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``

January 30, 2023

To, **Corporate Relationship Department** **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	To, **Corporate Relationship Department** **National Stock Exchange of India Ltd.** Exchange plaza, C-1, Block G, Bandra Kurla complex, Bandra (E), Mumbai – 400051

Dear Sir/Madam,

Sub: Intimation under Regulations 30 of SEBI (LODR) Regulations, 2015, Notice of the meeting of the Equity Shareholders and Unsecured Creditors convened as per order of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') in the Scheme of Arrangement for Demerger of E- Governance & IT/ITES Business (Demerged Undertaking) of Vakrangee Limited into VL E-Governance & IT Solutions Limited and their respective shareholders.

Dear Sir / Madam,

In terms of Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we wish to inform you that in pursuance of the order passed by **Hon'ble National Company Law Tribunal, Mumbai Bench** on 20th January, 2023 the company has convened the separate meetings of the Equity Shareholders and Unsecured Creditors of the Company, to be held on **Friday, the 3rd March, 2023** ('Meetings'), as per the schedule set out below, for the purpose of considering, and if thought fit, approving, the Scheme.

Class of Meetings	**Time (IST)**	**Mode and Venue**	Remote e-voting start and end date and time
Equity Shareholders	11.00 a.m.	**Meeting through VC/OAVM (Deemed venue would be Vakrangee Corporate House, Plot No. 93, Road No. 16, M.I.D.C. Marol, Andheri – East, Mumbai – 400 093.**	**Tuesday February 28, 2023 at 09.00 a.m. (IST) and ends on Thursday, March 2, 2023 at 05.00 p.m. (IST)**
Unsecured Creditors	2.00 p.m.	**Meeting through VC/OAVM (Deemed venue would be Vakrangee Corporate House, Plot No. 93, Road No. 16, M.I.D.C. Marol, Andheri – East, Mumbai – 400 093.**	**Tuesday February 28, 2023 at 09.00 a.m. (IST) and ends on Thursday, March 2, 2023 at 05.00 p.m. (IST)**

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``

The cut-off date for ascertaining the eligibility of the shareholders and unsecured creditors to avail remote e voting and e voting during the meeting is 24th February, 2023 and 31st December, 2022 respectively.

The notice of Meetings along with the explanatory statement and other relevant annexures, has been sent through electronic mode to those equity shareholders and Unsecured Creditors of the Company whose e-mail addresses are duly registered with the Company /Depositories, and a physical copy has been dispatched to all other Equity Shareholders and Unsecured Creditors in permitted mode of post.

The Company has engaged the services of Central Depository Services Limited ('CDSL'), for providing remote e-voting facility (prior to the relevant Meetings) and e-voting facility to the Equity Shareholders and Unsecured Creditors of the Company at the meeting. The Company has also engaged the services of CDSL to provide the facility to Equity Shareholders and Unsecured Creditors to participate in their respective meeting through VC/OAVM.

The said notices along with their respective annexures are made available on the website of the Company i.e. https://vakrangee.in/demerger_arrangement.html

The said notices along with their respective annexures have been uploaded on 30th January, 2023 on the BSE Portal and NSE portal are made available on the website of BSE Limited ("BSE") i.e. www.bseindia.com and National Stock Exchange of India limited (NSE) i.e. www.nseindia.com

Kindly take the above on your record.

Thanking you,

Yours Faithfully,

For Vakrangee Limited

KHANDEKAR SACHIN TUKARAM

Digitally signed by KHANDEKAR SACHIN TUKARAM
DN: c=IN, st=Maharashtra, 2.5.4.20=9b8c16b6d2ea4521ca3fc63913c039dabc80651029f00c28ea4ca75e666ec3c2, postalCode=400069, street=3097A Shri Sai prasad sra chsl sai wadi n s, phadke road,andheri east, pseudonym=0ed49c8385f773630df2f59c1809287a, serialNumber=d0ee1a6f46e34aa2c42edac2de47e7873c65431b6bfe84a88768657f9458d264, o=Personal, cn=KHANDEKAR SACHIN TUKARAM
Date: 2023.01.30 16:05:55 +05'30'

Sachin Khandekar
Company Secretary
(Mem. No. A50577)

NOTICE OF UNSECURED CREDITORS

VAKRANGEE LIMITED

MEETING OF THE UNSECURED CREDITORS
OF
VAKRANGEE LIMITED

(convened pursuant to an order dated January 20, 2023, passed by the National Company Law Tribunal, Bench at Mumbai)

MEETING:

Day	**:**	**FRIDAY**
Date	**:**	**3rd March, 2023**
Time	**:**	**2.00 p.m. (IST)**
Venue	**:**	**Meeting through VC/OAVM (Deemed venue would be the registered office of the company situated at Vakrangee Corporate House, Plot No. 93, Road No. 16, M.I.D.C. Marol, Andheri – East, Mumbai – 400 093.**
Mode	**:**	In View of the Covid-19 pandemic and related social distancing norms and as per the directions of the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, the Tribunal Convened Meeting shall be conducted through Video Conferencing/ Other Audio-Visual Means("VC/OAVM")
Remote E-Voting/ E-Voting during the Tribunal Convened Meeting	**:**	**Remote E-Voting prior to the Meeting:** Commencing on: Tuesday February 28, 2023 at 09.00 a.m. (IST) Ending on: Thursday, March 2, 2023 at 05.00 p.m. (IST) **E-Voting during the Tribunal Convened Meeting** E-voting facility shall also be available to the Unsecured Creditors of the Company during the NCLT Convened Meeting of Unsecured Creditors.

INDEX

The notice & explanatory statement of the meeting, issued Pursuant to Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 (Page nos. A4 to A47) and Annexure 1 to Annexure 14 (Page nos.B1 to B310) constitute a single and complete set of documents and should be read together as they form an integral part of this document.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH V, MUMBAI
COMPANY SCHEME APPLICATION NO. CA(CAA)NO. 71 of 2022

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 of 2013)

AND

In the matter of application under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act,2013

AND

In the matter of Scheme of Arrangement for Demerger of E-Governance & IT/ITES Business (Demerged undertaking) of **VAKRANGEE LIMITED** into **VL E-GOVERNANCE & IT SOLUTIONS LIMITED** and their respective shareholders.

Vakrangee Limited, a Company incorporated under the Companies Act, 1956, having its registered office at Vakrangee Corporate House, plot No. 93, Road No. 16, MIDC Marol, Andheri East, Mumbai- 400093

... Applicant/Demerged Company

FORM NO. CAA. 2

[Pursuant to Section 230(3) of the Companies Act, 2013 read with Rule 6 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT COMPANY

To,

All the Unsecured Creditors of Vakrangee Limited (“**VL**” or the **"Applicant Company"):**

NOTICE is hereby given that by an Order dated 20th day of January, 2023 (the **"Order"),** the Hon'ble National Company Law Tribunal, Bench at Mumbai**("NCLT")** has directed a meeting to be held of the Unsecured Creditors of the Applicant Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement for Demerger of E-Governance & IT/ITES Business (Demerged undertaking) of **VAKRANGEE LIMITED (‘Demerged Company’)** into **VL E-GOVERNANCE & IT SOLUTIONS LIMITED (‘Resulting Company’)**and their respective Shareholders **("Scheme")**.

