note 37 - Exceptional Item

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
- Net gain on disposal of Property plant and equipment	177.40	-
TOTAL	**177.40**	**-**

Exceptional item consists of profit on sale of investment property and old office premises (an item of PPE).

Notes Forming Part of Standalone Financial Statements

Note 38 - Earnings Per Equity Share

(Amount in ₹ lakhs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Net profit after tax attributable to equity shareholders for		
	Basic EPS	2,017.94	66,262.10
	Add/Less: Adjustment relating to potential equity shares	-	-
	Net profit after tax attributable to equity shareholders for Diluted EPS	2,017.94	66,262.10
(b)	Weighted average no. of equity shares (in lakhs) outstanding during the year		
	For Basic EPS	10,588.03	10,587.79
	For Diluted EPS	10,621.18	10,622.41
(c)	Face Value per Equity Share (₹)	1.00	1.00
	Basic EPS (₹)	0.19	6.26
	Diluted EPS (₹)	0.19	6.24
(d)	**Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS**		
	No. of shares used for calculating Basic EPS	10,588.03	10,587.79
	Add: Potential equity shares	33.15	34.62
	No. of shares used for calculating Diluted EPS	**10,621.18**	**10,622.41**

Note 39 - Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹ lakhs)

Particulars			As at March 31, 2019		As at March 31, 2018	
(A)	**Contingent Liabilities**					
	(i)	Claims against the company not acknowledged as debts	45.78		45.78	
	(ii)	Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts	565.07		856.08	
	(iii)	Company has provided Counter Guarantee in relation to Bank Guarantee to various parties on behalf of subsidiary company which is not acknowledged in books of accounts	325.00		360.00	
	(iv)	Disputed liabilities pertaining to Service Tax with CESTAT	156.19		156.19	
	(v)	Disputed liabilities pertaining to Sales Tax with appellate authoritiess	449.47		449.47	
		(A)		1,541.51		1,867.52
(B)	**Commitments**					
(i)	Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)		1,444.79		435.50	
		(B)		1,444.79		435.50
TOTAL (A + B)				**2,986.30**		**2,303.02**

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 Forming Part of Standalone Financial Statements

Note 40 - 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.

a) Gross amount required to be spent by the company during the year is ₹ 1,611.51 lakhs.

(Amount in ₹ lakhs)

Particulars		In Cash	Yet to be paid in Cash	Total
i)	Construction / acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	92.50	-	**92.50**

Note 41 - Segment Reporting

The Company's activities predominantly comprise providing various services through Vakrangee Kendra. Considering the nature of the Company's business and operations, there is only one reportable operating segment i.e. Vakrangee Kendra.

Note 42 - Related Party Details

(a) Key Management Personnel and Directors

Mr. Dinesh Nandwana	Executive Chairman (w.e.f. January 25, 2019)
Mr. Anil Khanna	Managing Director & Group CEO (w.e.f. January 25, 2019)
Dr. Nishikant Hayatnagarkar	Whole-Time Director
Mr. Ramesh Joshi	Director
Mr. Sunil Agarwal	Director
Mr. Babulal Meena	Director
Mrs. Sujata Chattopadhyay	Director
Mr. Avinash Chandra Vyas	Director
Mr. Thangavelu Sitharthan	Nominee Director (upto February 12, 2018)
Mr. Ranbir Datt	Nominee Director (w.e.f. February 12, 2018)
Mr. Subhash Singhania	Chief Financial Officer
Ms. Darshi Shah	Company Secretary and Compliance Officer (upto September 21, 2017)
Mr. Mehul Rawal	Company Secretary and Compliance Officer (w.e.f. September 21, 2017)

(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. Manoj Nandwana	Nephew of Director
- Mr. Shelendra Nandwana	Nephew of Director
- Ms. Divya Nandwana	Daughter of Director
- Mr. Vedant Nandwana	Son of Director

Notes Forming Part of Standalone Financial Statements

(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, 2019	March 31, 2018
Vakrangee e-Solutions Inc.	Phillipines	100%	100%
Vakrangee Finserve Limited	India	100%	100%
Vakrangee Logistics Private Limited	India	100%	100%

Related Party Transactions

- In relation to (a)

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration to Key Managerial Personnel		
- Dinesh Nandwana	268.77	271.66
- Anil Khanna	139.11	-
- Dr. Nishikant Hayatnagarkar	62.65	41.51
- Subhash Singhania	57.61	33.11
- Darshi Shah	-	4.63
- Mehul Rawal	28.12	12.49
Post-employment benefits to Key Managerial Personnel		
- Dinesh Nandwana	14.98	13.88
- Anil Khanna	4.33	-
- Dr. Nishikant Hayatnagarkar	17.52	12.48
- Subhash Singhania	3.17	2.01
- Darshi Shah	-	1.63
- Mehul Rawal	0.67	0.22
ESOP Perquisites		
- Dr. Nishikant Hayatnagarkar	-	35.57
Directors Sitting Fees		
- Ramesh Mulchand Joshi	3.30	3.45
- Sunil Agarwal	1.50	3.20
- Babulal Meena	2.20	2.95
- Sujata Chattopadhyay	3.00	3.00
- Avinash Chandra Vyas	2.80	2.90
- Ranbir Datt	2.50	0.50
Balance outstanding as on March 31 :		
(Expenses and Salaries Payable)		
- Dinesh Nandwana	-	13.14
- Anil Khanna	0.29	-
- Dr. Nishikant Hayatnagarkar	-	3.47
- Subhash Singhania	-	3.19
- Mehul Rawal	0.05	2.17

Notes Forming Part of Standalone Financial Statements

- In relation to (b)

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Reimbursement of Expenses Paid		
- Manoj Nandwana	2.14	0.65
- Shelendra Nandwana	0.06	0.30
- Divya Nandwana	5.28	2.41
- Vedant Nandwana	4.38	-
Employee Benefit Expenses		
- Manoj Nandwana	9.58	6.13
- Shelendra Nandwana	6.93	4.96
- Divya Nandwana	17.91	11.06
- Vedant Nandwana	6.43	0.75
ESOP Perquisites		
- Manoj Nandwana	-	3.56
Balance outstanding as on March 31 :		
(Expenses and Salaries Payable)		
- Manoj Nandwana	0.35	0.83
- Shelendra Nandwana	-	3.36
- Divya Nandwana	-	1.14
- Vedant Nandwana	-	0.60

- In relation to (c)

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of goods and services		
- Vakrangee Logistics Private Limited	9.46	9.71
Sales of Support Services		
- Vakrangee Finserve Limited	360.63	-
Realisation from debtors		
- Vakrangee e-Solutions Inc.	585.92	1,950.54
Loans granted		
- Vakrangee e-Solutions Inc.	-	8.12
Interest on loan granted		
- Vakrangee e-Solutions Inc.	-	594.41
Loan received back		
- Vakrangee e-Solutions Inc.	938.22	1,429.52
Loans received		
- Vakrangee Finserve Limited		390.00

Notes Forming Part of Standalone Financial Statements

- In relation to (c)

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on loan paid		
- Vakrangee Finserve Limited	-	4.81
Loans repaid		
- Vakrangee Finserve Limited	-	390.00
Investments in Subsidiaries		
- Vakrangee Logistics Private Limited	-	1,000.00
Margin Money against Guarantee issued by Bank		
- Vakrangee Finserve Limited	325.00	360.00
Balance Outstanding as on March 31 :		
- Vakrangee Finserve Limited (Trade Receivable)	388.80	-
- Vakrangee Logistics Private Limited (Trade Payables)	-	7.03
- Vakrangee e-Solutions Inc. (Loans Receivable, including foreign exchange fluctuation as at year end)	2,499.88	3,223.40
- Vakrangee e-Solutions Inc. (Trade Receivables; including foreign exchange fluctuation as at year end)	-	583.46

Note 43 - Employee Benefit Obligations

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 210.97 lakhs (March 31, 2018 - ₹ 131.49 lakhs) is presented as current and non-current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employee to take the full amount of accrued leave or require payment within the next 12 months. The Company has accounted for provision of leave encashment as per Ind-AS 19 based on acturial valuation undertaken by a registered valuer.

(ii) Gratuity (post-employment benefits)

The Company provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised/approved funds in India. The Company has fully funded group gratuity plan against this liability with LIC of India. The Company has accounted for provision of gratuity as per Ind-AS 19 based on acturial valuation undertaken by a registered valuer.

(iii) Defined contribution plans

The Company also has certain defined benefit obligations. Contributions are made to provident fund in India for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 166.36 lakhs (March 31, 2018 - ₹ 160.12 lakhs).

Notes Forming Part of Standalone Financial Statements

Gratuity

The following table sets out the amount recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

(Amount in ₹ lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-17	**197.59**	**(59.43)**	**138.16**
Current Service cost	70.98	-	70.98
Past Service Cost	9.75	-	9.75
Interest expense/(income)	16.58	(3.69)	12.88
Total amount recognised in profit and loss	**97.31**	**(3.69)**	**93.62**
Remeasurements			
Return on plan assets, excluding amounts included in interest	-	5.90	5.90
(Gain)/loss from change in financial assumptions	(12.47)	-	(12.47)
Experience (gains)/losses	19.06	-	19.06
Total amount recognised in other comprehensive income	**6.59**	**5.90**	**12.49**
Employer contributions	-	(5.64)	(5.64)
Benefit payments	(17.67)	17.67	-
31-Mar-18	**283.82**	**(45.20)**	**238.62**

(Amount in ₹ lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-18	**283.82**	**(45.20)**	**238.62**
Current Service cost	114.99	-	114.99
Past Service Cost	-	-	-
Interest expense/(income)	22.00	(3.50)	18.50
Total amount recognised in profit and loss	**136.99**	**(3.50)**	**133.49**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
(Gain)/loss from change in financial assumptions	19.16	-	19.16
Experience (gains)/losses	44.29	(9.35)	34.94
Total amount recognised in other comprehensive income	**63.45**	**(9.35)**	**54.10**
Employer contributions	-	(436.85)	(436.85)
Benefit payments	(29.05)	29.05	-
31-Mar-19	**455.21**	**(465.85)**	**(10.64)**

The net liability disclosed above relates to funded plans are as follows

(Amount in ₹ lakhs)

Particulars	31-Mar-19	31-Mar-18
Present value of funded obligations	455.21	283.82
Fair value of plan assets	(465.85)	(45.20)
Deficit/(Surplus) of gratuity plan	**(10.64)**	**238.62**

Notes Forming Part of Standalone Financial Statements

Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

	31-Mar-19	31-Mar-18
Discount rate	7.75%	7.75%
Salary growth rate (per annum)	5.00%	5.00%
Withdrawal rate (per annum) (18 to 30 years)	5.00%	5.00%
Withdrawal rate (per annum) (30 to 44 years)	3.00%	3.00%
Withdrawal rate (per annum) (44 to 60 years)	2.00%	2.00%
Expected rate of return	7.75%	7.75%
Mortality Table	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation				
	Change in assumption			Increase in assumption	
	31-Mar-19	31-Mar-18		31-Mar-19	31-Mar-18
Discount rate	1%	1%	Decrease by	9%	11%
Salary growth rate	1%	1%	Increase by	10%	13%
Withdrawal rate	1%	1%	Increase by	2%	3%

Particulars	Impact on defined benefit obligation				
	Change in assumption			Decrease in assumption	
	31-Mar-19	31-Mar-18		31-Mar-19	31-Mar-18
Discount rate	1%	1%	Increase by	10%	13%
Salary growth rate	1%	1%	Decrease by	9%	11%
Withdrawal rate	1%	1%	Decrease by	2%	3%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

***The major categories of plans assets are as follows :**

	In Percentage %	
	31-Mar-19	31-Mar-18
Equity instruments	**5.55**	**5.55**
Debt instruments	**91.83**	**91.83**
Government bonds	74.55	74.55
Corporate bonds/debentures	17.28	17.28
Asset backed securities	**0.85**	**0.85**
Cash and cash equivalents	**1.77**	**1.77**
TOTAL	**100.00**	**100.00**

Notes Forming Part of Standalone Financial Statements

*The Company contributes all the ascertained liabilities towards gratuity to Life Insurance Corporation of India (LIC) which is the insurer- managed fund. Since the investments in the plan assets is managed by LIC the detailed breakup of the investments is not made available to the Company.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

Investment risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Most of the plan asset investment is in fixed income securities with high grades and in government securities which are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company intends to maintain the above investment mix in the continuing years.
Interest risk	A decrease in the market yields in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Maturity profile of gratuity liability and Employer contribution

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are ₹ 160.59 lakhs (as at March 31, 2019 : ₹ 103.88 lakhs).

The weighted average duration (based on discounted cash flows) of the defined benefit obligation is 20 years (Year ended March 31, 2018- 21 years). The expected maturity analysis of undiscounted gratuity is as follows :

Particulars	Amount in ₹ lakhs
Less than one year	29.37
Between 1-2 years	48.78
Between 2-5 years	124.46
Over 5 years	440.45
TOTAL	**643.06**

Note 44 - Share based payments

The company has formulated Employee Stock Option Scheme, 2008 (ESOP Scheme) which was approved by the members/ shareholders of the Company at their annual general meeting held on September 23, 2008, as modified on January 10, 2011 and June 1, 2012 annual report general meeting. Further the company has formulated the new "ESOP Scheme 2014" approved by the members of the company through postal ballot on May 23, 2014. The Employee Option Plan is designed to provide incentives to all the existing employees serving with the Company. Under the plan, employees are granted options which vest proportionately from 2 – 6 years from the grant date which includes lock in period.

Once vested, the options remain exercisable for a period of 4 years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is a price which is determined at 50% of market price of the scrip of the company (on the highest traded Stock Exchange) or at any other price as decided by the Nomination and Remuneration and Compensation Committee.

Notes Forming Part of Standalone Financial Statements

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-19		31-Mar-18	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	95.81	75,27,450	90.29	15,62,775
Granted during the year	27.01	1,17,81,800	127.71	30,09,000
Grant of options on issue of bonus shares during the year	-	-	88.93	35,35,025
Exercised during the year	-	-	36.74	1,69,125
Lapsed during the year	99.26	15,19,600	101.78	4,10,225
Expired during the year	-	-	-	-
Closing Balance	**49.95**	**1,77,89,650**	**95.81**	**75,27,450**
Vested and exercisable	56.73	17,62,650	43.24	7,60,450

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2019 was ₹ NIL (March 31, 2018 : ₹ 46.50).