In pursuance of the said Order and as directed therein read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021, General Circular No. 03/2022 dated May 5, 2022 and General Circular No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations') , further notice is hereby given that a meeting of the Unsecured Creditors of the Applicant Company will be held on Friday, 3rd day of March, 2023 at 2:00 P.M. (IST) through Video Conferencing (VC)/ Other Audio Video Means (OVAM) (the proceedings of the NCLT Convening Meeting shall be deemed to be conducted at the Registered Office of the Company at Vakrangee Corporate House, Plot No. 93, Road No. 16, MIDC Marol, Andheri East, Mumbai- 400093) to transact the following businesses:

At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT *pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/49 dated 22nd December, 2020, the observation letters issued by each of the National Stock Exchange of India Limited, dated 11th March, 2022 and BSE Limited dated 11th March, 2022and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Mumbai* ***("NCLT")*** *and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the (*__*"Board"),*__ *which* *term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement* for Demerger of E-*Governance & IT/ITES Business (Demerged undertaking) of VAKRANGEE LIMITED ('Demerged Company') into VL E-GOVERNANCE & IT SOLUTIONS LIMITED ('Resulting Company') and their respective Shareholders ("Scheme"), be and is hereby approved.*

RESOLVED FURTHER THAT *the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

NCLT has appointed Mr. M.A. Kuvadia (Former Regional Director, Ministry of Corporate Affairs) to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Dated this 23rd day of January,2023

M. A. Kuvadia
(Chairman appointed for the
aforesaid NCLT Convened Meeting)

Registered office:
Vakrangee Corporate House,
plot No. 93, Road No. 16,
MIDC Marol, Andheri East,
Mumbai- 400093

Notes:

1. In view of massive outbreak of Covid-19 pandemic, social distancing is a norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021, General Circular No. 03/2022 dated May 5, 2022 and General Circular No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') , physical attendance of the Unsecured Creditors to the NCLT Convened Meeting is not required and NCLT Convened Meeting be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Unsecured Creditors can attend and participate in the ensuing NCLT Convened Meeting through VC/OAVM.

2. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA circulars, the NCLT Convene Meeting of the Company is being held through VC / OAVM.

3. The Unsecured Creditors can join the NCLT Convened Meeting in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the NCLT Convene Meeting through VC/OAVM will be made available for 1000 Unsecured Creditors on first come first served basis.

4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021, General Circular No. 03/2022 dated May 5, 2022 and General Circular No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("MCA Circulars") , the Company is providing facility of remote e-voting to its Unsecured Creditors in respect of the business to be transacted at the NCLT Convened Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by unsecured creditors using remote e-voting system as well as venue voting on the date of the NCLT Convened Meeting will be provided by CDSL.

5. In line with the MCA Circulars and as directed by the Order of NCLT, Notice of the meeting along with the Explanatory Statement and other documents mentioned in the index are being sent through electronic mode to those Unsecured Creditors whose email addresses are registered with the Applicant Company and through Courier/Speed Post/ Registered Post to those Unsecured Creditors whose email addresses are not registered with Applicant Company. The Notice will be available on the Company's website at www.vakrangee.in and may also be accessed from the relevant section of website of BSE at www.bseindia.com and NSE at www.nseindia.com.The Notice will also be available on the website of CDSL at www.evotingindia.com. Unsecured Creditors as on Cut-off date i.e. on December 31, 2022 shall

be entitled to exercise his/her vote electronically i.e. remote e-voting or e-voting system on the date of the NCLT Convened Meeting by following the procedure mentioned in Annexure A i.e. instructions for Unsecured Creditors for remote e-voting**.**

6. CS Narayan Parekh, Practicing Company Secretary (ACS-8059 CP-6448) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

7. The Scrutinizer shall within a stipulated period from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Meeting.

8. The Results shall be declared on or after the NCLT Convened Meeting of the Company. The Results declared along with the Scrutinizers Report shall be placed on the Company's website www.vakrangee.in and on the website of CDSL within two working days from the conclusion of NCLT Convene Meeting of the Company and communicated to the Stock Exchanges (i.e., NSE & BSE).

9. The Explanatory Statement pursuant to section230(3), 232(1) and (2) and 102 of the Companies Act, 2013 is annexed hereto.

10. The NCLT Convened Meeting is being held pursuant to the MCA circulars through VC/OVAM, physical attendance of Unsecured Creditors has been dispensed with and the attendance of 15 (fifteen) Unsecured Creditors through VC/OAVM will be counted for the purpose of reckoning the quorum. Accordingly, the facility for appointment of proxies will not be available for the NCLT Convened Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Corporate/Institutional Unsecured Creditors are required to send a scanned copy of its Board or Governing Body resolution/authorization etc., authorizing its representative to attend the NCLT Convened Meeting through VC/OVAM to np@prssec.com, Scrutinizer to cast their votes through e-voting.

11. The helpline numbers regarding any query / assistance for participation in the NCLT Convened Meeting through VC/OAVM are **1800 22 55 33**

Dated this 23rd day of January,2023

M. A. Kuvadia
(Chairman appointed for the
aforesaid NCLT Convened Meeting)

Registered office:
Vakrangee Corporate House,
plot No. 93, Road No. 16,
MIDC Marol, Andheri East,
Mumbai- 400093

ANNEXURE-A

THE INSTRUCTIONS FOR UNSECURED CREDITORS FOR REMOTE E-VOTING ARE AS UNDER: -

(i) The voting period begins on Tuesday, February 28, 2023 at 09.00 a.m. (IST) and ends on Thursday, March 2, 2023 at 05.00 p.m. (IST). During this period Unsecured Creditors of the Company, having outstanding amount as on the cut-off date i.e. December 31, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Unsecured Creditors who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Voters should log on to the e-voting website **www.evotingindia.com** during the voting period.

(iv) Click on Shareholders/ Members.

(v) Enter your User ID as sent by CDSL

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) Enter your password as sent by CDSL

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Select the EVSN of "**VAKRANGEE LIMITED**" on which you choose to vote.

(x) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option YES or NO as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.

(xi) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.

(xiii) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) If you have any queries or issues regarding attending the Meeting & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or or Mr. Rakesh Dalvi (022-23058542).

INSTRUCTIONS FOR UNSECURED CREDITORS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:

1. Unsecured Creditors will be provided with a facility to attend the Meeting through VC/OAVM through the CDSL e-Voting system. Unsecured Creditors may access the same using Remote voting credential & process mentioned above. The link for VC/OAVM will be available after successful login where the EVSN of Company will be displayed.

2. Unsecured Creditors are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further Unsecured Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

INSTRUCTIONS FOR UNSECURED CREDITORS FOR E-VOTING DURING THE MEETING ARE AS UNDER: -

1. The procedure for e-Voting on the day of the Meeting is same as the instructions mentioned above for Remote e-voting.

2. Only those Unsecured Creditors, who are present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the Meeting.

3. If any Votes are cast by the Unsecured Creditors through the e-voting available during the Meeting and if the same Unsecured Creditors have not participated in the meeting through VC/OAVM facility, then the votes cast by such Unsecured Creditors shall be considered invalid as the facility of e-voting during the meeting is available only to the Unsecured Creditors attending the meeting.

4. Unsecured Creditors who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.

All grievances connected with the facility for voting by electronic means may be addressed to **Mr. Rakesh Dalvi**, **Senior Manager**, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to **helpdesk.evoting@cdslindia.com** or call on 022-23058542/43.

Dated this 23rd day of January, 2023

M. A. Kuvadia
(Chairman appointed for the
aforesaid NCLT Convened Meeting)

Registered office:
Vakrangee Corporate House,
plot No. 93, Road No. 16,
MIDC Marol, Andheri East,
Mumbai- 400093

Encl.: As above

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH V, MUMBAI
COMPANY SCHEME APPLICATION NO. CA(CAA)NO. 71 of 2022

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 of 2013)

AND

In the matter of application under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

AND

In the matter of Scheme of Arrangement for Demerger of E-Governance & IT/ITES Business (Demerged undertaking) of **VAKRANGEE LIMITED** into **VL E-GOVERNANCE & IT SOLUTIONS LIMITED** and their respective shareholders.

Vakrangee Limited, a Company incorporated under the Companies Act, 1956, having its registered office at Vakrangee Corporate House, plot No. 93, Road No. 16, MIDC Marol, Andheri East, Mumbai- 400093

... Applicant/Demerged Company

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2)AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES. 2016

1. Pursuant to the order dated January 20, 2023 passed by the Hon'ble National Company Law Tribunal, Bench at Mumbai (the **"NCLT"),** in Company Scheme Application No. **CA (CCA)71 of** 2022**("Order"),** a meeting of the Unsecured Creditors of Vakrangee Limited (hereinafter referred to as the **"Applicant Company"** or the **"Demerged Company"** or **"VL"** as the context may admit) will be held on Friday, the 3rd March, 2023 at 2.00 P.M (IST) through video conferencing (VC)/ other audio video means (OVAM), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement for Demerger of E-Governance & IT/ITES Business (Demerged undertaking) of Vakrangee Limited ("VL or Demerged Company") into VL E-Governance & IT Solutions Limited ("VL E-GOV) or Resulting Company") and their respective shareholders("Scheme"). (as the context may admit) under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the **"Scheme").** VL and VL E- GOV are together referred to as the **"Companies".** A copy of the Scheme, which has been, inter alias, approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 12th November, 2021, is enclosed as **Annexure 1.** Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
2. In terms of the said Order, the quorum for the aforesaid meeting of the Unsecured Creditors of the Applicant Company shall be 15 (Fifteen) Unsecured Creditors present in person.

3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the **"Act")** read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").

4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the Unsecured Creditors of the Applicant Company shall be convened and held be held on Friday, 3rd March, 2023 at 2.00 P.M (IST) through video conferencing (VC)/ other audio video means (OVAM), for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme.

5. The proceedings of the NCLT Convened Meeting shall be deemed to be conducted at the Registered office at Vakrangee Corporate House, plot No. 93, Road No. 16, MIDC Marol, Andheri East, Mumbai-400093.

6. NCLT, by its Order, has, inter alia, held that since the Applicant Company is directed to convene a meeting of its Unsecured Creditors, and the voting in respect of the Unsecured Creditors, is through e-voting, the same is in sufficient compliance of SEBI Circular.

7. The scrutinizer appointed for conducting e-voting process will submit his report to the Chairman of the NCLT Convened Meeting after completion of e-voting cast by the Unsecured Creditors so as to announce the results of e-voting exercised by the Unsecured Creditors of the Applicant Company.

8. In accordance with the provisions of Sections 230 to232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the Unsecured Creditors, of the Applicant Company, voting in person or e-voting, agree to the Scheme.

9. In terms of the Order dated January 20, 2023, passed by the NCLT, in Company Scheme Application No. **71 of 2022**, if the entries in the books /register /depository records of the Applicant Company in relation to the number or value, as the case may be, of the Unsecured Creditors are disputed, the Chairman of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting and his decision in that behalf would be final.

Particulars of Vakrangee Limited (VL)

10. The Demerged Company (VL) was incorporated as a Private Limited company under the Companies Act, 1956 on 28th May, 1990 in the name of Vakrangee Investment And Consultancy Private Limited in the State of Maharashtra.

    The name of the Demerged Company was changed from Vakrangee Investment And Consultancy Private Limited to Vakrangee Investment Limited and obtained a fresh certificate of incorporation dated 3rd April, 1992 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

    The name of the Demerged Company was further changed from Vakrangee Investment Limited to Vakrangee Limited and obtained a fresh certificate of incorporation dated 31st March, 1995 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

    The name of the Demerged Company was further changed from Vakrangee Limited to Vakrangee Softwares Limited and obtained a fresh certificate of incorporation dated 24th August,1999 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

The name of the Demerged Company was further changed from Vakrangee Softwares Limited to its present name Vakrangee Limited and obtained a fresh certificate of incorporation dated 1st October, 2013 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

11. The CIN of the Company is L65990MH1990PLC056669.The Demerged Company is a Public Company and its shares are listed on BSE Limited (‘BSE’) and National Stock Exchange of India Ltd (‘NSE’). There has been no further change in the name of VL in the last five (5) years. The Permanent Account Number of VL is AAACV9920D.

12. The Registered Office of VL is situated at Vakrangee Corporate House, plot No. 93, Road No. 16, MIDC Marol, Andheri East, Mumbai- 400093. There has been no change in the registered office address of VL in the last five (5) years. The e-mail address of VL is info@vakrangee.in.

13. The objects for which VL has been established are set out in its Memorandum of Association. The main objects of VL are as follows:

- To carry on business as manufactures, products, developers, processors, dealers, traders, importers, exporters, stockists, distributors or agents in software, information technology, e-commerce, e-mail, internet, multimedia, data processing, data management, telefilms, motion movies, web paging, telecommunication including peripherals computer data processing machine, systems and components thereof.

- To undertake designing & development, research of software systems, products and solutions in all areas of application including those in emerging niche segments like internet, website, applications solutions software, enterprise resource planning (ERP), ecommerce, value added products and other business applications either for its own use or for sale in India or for export outside India and to design, develop such systems and application software for or on behalf of manufactures, owners and users of computer systems, telecom, digital, electronic equipment in India or elsewhere in world.

- To develop, provide, undertake design, import, export, distribute and deals in Systems and application software for microprocessor based information systems, offshore software development project, software project consultancy, development of computer languages and allied computer service and to own and/or operate data processing and service bureau centres in India and Abroad, and to invest in/manage/assist, overseas software companies for the fulfilment of above objectives and to develop, design, own T.V. Channel, media company.

- To advice and render services like staff and management recruitment, training and placements, technical analysis of data, electronic data processing, preparation of project reports, surveys and analysis for implementation of project and their progress review, critical path analysis, organization and methods studies and other economic, mathematical, statistical, scientific and modern management techniques and to establish and render any and all consultancy and other services of professional and technical natural and to undertake assignments, jobs and appointments.

- To carry on the business of adopting advance technological tools as well as modern enterprise management mechanism, and to establish and help organizations, government bodies, banks and financial institutions and their customers alike to conduct transactions electronically through secure electronic channels, inter-alia, biometric, smart card, magnetic card, EMV Card, one time password, bank pins or any combination of any of them so as to realize the full potential of technology and services and further the development of India's payment system industry, providing software application, data management, cash management, payment and/or transaction related services to any person, entity, firm, company, bank, government bodies or body corporate including developing, improving, designing, marketing, distributing or licensing software and programmed products and hardware and other infrastructure and facilities /services that aid the process of (without limitation) electronic data interchange, transaction initiation, processing, clearing or settlement services by physical or electronic means, whether by using inter-alia computers and Automated Teller Machines (ATMs)/ micro ATMs, Point Of Sale (POS), mobile devices or by any other modes of communication in financial and e-commerce and e-governance services for G2G/G2B/G2C/B2B/B2C/C2C activities and other products and services in India and abroad.