No options expired during the periods in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (₹)	Share options 31-Mar-19	Share options 31-Mar-18
20-07-2012	19-07-2021	10.00	47,750	52,250
26-11-2014	26-11-2023	32.35	9,37,100	10,10,300
11-03-2016	10-03-2025	56.54	14,21,500	14,99,900
26-07-2017	25-07-2026	109.40	30,97,800	38,78,600
26-10-2017	25-10-2026	137.33	4,49,400	6,29,000
09-01-2018	08-01-2027	202.28	3,52,500	4,57,400
13-04-2018	12-04-2027	69.85	5,27,100	-
10-07-2018	09-07-2027	25.93	3,54,900	-
05-10-2018	04-10-2027	14.38	3,74,400	-
03-01-2019	02-01-2028	18.03	2,27,200	-
25-01-2019	25-01-2024	25.00	1,00,00,000	-
TOTAL			**1,77,89,650**	**75,27,450**

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2019 was ₹ 86, ₹ 39.84. ₹ 21.47, ₹ 23.92 and ₹ 26.57 per option respectively for the five grants issued during the year (March 31, 2018 was ₹ 284.58, ₹ 362.48 and ₹ 260.00). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Notes Forming Part of Standalone Financial Statements

The model inputs for options granted during the year ended March 31, 2019 included:

a) Options are granted for consideration and vest upon completion of service for a period of one / two years. Vested options are exercisable for a period of four years after vesting.

	Particulars	Year ended March 31, 2019				
b)	(ii) Exercise price - Post bonus issue (₹)	69.85	25.93	14.38	18.03	25.00
c)	Grant date	13-04-2018	10-07-2018	05-10-2018	03-01-2019	25-01-2019
d)	Expiry date	12-04-2027	09-07-2027	04-10-2027	02-01-2028	25-01-2024
e)	Share price at grant date (₹)	139.70	54.40	29.90	34.35	43.20
f)	Expected price volatility of the company's shares	59.58%	37.00%	36.77%	40.59%	39.77%
g)	Expected dividend yield	0.40%	0.38%	0.55%	0.55%	0.55%
h)	Risk free interest rate	6.58%	8.12%	8.11%	7.25%	7.30%
i)	Fair value (₹)	86.00	39.84	21.47	23.92	26.57

	Particulars	Year ended March 31, 2018		
b)	(i) Exercise price - Pre Bonus issue (₹)	218.80	274.65	Not Applicable
b)	(ii) Exercise price - Post bonus issue (₹)	109.40	137.33	202.28
c)	Grant date	26-07-2017	25-10-2017	08-01-2018
d)	Expiry date	26-07-2026	25-10-2026	08-01-2027
e)	Share price at grant date (₹)	437.60	549.30	405.40
f)	Expected price volatility of the company's shares	39.83%	38.53%	71.40%
g)	Expected dividend yield	0.40%	0.40%	0.40%
h)	Risk free interest rate	6.55%	6.75%	6.60%
i)	Fair value (₹)	284.58	362.48	260.00

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

j) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

(Amount in ₹ lakhs)

Particulars	March 31, 2019	March 31, 2018
Employee Stock Option Plan	1,661.42	1,626.37

Note 45 - Financial Instruments

(i) Method and assumptions used to estimate the fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial as well as non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

Notes Forming Part of Standalone Financial Statements

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

Level 1 : Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 : Inputs other than prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability.

The carrying value and fair value by each classification as at March 31, 2019 were as follows:-

(Amount in ₹ lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	2,584.16	-	-	2,584.16	-	-
Trade Receivables	1,28,220.73	-	-	1,28,220.73	-	-
Cash & Cash equivalents	2,081.48	-	-	2,081.48	-	-
Other Bank Balances	1,11,413.63	-	-	1,11,413.63	-	-
Short Term Loans	16.61	-	-	16.61	-	-
Other Financial Assets	3,132.97	-	-	3,132.97	-	-
Investments*	-	367.07		367.07	240.13	126.94
TOTAL	**2,47,449.58**	**367.07**	**-**	**2,47,816.65**	**240.13**	**126.94**

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-
Other Financial Liabilities	4,499.72	-	-	4,499.72	-	-
TOTAL	**4,499.72**	**-**	**-**	**4,499.72**	**-**	**-**

The carrying value and fair value by each classification as at March 31, 2018 were as follows:-

(Amount in ₹ lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	3,302.31	-	-	3,302.31	-	-
Trade Receivables	1,27,658.36	-	-	1,27,658.36	-	-
Cash & Cash equivalents	70,244.69	-	-	70,244.69	-	-
Other Bank Balances	73,661.10	-	-	73,661.10	-	-
Short term Loans	14.54	-	-	14.54	-	-
Other financial assets	698.23	-	-	698.23	-	-
Investments*	-	2,899.49	-	2,899.49	2,803.29	96.20
TOTAL	**2,75,579.23**	**2,899.49**	**-**	**2,78,478.72**	**2,803.29**	**96.20**

Notes Forming Part of Standalone Financial Statements

(Amount in ₹ lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-
Other Financial Liabilities	1,282.47	-	-	1,282.47	-	-
TOTAL	**1,282.47**	**-**	**-**	**1,282.47**	**-**	**-**

*excluding Investments in Subsidiary Companies (₹ 2,796.00 lakhs (March 31, 2018 : ₹ 2,796.00 lakhs) measured at cost.

(ii) Financial Risk Management

The Board of Directors has overall responsibility for the establishment and overview of the company's risk management framework. The Board of Directors has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the company's activities. The Audit Committee oversees how management monitors compliances with the company's risk management policies and procedures, and reviews the risk management framework. The Audit Committee is assisted in its role by Internal Audit. Internal Audit covers review of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's activities are exposed to various risk viz. Credit Risk, Liquidity Risk and Market Risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set up by the Board of Directors / Management of the Company.

a) Credit Risk :

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit ratings assigned by credit rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks and other counter parties for the facilities availed by subsidiary. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called upon.

Trade receivables consists of large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

Notes Forming Part of Standalone Financial Statements

Table showing age of gross trade receivables and movement in expected credit loss allowance:

(Amount in ₹ lakhs)

Age of receivables	March 31, 2019	March 31, 2018
Within the credit period	1,27,953.82	1,25,995.00
1-90 days past due	13.23	674.87
91-180 days past due	70.60	35.17
181-270 days past due	84.80	328.81
More than 270 days past due	627.53	1,324.07
TOTAL	**1,28,749.98**	**1,28,357.92**

Movement in the expected credit loss allowance	March 31, 2019	March 31, 2018
Balance at beginning of the year	699.57	1,661.44
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(170.31)	(961.87)
TOTAL	**529.26**	**699.57**

b) **Liquidity Risk :**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation, typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities :

(Amount in ₹ lakhs)

As on March 31, 2019	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-

(Amount in ₹ lakhs)

As on March 31, 2018	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-

c) **Market Risk :**

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments.

(i) **Market Risk - Foreign Exchange**

Foreign currency Risk is that risk in which fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Company hedges the receivables as well as payables by forming view after discussion with Forex consultant and as per policies by Management. The Company is also exposed to the Foreign currency loans availed from various banks to reduce the overall interest cost.

Notes Forming Part of Standalone Financial Statements

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows:

(Amount in ₹ lakhs)

Currency	Liabilities		Assets	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
US Dollar (USD)	-	-	2,499.80	3,806.86

Foreign Currency Exposure

(USD in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables	-	8.97
Loans Receivable	36.14	49.56
TOTAL	**36.14**	**58.53**

Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and impact on Equity

(Amount in ₹ lakhs)

Currency	Impact of Profit and Loss / Equity			
	For year ended March 31, 2019		For year ended March 31, 2018	
	1% increase	1 % decrease	1% increase	1 % decrease
US Dollar (USD)	25.00	(25.00)	38.07	(38.07)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

ii) Market Risk - Interest Rate

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company does not have any borrowings outstanding as at March 31, 2019 and in absence of exposure to interest rates on borrowings, the impact of interest rate sensitivity analysis is not required.

Note 46 - Disclosure under Section 186 (4) of the Companies Act, 2013 pertaining to subsidiaries and associates

(i) Details of loans to subsidiaries

(Amount in ₹ lakhs)

Name of Subsidiaries	As at March 31, 2019	As at March 31, 2018
- Vakrangee e-Solutions Inc. (Purpose of loan is to provide financial assistance to the subsidiary company)	2,499.88	3,223.40
	2,499.88	**3,223.40**

Notes Forming Part of Standalone Financial Statements

(ii) Details of Investment in Subsidiaries

Name of Subsidiaries	No. of Shares as at year-end	% of shareholding
Vakrangee e-Solutions Inc. (incorporated in Philippines)	96,000	100%
Vakrangee Finserve Limited	1,50,00,000	100%
Vakrangee Logistics Private Limited	1,20,00,000	100%

Note 47 - Income Taxes

(a) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before income taxes	4,209.74	1,00,196.98
Enacted tax rates in India	34.94%	34.61%
Computed expected tax expense	1,471.06	34,676.17
Effect of non-deductible expenses	69.01	315.91
Others	0.14	-
Income Tax expense of current year	**1,540.21**	**34,992.08**
Earlier year tax expenses	115.13	-
Current Income Tax expense	**1,655.34**	**34,992.08**

(b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2019 and March 31, 2018 :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Income Tax Liabilities	-	-
Income Tax Assets	1,262.18	950.25
Net current income tax liabilities / (assets) at the end	**(1,262.18)**	**(950.25)**

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2019 and March 31, 2018 is as follows:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net current income tax liability / (asset) at the beginning	**(950.25)**	**2,107.75**
Income Tax paid	(1,967.27)	(38,050.07)
Current Income Tax expense	1,655.34	34,992.08
Net current income tax liability / (asset) at the end	**(1,262.18)**	**(950.25)**

Notes Forming Part of Standalone Financial Statements

(c) The gross movement in the deferred income tax account for the year ended March 31, 2019 and March 31, 2018, are as follows:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net deferred income tax liability at the beginning	**(1,061.56)**	**-**
Movements relating to temporary differences	536.46	(1,057.20)
Temporary differences on other comprehensive income	4.36	(4.36)
Net deferred income tax liability at the end	**(520.74)**	**(1,061.56)**

Note 48 - Other Comprehensive Income

During the previous year, Company has made an irrevocable election to present the subsequent changes in the fair value of equity instruments, not held for trading, in the Other Comprehensive Income. The cumulative loss recognised on disposal of equity instruments for the year ended March 31, 2018 is ₹ 3,086.34 lakhs. Dividend recognised during the year ended March 31, 2018 for the investment disposed off is ₹ 46.96 lakhs.

Note 49 - Previous year figures

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

As per our report of even date attached.
For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Ankush Goyal
Partner
Membership No.: 146017

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
DIN : 00062532

Anil Khanna
MD & Group CEO
DIN : 01334483

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Mehul Rawal
Company Secretary

Independent Auditors' Report

To the Members of Vakrangee Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **VAKRANGEE LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"),which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year then ended on that date, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS) and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by The Institute of Chartered Accountant of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. **Estimates Involving in Capitalisation of Capital Expenditure, and determining their useful lives** (Refer Note 1" Significant Accounting Policies", Critical Accounting Estimates and Note 4 "Property, Plant and Equipment" for details)

   Group has capitalised items of Property, Plant and Equipment (PPE), mainly related to the Automated Teller Machine (ATM) purchased newly from the OEM. Expenditure such as freight cost and acquisition cost are capitalised. Identification and allocation of the related expenditures involves judgement and estimation of future economic benefit.

   The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experiences, market practices and group decision on technical evaluation of useful lives of the ATM.

   Capital expenditure and new acquisition is not considered to be an area of significant risk for our audit but as it requires considerable time and resource to audit due to its magnitude, it is considered to be a key audit matter.

   Principal Audit Procedure

   We assessed whether the Group's accounting policy in relation to the capitalisation of expenditures are in sync and in compliance with IND AS and found them to be consistent.

   We obtained a listing of capital expenditures and major acquisition during the year end, on a sample basis, checked whether the assets were undertaken based on internal purchase order that had been properly approved by the key person with such authority with no material exceptions noted. We inspected a sample of contracts and underlying invoices to determine whether the classification between capital and operating expenditure was appropriate. We noted no material exceptions.

Independent Auditors' Report

We evaluated whether the useful lives of the component determined and applied by the management were in line with historical experience, group assessment and the market practice.

We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from work in progress to asset in use, with the date of the act of completion of the work. We noted no material exceptions

Reference to related disclosures

The Group has provided information on the disclosure of the addition, deletion of PPE and depreciation for the year on such addition and existing asset in Note 4 of the Consolidated financial statement.

2. **Cash, Cash Equivalent, Bank Balance and Bank Deposit (Including Margin Money)**

Cash, cash equivalent, Bank Balance and fixed deposit consist of cash in hand, Balance with bank in current accounts and term deposit (current and non-current). The nature and contractual terms of the financial assets determined the presentation on the balance sheet. We focused on this area as it is material to the consolidated financial statements and area of significant risk for our audit as it requires considerable time and resource to audit due to its magnitude, it is considered to be a key audit matter.

The Company's disclosure about cash, cash equivalent and other financial assets are included in Note 10 and Note 16 of the Consolidated financial statements

Principal Audit Procedure

Balance with Bank in Current Account

We have obtained list of various bank accounts maintained by Company and Subsidiaries Companies along with their usages, type and closing balance as appearing in the books as of the reporting date. We reconciled the Bank balances to bank confirmations and items of reconciliation as appearing in the books of accounts. We and other auditor of the Subsidiaries have independently sought Bank Balance confirmation from the respective bank.

Cash in Hand and cash lying in the ATM owned and Operated by Company

We have conducted physical verification on the reporting date and have obtained the details of denomination of cash in hand verified. For cash lying in ATM machines owned and operated by Holding Company, we have sought physical cash verification report conducted by management. We have also independently verified on sample basis during our audit period and the reconciliation has been carried out.

Bank Deposit (Non-current and current)

We have obtained list of Fixed deposit opened by Holding Company and lying in the Bank as on the reporting date. We have verified Balance appearing in the Books to the Bank Balance confirmation provided by management to us. We have also independently sought Fixed Deposit Bank Balance confirmation on the reporting date from the respective Banks. We have also verified interest income against these Fixed deposit booked by the Holding Company with the statement of fixed deposit provided to us during the audit period.

We have independently sought from the Bank for the Fixed deposit which are lien against Bank guarantee and letter of credit provided to various government departments and vendors.

Our audit procedures included review of the classification of the cash, cash equivalent and other financial assets and any restriction on the use of the cash and cash equivalent.

3. **Information Technology environment**

We identified the information technology environment as an area of focus in our audit, since Vakrangee Limited and its subsidiaries are dependent on their technology structure, both for the processing of their operations, as well as for the reasonable preparation and presentation of their consolidated financial statements.

The Group has technological infrastructure for its business activities, as well as ongoing plans for the improvement and maintenance of the access of the management and change in the pertinent systems and applications, the development of new programs and automated controls and automated components in the relevant business processes. The Control to authorise, control restrict and cancel accesses to technology environment and programme changes are fundamental for mitigating the potential risk of fraud or error based on the misuse or improper change in the systems of the Group, thus ensuring the integrity of the financial information and accounting records.

The Group has an information technology structure which comprises more than one technology environment with different processes and segregated controls. The lack of suitability of the general technology control environment and its dependent controls could trigger incorrect processing of critical information for the preparation of the consolidated financial statements

Principal Audit Procedure

We evaluated and tested the design and operational effectiveness of the general controls of information system i.e. VKMS of the Group. Although our audit is not for the purpose of giving an opinion on effectiveness of the information technology controls, we reviewed the group's framework of governance of IT and the controls on the management of access to the data, the development of and changes in programs, generation of financial information and other useful data for review of analytical data.

The IT environment and the controls established by management combined with the testing of controls, including compensating controls, which we have applied, provide us reasonable basis for our reliance in the integrity and reliability of the information generated for the preparation of the Group's financial Statements.

4. **Assessment of Credit Impairment loss of Financial Assets**

The assessment of credit impairment loss is a Key Audit Matter as the Group applies Expected Credit Loss (ECL) model on the financial assets as defined in the significant accounting policies given under Note 2 (B) (xi) (d). The value of financial assets on the balance sheet is significant and there is a high degree of complexity and judgement involved for the Group in estimating individual and collective credit impairment provisions against these assets

The Group's models to calculate ECLs are the weighted average of credit losses with the respective risks of default occurring as the weights being inherently complex and judgement is applied in determining the correct construct of the models.

There are also a number of key assumptions made by the Group in applying the accounting standard requirements to the models, including the selection and input of forward-looking information.

The ECL model adopted by the management is based on their specific recoverability assessment on individual item with reference to the aging profile, historical payment pattern and the past record of default.

For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realisation of these assets, are required for the identification of impairment events and the determination of the impairment charge.

Principal Audit Procedure

We have performed the following procedures in relation to assessment of Credit Impairment loss of Financial Assets:

- Tested the accuracy of ageing of financial assets at year end based on the agreed terms of contract with respective party;
- Assessed the recoverability of the unsettled financial assets on a sample basis through our evaluation of management's assessment and latest correspondence with customers; and
- Evaluated the assumption used in ECL calculations under various stress scenarios and the process used by management for classification of trade receivables as given in Note 8 & 15 of the consolidated financial statements.

We found the key judgements and assumptions used by management in the Credit Impairment loss assessment of financial assets to be supportable based on the available evidence.

5. **Recognition and Measurement of Deferred Tax**

The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of assets and liabilities in accordance with the respective local tax provisions and financial reporting in accordance with IND AS as well as the calculation of tax loss carry forward. This requires the significant calculation on account of carry forward of losses, Mat Credit entitlement and identification of temporary and deductible differences. Furthermore, the assessment of the ability to use deferred tax assets is based on the expectations of the management regarding the Group's economic development, which is influenced by the current market environment, and the assessment of future market development (Domestic and Overseas) and thus requires the use of judgment.

Independent Auditors' Report

Deferred Tax disclosed in Note 11 of the Consolidated Financial Statement of Group for year ended include Deferred tax asset created on temporary, deductible difference and unused tax credit of Rs 538.47 lacs. In light of this, the recognition and measurement of deferred taxes was a key audit matter.

Principal Audit Procedure

In assessing the recognition and measurement of deferred taxes for the Group, among other procedures, we analysed the underlying processes for the complete capture and measurement of deferred taxes and examined the controls implemented to prevent or detect and correct errors.

Current tax laws allow to carry forward unused tax loss and unused tax credit for 8 assessment years and 15 assessment years respectively from the assessment year in which such tax loss/tax credit was incurred.

We examined on a sample basis the identification and quantification of differences between the recognition and measurement of assets and liabilities according to tax regulations and financial reporting pursuant to IND AS. We also reperformed the calculation of deferred taxes, checking that the correct tax rate was applied (Enacted Income Tax Rate-for FY 19-20 since the asset going to be realised in future period: Para 47 of IND AS 12). We compared the tax plans with the Group's budget on a sample basis in terms of the recoverability of deferred tax assets from temporary differences and from unused tax credit. We have also assessed critically whether the sales and taxable profit before tax loss adjustment forecast are reasonable in relation to historical trends, current year performance and plans.

We have also focused on adequacy of the Group's disclosures on deferred income tax positions and assumption used.

Our audit procedures did not lead to any reservations regarding the recognition and measurement of deferred taxes.

Reference to related disclosures

The Group has provided information on the recognition and measurement of deferred taxes in the Note 11 and under Note 47(c) of the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, for example Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this our auditor's report.

Our opinion on the Consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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 of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that

Independent Auditors' Report

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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosure, and whether the consolidated financial statement represent the underlying transaction and the events in a manner that achieve fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatement in the consolidated financial statement that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to

Independent Auditors' Report

evaluate the effect of any identified misstatement in the consolidated financial statements.

We communicate with those charged with governance of Holding Company of which we are independent auditor, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any other significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- We did not audit the financial statements of three subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets of Rs. 8,063.452 Lakhs as at March 31, 2019, total revenues of Rs. 6389.53 Lakhs and net cash flows amounting to Rs. (781.45) Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditor.

- One of the subsidiary is located outside India whose financial statements has been prepared in accordance with accounting principles generally accepted in such country and which has been reviewed by the other auditor under generally accepted auditing standard applicable in that country.

  The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. Our conclusion in so far relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and conversion adjustments prepared by the management of the company and reviewed by another Chartered Accountant whose report has been furnished to us on which we placed reliance.

Our opinion on the Consolidated Financial Statements above 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 reports of the other auditors and the financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by the section 143 (3) of the Act, based on our report and on consideration of report of the other auditor on separate financial statements and the other financial information of subsidiaries as referred in the 'Other Matter' paragraph, we report, to the extent applicable that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   b. In our opinion, proper books of account as required by law have been relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

   c. The Consolidated Balance sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements.

   d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards Prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.

Independent Auditors' Report

e. On the basis of the written representations received from the directors of Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory auditors of its subsidiary Company incorporated in India, none of the directors of the Group Companies are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting; refer to our separate report in "Annexure A" which is based on the auditor's report of the Company and the reports of the statutory auditors of its subsidiary Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reason stated therein.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

   According to the information and explanations given to us, the Holding Company paid remuneration amounting of ₹470.53 lacs to its Executive Directors. As the Holding Company did not have adequate profits in the financial year ended March 31, 2019, the remuneration paid in excess of limits specified under section 197 of Act read with Schedule V thereto, the Holding Company is in the process of complying with statutory requirement prescribed to regularize such excess payments, including seeking approval of shareholders, as necessary.

h. 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 explanation given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other Matter' paragraph:

   i. The Consolidated Financial Statements disclose the impact of pending litigation on the Consolidated Financial Position of the Group. Refer to Note 40 to the Consolidated Financial Statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2019.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended March 31, 2019.

For **A.P.Sanzgiri & Co.**
Chartered Accountants
FRN : 116293W

Ankush Goyal
Partner
Membership No.146017

Place: Mumbai
Date: May 10, 2019

Annexure "A" to the Independent Auditors' Report

(Referred to in the paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vakrangee Limited of even date).

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of VAKRANGEE LIMITED (hereinafter referred to as "Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, 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 Accountant of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, 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 risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary Companies, which are incorporate in India.

Meaning of Internal Financial Controls Over Financial Reporting

The Company's internal financial control 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 generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to best of our information and according to the explanation given to us, and based on the consideration of report of other auditor, as referred to in 'Other Matter' paragraph the Company and its Subsidiary Companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to separate financial statements of subsidiaries, which is Company incorporated in India, is based on the corresponding reports of the auditor of such Company incorporated in India.

For **A.P.Sanzgiri & Co.**
Chartered Accountants
FRN : 116293W

Ankush Goyal
Partner
Membership No.146017

Place: Mumbai
Date: May 10, 2019

Consolidated Balance Sheet

as at March 31, 2019

(Amount in ₹ lakhs)

	Particulars	Note No.	As at March 31, 2019		As at March 31, 2018	
I	**ASSETS**					
1	**Non - Current Assets**					
	Property Plant and Equipment	4		14,281.47		8,968.98
	Capital Work-in-Progress	4		1,336.31		320.95
	Other Intangible Assets	5		3.67		-
	Investment Property	6		-		8.51
	Financial Assets					
	(i) Investments	7	367.07		2,810.83	
	(ii) Trade Receivables	8	-		-	
	(iii) Loans	9	111.32		99.16	
	(iv) Other Financial Assets	10	307.15	785.54	563.87	3,473.86
	Deferred Tax Assets (net)	11		538.47		1,132.00
	Other Non - Current Assets	12		1,248.47		1,156.88
	Total Non-current Assets			**18,193.93**		**15,061.18**
2	**Current Assets**					
	Inventories	13		410.67		1,714.63
	Financial Assets					
	(i) Investments	14	-		88.66	
	(ii) Trade Receivables	15	1,31,962.41		1,30,788.68	
	(iii) Cash and Cash equivalents	16	2,770.15		73,289.37	
	(iv) Bank Balances other than (iii) above	16	1,11,646.48		74,155.14	
	(v) Loans	17	1,002.13		16.55	
	(vi) Other Financial Assets	18	3,181.83	2,50,563.00	674.32	2,79,012.72
	Current Tax Assets (Net)	19		247.40		247.01
	Other Current Assets	20		2,357.53		3,228.67
	Total Current Assets			**2,53,578.60**		**2,84,203.03**
	TOTAL			**2,71,772.53**		**2,99,264.21**
II	**EQUITY AND LIABILITIES**					
1	**Equity**					
	Equity Share Capital	21		10,588.03		10,588.03
	Other Equity	22		2,49,632.37		2,48,653.22
	Total Equity			**2,60,220.40**		**2,59,241.25**
2	**Liabilities**					
(i)	**Non - Current Liabilities**					
	Financial Liabilities					
	(i) Trade Payables	23				
	- Dues of micro enterprises and small enterprises		-		-	
	- Dues of Creditors other than micro enterprises and small enterprises		342.16		354.13	
	(ii) Other Financial Liabilities	24	38.42	380.58	38.10	392.23
	Employee Benefit Obligations	25		189.29		357.65
	Total Non-Current Liabilities			**569.87**		**749.88**
(ii)	**Current Liabilities**					
	Financial Liabilities					
	(i) Borrowings		-		-	
	(ii) Trade Payables	26				
	- Dues of micro enterprises and small enterprises		26.05		9.56	
	- Dues of Creditors other than micro enterprises and small enterprises		3,361.51		34,009.26	
	(iii) Other Financial Liabilities	27	4,461.33	7,848.89	1,254.55	35,273.37
	Other Current Liabilities	28		2,714.16		3,729.44
	Provisions	29		397.53		254.87
	Employee Benefit Obligations	30		21.68		15.40
	Current Tax Liabilities			-		-
	Total Current Liabilities			**10,982.26**		**39,273.08**
	Total Liabilities (i +ii)			**11,552.13**		**40,022.96**
	TOTAL			**2,71,772.53**		**2,99,264.21**
	Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1-50				

As per our report of even date
For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Ankush Goyal
Partner
Membership No.: 146017

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
DIN : 00062532

Anil Khanna
MD & Group CEO
DIN : 01334483

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Mehul Rawal
Company Secretary

Consolidated Statement of Profit and Loss
for the year ended March 31, 2019

(Amount in ₹ lakhs)

	Particulars	Note No.	For the year ended March 31, 2019		For the year ended March 31, 2018	
I	**Income**					
	Revenue from Operations	31	1,50,822.69		6,50,199.56	
	Other Income	32	7,997.11		3,448.59	
	Total Income			**1,58,819.80**		**6,53,648.15**
II	**Expenses**					
	Operating Expenses	33	1,37,494.33		5,11,112.93	
	Purchase of Stock-in-Trade		2,338.77		2,011.37	
	Changes in Inventories	34	1,002.97		3,425.33	
	Employee Benefits Expense	35	8,795.80		6,880.53	
	Finance Costs	36	0.00		1,030.54	
	Depreciation and Amortization Expense	4,5,6	873.54		417.04	
	Impairment Loss	4	-		277.61	
	Other Expenses	37	3,357.70		26,105.70	
	Total Expenses			**1,53,863.11**		**5,51,261.05**
III	**Profit Before Tax and exceptional Items**			**4,956.69**		**1,02,387.10**
IV	**Exceptional Items**	38		177.40		-
V	**Profit Before Tax**			**5,134.09**		**1,02,387.10**
VI	**Tax Expense:**					
	(a) Current Tax		2,022.30		35,283.19	
	(b) Deferred Tax		589.16		(941.73)	
				2,611.46		**34,341.46**
VII	**Profit for the year**			**2,522.63**		**68,045.64**
VIII	**Other Comprehensive Income**					
	Items that will be reclassified subsequently to profit or loss					
	Exchange difference on translation of foreign operations			44.66		(92.28)
	Items that will not be reclassified subsequently to profit or loss					
	i) Fair value gain on financial instruments at fair value through OCI			-		**(3,086.34)**
	ii) Remeasurement of net defined benefit obligations (net of taxes)			(58.46)		(8.12)
	Other Comprehensive Income (net of tax)			**(13.80)**		**(3,186.74)**
	Total Comprehensive Income for the period			**2,508.83**		**64,858.90**
IX	**Weighted Average No. of equity shares for computing EPS (in lakhs)**	39				
	(1) Basic			10,588.03		10,587.79
	(2) Diluted			10,621.18		10,622.41
X	**Earnings Per Equity Share (Face Value ₹ 1/- Per Share):**	39				
	(1) Basic (₹)			0.24		6.43
	(2) Diluted (₹)			0.24		6.41
	Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1-50				

As per our report of even date
For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Ankush Goyal
Partner
Membership No.: 146017

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
DIN : 00062532

Anil Khanna
MD & Group CEO
DIN : 01334483

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Mehul Rawal
Company Secretary

Consolidated Cash Flow Statement
for the year ended March 31, 2019

(Amount in ₹ lakhs)

S. No	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
I	**Cash flow from operating activities**		
	Profit before tax from continuing operations	5,134.09	1,02,387.10
	Profit before tax	**5,134.09**	**1,02,387.10**
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	873.43	416.87
	Depreciation of investment properties	0.11	0.17
	Impairment of Property, Plant and Equipment	-	277.61
	Employee share based payment expenses	1,661.42	1,626.37
	Net foreign exchange differences	(217.16)	9.28
	Allowance for credit losses	(100.35)	(817.42)
	Fair value gain on financial instrument at fair value through Profit and loss	(62.42)	(77.89)
	Remeasurement of defined benefit obligations	(54.11)	(12.49)
	Gain on disposal of property, plant and equipment	(177.40)	-
	Finance costs	0.00	1,030.54
	Interest income	(7,667.51)	(2,963.82)
	Dividend income	(1.83)	(49.28)
	Operating profit before working capital changes	**(611.73)**	**1,01,827.04**
	Movements in assets and liabilities :		
	Decrease / (increase) in inventories	1,303.96	48,204.25
	Decrease / (increase) in trade receivables	(1,074.30)	(47,561.03)
	Decrease / (increase) in loans and other financial assets	(40,736.49)	(71,999.82)
	Decrease / (increase) in other current assets	871.14	25,225.18
	Decrease / (increase) in other non-current assets	22.80	116.32
	Increase / (decrease) in trade payables	(30,643.22)	31,942.10
	Increase / (decrease) in employee benefit obligations	(162.08)	131.86
	Increase / (decrease) in provisions	142.66	(363.51)
	Increase / (decrease) in other financial liabilities	3,207.09	1,210.51
	Increase / (decrease) in other current liabilities	(1,015.28)	2,669.94
	Cash generated from operations	**(68,695.44)**	**91,402.84**
	Income taxes paid (net of refunds)	(2,137.08)	(38,415.96)
	Net cash flow from operating activities (A)	**(70,832.52)**	**52,986.88**
II	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, including CWIP	(7,236.82)	(7,118.42)
	Proceeds from sale of property, plant and equipment	217.67	-
	Purchase of investments	-	(41,127.62)
	Proceeds from sale of investments	2,594.84	35,404.51
	Decrease in foreign currency translation reserve	259.38	(60.80)
	Interest received	7,667.51	2,963.82