- To carry on the business of manufacturing, procuring, developing, processing, dealing in, stocking, distributing, acting as an agent, importing or exporting ATM machines and providing intermediary ATM Deployer (IAD) services, White labeled ATM operator (WLAO) services, including but not limited to setting up/ owning/operation of ATM network, management and adjacent services including technology management (both EMV and non-EMV environment), cash Management, ATM device supply and maintenance services in India as per the Payment & Settlement System (PSS) Act, 2007 of RBI and any amendments made therein by RBI from time to time and in abroad adhering to the statutory requirements of the country of operation from time to time.

- To carry on the business of providing services in relation to payment card transactions for acquiring, switching and processing of Debit, credit and charge card related payment transaction and stored value card transactions for acquiring institutions and merchants, including without limitation to ADHAAR enabled payment system, NEFT, RTGS, IMPS, GIRO based retail payments, interoperable QR code based payment system, virtual payment card, digital online and offline payment system or any other such system as may be notified by the government in India and abroad, merchant sales, assessment, Technology management (both EMV and non-EMV environment), and adjacent service, Point Of Sale (POS) terminal device supply and maintenance services in India as per the Payment & Settlement System (PSS) Act, 2007 of RBI and any amendments made therein by RBI from time to time and in abroad adhering to the statutory requirements of the country of operation from time to time and/or to act as dealers, distributors, agents, representative of Indian and foreign concerns/persons operating in the line of prepaid, postpaid and other payment system services and allied activities related thereto.

- To carry on the business of engaging in the development, distribution, licensing, management and operation, marketing and selling of processing software, switches and associated supply of maintenance and support services for card, POS, ATM to credit and debit card user companies and financial institutions (both EMV and non-EMV environment) in India as per the Payment & Settlement System (PSS) Act, 2007 of RBI and any amendments made therein by RBI from time to time and in abroad adhering to the statutory requirements of the country of operation from time to time.

- To carry on the business of providing payment card transactions for switching and credit, debit and stored value card account data processing services and back office processing services in relation to processing of debit and credit card payment transaction and related services including without limitation to ADHAAR enabled payment system, NEFT, RTGS, IMPS, GIRO based retail payments, interoperable QR code based payment system, virtual payment card, digital online and offline payment system or any other such system as may be notified by the government in India and abroad to card issuer companies in India as per the Payment & Settlement System (PSS) Act, 2007 of RBI and any amendments made therein by RBI from time to time and in abroad adhering to the statutory requirements of the country of operation from time to time

  There has been no change in the object clause of VL in the last 5 years.

14. The brief description of some of the major businesses being carried out by Vakrangee Limited along with its subsidiaries, joint ventures and associates are as under:

15. The Authorized, Issued, Subscribed and Paid-up Share Capital of VL as on 31st March 2022 is as follows:

Share Capital	**Amount in Rs.**
Authorised Share Capital	
125,00,00,000 Equity Shares of Re. 1/- each	125,00,00,000
Total	**125,00,00,000**
Issued, Subscribed and Paid-Up Capital	
105,94,99,790 Equity Shares of Re. 1/- each fully paid up	105,94,99,790
Total	**105,94,99,790**

16. Subsequent to 31st March, 2022 there is no change in the Authorized, issued, subscribed and paid up share capital of Vakrangee Limited.

Particulars of VL E-Governance & IT Solutions Limited (VL E-GOV)

17. The Resulting Company (VL E-GOV) was incorporated as a Private Limited Company under the Companies Act, 2013, on 18th March, 2016 in the name of Vakrangee Logistics Private Limited in the State of Maharashtra.

The name of the Company was changed to VL E-Governance & IT Solutions Private Limited and obtained a fresh certificate of incorporation dated 22nd October, 2021 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

The name of the Resulting Company was further changed to VL E-Governance & IT Solutions Limited and obtained a fresh certificate of incorporation dated 01st November, 2021 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

The Resulting Company currently is an Unlisted Public Limited Company and the entire Issued, Subscribed and Paid up Equity Share Capital is held by the Demerged Company. By virtue of the Shareholding pattern, the Resulting Company is a Wholly Owned Subsidiary of the Demerged Company.

18. The CIN of the Company is U74110MH2016PLC274618. There has been no further change in the name of VL E-GOV in the last five (5) years. The Permanent Account Number of VL E-GOV is AAFCV4132N. The equity shares of VL E-GOV are not listed on any stock exchanges.

19. The Registered Office of VL E-GOV is situated at Vakrangee Corporate House, plot No. 93, Road No. 16, MIDC Marol, Andheri East, Mumbai- 400093. There has been no change in the Registered Office address of VL E-GOV in last five (5) years. The e-mail address of VL E-GOV is info@vakrangee.in

20. The objects for which VL E-GOV has been established are set out in its Memorandum of Association. The main object of VL E-GOV is, inter alia, as follows:

1. To carry on business as manufactures, products, developers, processors, dealers, traders, importers, exporters, stockists, distributors or agents in software, information technology, e-commerce, e-mail, internet, multimedia, data processing, data management, telefilms, motion movies, web paging, telecommunication including peripherals computer data processing machine, systems and components thereof.

1(A) To undertake designing & development, research of software systems, products and solutions in all areas of application including those in emerging niche segments like internet, website, applications solutions software, enterprise resource planning (ERP), ecommerce, value added products and other business applications either for its own use or for sale in India or for export outside India and to design, develop such systems and application software for or on behalf of manufactures, owners and users of computer systems, telecom, digital, electronic equipment in India or elsewhere in world.

1(B) To develop, provide, undertake design, import, export, distribute and deals in Systems and Application software for microprocessor-based information systems, offshore software development project, software project consultancy, development of computer languages and allied computer service and to own and/or operate data processing and service bureau centers in India and Abroad,

1 (C) To act as facilitator between service provider and end user of services to render governmental / non-governmental services, including but not limited to ticket booking services (IRCTC), postal services, facilitate utility services, any other governmental services to promote general wellbeing of the public at large and other support services.

1(D) To manufacture, develop, procure, produce, import or engage any professional to manufacture, develop any software to make all the activities of the Company available in the form of an application or software available on any device such as mobile or computer or such other devises as may be found appropriate and to make the services of the Company available to the public at large in India and abroad.

- There has been a change in the object clause of VL E-GOV in the last 5 years, the objects were changed pursuant to change in name of the Company on October 01, 2022.

21. The Authorised, Issued, Subscribed and Paid up Share Capital of VL E-GOV as on 31st day of March 2022 is as under.

Share Capital	Amount in Rs.
Authorised Share Capital	
1,50,00,000 Equity Shares of Rs.10/- each	15,00,00,000
Total	**15,00,00,000**
Issued, Subscribed and Paid Up Capital	
1,20,00,000 Equity Shares of Rs.10/- each	**12,00,00,000**
TOTAL	**12,00,00,000**

Subsequent to 31st March, 2022 there is no change in the Authorized, issued, subscribed and paid up share capital of VL E-GOV.

Description and Objective of the Scheme

22. The Scheme provides for, inter alia,

I. The demerger of E-Governance & IT/ITES Business (Demerged undertaking) of Vakrangee Ltd, the Demerged Company into with VL E-Governance & IT Solutions Limited, Resulting Company.