Consolidated Cash Flow Statement
for the year ended March 31, 2019

(Amount in ₹ lakhs)

S. No	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	Dividends received	1.83	49.28
	Net cash flow from/(used in) investing activities (B)	**3,504.41**	**(9,889.23)**
III	**Cash flow from financing activities**		
	Proceeds from issue of shares	-	1.69
	Proceeds towards securities premium on issue of shares	-	122.57
	Repayment of borrowings	-	-
	Interest paid	(0.00)	(1,030.54)
	Dividends paid to company's shareholders	(2,647.01)	(10,588.03)
	Dividend Distribution Tax paid	(544.10)	(2,155.47)
	Net cash flow (used in) in financing activities (C)	**(3,191.11)**	**(13,649.78)**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(70,519.22)**	**29,447.87**
	Effects of exchange rate changes on cash and cash equivalents	(0.00)	(0.34)
	Cash and cash equivalents at the beginning of the year	73,289.37	43,841.84
	Cash and cash equivalents at the end of the year	**2,770.15**	**73,289.37**

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1-50

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Ankush Goyal
Partner
Membership No.: 146017

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
DIN : 00062532

Anil Khanna
MD & Group CEO
DIN : 01334483

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Mehul Rawal
Company Secretary

Statement of changes in equity

for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	Equity Share Capital	Other Equity								Total equity attributable to equity holders of the Company
		Reserves and surplus				Other Comprehensive Income				
		Securities premium reserve	Retained earnings	General Reserve	Share Options Outstanding Account	Equity instruments through other comprehensive income	Other items of other comprehensive income	Foreign Currency Translation Reserve		
Balance as at March 31, 2017	**5,292.32**	**42,009.83**	**1,45,097.94**	**11,706.39**	**691.92**	**-**	**(54.33)**	**631.18**		**2,05,375.25**
Increase in share capital on account of conversion of ESOPs	1.69	-	-	-	-	-	-	-		**1.69**
Amount received on shares issued during the year	-	122.57	-	-	-	-	-	-		**122.57**
Transferred from Share Options Outstanding Account	-	186.12	-	-	(186.12)	-	-	-		**-**
Profit for the year	-	-	68,045.62	-	-	-	-	-		**68,045.62**
Dividends (including corporate dividend tax)	-	-	(12,743.50)	-	-	-	-	-		**(12,743.50)**
Transfer to General Reserve	-	-	(5,229.46)	5,229.46	-	-	-	-		**-**
Transfer from General Reserve for issue of Bonus Shares	5,294.02			(5,294.02)						
Share-based payments (net)	-	-	-	-	1,626.37	-	-	-		**1,626.37**
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	(8.12)	-		**(8.12)**
Fair value gain on financial instruments at fair value through OCI	-	-	-	-	-	(3,086.34)	-	-		**(3,086.34)**
Exchange Translations	-	-	-	-	-	-	-	(92.28)		**(92.28)**
Balance as at March 31, 2018	**10,588.03**	**42,318.52**	**1,95,170.60**	**11,641.83**	**2,132.17**	**(3,086.34)**	**(62.45)**	**538.90**		**2,59,241.25**
Increase in share capital on account of conversion of ESOPs	-	-	-	-	-	-	-	-		**-**
Amount received on shares issued during the year	-	-	-	-	-	-	-	-		**-**
Transferred from Share Options Outstanding Account	-	-	-	-	-	-	-	-		**-**
Profit for the year	-	-	2,522.63	-	-	-	-	-		**2,522.63**

Statement of changes in equity
for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	Equity Share Capital	Other Equity							Total equity attributable to equity holders of the Company
		Reserves and surplus				Other Comprehensive Income			
		Securities premium reserve	Retained earnings	General Reserve	Share Options Outstanding Account	Equity instruments through other comprehensive income	Other items of other comprehensive income	Foreign Currency Translation Reserve	
Dividends (including dividend distribution tax)	-	-	(3,191.11)	-	-	-	-	-	**(3,191.11)**
Transfer to General Reserve	-	-	(6,626.21)	6,626.21	-	-	-	-	**-**
Share-based payments (net)	-	-	-	-	1,661.42	-	-	-	**1,661.42**
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	(58.46)	-	**(58.46)**
Exchange Translations	-	-	-	-	-	-	-	44.66	**44.66**
Balance as at March 31, 2019	**10,588.03**	**42,318.52**	**1,87,875.91**	**18,268.04**	**3,793.59**	**(3,086.34)**	**(120.91)**	**583.56**	**2,60,220.40**

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1-50

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

For and on behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
DIN : 00062532

Anil Khanna
MD & Group CEO
DIN : 01334483

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Ankush Goyal
Partner
Membership No.: 146017

Place : Mumbai
Date : May 10, 2019

Subhash Singhania
Chief Financial Officer

Mehul Rawal
Company Secretary

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 1 - Corporate Information

Vakrangee Limited (hereinafter referred to as "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 'Vakrangee Corporate House', Plot No. 93, Road No. 16, M.I.D.C, Andheri (East), Mumbai – 400 093, Maharashtra, India. The Company's shares are listed on two stock exchanges in India- the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

Vakrangee Limited along with its subsidiaries, Vakrangee e-Solutions Inc. (Philippines), Vakrangee Finserve Limited and Vakrangee Logistics Private Limited (hereinafter referred to as "Group") is engaged in providing diverse solutions, activities in e-governance and e-commerce sector, including bullion and jewellery, through its Vakrangee Kendra (on B2B and B2C basis) with special competencies in handling massive, multi-state, and e-governance enrollment projects, data digitization, software and licence.

The Consolidated financial statements were authorized for issue by the Board of Directors on May 10, 2019.

Note 2 - Significant Accounting Policies

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

A. Basis of preparation

i. Statement of compliance

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

The Group has adopted the Ind AS in accordance with Ind AS 101 First time adoption of Ind AS was done during the year ended March 31, 2017.

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

ii. Basis of Preparation

The consolidated financial statements have been prepared on historical cost basis except the following asset and liabilities which have been measured at fair value amount:

- certain financial assets and liabilities (including derivative instruments);
- defined benefit plans- plan assets; and
- Equity -settled Share Based Payments

The Consolidated Financial statements of the Group are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded off to Lakhs, except when otherwise indicated.

iii. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company, entities (including structured entities) controlled by the Company and its Subsidiaries.

Control is achieved when the Company

- has power over the investee;
- it is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to affect those returns through its power over the investee.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than the majority of the voting or similar rights of the investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

- the Group's voting rights and potential voting rights. In assessing control, potential voting rights that currently are exercisable are taken into account; and
- the size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder's meetings.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases control when the Group loses control of the subsidiary. The income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit and loss from the effective date the Company gains control until the date when the Company ceases to control the subsidiaries.

The financial statements of the subsidiary companies and entities (including structured entities) controlled by the Company used in the consolidation are drawn up to the same reporting date as of the Company, Accounting policies of the respective subsidiaries are adjusted wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together of like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group on consolidation.

Changes in the Group's ownership interests in existing subsidiaries:

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed of.

B. Summary of significant accounting policies

i. Current versus non-current classification

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

For the Purpose of Balance Sheet, an asset is classified as current if:

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

- It is expected to be realized, or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading; or
- It is 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.

Similarly, a liability is classified as current if:

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

All other liabilities are classified as non–current.

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

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

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

ii. Segment Reporting

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

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

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

iii. Foreign Currencies

Transaction and balances

Transactions in foreign currencies are initially recorded by the company in their functional currency at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency using rate of exchange prevailing on the balance sheet date.

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

- 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 recorded 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 on 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

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

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).

Effective 1st April,2018, the Company has adopted Appendix B to the Ind-AS 21-foreign currency transaction and advance consideration, which clarify the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related assets, expenses or income when an entity has received or paid advance consideration in foreign currency. The effect on account of adoption of this amendment was insignificant.

Group Companies

For the purposes of presenting these consolidated financial statements, the financial statements of foreign operations/foreign subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated into INR at the exchange rate prevailing at the end of each reporting period.
- Income and expenses are translated at average exchange rates for the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions),
- Equity is recorded at the historical rate on the date of issue and hence, is not required to be re-translated at each subsequent reporting date, and
- All the resulting foreign exchange differences are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of Equity.

When the foreign operation is either partially or fully disposed off, the proportionate share or entire cumulative foreign exchange differences (pertaining to the said operation that are held in FCTR as at the date of disposal) respectively, are re-classified from Equity and considered in calculating the resulting profit / (loss) on sale of the operation. The said profit / (loss) on sale of the operation is recognized in the Statement of Profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

iv. Revenue recognition

The Company derives revenue primarily from activities in e-governance, e-commerce, White Label ATM, Financial Services (Including Banking) and Logistics sector, including bullion and jewellery, through its Vakrangee Kendra (on B2B and B2C basis) with special competencies in handling massive, multi-state, and e-governance enrolment projects, data digitization, software and licence.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers notified on March 28, 2018. This standard will supersede all current revenue recognition requirements. The Company has decided to use the modified retrospective approach for transition method, applied to contracts that were not completed as of April 1, 2018. Please refer Note 2(B)(iv) "Significant Accounting Policies," in the Company's 2018 standalone financial statement for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

The following is a summary of new and/ or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Arrangement for software-related services are either on a fixed price, fixed-timeframe or on a time-and material basis.

Revenue from software usages and license where the customer obtains a "right to use" the revenue from software and license is recognised at the time the software and license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognised over the access period.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet

Revenue from sale of goods and services is shown as net of sales tax, value added tax, service tax, goods and services tax and applicable discounts and allowances.

Interest Income

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

Dividend Income

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

Insurance claims

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

v. **Property, Plant and Equipment**

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

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

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

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

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

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

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Useful lives
Buildings	60 years
Computers and Printers, including Computer Peripherals	3 years
Office Equipments	5 years
Furniture & Fixtures	10 years
Motor Vehicles	8 years
Plant & Machinery	15 years
ATM Machine	10 years
Leasehold Land and Building, including leasehold improvements (Also refer Note 4)	51 years
Project Assets (comprising of Computers and Printers, including Computer Peripherals, Furniture and Fixtures and Office Equipments)	3-4 years

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.

vi. Intangible Asset

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over license period which equates the useful life ranging between 2-5 years on a straight-line basis.

vii. Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized 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 taxes

The current income tax expense includes income taxes payable by the Company and its subsidiaries in India and overseas. The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to the subsidiary in the respective jurisdiction in which it operates.

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

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

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 (either in other comprehensive income or in equity).

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

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

viii. 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

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

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

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

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

ix. Investment property

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management expert.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

x. **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 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.

xi. **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.

<u>Financial Assets</u>

a) **Initial recognition and measurement**

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

b) **Subsequent measurement**

Debt Instruments at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

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.

c) De-recognition

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

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

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

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

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

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

d) **Impairment of financial assets**

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

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.

<u>**Financial Liabilities**</u>

a) **Initial recognition and measurement**

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

b) **Subsequent measurement**

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

Financial liabilities at fair value through profit or loss

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

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

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

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Loans and borrowings

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

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

Financial guarantee contracts

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

c) Derecognition

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

Offsetting of financial instruments

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

xii. 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.

xiii. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease.

Finance Lease as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating Lease as a lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

xiv. 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.

xv. 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.

xvi. 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.

xvii. 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.

xviii. 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.

xix. 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

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

- 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.

xx. Cash and Cash Equivalent

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xxi. Employee Benefits

Short-term obligations

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

Other Long-term employee benefit obligations

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

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

Post- employment obligations

The Company operates the following post-employment schemes:

I. Defined benefit plans such as gratuity

II. Defined contribution plans such as provident fund.

Defined benefit plan - Gratuity Obligations

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

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

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

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

Remeasurements gains and losses arising from experience adjustments and changes in

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

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

Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

xxii. Share-based Payments

Shared based compensation benefits are provided to employees via Vakrangee Limited Employee Stock Option Plan.

Employee options

The cost of equity-settled transactions is determined by the fair value of the options granted at the date when the grant is made. The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the Company's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employee to save or holding shares for a specific period of time.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to be vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Note 3 (a) - Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made by the management of the Company that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

The estimates and associate's 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 are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

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

- **Share-based payments**
  Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 44.
- **Defined benefit plans**
  The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 44.

- **Fair value measurement of financial instruments**
  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 46 for further disclosures.

- **Depreciation and useful lives of Property, Plant and Equipment**
  Property, Plant and Equipment are depreciated over the estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and taken into account anticipated technological changes. The Depreciation for future periods is revised if there are significant changes from previous estimates.