II. various other matters consequential to or otherwise integrally connected with the above.

The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

23. The objective is stated in Clause C of the Scheme and is as under:

The demerger of Power Business Undertaking (*defined hereinafter*) of the Demerged Company into Resulting Company would *inter alia* have the following benefits:

a. The transfer and vesting of the Demerged Undertaking of the Demerged Company to the Resulting Company through this Scheme is with a view to unlock the economic value of both the divisions.

b. The Demerger is likely to enable the business and activities comprised in the demerged undertaking and remaining business and activities of VL to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings will ensure required depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their business.

c. Vakrangee Kendra Business is Retail centric Consumer facing business whereby we are building the last mile physical distribution platform as well as a B2C E-Commerce focussed Mobile

Super app Digital platform

d. Vakrangee Kendra Business (Physical as well as Digital) is an asset light, high return on Capital business and thereby will get proper representation post Demerger

e. E-Governance & IT/ITES Business is a capital intensive B2B business. It is Capex Heavy as well as Working capital Intensive. The E-Governance & IT/ITES Business segment requires different skill sets and focused approach towards time bound project execution capabilities as well as dedicated efforts on collection of Debtors / Receivables, Vendor management and procurement of IT equipment's.

f. The focus is on enhancing strategic flexibility to build a viable platform solely focusing on each of these businesses (Vakrangee Kendra business as well as E-Governance / IT & ITES).

g. The Demerger will enable both the Companies to enhance business operations by streamlining operations more efficient management control and outlining independent growth strategies.

h. Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock value for the shareholders.

i. Each undertaking will be able to target and attract new customers corresponding to their own business.

j. The demerger will unlock value of both business and result in shareholder value maximization.

k. Pursuant to the scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of E-Governance and IT/ITES business for the shareholders of the Demerged Company. Further the existing Shareholders of the Demerged Company would hold the shares of two listed entities after the scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.

l. The Scheme shall be in the beneficial interest of the shareholders of the companies. The Scheme shall not be in any manner prejudicial to the interest of the concerned members, creditors, employees or general public at large.

In view of the above-mentioned reasons, it is considered desirable and expedient to demerge the Demerged Undertaking of the Demerged Company and vest the same with the Resulting Company.

Major Developments / Actions post announcement of the Scheme

24. There are no major developments / actions have taken place since announcement of the scheme.

Corporate Approvals

25. The proposed Scheme was placed before the Audit Committee of VL at its meeting held on 12th November, 2021. The Audit Committee took into account the Valuation Report, dated 11th November,2021 issued by Mr Lalit Kumar Dangi, Registered Valuer **("Valuation Report")** and the fairness opinion, dated 12th November,2021 provided by Ashika Capital Limited, a Category I Merchant Banker, **("Fairness Opinion")** appointed for this purpose by VL. A copy of the Valuation Report is enclosed as **Annexure 2.** The Valuation Report is also open for inspection at the website of the

company at www.vakrangee.in A copy of the Fairness Opinion is enclosed as **Annexure 3.** The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of Vakrangee Limited.

26. The Scheme along with the Valuation Report was placed before the Board of Directors of VL, at its meeting held on 12th November, 2021. The Fairness Opinion and the report of the Audit Committee was also submitted to the Board of Directors of VL. Based on the aforesaid, the Board of Directors have approved the Scheme. The meeting of the Board of Directors of VL, held on 12th November, 2021, was attended by all the 9 (Nine) directors. None of the directors of VL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of VL who attended and voted at the meeting.
27. The Scheme along with the Valuation Report was placed before the Board of Directors of VL E-GOV, at its meeting held on 12th November, 2021. Based on the aforesaid, the Board of Directors of have approved the Scheme. The meeting of the Board of Directors of VL E-GOV, held on 12th November, 2021, was attended by all the 3 (Three) directors. None of the directors of VL E-GOV who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of VL E-GOV who attended and voted at the meeting.

Approvals and actions taken in relation to the Scheme

28. BSE has been appointed as the designated stock exchange by VL for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. VL has received observation letters regarding the Scheme from BSE and NSE on 11th March, 2022. In terms of the observation letters of BSE and NSE, inter alia, conveyed their no objection for filing the Scheme with the Hon'ble National Company Law Tribunal with a note that the observations of the SEBI shall be incorporated in the Company Petition to be filed with the NCLT. Copies of the observation letters, dated 11th March, 2022 received from BSE and NSE receptively, are enclosed as **Annexure 4** and **5.**

29. As required by the SEBI Circular, VL had filed the complaints report with both BSE and NSE, on 10th January, 2022 and 24th December, 2021 respectively. This report indicates VL has received no complaints. A copy of the complaints report submitted by VL to NSE and BSE, dated 10th January, 2022 and 24th December, 2021 are collectively enclosed as **Annexure 6 (Colly).**

30. The Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.

31. The Joint Company Application along with the annexure thereto (which includes the Scheme) was filed on 16th March, 2022 with the NCLT.

32. This notice convening Meeting of the Unsecured Creditors of the Applicant Company along with aforesaid documents are placed on the website of the Company viz. www.vakrangee.in and being sent to Securities and Exchange Board of India and BSE Limited and National Stock Exchange of India Limited (NSE) for placing on their website.

Salient extracts of the Scheme

33. The salient extracts of the Scheme are as Under:

1. APPOINTED DATE AND DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or by any Governmental Authority shall be effective from the Appointed Date i.e. 01st April, 2021 but shall be operative from the Effective Date.

2. SHARE CAPITAL

a. DEMERGED COMPANY:

The share capital structure of the Demerged Company (VL) as per the last audited balance sheet as at 31st March, 2022 and as on the date is as under:

Share Capital	**Amount in Rs.**
125,00,00,000 Equity Shares of Re. 1/- Each	**125,00,00,000**
Total	**125,00,00,000**
Issued, Subscribed and Paid Up Capital	
105,94,99,790 Equity Shares of Re. 1/- each	**105,94,99,790**
Total	**105,94,99,790**

Subsequent to the above there has been no change in the Authorized, Subscribed and Paid up Capital of the Demerged Company.

The Demerged Company has outstanding Employees Stock option Scheme under the Existing ESOP Scheme 2014, the exercise of which may result in increase in its subscribed and paid up capital.

b. RESULTING COMPANY

The Resulting Company is currently Unlisted Public Limited Company and the present share capital structure of the Resulting Company as per the latest Balance Sheet as at 31st March, 2022 and as on date is as under:

Share Capital	**Amount in Rs.**
Authorized Share Capital	
1,50,00,000 Equity Shares of Rs. 10/- each	**15,00,00,000**
Total	**15,00,00,000**
Issued, Subscribed and Paid Up Capital	
1,20,00,000 Equity Shares of Rs. 10/- each	**12,00,00,000**

<u>PART II – DEMERGER</u>

SECTION 1- TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

3. TRANSFER OF ASSETS

3.1. With effect from the Effective Date the Demerged Undertaking (including all the estate, assets, rights including claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of this Clause in relation to the mode of transfer and vesting and pursuant to the provisions of Section 232(3) of the Act, without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and shall be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions, if any.

3.2. In respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement and delivery, the same shall stand so transferred by the Demerged Company upon the coming into effect of the Scheme, and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to encumbrances in favor of banks and/or financial institutions.

3.3. In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-Clause 3.2 above, the same shall, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and vested in and/or be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company upon the coming into effect of Part II of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

3.4. All assets, rights, title, licenses, interest and investments of the Demerged Company in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

4. CONTRACTS, DEEDS, ETC.

4.1 Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under.

4.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

4.3 Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme, all consents, permissions, licenses, approvals, certificates, insurance covers, clearances, authorities given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company.

4.4 Without prejudice to the aforesaid, it is clarified that if any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected.