- **Provision and Contingent Liabilities**
  A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Note 3 (b)- Indian Accounting Standards (Ind AS) Issued but not Effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

Ind AS 116 Leases:

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The standard permits two possible methods of transition:
Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

a. It carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application

b. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company is in the process of evaluating the impact of the standard.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

The amendment will come into force from April 1, 2019. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The effect on adoption would be insignificant in the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 4 - Property, Plant and Equipment

(Amount in ₹ lakhs)

(a) Description	Buildings	Plant and Machinery	Furnitures and Fixtures	Motor Vehicle	Office Equipments	Computers including Computer Peripherals	Leasehold Land & Building	Leasehold Improvement	Total	Capital Work-In-Progress	Grand Total
Cost or Valuation											
At March 31, 2017	**1,421.55**	**1,701.82**	**384.48**	**146.77**	**166.34**	**1,974.18**	**-**	**-**	**5,795.13**	**4.05**	**5,799.18**
Additions	551.42	1,182.86	218.01	-	329.57	316.72	3,150.30	1,052.63	6,801.51	320.95	7,122.46
Disposals/Transfers	-	-	-	-	-	-	-	-	-	4.05	4.05
At March 31, 2018	**1,972.97**	**2,884.69**	**602.49**	**146.77**	**495.91**	**2,290.89**	**3,150.30**	**1,052.63**	**12,596.64**	**320.95**	**12,917.59**
Additions	69.72	5,399.31	13.49	-	53.41	373.81	34.94	271.28	6,215.96	6,628.06	12,844.02
Disposals/Transfers	39.70	-	-	-	0.45	-	-	-	40.15	5,612.70	5,652.85
At March 31, 2019	**2,002.99**	**8,284.00**	**615.98**	**146.77**	**548.86**	**2,664.70**	**3,185.24**	**1,323.91**	**18,772.45**	**1,336.31**	**20,108.76**
Depreciation and Impairment											
At March 31, 2017	**166.78**	**518.67**	**310.52**	**20.04**	**113.57**	**1,803.61**	**-**	**-**	**2,933.19**	**-**	**2,933.19**
Depreciation charged for the year	25.73	220.25	29.25	18.04	24.46	85.68	4.98	8.49	416.87	-	416.87
Impairment during the year	-	277.61	-	-	-	-	-	-	277.61	-	277.61
Disposals/Transfers	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2018	**192.51**	**1,016.52**	**339.77**	**38.08**	**138.02**	**1,889.29**	**4.98**	**8.49**	**3,627.67**	**-**	**3,627.67**
Depreciation charged for the year	33.10	369.18	38.96	16.62	70.97	166.06	59.06	117.65	871.60	-	871.60
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-
Disposals/Transfers	8.16	-	-	-	0.12	-	-	-	8.28	-	8.28
At March 31, 2019	**217.45**	**1,385.70**	**378.73**	**54.70**	**208.87**	**2,055.36**	**64.04**	**126.14**	**4,490.98**	**-**	**4,490.98**
Net Book Value											
At March 31, 2019	1,785.54	6,898.30	237.25	92.07	340.00	609.35	3,121.20	1,197.77	**14,281.47**	1,336.31	**15,617.78**
At March 31, 2018	1,780.46	1,868.16	262.72	108.69	357.88	401.60	3,145.32	1,044.14	**8,968.98**	320.95	**9,289.93**

(b) **Impairment of Assets** : Impairment loss mainly pertains to one high speed printer categorised under Plant & Machinery. Based on technical valuation, the recoverable amount is less than the carrying value of the asset.

(c) **Change in Estimate :** During the year, the management has analysed the remaining useful life of assets and based on technical valuation of one class of Property, Plant and Equipment viz. ATM, life expectation has been changed from previous estimates. The change in life expectation has been accounted as per Para 38 of Ind-AS 8, Accounting Policies, Change in Estimates and Errors.

(d) **Finance Lease arrangement (Leasehold Land and Building) :**

The net carrying amount of Property, Plant and Equipment under finance lease arrangements are as follows:

(Amount in ₹ lakhs)

	As at March 31, 2019	As at March 31, 2018
Leasehold Land & Building	3,121.20	3,145.32

During the current year, the company has entered into a long term finance lease arrangement for a land and building situated at Plot No.93, Road No.16, MIDC, Marol, Andheri (East) Mumbai 400093 for the remaining period of 51 years out of the total lease term of 95 years in consideration of a lump sum premium amounting to ₹ 3,000.00 lakhs.

In consideration to the provisions of Ind AS 17 - Leases, the leasehold land and building have been assessed for classification as finance lease based on the evaluation of the facts and circumstances of the lease arrangement. The lease arrangement does not contain any clause for renewal or escalation.

Consideration paid shall be equally amortized over the period of leases and the company is not subject to any other future minimum lease rental commitments.

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 5 - Intangible Assets

(Amount in ₹ lakhs)

(a)	Description	Amount
	Gross Block	
	At March 31, 2017	**-**
	Additions	-
	Disposal	-
	At March 31, 2018	**-**
	Additions	5.50
	Disposal	-
	At March 31, 2019	**5.50**
	Depreciation and Impairment	
	At March 31, 2017	**-**
	Depreciation Charged for the year	-
	Impairment during the year	-
	Disposal	-
	At March 31, 2018	**-**
	Depreciation Charged for the year	1.83
	Impairment during the year	-
	Disposal	-
	At March 31, 2019	**1.83**
	Net Book Value	
	At March 31, 2019	3.67
	At March 31, 2018	-

Note 6 - Investment Property

(Amount in ₹ lakhs)

(a)	Description	Amount
	Gross Block	
	At March 31, 2017	**11.73**
	Additions	-
	Disposal	-
	At March 31, 2018	**11.73**
	Additions	-
	Disposal	11.73
	At March 31, 2019	**-**
	Depreciation and Impairment	
	At March 31, 2017	**3.05**
	Depreciation Charged for the year	0.17
	Impairment during the year	-
	Disposal	-
	At March 31, 2018	**3.22**
	Depreciation Charged for the year	0.11
	Impairment during the year	-
	Disposal	3.33
	At March 31, 2019	**-**
	Net Book Value	
	At March 31, 2019	-
	At March 31, 2018	8.51

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

(b) **Amounts recognised in statement of profit and loss for Investment property**

(Amount in ₹ lakhs)

Particulars	At March 31, 2019	At March 31, 2018
Rental income derived from investment properties	3.55	2.30
Less - Depreciation	0.11	0.17
Profit arising from investment properties before indirect expenses	**3.44**	**2.13**

(c) **Fair Value**

As at March 31, 2019 and March 31, 2018, the fair value of property is ₹ NIL and ₹ 173.88 lakhs respectively.

Note 7 - Investments
(Non - Current)

(Amount in ₹ lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	**Unquoted**		
	Investment carried at Fair value through Profit or Loss (FVTPL)		
	- In Equity Shares 2,500 Equity Shares of CSC e-Governance Services India Limited of ₹ 1000/- each fully paid up	126.94	96.20
	(March 31, 2018 : 2,500 Equity shares)		
	(A)	**126.94**	**96.20**
(b)	**Quoted**		
	Investment carried at Fair value through Profit and Loss (FVTPL)		
	Investments in Mutual Funds		
	24.9375 units of Aditya Birla Real Estate Fund - I of ₹ 1,00,000/- each partly paid up ₹ 60,000/- per unit (March 31, 2018 : ₹ 60,000/- per unit, 24.9375 units)	10.26	10.26
	1,20,000 units of Union Capital Protection Oriented Fund Series 7 (March 31, 2018 : 1,20,000 units)	13.77	12.71
	NIL units of Union Asset Allocation Fund - Moderate Plan Growth (March 31, 2018 : 99,990 units)	-	15.12
	NIL units of Union Small & Midcap Fund - Regular Plan (March 31, 2018 : 3,35,077.757 units)	-	53.01
	20,00,000 units of Union Capital Protection Oriented Fund Series 8 (March 31, 2018 : 20,00,000 units)	216.10	204.28
	NIL units of Axis Multicap Fund - Regular Plan Growth (March 31, 2018 : 50,00,000 units)	-	501.50
	Nil units of Aditya Birla Sun Life Equity Fund - Growth (March 31, 2018 : 8,209.844 units)	-	56.52
	Nil units of Aditya Birla Sun Life Short Term Fund - Regular Growth (March 31, 2018 : 4,59,632.7530 units)	-	305.25
	Nil units of Franklin India Short Term Income Plan - Growth (March 31, 2018 : 6,961.7130 units)	-	255.51
	Nil units of IDFC Corporate Bond Fund - Direct Growth (March 31, 2018 : 21,28,529.1010 units)	-	254.64
	"Nil units of Kotak Select focus Fund - Direct Growth (March 31, 2018 : 1,97,818.3460 units)"	-	66.22

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Nil units of Motilal Oswal Multicap 35 Fund - Direct Growth (March 31, 2018 : 2,47,509 units)	-	67.63
Nil units of Motilal Oswal Multicap 35 Fund - Regular Growth (March 31, 2018 : 1,13,093.174 units)	-	29.75
Nil units of Aditya Birla Sun Life Frontline Equity Fund - Growth (March 31, 2018 : 18,557.179 units)	-	38.82
Nil units of Kotak Treasury Advantage Fund - Direct Growth (March 31, 2018 : 5,50,180.092 units)	-	152.91
Nil units of Kotak Select Focus Fund - Growth Plan (March 31, 2018 : 91,738.898 units)	-	29.18
Nil units of DHFL Pramerica Ultra Short Term Fund - Growth (March 31, 2018 : 7,26,501.315 units)	-	153.20
Nil units of IDFC Money Manager Fund - Treasury Plan (March 31, 2018 : 5,63,907.654 units)	-	152.42
Nil units of HDFC Short Term Opportunity Fund (March 31, 2018 : 10,61,069.877 units)	-	203.46
Nil units of HDFC Medium Term Opportunity Fund (March 31, 2018 : 7,88,340.963 units)	-	152.24
(B)	**240.13**	**2,714.63**
TOTAL (A + B)	**367.07**	**2,810.83**
Aggregate amount of quoted investments	240.13	2,714.63
Aggregate market value of quoted investments	240.13	2,714.63
Aggregate amount of unquoted investments	126.94	96.20

Investment at fair value through profit and loss reflect investment in quoted and unquoted equity securities and quoted mutual fund units.

The fair value of the unquoted equity shares have been estimated using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable.

The fair value of quoted mutual fund units are based on quoted net asset value at the reporting date.

Note 8 - Trade Receivables
(Non Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	-	-
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivable - credit impaired	324.28	357.66
	324.28	**357.66**
Less: Allowance for credit losses	324.28	357.66
TOTAL	**-**	**-**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 9 - Loans
(Non - Current)

(Amount in ₹ lakhs)

	Particulars		As at March 31, 2019		As at March 31, 2018
I	**Loans Receivable considered good (Secured)**		-		-
II	**Loans Receivable considered good (Unsecured)**		-		-
	(a) Loan to Others				
	Security Deposit	45.32		38.16	
	Earnest Money Deposit	66.00		61.00	
			111.32		99.16
III	**Loans Receivable which have significant increase in Credit Risk**		-		-
IV	**Loans Receivable - credit impaired**		-		-
			111.32		**99.16**

Note 10 - Other Financial Assets
(Non - Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Deposits with bank		
- with maturity period of more than 12 months	307.15	563.87
	307.15	**563.87**
* Amount held as margin money or security against borrowings, guarantee, other commitments	306.60	173.32

Note 11 - Deferred Tax Assets (net)

(Amount in ₹ lakhs)

Particulars		As at March 31, 2019		As at March 31, 2018
Assets				
(i) On account of difference in depreciation on Property, Plant and Equipment	261.98		680.58	
(ii) Provision for Employees' obligations	73.72		136.53	
(iii) Temporary differences on Tax Provisions				
(iv) On account of Expected Credit Loss	184.94		244.46	
(v) Unused tax credits	17.83		70.43	
(A)		**538.47**		**1,132.00**
Liabilities				
(i) Temporary differences on Tax Provisions	-	-	-	-
(B)		-		-
Balance carried to Balance Sheet (A - B)		**538.47**		**1,132.00**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

(a) Movement in deferred tax account during the year is as follows:

(Amount in ₹ lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balances
For the year ended March 31, 2019 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	680.58	(418.60)	-	261.98
Expenses provided but allowable in Income Tax on payment	136.53	(58.45)	(4.36)	73.72
Allowance for expected credit losses	244.46	(59.52)	-	184.94
Unused tax credits	70.43	(52.60)	-	17.83
	1,132.00	(589.17)	(4.36)	538.47
Others	-	-	-	-
	-	-	-	-
TOTAL	**1,132.00**	**(589.17)**	**(4.36)**	**538.47**
For the year ended March 31, 2018 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	-	680.58	-	680.58
Expenses provided but allowable in Income Tax on payment	-	132.17	4.36	136.53
Allowance for expected credit losses	-	244.46	-	244.46
Unused tax credits	185.91	(115.48)	-	70.43
Others	-	-	-	-
	-	-	-	-
TOTAL	**185.91**	**941.73**	**4.36**	**1,132.00**

The analysis of Deferred Tax Assets is as follows:

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
- Deferred Tax Assets to be recovered after more than 12 months	276.48	793.15
- Deferred Tax Assets to be recovered within 12 months	261.99	338.85
	538.47	**1132.00**

(b) Unrecognised deductible temporary differences, unused tax loses and unused tax credits :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- unabsorbed depreciation	3.48	0.77
- business losses	249.38	187.27
	252.86	188.05

Expiry date of Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- unabsorbed depreciation with no expiry dates	3.48	0.77
- business losses with expiry dates as follows		
8 Years	62.11	142.22
7 Years	142.22	45.05
6 Years	45.05	-

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

(c) Explanation of changes in the applicable tax rate(s) compared to the previous accounting period

Particulars	As at March 31, 2019	As at March 31, 2018
Applicable Tax rate considered for deferred tax asset or liability	34.94%	34.94%

The applicable tax rates have been changed on the basis of using the tax rates that have been enacted as at the end of the each reporting period.

Note 12 - Other Non-Current Assets

(Amount in ₹ lakhs)

Particulars		As at March 31, 2019		As at March 31, 2018
Capital Advances		-		10.00
Prepaid Expenses		1.85		-
Balances with statutory / revenue authorities				
- Income Tax (net of provision for taxation)	1,171.56		1,057.17	
- Sales Tax	13.35		28.00	
- Service Tax	61.71		61.71	
		1,246.62		1,146.88
TOTAL		**1,248.47**		**1,156.88**

Note 13 - Inventories

(Amount in ₹ lakhs)

(a)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Stock-in-Trade	393.09	1,682.98
(ii) Consumables	9.27	9.99
(iii) Stores & Spares	8.31	21.66
TOTAL	**410.67**	**1,714.63**

(b) Basis of valuation of Inventories

Inventories are valued at lower of cost or net realizable value on FIFO basis which is in accordance with Ind AS-2.

Note 14 - Investments
(Current)

(Amount in ₹ lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	**Quoted**		
	Investment carried at Fair value through Profit and Loss (FVTPL)		
	Investment through Portfolio services		
	Kotak PMS Value Series 2	-	88.66
	TOTAL	**-**	**88.66**
	Aggregate amount of quoted investments	-	88.66
	Aggregate market value of quoted investments	-	88.66

Investment at fair value through profit and loss reflect investment in quoted and unquoted equity securities and quoted mutual fund units.

The fair value of quoted mutual fund units are based on quoted net asset value at the reporting date.

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 15 - Trade Receivables
(Current)

(Amount in ₹ lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Trade Receivable considered good (Secured)	-	-
	Trade Receivable considered good (Unsecured)	1,31,695.50	1,29,708.78
	Trade Receivable which have significant increase in Credit Risk	674.71	1,551.30
	Trade Receivable - credit impaired	-	-
		1,32,370.21	**1,31,260.08**
	Less: Allowance for credit Losses	407.80	471.40
	TOTAL	**1,31,962.41**	**1,30,788.68**
(b)	Debts due from related parties	-	-

Note 16 - Cash & Cash equivalents

(Amount in ₹ lakhs)

(a)

	Particulars	As at March 31, 2019		As at March 31, 2018	
(A)	**Cash and Cash Equivalents**				
(i)	Balances with Banks :				
-	Current Accounts	2,559.57		3,855.40	
-	Deposit Accounts	-		10,024.47	
(ii)	Cheques-in-hand *	-		58,977.16	
(iii)	Cash-in-hand	210.58		155.90	
(iv)	Remittance in Transit	-		276.44	
TOTAL			**2,770.15**		**73,289.37**
(B) Bank Balances other than above					
(i)	Earmarked balances in unclaimed dividend account	86.66		89.34	
(ii)	Fixed Deposits with maturity period of more than 3 months but less than 12 months **	1,11,559.82		74,065.80	
TOTAL			**1,11,646.48**		**74,155.14**
* The amounts disclosed as cheques-in-hand are amounts of cheques received upto March 31, 2018 and the same have been presented in the bank and cleared during the month of April, 2018.					
** Amount held as margin money or security against borrowings, guarantee, other commitments			1,524.00		1,595.31

(b) For the purpose of cash flow statement

(Amount in ₹ lakhs)

	Particulars	As at March 31, 2019		As at March 31, 2018	
(A)Cash & Cash Equivalents					
(i)	Balances with Banks :				
	- Current Accounts	2,559.57		3,855.40	
	- Deposit Accounts	-		10,024.47	
(ii)	Cheque-in-hand	-		58,977.16	
(iii)	Cash-in-hand	210.58		155.90	
(iv)	Remittance in Transit	-		276.44	
			2,770.15		73,289.37
Less : - Cash Credit			-		-
TOTAL			**2,770.15**		**73,289.37**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 17 - Loans

(Amount in ₹ lakhs)

Particulars		As at March 31, 2019		As at March 31, 2018
(i) Loans Receivable considered good (Secured)		-		-
(ii) Loans Receivable considered good (Unsecured)		-		-
(a) Loan to Others				
Security Deposit	15.72		6.87	
Staff Advances	35.86		9.68	
Inter Corporate Deposits	950.55		-	
		1,002.13		16.55
(iii) Loans Receivable which have significant increase in Credit Risk		-		-
(iv) Loans Receivable - credit impaired		-		-
TOTAL		**1,002.13**		**16.55**

Note 18 - Other Financial Assets (Current)

(Amount in ₹ lakhs)

Particulars		As at March 31, 2019		As at March 31, 2018
(i) Others				
Advance for Outlets		57.61		72.87
Advance to BCAs		12.29		15.39
Insurance claim Receivable		10.04		-
Accrued Interest on FD		584.92		173.31
ATM Settlement Receivable		2,516.52		412.39
COD Receivables	23.94		27.22	
Less : - Allowance for credit losses	(23.49)		26.86	
		0.45		0.36
TOTAL		**3,181.83**		**674.32**

Note 19 - Current Tax Assets (Net)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Income Tax (net of provision for taxation)	247.40	247.01
TOTAL	**247.40**	**247.01**

Note 20 - Other Current Assets

(Amount in ₹ lakhs)

Particulars		As at March 31, 2019		As at March 31, 2018
Advances to Vendors		1,541.82		175.72
Prepaid Expenses		293.79		90.59
Other Receivable				
- Accrued Revenue	28.18		63.56	
- Fund with LIC (Group Gratuity)	10.65		-	
- Receivable against sale of investments	-		2,702.11	
		38.83		2,765.67
Balances with statutory / revenue authorities				
- Goods & Service Tax		483.09		196.69
TOTAL		**2,357.53**		**3,228.67**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 21 - Equity Share Capital

Equity share capital

(i) Authorised share capital

(Amount in ₹ lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2018	12,500.00	12,500.00
Increase during the year	-	-
As at March 31, 2019	**12,500.00**	**12,500.00**

(ii) Paid up Equity share capital

(Amount in ₹ lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2017	**5,292.32**	**5,292.32**
Bonus Share issued during the year	5,294.02	5,294.02
Exercise of options	1.69	1.69
As at March 31, 2018	**10,588.03**	**10,588.03**
Exercise of options	-	-
As at March 31, 2019	**10,588.03**	**10,588.03**

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
Vakrangee Holdings Private Limited	2,509.50	23.70%	2,509.50	23.70%
NJD Capital Private Limited	1,311.00	12.38%	1,311.00	12.38%
Life Insurance Corporation of India	671.30	6.34%	671.30	6.34%
Dinesh Nandwana	597.34	5.64%	597.34	5.64%

(iv) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2019, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 0.25/- per share of ₹ 1/- each for the year ended March 31, 2018.

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.

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

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

(No. of shares in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
-	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	5,294.02	5,294.02
-	No. of shares bought back	-	-
-	No. of shares issued on exercise of options granted under the ESOP scheme.	9.19	19.02

(vi) Capital Management

The Company's objectives when managing capital are to :

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet, including non-controlling interests).

The Company's strategy is to maintain a gearing ration within 1:1. The gearing ratios were as follows :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Net debt	-	-
Total equity	2,60,220.40	2,59,241.25
Net debt to equity ratio	**-**	**-**

Note 22 - Other Equity

(i) Reserves and surplus

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities Premium Reserve	42,318.52	42,318.52
Share Options Outstanding Account	11,025.85	9,442.83
Deferred Employee Compensation Expense	(7,232.26)	(7,310.66)
General Reserve	18,268.04	11,641.83
Surplus in Statement of Profit & Loss	1,87,875.91	1,95,170.60
Total (A)	**2,52,256.06**	**2,51,263.12**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

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

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	**42,318.52**	**42,009.83**
Add:- On share issued during the year	-	122.57
Add:- Transfer from shares options outstanding account	-	186.12
Closing balance	**42,318.52**	**42,318.52**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	**9,442.83**	**2,063.68**
Add:- On further grant of options	3,551.57	8,734.56
Less:- Reversal due to Lapsation of option	(1,968.55)	(1,169.29)
Less: Transfer to Securities premium account	-	(186.12)
Closing balance	**11,025.85**	**9,442.83**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	**(7,310.66)**	**(1,371.76)**
Add:- On further grant of options	(3,551.57)	(8,734.56)
Less:- Reversal due to Lapsation of option	1,551.53	1,082.23
Less:- Amortised during the year	2,078.44	1,713.43
Closing balance	**(7,232.26)**	**(7,310.66)**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	**11,641.83**	**11,706.39**
Add:- Transfer from Profit & Loss account	6,626.21	5,229.46
Less:- Bonus share issue	-	(5,294.02)
Closing balance	**18,268.04**	**11,641.83**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	1,95,170.60	1,45,097.94
Add:- Profit for the year	2,522.63	68,045.62
Less:- Transfer to General Reserve	(6,626.21)	(5,229.46)
Less:- Dividend declared	(2,647.01)	(10,588.03)
Less:- Dividend distribution tax	(544.10)	(2,155.47)
Closing balance	**1,87,875.91**	**1,95,170.60**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

(ii) Other Comprehensive Income

(a)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	(3,148.79)	(54.33)
Remeasurement of net defined benefit obligations (net of taxes)	(58.46)	(8.12)
Fair value gain on financial instruments at fair value through OCI	-	(3,086.34)
Closing balance (i)	**(3,207.25)**	**(3,148.79)**

(b) Foreign Currency Translation Reserve

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	538.90	631.18
Translation reserve for the year	44.66	(92.28)
Closing balance (ii)	**583.56**	**538.90**
TOTAL (B)	**(2,623.69)**	**(2,609.89)**
TOTAL (A+B)	**2,49,632.37**	**2,48,653.22**

Note 23 - Trade Payables
(Non - Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
- Dues of micro enterprises and small enterprises				
	Principal	Interest	Principal	Interest
Amount due to vendor	-	-	-	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
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		342.16		354.13
TOTAL		**342.16**		**354.13**

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by Management.

Note 24 - Other Financial Liabilities
(Non - Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
OtherPayable		
Security Deposit	38.42	38.10
TOTAL	**38.42**	**38.10**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 25 - Employee Benefit Obligations
(Non - Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employees' benefits	189.29	357.65
TOTAL	**189.29**	**357.65**

Note 26 - Trade Payables
(Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
Trade Payables				
- Dues of micro enterprises and small enterprises				
	Principal	Interest	Principal	Interest
Amount due to vendor	26.05	-	9.56	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	26.05	-	**9.56**	-
Total Dues of micro enterprises and small enterprises		26.05		9.56
- Dues of Creditors other than micro enterprises and small enterprises		3,361.51		34,009.26
TOTAL		**3,387.56**		**34,018.82**

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by Management.

Note 27 - Other Financial Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Payable to Franchisee under WLA	3,239.25	417.16
Payables against cash collection	0.03	10.18
Payable for acquisition of Property, Plant & Equipments	1,135.39	737.87
Unpaid Dividend	86.66	89.34
TOTAL	**4,461.33**	**1,254.55**

Note 28 - Other Current Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues	418.30	284.41
Advance from customers	329.60	1,602.76
Kendra money received pending allotment	1,137.36	544.50
Franchisee Wallet Balance	541.55	636.72
Staff Emoluments Payable	287.35	661.05
TOTAL	**2,714.16**	**3,729.44**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 29 - Provisions

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Expenses for Goods & services	397.53	254.87
TOTAL	**397.53**	**254.87**

Note 30 - Employee Benefit Obligations (Current)

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employees' benefits	21.68	15.40
TOTAL	**21.68**	**15.40**

Note 31 - Revenue from Operations

(Amount in ₹ lakhs)

	Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
(a)	Revenue from vakrangee kendra, including e-governance activities		1,41,053.71		6,42,097.56
(b)	Revenue from Sale of Products				
	- Computer consumables & peripherals	3,755.27		1,976.97	
			3,755.27		1,976.97
(c)	Revenue from Sale of Services				
	- Information Technology-enabled Services (ITeS)	5,512.95		6,081.47	
	- Courier and Delivery Services	12.63		6.35	
	- Others	-		35.86	
			5,525.58		6,123.68
(d)	Other Operating Revenues				
	- Kit Transportation charge	487.53		-	
	- Scrap Sales	0.60		1.34	
			488.13		1.34
TOTAL			**1,50,822.69**		**6,50,199.56**

Note:- The amount of revenues are exclusive of indirect taxes (service tax, value added tax, GST etc.).

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 32 - Other Income

(Amount in ₹ lakhs)

Particulars		For the year ended March 31, 2019		For the year ended March 31, 2018	
(i)	**Interest Income**				
	(a) Interest Income on the financial assets at amortized cost				
	- Bank Deposits	7,560.77		2,669.89	
	(b) Other Interest Income	106.74	7,667.51	293.93	2,963.82
(ii)	Dividend income		1.83		49.28
(iii)	**Other non-operating income**				
	- Rent Received	4.92		2.30	
	- Gain on Foreign Exchange Fluctuation	260.30		353.24	
	- Fair value gain on financial instrument at fair value through Profit and loss*	62.42		77.89	
	- Miscellaneous Income	0.13		2.06	
			327.77		435.49
TOTAL			**7,997.11**		**3,448.59**

*Total Fair value gain on financial instrument at fair value through profit and loss includes ₹ 50.16 lakhs (previous year ₹ 5.74 lakhs) as 'Net Gain on sale of Investments'

Note 33 - Operating Expenses

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Project Delivery Cost				
- Opening Stock	31.65		44,810.58	
- Add : Purchase of goods and services	1,28,069.67		4,58,490.11	
- Less : Closing Stock	17.58		31.65	
		1,28,083.74		5,03,269.04
Project Expenses		381.33		898.74
Commission Expenses		8,646.83		6,695.76
Communication Costs		20.01		31.49
Conveyance & Travelling Expenses		35.02		75.19
Transportation, Octroi and Loading / Unloading Charges		133.49		26.33
Rent, Rates and Taxes		193.91		116.38
TOTAL		**1,37,494.33**		**5,11,112.93**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 34 - Changes in Inventories

(Amount in ₹ lakhs)

Particulars		For the year ended March 31, 2019		For the year ended March 31, 2018
(a)	**At the beginning of the period**			
(i)	Work-in-Progress	-		4,103.56	
(ii)	Stock-in-Trade	1,682.98		1,004.75	
	Less : Stock converted into Fixed Assets	(286.92)			
			1,396.06		5,108.31
	Less : at the end of the period				
(i)	Work-in-Progress	-		-	
(ii)	Stock-in-Trade	393.09		1,682.98	
			393.09		1,682.98
TOTAL			**1,002.97**		**3,425.33**

Note 35 - Employee Benefits Expenses

(Amount in ₹ lakhs)

	Particulars		For the year ended March 31, 2019		For the year ended March 31, 2018	
(a)						
	(i)	Salaries & Wages	6,710.48		4,878.74	
	(ii)	Contribution to Provident & Other Funds	288.59		272.89	
	(iii)	Share-based Payment Expenses	1,661.42		1,626.37	
	(iv)	Staff Welfare Expenses	135.31		102.53	
				8,795.80		6,880.53
	TOTAL			**8,795.80**		**6,880.53**

(b) Detailed note on disclosure as required by Ind AS-19

For details, refer Note No. 44

Note 36 - Finance Costs

(Amount in ₹ lakhs)

Particulars		For the year ended March 31, 2019		For the year ended March 31, 2018	
Interest Expenses					
-	Banks	-		513.83	
-	Others	0.00	0.00	300.37	814.20
Other Borrowing Costs			-		216.34
TOTAL			**0.00**		**1,030.54**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 37 - Other Expenses

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Repairs & Maintenance :				
- Building	7.31		9.19	
- Vehicle	3.77		2.04	
- Others	27.50	38.58	29.96	41.19
Advertisement and Publicity		461.69		497.24
Business Promotion		200.30		314.06
Sponsorship Fees		-		15.90
Rent		0.18		0.33
Rates & Taxes		165.85		108.36
Insurance		38.64		21.07
Electricity Charges		92.03		79.36
Printing and Stationery		101.93		46.43
Communication Costs		138.67		159.34
Fees & Subscriptions		12.74		7.76
Listing, Registrar & Share Issue/Transfer Charges		21.60		57.50
Directors' Remuneration		470.53		313.17
Directors' Sitting Fees		15.30		16.00
Legal & Professional Fees - Other than payments to Auditor:				
- Legal & Professional	967.25		575.55	
- Filing Stamp Duty and Franking Charges	3.53		63.77	
- Registration charges	-	970.78	0.10	639.42
Payments to Auditors :				
- Audit fees (including limited review)	51.59		72.26	
- Tax Audit fees	7.65		7.50	
- For Other Services	0.67		0.61	
- For Reimbursement of Expenses	3.38	63.29	0.63	81.00
Conveyance & Travelling		240.11		256.82
Vehicle Expenses		11.43		12.13
Software and Other IT Charges		19.77		-
Corporate Social Responsibility Expenditure (Refer Note 41)		92.50		424.00
Office & General Expenses		139.04		106.53
Bad Debts written off		-		23,656.52
Allowance for credit losses				
Opening Allowances	(855.92)		(1,673.34)	
Less : Written off during the year	131.93		-	
Less : Closing Allowances	(755.57)	31.58	(855.92)	(817.42)
Miscellaneous Expenses		31.16		69.01
TOTAL		**3,357.70**		**26,105.70**

Note 38 - Exceptional Item

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
- Net gain on disposal of Property plant and equipment	177.40	-
TOTAL	**177.40**	**-**

Exceptional item consists of profit on sale of investment property and old office premises (an item of PPE).