5. TRANSFER OF LIABILITIES

5.1 Upon the coming into effect of the Scheme, all debts, liabilities, duties and obligations (including the liabilities which arise out of the activities or operations of the Demerged Undertaking) of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and shall become the debts, liabilities, duties and obligations of the Resulting Company.

5.2 In so far as the existing Encumbrance in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the transferred liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

5.3 For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance over such assets relating to the Transferred Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrance relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred pursuant to this Scheme (and which shall continue with the Demerged

Company), shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

5.4 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

5.5 Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such Transferred Liabilities.

5.6 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

5.7 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

6. EMPLOYEES

6.1 Upon the coming into effect of this Scheme, all Employees of the Demerged Undertaking shall become the employees of the Resulting Company with effect from the Appointed Date, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Employees with the Demerged Company shall also be taken into account, and paid by the Resulting Company as and when the same become payable.

6.2 In so far as the provident fund and gratuity fund and any other funds or benefits if any created by the Demerged Company inter alia for the Employees are concerned (collectively referred to as the "Funds"), the funds and such investments made by the Funds which are relatable to the Employees in terms of sub-Clause 6.1 above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company does not have its own Funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own Funds, at which time the funds and the investments and contributions pertaining to the Employees shall be transferred to the Funds created by the Resulting Company.

6.3 In relation to any other fund created or existing for the benefit of the Employees being transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such Scheme, funds, bye laws, etc. in respect of such Employees.

6.4 In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the employees of the Remaining Business.

6.5 Employee Stock Benefits

6.5.1. Upon Part II of the Scheme becoming effective, employees of the Demerged Company holding options, (whether vested or unvested) under the Vakrangee Limited Employee Stock Option Scheme 2014 (ESOP) as on the Effective Date, shall continue to hold such Vakrangee Limited ESOPs on the existing terms and conditions, except for such modifications as may be required to give effect to this Clause 6.5.

6.5.2. Immediately upon Part II of the Scheme becoming effective, Vakrangee Limited ESOPs shall continue, subject to such adjustments towards the demerger of the E-Governance & IT/ITES business Division, as may be deemed appropriate by the relevant committeeof the Board of the Demerged Company in accordance with the provisions of th e Vakrangee Limited ESOPs and in compliance with the applicable laws. The Board of the Demerged Company shall through its Nomination & Remuneration & Compensation Committee, decide the manner in which difference in the intrinsic value created pursuant to the demerger of the Digital Division is to be compensated to the Vakrangee Limited ESOPs holders in compliance with the applicable laws and SEBI regulations.

6.5.3 The Boards of the Demerged Company and the Resulting Company Hall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 6.5

7. LEGAL, TAXATION AND OTHER PROCEEDINGS

7.1. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and, in each case, relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be replaced/ added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in co-operation with the Demerged Company.

7.2. If any proceedings are taken against the Demerged Company in respect of the matters referred to in sub-Clause 7.1 above, it shall defend the same in accordance with any reasonable and prudent advice provided by the Resulting Company at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

7.3. The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company in relation to Demerged Undertaking referred to in sub-Clause 7.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.

SECTION 3 - REMAINING BUSINESS

8. Save and except Demerged Undertaking and as expressly provided in this Scheme, nothing contained in this Scheme shall affect Retained Undertaking (remaining business) of VL which shall continue to belong to and be vested in and be managed by VL. It is expressly clarified and provided that the Retained Undertaking shall continue to be so vested in VL and all liabilities, present or contingent, under the Income Tax Act, 1961 of VL as a whole, for the period prior to the Appointed Date shall be borne by VL with VL also being entitled to any and all tax refunds and other credits under the said acts for such prior period.

8.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

8.2 All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relates to the Remaining Business.

8.3 If proceedings are taken against the Resulting Company in respect of the matters referred to in sub-Clause 8.2 above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

8.4 **With effect from the Appointed Date and up to and including the Effective Date**:

8.4.1 the Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Demerged Undertaking for and on its own behalf;

8.4.2 all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company;

8.4.3 all assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company;

SECTION 4 – CONSIDERATION

9. The provisions of this Section 4 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or Writing.

9.1 Upon this scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this scheme, the Resulting Company shall, without any further act or deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by him / her / it in the Demerged Company One (1) new Equity share of the Resulting Company of the face value of Rs. 10/- each fully paid up;

9.2 The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank *pari passu* in all respects with the existing equity shares of the Resulting Company.

9.3 The shares issued to the members of the demerged company pursuant to clause 9.1 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the demerged company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the shares shall be issued to such members in dematerialized form provided that the members of the Demerged Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required it is only thereupon that the Resulting Company shall issue and directly credit the dematerialized securities to the account of such member with the shares of the Resulting Company. In the event that the Resulting Company has received notice from any member that shares are to be issued in certificate form or if any members has not provided the requisite details relating to the account with depository participant or other confirmations as may be required, then the Resulting Company shall issue shares in certificate form to such member.

9.4 The New Equity Shares to be issued in respect of the shares of the Demerged Company held in the unclaimed suspense account, if any, shall be issued to a new unclaimed suspense account created for the shareholders of the Resulting Company.

9.5 New Equity Shares to be issued by the Resulting Company pursuant to Clause 9.1 above in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Resulting Company.

9.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, prior or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Resulting Company and in relation to the shares issued by the Resulting Company after the effectiveness of this Scheme. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Resulting Company on account difficulties faced in the transition period.

9.7 Unless otherwise determined by the Board of Directors or any committee thereof of the Demerged and Resulting Company, allotment of shares in terms of clause 9.1 of this part shall be done within 60 days from the effective date.

9.8 If any Eligible member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of Equity shares by the Resulting Company in accordance with this Scheme, the Board of Directors of the Resulting Company shall consolidate all such fractional entitlement and shall , without any further application, act, instrument or deed issue and allot such consolidate shares directly to an individual trustee in a separate account nominated by the Resulting Company ('The Trustee'), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heir, executors, administrators, successors for the specific purpose of selling such shares in the open market at such price or prices and on such time or times within 60 days from the date of allotment, as the trustee may in it's sole discretion decide and on such sale , pay to the Resulting Company, the net sale proceeds (after deducting the applicable taxes and cost incurred) thereof and any additions and accretions , whereupon the Resulting Company shall subject to the withholding tax, if any, distribute such sale proceeds to the concerned Eligible Members in proportion to their respective fractional entitlement.

9.9 Pursuant to and upon this Scheme becoming effective, the Resulting company shall take necessary steps to increase and alter its authorized share capital suitably to enable the Resulting company to issue and allot the Equity Shares in the Resulting Company to the shareholders of the Demerged Company in terms of this Scheme and as an integral part of this Scheme, the share capital of the Resulting Company shall be increased in the manner set out in Clause 15 below.

9.10 Equity Shares of the Resulting Company issued in terms of clause 9.1 above shall pursuant to the circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/49 dated 22nd December, 2020 issued by Securities and Exchange Board of India (SEBI) and in accordance with compliance with requisite formalities under applicable laws, be listed and / or admitted to trading on BSE Limited and National Stock Exchange of India Limited (NSE), the relevant stock exchange(s) where the existing equity shares of the Demerged Company are listed and / or admitted to trading in accordance with the compliance with requite formalities under applicable laws and the Demerged company and the Resulting Company shall enter into such agreement / arrangement and give confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchange (BSE Limited and National Stock Exchange of India Limited (NSE).

9.11 The equity shares of the Resulting Company allotted pursuant to the scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.