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 39 - Earnings Per Equity Share

(Amount in ₹ lakhs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Net profit after tax attributable to equity shareholders for		
	Basic EPS	2,522.63	68,045.64
	Add/Less: Adjustment relating to potential equity shares	-	-
	Net profit after tax attributable to equity shareholders for Diluted EPS	2,522.63	68,045.64
(b)	Weighted average no. of equity shares (in lakhs) outstanding during the year		
	For Basic EPS	10,588.03	10,587.79
	For Diluted EPS	10,621.18	10,622.41
(c)	Face Value per Equity Share (₹)	1.00	1.00
	Basic EPS (₹)	0.24	6.43
	Diluted EPS (₹)	0.24	6.41
(d)	**Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS**		
	No. of shares used for calculating Basic EPS	10,588.03	10,587.79
	Add: Potential equity shares	33.15	34.62
	No. of shares used for calculating Diluted EPS	**10,621.18**	**10,622.41**

Note 40 - Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹ lakhs)

Particulars			As at March 31, 2019		As at March 31, 2018	
(A)	**Contingent Liabilities**					
	(i)	Claims against the company not acknowledged as debts	45.78		45.78	
	(ii)	Company has provided Counter Guarantee in relation to Bank to various parties which is not acknowledged in books of accounts	1,039.45		1,307.38	
	(iii)	Company has provided Counter Guarantee in relation to Bank to various parties on behalf of subsidiary company which is not acknowledged in books of accounts	325.00		360.00	
	(iv)	Disputed liabilities pertaining to Service Tax with CESTAT	156.19		156.19	
	(v)	Disputed liabilities pertaining to Sales Tax with appellate authoritiess	449.47		449.47	
(A)				2,015.89		2,318.82
(B)	**Commitments**					
(i)	Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)		1,444.79		435.50	
(B)				1,444.79		435.50
TOTAL (A + B)				**3,460.68**		**2,754.32**

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 Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 41 - 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.

a) Gross amount required to be spent by the company during the year is ₹ 1,611.51 lakhs.

(Amount in ₹ lakhs)

	Particulars	In Cash	Yet to be paid in Cash	Total
i)	Construction / acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	92.50	-	92.50

Note 42 - Segment Reporting

The Company's activities predominantly comprise providing various services through Vakrangee Kendra. Considering the nature of the Company's business and operations, there is only one reportable operating segment i.e. Vakrangee Kendra.

Note 43 - Related Party Details

(a) Key Management Personnel & Directors

Mr. Dinesh Nandwana	Executive Chairman (w.e.f. January 25, 2019)
Mr. Anil Khanna	Managing Director & Group CEO (w.e.f. January 25, 2019)
Dr. Nishikant Hayatnagarkar	Whole-Time Director
Mr. Ramesh Joshi	Director
Mr. Sunil Agarwal	Director
Mr. Babulal Meena	Director
Mrs. Sujata Chattopadhyay	Director
Mr. Avinash Chandra Vyas	Director
Mr. Thangavelu Sitharthan	Nominee Director (upto February 12, 2018)
Mr. Ranbir Datt	Nominee Director (w.e.f. February 12, 2018)
Mr. Subhash Singhania	Chief Financial Officer
Ms. Darshi Shah	Company Secretary and Compliance Officer (upto September 21, 2017)
Mr. Mehul Rawal	Company Secretary and Compliance Officer (w.e.f. September 21, 2017)

(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. Manoj Nandwana	Nephew of Director
- Mr. Shelendra Nandwana	Nephew of Director
- Ms. Divya Nandwana	Daughter of Director
- Mr. Vedant Nandwana	Son of Director

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Related Party Transactions

- In relation to (a)

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration to Key Managerial Personnel		
- Dinesh Nandwana	268.77	271.66
- Anil Khanna	139.11	-
- Dr. Nishikant Hayatnagarkar	62.65	41.51
- Subhash Singhania	57.61	33.11
- Darshi Shah	-	4.63
- Mehul Rawal	28.12	12.49
Post-employment benefits to Key Managerial Personnel		
- Dinesh Nandwana	14.98	13.88
- Anil Khanna	4.33	-
- Dr. Nishikant Hayatnagarkar	17.52	12.48
- Subhash Singhania	3.17	2.01
- Darshi Shah	-	1.63
- Mehul Rawal	0.67	0.22
ESOP Perquisites		
- Dr. Nishikant Hayatnagarkar	-	35.57
Director's Sitting Fees		
- Ramesh Mulchand Joshi	3.30	3.45
- Sunil Agarwal	1.50	3.20
- Babulal Meena	2.20	2.95
- Sujata Chattopadhyay	3.00	3.00
- Avinash Chandra Vyas	2.80	2.90
- Ranbir Datt	2.50	0.50
Balance outstanding as on March 31 :		
(Salaries Payable)		
- Dinesh Nandwana	-	13.14
- Anil Khanna	0.29	-
- Dr. Nishikant Hayatnagarkar	-	3.47
- Subhash Singhania	-	3.19
- Mehul Rawal	0.05	2.17

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

- In relation to (b)

(Amount in ₹ lakhs)

Nature of Transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Reimbursement of Expenses Paid		
- Manoj Nandwana	2.14	0.65
- Shelendra Nandwana	0.06	0.30
- Divya Nandwana	5.28	2.41
- Vedant Nandwana	4.38	-
Employee Benefit Expenses		
- Manoj Nandwana	9.58	6.13
- Shelendra Nandwana	6.93	4.96
- Divya Nandwana	17.91	11.06
- Vedant Nandwana	6.43	0.75
ESOP Perquisites		
- Manoj Nandwana	-	3.56
Balance outstanding as on March 31 :		
(Expenses and Salaries Payable)		
- Manoj Nandwana	0.35	0.83
- Shelendra Nandwana	-	3.36
- Divya Nandwana	-	1.14
- Vedant Nandwana	-	0.60

Note 44 - Employee Benefit Obligations

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 210.97 lakhs (March 31, 2018 - ₹ 134.42 lakhs) is presented as current and non-current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employee to take the full amount of accrued leave or require payment within the next 12 months.

(ii) Gratuity (post-employment benefits)

The Company provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised/ approved funds in India. The Company has fully funded group gratuity plan against this liability with LIC of India.
The Company has accounted for provision of gratuity as per Ind-AS 19 based on acturial valuation undertaken by a registered valuer.

(iii) Defined contribution plans

The Company also has certain defined benefit obligations. Contributions are made to provident fund in India for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 166.36 lakhs (March 31, 2018 - ₹ 160.12 lakhs).

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Gratuity

The following table sets out the amount recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

(Amount in ₹ lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-17	**197.59**	**(59.43)**	**138.16**
Current Service cost	70.98	-	70.98
Past Service Cost	9.75	-	9.75
Interest expense/(income)	16.58	(3.69)	12.88
Total amount recognised in profit and loss	**97.31**	**(3.69)**	**93.62**
Remeasurements			
Return on plan assets, excluding amounts included in interest	-	5.90	5.90
(Gain)/loss from change in financial assumptions	(12.47)	-	(12.47)
Experience (gains)/losses	19.06	-	19.06
Total amount recognised in other comprehensive income	**6.59**	**5.90**	**12.49**
Employer contributions	-	(5.64)	(5.64)
Benefit payments	(17.67)	17.67	-
31-Mar-18	**283.82**	**(45.20)**	**238.62**

(Amount in ₹ lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-18	**283.82**	**(45.20)**	**238.62**
Current Service cost	114.99	-	114.99
Past Service Cost	-	-	-
Interest expense/(income)	22.00	(3.50)	18.50
Total amount recognised in profit and loss	**136.99**	**(3.50)**	**133.49**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
(Gain)/loss from change in financial assumptions	19.16	-	19.16
Experience (gains)/losses	44.29	(9.35)	34.94
Total amount recognised in other comprehensive income	**63.45**	**(9.35)**	**54.10**
Employer contributions	-	(436.85)	(436.85)
Benefit payments	(29.05)	29.05	-
31-Mar-19	**455.21**	**(465.85)**	**(10.64)**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

The net liability disclosed above relates to funded plans are as follows

(Amount in ₹ lakhs)

Particulars	31-Mar-19	31-Mar-18
Present value of funded obligations	455.21	283.82
Fair value of plan assets	(465.85)	(45.20)
Deficit/(Surplus) of gratuity plan	**(10.64)**	**238.62**

Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

	31-Mar-19	31-Mar-18
Discount rate	7.75%	7.75%
Salary growth rate (per annum)	5.00%	5.00%
Withdrawal rate (per annum) (18 to 30 years)	5.00%	5.00%
Withdrawal rate (per annum) (30 to 44 years)	3.00%	3.00%
Withdrawal rate (per annum) (44 to 60 years)	2.00%	2.00%
Expected rate of return	7.75%	7.75%
Mortality Table	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is

Particulars	Impact on defined benefit obligation				
	Change in assumption		Increase in assumption		
	31-Mar-19	31-Mar-18		31-Mar-19	31-Mar-18
Discount rate	1%	1%	Decrease by	9%	11%
Salary growth rate	1%	1%	Increase by	10%	13%
Withdrawal rate	1%	1%	Increase by	2%	3%

Particulars	Impact on defined benefit obligation				
	Change in assumption		Decrease in assumption		
	31-Mar-19	31-Mar-18		31-Mar-19	31-Mar-18
Discount rate	1%	1%	Increase by	10%	13%
Salary growth rate	1%	1%	Decrease by	9%	11%
Withdrawal rate	1%	1%	Decrease by	2%	3%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

***The major categories of plans assets are as follows :**

	In Percentage %	
	31-Mar-19	31-Mar-18
Equity instruments	**5.55**	**5.55**
Debt instruments	**91.83**	**91.62**
Government bonds	74.55	70.78
Corporate bonds/debentures	17.28	20.84
Asset backed securities	**0.85**	**0.79**
Cash and cash equivalents	**1.77**	**2.04**
TOTAL	**100.00**	**100.00**

*The Company contributes all the ascertained liabilities towards gratuity to Life Insurance Corporation of India (LIC) which is the insurer- managed fund. Since the investments in the plan assets is managed by LIC the detailed breakup of the investments is not made available to the Company.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

Investment risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Most of the plan asset investment is in fixed income securities with high grades and in government securities which are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company intends to maintain the above investment mix in the continuing years.
Interest risk	A decrease in the market yields in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Maturity profile of gratuity liability and Employer contribution

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are ₹ 160.59 lakhs (as at March 31, 2019 : ₹ 103.88 lakhs).

The weighted average duration (based on discounted cash flows) of the defined benefit obligation is 20 years (Year ended March 31, 2018- 21 years). The expected maturity analysis of undiscounted gratuity is as follows :

Particulars	Amount in ₹ lakhs
Less than one year	29.37
Between 1-2 years	48.78
Between 2-5 years	124.46
Over 5 years	440.45
TOTAL	**643.06**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 45 - Share based payments

The company has formulated Employee Stock Option Scheme, 2008 (ESOP Scheme) which was approved by the members/ shareholders of the Company at their annual general meeting held on September 23, 2008, as modified on January 10, 2011 and June 1, 2012 annual report general meeting. Further the company has formulated the new "ESOP Scheme 2014" approved by the members of the company through postal ballot on May 23, 2014. The Employee Option Plan is designed to provide incentives to all the existing employees serving with the Company. Under the plan, employees are granted options which vest proportionately from 2 – 6 years from the grant date which includes lock in period.

Once vested, the options remain exercisable for a period of 4 years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is a price which is determined at 50% of market price of the scrip of the company (on the highest traded Stock Exchange) or at any other price as decided by the Nomination and Remuneration and Compensation Committee.

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-19		31-Mar-18	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	95.81	75,27,450	90.29	15,62,775
Granted during the year	27.01	1,17,81,800	127.71	30,09,000
Grant of options on issue of bonus shares during the year	-	-	88.93	35,35,025
Exercised during the year	-	-	36.74	1,69,125
Lapsed during the year	99.26	15,19,600	101.78	4,10,225
Expired during the year	-	-	-	-
Closing Balance	**49.95**	**1,77,89,650**	**95.81**	**75,27,450**
Vested and exercisable	56.73	17,62,650	43.24	7,60,450

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2019 was ₹ NIL (March 31, 2018 : ₹ 46.50).

No options expired during the periods in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (₹)	Share options 31-Mar-19	Share options 31-Mar-18
20-07-2012	19-07-2021	10.00	47,750	52,250
26-11-2014	26-11-2023	32.35	9,37,100	10,10,300
11-03-2016	10-03-2025	56.54	14,21,500	14,99,900
26-07-2017	25-07-2026	109.40	30,97,800	38,78,600
26-10-2017	25-10-2026	137.33	4,49,400	6,29,000
09-01-2018	08-01-2027	202.28	3,52,500	4,57,400
13-04-2018	12-04-2027	69.85	5,27,100	-
10-07-2018	09-07-2027	25.93	3,54,900	-
05-10-2018	04-10-2027	14.38	3,74,400	-
03-01-2019	02-01-2028	18.03	2,27,200	-
25-01-2019	25-01-2024	25.00	1,00,00,000	-
TOTAL			**1,77,89,650**	**75,27,450**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2019 was ₹ 86, ₹ 39.84, ₹ 21.47, ₹ 23.92 and ₹ 26.57 per option respectively for the five grants issued during the year (March 31, 2018 was ₹ 284.58, ₹ 362.48 and ₹ 260.00). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2019 included:

a) Options are granted for consideration and vest upon completion of service for a period of one / two years. Vested options are exercisable for a period of four years after vesting.