9.12 Till the listing of the equity shares of the Resulting Company, there will be no change in the pre-arrangement capital structure and shareholding pattern or controls in the Resulting Company which may affect status of the approval of the stock exchanges to this scheme.

9.13 Approval of the Scheme by the shareholders of VL E-GOV shall be deemed to be due compliance of the provisions of section 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made thereunder, the SEBI(LODR) Regulations, 2015and the Articles of Association of the Resulting company and no other consent shall be required under the Act or the Articles of Association of the Resulting company for the issue and allotment of the Equity shares by VL E-GOV to the shareholders of VL as provided hereinabove.

SECTION 5 – REDUCTION OF SHARE CAPITAL OF THE RESULTING COMPANY

9.14 Simultaneously, with the issue and allotment of the new Equity Shares by the Resulting Company to the Equity Shareholders of the Demerged Company in accordance with clause 9.1 of the Scheme in the books of the Resulting Company the existing shareholding in the equity share capital of the Resulting Company shall stand cancelled as an integral part of this Scheme in accordance with the provisions of section 66 of the Companies Act, 2013.

9.15 Since the said reduction is an integral part of the Scheme under Section 230 to 232 and will be made effective pursuant to order(s) of the NCLT(s) sanctioning the Scheme in terms of Sections 230 to 232 of the Act, the provisions of Section 66 of the 2013 Act shall not be applicable unless the NCLT holds otherwise. In any event, it shall be deemed that the members of the Resulting Company who have approved the Scheme have also resolved and accorded all relevant consents under Section 66 of the Companies Act, 2013 or any other provisions of the Act to the extent the same may be considered applicable and that there will be no need to pass a separate shareholders' resolution as required under Section 66 of the Companies Act, 2013.

9.16 The order of NCLT sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming reduction and no separate sanction under section 66 of the Act shall be necessary.

SECTION 5 - GENERAL TERMS AND CONDITIONS

ACCOUNTING TREATMENT

Upon the Scheme becoming effective, demerger of Demerged Undertaking of the Demerged Company into Resulting Company will be accounted for in accordance with the applicable accounting standards and Clause 10 and 11 (Accounting Treatment) of the Scheme.

10 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY (VL)

On the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall account for demerger in its books as under:

10.1 All the assets, liabilities and reserves of the Demerged Company pertaining to the Demerged Undertaking, being transferred to the Resulting Company, shall be reduced from the books of accounts of the Demerged Company at their respective book values / carrying values at the close of business on the day immediately preceding the Appointed Date.

10.2 The excess/deficit, if any, of the book value of the assets over the book value of the liabilities and reserves of the Demerged Company pertaining to the Demerged Undertaking, which have been transferred pursuant to this Scheme, shall be adjusted against the reserves in the financial statements of the Demerged Company as drawn up in compliance with the Scheme and applicable accounting standards/IND AS of the Demerged Company. Notwithstanding anything above, the Board of Directors of the Demerged Company is authorized to account for any of the above-mentioned transactions or any matter not dealt with under this clause in accordance with the applicable accounting standards /IND AS and generally accepted accounting principles.

11. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY (VL E-GOV)

On the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall account for demerger in its books as under:

11.1 Demerger of Demerged Undertaking of the Demerged Company into Resulting Company shall be accounted for in the books of account of the Resulting Company in accordance with applicable accounting standards/IND AS and generally accepted accounting principles;

11.2 The Resulting Company shall record the assets, liabilities and reserves pertaining to the Demerged Undertaking vested in it pursuant to this Scheme, at their respective book values / carrying values in the books of the Demerged Company;

11.3 The identity of the reserves, shall be preserved, and they shall appear in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company;

11.4 The inter-corporate borrowings, deposits / loans and advances outstanding, if any, between the Resulting Company and the Demerged Undertaking of the Demerged Company as on the Effective Date will stand cancelled and there shall be no further obligation in that behalf. Further, any other inter-company payables and receivables between the Demerged Undertaking of the Demerged Company and the Resulting Company shall be cancelled and the Resulting Company shall accordingly credit the concerned payable against related receivables in its books and debit the concerned receivable against the related payables in its books;

11.5 The Resulting Company shall issue and allot equity shares to the shareholders of the Demerged Company in accordance with Clause 9 above and credit the aggregate face value of such equity shares to its share capital account.

11.6 The surplus / deficit, if any, of the net value of assets, liabilities and reserves of the Demerged Undertaking of the Demerged Company acquired and recorded by the Resulting Company over the amount recorded as share capital issued shall be credited or debited, as the case may be, to the reserves in the financial statements of the Resulting Company;

11.7 In case of any difference in the accounting policies between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and the difference, if any, will be quantified and shall be adjusted in the Reserves, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy;

11.8 Upon the Scheme being effective, the existing shareholding in the Resulting Company shall stand cancelled. Upon cancellation, the Resulting Company shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by the shareholders in the Resulting Company, which stand cancelled and the same shall be credited to the Capital Reserve of the Resulting Company.

11.9 Notwithstanding the above, the Board of the Resulting Company in consultation with its statutory auditors, is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit in accordance with the prescribed accounting standards, and applicable generally accepted accounting principles as applicable to the Resulting Company.

12. TAXES

All taxes (including income tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, GST, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, GST, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

13. SCHEME CONDITIONAL ON

This Scheme is conditional upon and subject to:

13.1 Obtaining no-objection /observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of SEBI (LODR) Regulations, 2015.

13.2 the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors of the Demerged Company and the Resulting Company as required under the Act and the requisite order of the National Company Law Tribunal, Mumbai Bench, Mumbai being obtained such other sanctions and approvals as may be required by law in respect of this Scheme being obtained; and

13.3 In the event of this Scheme failing to take effect by 30th September, 2022 or such later date as may be agreed by the respective Board of Directors, this Scheme shall stand revoked, cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter se between the parties or their shareholders or creditors or employees or any other person. In such case, the Demerged Company shall bear all costs and expenses.

13.4 Para 10 of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020 shall not be applicable to the Scheme.

13.5 such other sanctions and approvals as may be required by law in respect of this Scheme being obtained; and

13.6 the Certified copies of the NCLT orders referred to in this Scheme being filed with the Registrar of Companies, Maharashtra, Mumbai.

PART III – OTHER TERMS & CONDITIONS

SECTION 6 - OTHER TERMS AND CONDITIONS

14.1 The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, as applicable.

14.2 The Equity shares of the Resulting Company to be issued and allotted to the Equity shareholders of the Demerged Company as provided in clause 9 hereof shall be entitled to dividends from the date of allotment.

14.3 The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

14.4 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of the Demerged Company and the Resulting Company respectively, and subject to the approval, if required, of the shareholders of the Demerged Company and the Resulting Company respectively.

14.5 The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

14.6 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the boards of directors of the Demerged Company and the Resulting Company respectively, and subject to the approval, if required, of the shareholders of the Demerged Company and the Resulting Company respectively

15. INCREASE IN THE AUTHORISED SHARE CAPITAL OF VL E-GOVERNANCE & IT SOLUTIONS LIMITED (VL E-GOV) CONSEQUENT ALTERATIONS IN THE MEMORANDUM OF ASSOCIATION

The Authorized Share Capital of VL E-GOVERNANCE & IT SOLUTIONS Limited shall be increased and reorganized, in the manner mentioned below, to cover the fresh issue of equity shares by VL E-GOV to the shareholders of the Demerged Company in terms of clause 9 of this Scheme:

The Authorised Share Capital of VL E-GOVERNANCE & IT SOLUTIONS LIMITED shall be increased and reorganized from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) comprising of 1,50,00,000 (One Crore fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 110,00,00,000/- (Rupees One Hundred Ten Crores only) comprising of 11,00,00,000 (Eleven Crores Only) Equity Shares of Rs. 10/- (Rupee Ten) each.