Particulars		Year ended March 31, 2019				
b)	(ii) Exercise price - Post bonus issue (₹)	69.85	25.93	14.38	18.03	25.00
c)	Grant date	13-04-2018	10-07-2018	05-10-2018	03-01-2019	25-01-2019
d)	Expiry date	12-04-2027	09-07-2027	04-10-2027	02-01-2028	25-01-2024
e)	Share price at grant date (₹)	139.70	54.40	29.90	34.35	43.20
f)	Expected price volatility of the company's shares	59.58%	37.00%	36.77%	40.59%	39.77%
g)	Expected dividend yield	0.40%	0.38%	0.55%	0.55%	0.55%
h)	Risk free interest rate	6.58%	8.12%	8.11%	7.25%	7.30%
i)	Fair value (₹)	86.00	39.84	21.47	23.92	26.57

Particulars			Year ended March 31, 2018		
b)	(i)	Exercise price - Pre Bonus issue (₹)	218.80	274.65	Not Applicable
b)	(ii)	Exercise price - Post bonus issue (₹)	109.40	137.33	202.28
c)	Grant date		26-07-2017	25-10-2017	08-01-2018
d)	Expiry date		26-07-2026	25-10-2026	08-01-2027
e)	Share price at grant date (₹)		437.60	549.30	405.40
f)	Expected price volatility of the company's shares		39.83%	38.53%	71.40%
g)	Expected dividend yield		0.40%	0.40%	0.40%
h)	Risk free interest rate		6.55%	6.75%	6.60%
i)	Fair value (₹)		284.58	362.48	260.00

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

j) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

(Amount in ₹ lakhs)

Particulars	March 31, 2019	March 31, 2018
Employee Stock Option Plan	1,661.42	1,626.37

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 46 - Financial Risk Management

(i) Method and assumptions used to estimate the fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial as well as non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

Level 1 : Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 : Inputs other than prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability.

The carrying value and fair value by each classification as at March 31, 2019 were as follows:-

(Amount in ₹ lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	111.32	-	-	111.32	-	-
Trade Receivables	1,31,962.41	-	-	1,31,962.41	-	-
Cash & Cash equivalents	2,770.15	-	-	2,770.15	-	-
Other Bank Balances	1,11,646.48	-	-	1,11,646.48	-	-
Short Term Loans	1,002.13	-	-	1,002.13	-	-
Other Financial Assets	3,488.98	-	-	3,488.98	-	-
Investments	-	367.07		367.07	240.13	126.94
TOTAL	**2,50,981.47**	**367.07**	**-**	**2,51,348.54**	**240.13**	**126.94**

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	3,729.73	-	-	3,729.73	-	-
Other Financial Liabilities	4,499.75	-	-	4,499.75	-	-
TOTAL	**8,229.48**	**-**	**-**	**8,229.48**	**-**	**-**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

The carrying value and fair value by each classification as at March 31, 2018 were as follows:-

(Amount in ₹ lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	99.16	-	-	99.16	-	-
Trade Receivables	1,30,788.68	-	-	1,30,788.68	-	-
Cash & Cash equivalents	73,289.37	-	-	73,289.37	-	-
Other Bank Balances	74,155.14	-	-	74,155.14	-	-
Short Term Loans	16.55	-	-	16.55	-	-
Other Financial Assets	1,238.19	-	-	1,238.19	-	-
Investments	-	2,899.49	-	2,899.49	2,803.29	96.20
TOTAL	**2,79,587.09**	**2,899.49**	**-**	**2,82,486.58**	**2,803.29**	**96.20**

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	34,372.95	-	-	34,372.95	-	-
Other Financial Liabilities	1,292.65	-	-	1,292.65	-	-
TOTAL	**35,665.60**	**-**	**-**	**35,665.60**	**-**	**-**

(ii) Financial Risk Management

The Respective Board of Directors of the Holding and Component Company has overall responsibility for the establishment and overview of the company's risk management framework. The Board of Directors has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the company's activities. The Audit Committee oversees how management monitors compliances with the company's risk management policies and procedures, and reviews the risk management framework. The Audit Committee is assisted in its role by Internal Audit. Internal Audit covers review of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's activities are exposed to various risk viz. Credit Risk, Liquidity Risk and Market Risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set up by the Board of Directors / Management of the Company.

a) Credit Risk :

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit ratings assigned by credit rating agencies.

In addition, the Holding Company is exposed to credit risk in relation to financial guarantees given to banks and other counter parties for the facilities availed by subsidiary. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called upon.

Trade receivables consists of large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Table showing age of gross trade receivables and movement in expected credit loss allowance:

(Amount in ₹ lakhs)

Age of receivables	March 31, 2019	March 31, 2018
Within the credit period	1,31,188.89	1,29,247.71
1-90 days past due	107.01	708.02
91-180 days past due	155.22	111.51
181-270 days past due	130.82	479.85
More than 270 days past due	1,112.56	1,070.65
TOTAL	**1,32,694.49**	**1,31,617.75**

Movement in the expected credit loss allowance	March 31, 2019	March 31, 2018
Balance at beginning of the year	855.92	1,673.34
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(100.35)	(817.42)
TOTAL	**755.57**	**855.92**

b) **Liquidity Risk :**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation, typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities :

(Amount in ₹ lakhs)

As on March 31, 2019	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-

As on March 31, 2018	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-

c) **Market Risk :**

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments.

(i) **Market Risk - Foreign Exchange**

Foreign currency Risk is that risk in which fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Company hedges the receivables as well as payables by forming view after discussion with Forex consultant and as per policies by Management. The Company is also exposed to the Foreign currency loans availed from various banks to reduce the overall interest cost.

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows:

(Amount in ₹ lakhs)

Currency	Liabilities		Assets	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
US Dollar (USD)	-	-	-	-

Foreign Currency Exposure

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables	-	-
Loans Receivable	-	-
TOTAL	**-**	**-**

Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and impact on Equity

(Amount in ₹ lakhs)

Currency	Impact of Profit and Loss / Equity			
	For year ended March 31, 2019		For year ended March 31, 2018	
	1% increase	1 % decrease	1% increase	1 % decrease
US Dollar (USD)	-	-	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

ii) Market Risk - Interest Rate

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Note 47 - Income Taxes

(a) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before income taxes	5,134.09	1,02,387.10
Enacted tax rates in India *	34.94%	34.61%
Computed expected tax expense	1,710.15	35,434.13
Effect of non-deductible expenses	69.14	177.35
Absorption of unabsorbed brought forward losses and depreciation	15.72	58.51
Others	112.16	(386.79)
Income Tax expense	**1,907.17**	**35,283.20**
Earlier year tax expenses	115.13	-
Current Income Tax expense	**2,022.30**	**35,283.20**

*** Tax rate on subsidiaries have been considered at 26%, being rate for companies having turnover of less than 250 crores.**

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

(b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2019 and March 31, 2018 :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Income Tax Liabilities	-	-
Income Tax Assets	1,418.96	1,304.18
Net current income tax liabilities / (assets) at the end	**(1,418.96)**	**(1,304.18)**

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2019 and March 31, 2018 is as follows:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net current income tax liability / (asset) at the beginning	**(1,304.18)**	**1,828.59**
Income Tax paid	(2,137.08)	(38,415.96)
Current Income Tax expense	2,022.30	35,283.19
Net current income tax liability / (asset) at the end	**(1,418.96)**	**(1,304.18)**

(c) The gross movement in the deferred income tax account for the year ended March 31, 2019 and March 31, 2018, are as follows:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net deferred income tax asset at the beginning	**(1,132.00)**	**(185.91)**
Movements relating to temporary differences	536.57	(1,057.20)
Temporary differences on other comprehensive income	4.36	(4.36)
Unused Tax Credit	52.60	115.48
Net deferred income tax asset at the end	**(538.47)**	**(1,132.00)**

Note 48 - Other Comprehensive Income

During the previous year, Company has made an irrevocable election to present the subsequent changes in the fair value of equity instruments, not held for trading, in the Other Comprehensive Income. The cumulative loss recognised on disposal of equity instruments for the year ended March 31, 2018 is ₹ 3,086.34 lakhs. Dividend recognised during the year ended March 31, 2018 for the investment disposed off is ₹ 46.96 lakhs.

Notes Forming Part of Consolidated Financial Statements
for the year ended March 31, 2019

Note 49 - Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

(Amount in ₹ lakhs)

Name of the entity	Country of incorporation	% of voting power as at March 31, 2018	% of voting power as at March 31, 2017	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Vakrangee Limited	India	-	-	97.21%	2,52,970.27	66.07%	1,666.77	423.69%	(58.46)	64.11%	1,608.31
Indian Subsidiaries											
Vakrangee Finserve Limited	India	100.00	100.00	0.99%	2,563.25	41.50%	1,046.87	0.00%	-	41.73%	1,046.87
Vakrangee Logistics Private Limited	India	100.00	100.00	0.35%	901.33	-2.78%	(70.01)	0.00%	-	-2.79%	(70.01)
Foreign Subsidiary											
Vakrangee e-Solutions Inc.	Philipines	100.00	100.00	1.46%	3,785.55	-4.80%	(121.00)	-323.69%	44.66	-3.03%	(76.34)
Total					**2,60,220.40**		**2,522.63**		**(13.80)**		**2,508.83**

Note 50 - Previous year / period figures

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

As per our report of even date attached.

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Ankush Goyal
Partner
Membership No.: 146017

Place : Mumbai
Date : May 10, 2019

For and on behalf of the Board of Directors

Dinesh Nandwana
Executive Chairman
DIN : 00062532

Anil Khanna
MD & Group CEO
DIN : 01334483

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Subhash Singhania
Chief Financial Officer

Mehul Rawal
Company Secretary

VAKRANGEE LIMITED

"Vakrangee Corporate House", Plot No.93, Road No.16, M.I.D.C. Marol,
Andheri (East), Mumbai - 400093. Maharashtra,
W: www.vakrangee.in | L:+91 22 2850 3412/+91 22 6776 5100
F: +91 22 28502017 | CIN: L65990MH1990PLC056669

ATTENDANCE SLIP

I hereby record my presence at the Twenty - Ninth Annual General Meeting of the Company, to be held on Wednesday, September 25, 2019 at 10.00 AM at Courtyard by Marriott Mumbai International Airport, CTS No. 215, Andheri Kurla Road, Opposite Carnival Cinema, Andheri East, Mumbai - 400059.

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 Corporate House", Plot No.93, Road No.16, M.I.D.C. Marol,
Andheri (East), Mumbai - 400093. Maharashtra,
W: www.vakrangee.in | L:+91 22 2850 3412/+91 22 6776 5100
F: +91 22 28502017 | CIN: L65990MH1990PLC056669

PROXY FORM

Name of the member(s): ....

Registered Address: ....

.... E-mail ID: ....

Folio No. / Client Id: .... DP ID: ....

I/We, being the member(s) of .... shares of the Vakrangee Limited, hereby appoint.

1. Name :.. Address : ....

   Email Id : .... Signature: ....or failing him,

2. Name : .... Address : ....

   Email Id : .... Signature : ....or failing him,

3. Name : .... Address : ....

   Email Id : .... Signature :..

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Ninth Annual General Meeting of the Company, to be held on Wednesday, September 25, 2019 at 10.00 AM at Courtyard by Marriott Mumbai International Airport, CTS No. 215, Andheri Kurla Road, Opposite Carnival Cinema, Andheri East, Mumbai – 400059 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, 2019.		
2	Declaration of Dividend for FY ended March 31, 2019.		
3	Appointment of Mr. Dinesh Nandwana (DIN:00062532), who retires by rotation and being eligible, offers himself for re-appointment.		
SPECIAL BUSINESSES			
4	Appointment of Mr. Anil Khanna as Director of the Company.		
5	Approval of appointment and remuneration of Mr. Anil Khanna as Managing Director & Group CEO of the Company.		
6	Approval of re-appointment and remuneration of Mr. Dinesh Nandwana as the Executive Director of the Company.		
7	Re-appointment of Mr. Avinash Vyas (DIN: 06869633) as an Independent Director for a second term of five consecutive years, in terms of section 149 of the Companies Act, 2013.		
8	Re-appointment of Mrs. Sujata Chattopadhyay (DIN: 02336683) as an Independent Director for a second term of five consecutive years, in terms of section 149 of the Companies Act, 2013.		
9	Re-appointment of Mr. Sunil Agarwal (DIN: 00062767) as an Independent Director for a second term of five consecutive years, in terms of section 149 of the Companies Act, 2013.		
10	Re-appointment of Mr. Ramesh Joshi (DIN: 00002683) as an Independent Director for a second term of five consecutive years, in terms of section 149 of the Companies Act, 2013.		
11	Re-appointment of Mr. B. L. Meena (DIN: 03281592) as an Independent Director for a second term of five consecutive years, in terms of section 149 of the Companies Act, 2013.		

Signed this .... day of .... 2019.

Affix
Revenue
Stamp
₹ 1/-

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 Corporate House", Plot No.93, Road No.16, M.I.D.C. Marol, Andheri (East), Mumbai - 400093. Maharashtra, not less than FORTY EIGHT HOURS before the commencement of the meeting.

OFFICE ADDRESSES:

Mumbai:
Registered Office:
Vakrangee Limited, Vakrangee Corporate House,
Plot No. 93, Road No. 16, MIDC, Marol, Andheri East,
Mumbai - 400093 (Maharashtra)

New Delhi Office
Vakrangee Limited, 2nd Floor, Flat No. 238,
Ansal Chamber-2,6, Bhikaji Cama Place, New Delhi -110066

Jaipur Office:
Vakrangee Limited, 3/55, Paras Ram Nagar,
Dher Ke Balaji, Sikar Road, Jaipur - 302023 (Rajasthan)

Chandigarh Office:
Vakrangee Limited, W3-A, 3rd Floor, Godrej Eternia,
Plot No. 70, Industrial Area, Phase -1, Chandigarh-160002

Lucknow Office:
Vakrangee Limited, 413, Aashiyana Colony, Near Aashiyana,
Thana, Kanpur Road, Lucknow - 226012 (Uttar Pradesh)

Pune Office:
Vakrangee Limited, Unit No. 243/244, 2nd Floor,
Akshay Complex Condominum, Dhole Patil Road,
Near to Ganpati Mandir, Pune - 411001 (Maharashtra)

Indore Office:
Vakrangee Limited, Unit No. 220, 2nd Floor, Dhan Trident,
Satya Sai Square, Near Metro Tower, Vijay Nagar,
Indore - 452010 (Madhya Pradesh)

Bhubaneshwar Office:
Vakrangee Limited, House No. - GA 382, 1st Floor,
Shailashree Vihar, (Near Niladri Vihar Auto Stand),
Bhubaneswar - 751016 (Odisha)

Patna Office:
Vakrangee Limited, Flat No. 203/B, Aditya Tower, 2nd Floor,
White House, Budh Marg, Patna - 800001 (Bihar)

Ahmedabad:
Vakrangee Limited, Unit No. 608, Amarnath Business
Centre-1, St Xavier's College Corner, Navarangpura,
Ahmedabad - 380009 (Gujarat)

Kolkata Office:
Vakrangee Limited, Unit No. E-403, 4th Floor, City Centre,
Salt Lake, Block DC, Sector 1, Salt Lake,
Kolkata - 700064 (West Bengal)

Raipur Office:
Vakrangee Limited, Fifth Floor, Unit 547, Magneto Mall
Condominium, Labhandi, N.H.-6, Ward No. 28, Maharishi
Valmiki Ward, Raipur - 492001 (Chattisgarh)

Goa Office:
Vakrangee Limited, 91 Spring Board Business Hub, 201,
301, Shanta Building, 18th June Road, Panjim,
North Goa - 403001 (Goa)

Vakrangee
सशक्त परिवर्तन

VAKRANGEE LIMITED

www.vakrangee.in