In consequence of the increase in the Authorised Share Capital, as mentioned above, following new clause V shall be inserted in the Memorandum of Association of the Resulting Company (VL E-GOV) in place and stead of the existing clause V:

Clause V: - Memorandum of Association.

The Authorised share capital of the Company is Rs. 110,00,00,000/- (Rupees One Hundred Ten Crores only) comprising of 11,00,00,000 (Eleven Crores Only) Equity Shares of Rs. 10/- (Rupees Ten) each.

It is clarified that the relevant date for the increase of Authorised Share Capital of the Resulting Company shall be the effective date and the statutory time limit for filing of necessary documents with Registrar of Companies in connection with such increase in the Authorised

Share Capital shall commence from the date the Scheme becomes effective. It is also clarified that the Resulting Company shall be required to pay the filing fee and stamp duty only on the increase in the Authorised Share Capital from Rs. 15,00,00,000/- to Rs. 110,00,00,000/- i.e. an increase of Rs 95,00,00,000/-.

It is further clarified that the Resulting Company shall not be required to pass any resolution under section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 for increase in the Authorised Share Capital of the Resulting Company, as envisaged above and that the members of the Resulting Company shall be deemed to have accorded their consent under various provisions of the Companies Act, 2013 and Rules made there under to the increase in the share capital in terms of this Scheme.

16. APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL

The Demerged Company and the Resulting Company shall make necessary applications before the National Company Law Tribunal, Mumbai Bench, Mumbai for the sanction of this Scheme under Sections 230 to 232 of the Act.

17. MODIFICATIONS OF SCHEME

17.1 The Demerged Company and the Resulting Company through their Board of Directors may consent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the NCLT and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.

17.2 However, no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the Tribunal / Court and the same shall be subject to powers of the NCLT under the Act.

17.3 For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Demerged Company and the Resulting Company are authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

17.4 The Demerged Company and Resulting Company shall take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

18 NON- RECEIPT OF APPROVALS AND REVOCATION/WITHDRAWAL OF THIS SCHEME

18.1 The Demerged Company and the Resulting Company acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme.

18.2 The Demerged Company and/or Resulting Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme in case the Demerged Company or the Resulting Company is declared insolvent.

18.3 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before 30th September, 2022 or such later date from the date of approvals of the Scheme by respective Boards of the Parties or within such extended period as may be mutually agreed upon between the Demerged Company and the Resulting Company through their respective Boards or their authorized representatives, this Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

In the event of revocation/withdrawal of the Scheme under Clause 18.1, 18.2 or 18.3 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or n accordance with the Applicable Law and in such case, each party shall bear its owns costs, unless otherwise mutually agreed

19. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

20. COSTS

Upon the sanction of this Scheme by the NCLT, Mumbai, all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the Demerger shall be borne entirely by the Demerged Company.

Note: You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

Other matters

34. Summary of the Valuation Report including the basis of valuation is enclosed as **Annexure 7.**

35. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection at the website of the company at www.vakrangee.in

36. Under the Scheme, an arrangement is sought to be entered into between VL and its Equity Shareholders. Upon the effectiveness of the Scheme, VL E-GOV shall issue and allot the equity shares to the shareholders of VL, based on the Share Exchange Ratio i.e. VL E-GOV will issue and allot, to every equity shareholder of VL, holding fully paid-up equity shares in the VL and

whose names appear in the register of members of the VL on the Record Date to be announced by the Board of the Company, in respect of every 10 Ten) Equity Shares of the face value of Rs. 1/- (Rupee One) each fully paid up held by him / her / it in the Demerged Company, 1 (One) new Equity shares of the Resulting Company of the face value of Rs.10 (Rupees 10) each fully paid up.

37. As far as the Equity shareholders of VL are concerned they will get the Shares in the same proportion in the Resulting Company as the existing capital of the Resulting Company shall be cancelled pursuant to the Scheme of Demerger and the mirror image of the shareholders will be created in the proportion of the swap ratio.

In respect of the Scheme, there is no arrangement with the creditors, either secured or unsecured of VL. No compromise is offered under the Scheme to any of the creditors and the liability of the creditors of VL, under the Scheme, is neither being reduced nor being extinguished. There is no effect on any of the creditors.

As on date, VL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, VL has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under the Scheme, no rights of the Employees of the VL are being affected. The services of the Employees under the Scheme, shall continue on the same terms and conditions on which they were engaged by VL.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of VL. Further no change in the Board of Directors of the company is envisaged on account of the Scheme.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of VL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in VL and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in VL E-GOV to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The shareholding of the Company Secretary and Chief financial Officer of the Company and their respective relatives is less than 2% of the paid-up share capital of each of the Companies.

38. Under the Scheme, an arrangement is sought to be entered into between VL E-GOV and its Equity Shareholders. Upon the effectiveness of the Scheme, the present paid up Equity share Capital of the Resulting Company shall stand cancelled.

In respect of the Scheme, there is no arrangement with the creditors, either secured or unsecured of either the Demerged Company or Resulting Company. No compromise is offered under the Scheme to any of the creditors of and the liability of the creditors of VL or VL E-GOV, under the Scheme, is neither being reduced nor being extinguished.

As on date, VL E-GOV has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, VL E-GOV has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of VL E-GOV.

Upon the effectiveness of the Scheme, the Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of VL E-GOV and their respective relatives (as defined under the Act and rules framed thereunder) have any interest financial or otherwise in the Scheme except to the extent of the equity shares held by them in VL and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in VL. The Scheme on the material interest of the Directors and Key Managerial Personnel is not any different from the effect on other shareholders of the Applicant Company and/or VL E-GOV.

39. The Scheme does not involve any capital or debt restructuring and therefore the requirement to disclose details of capital or debt restructuring is not applicable.

40. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of VL and VL E-GOV have in their separate meetings held on 12th November, 2021, have adopted a report, inter alia, explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders amongst others. Copy of the Reports adopted by the respective Board of Directors of VL and VL E-GOV are enclosed as **Annexure 8** and **Annexure 9** respectively.

41. No investigations or proceedings are pending under sections 235 to 251 of the Companies Act, 1956 and sections 210,217, 219, 221, 224 and 225 of the Companies Act, 2013 against any of the Companies.

42. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.

43. The copy of the proposed Scheme has been filed by the respective Companies before the concerned Registrar of Companies on 20th January, 2023 vide SRN No. F57635385 and SRN No. F57635922 in form GNL-1.

44. The Standalone and Consolidated Audited Financial Statements of VL and Standalone Audited Financial Statements of VL E-GOV for the year ended 31st March, 2022 are enclosed as **Annexure 10** and **Annexure 11,** respectively.

45. As per SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 Unaudited Financial Statements along with Limited Review Report for the period ended 30th September, 2022 of Vakrangee Limited, The Demerged Company are annexured herewith as **Annexure 12** and Audited Financial Statements for the period ended 30th September, 2022 of VL E-Governance & IT Solutions Limited are annexed herewith as **Annexure 13.**

46. As per the books of accounts VL, the amount due to the Secured creditors as on 31st March, 2022 is Rs. 0 and in VL E-GOV there are no Secured Creditors and that of the unsecured creditors is Rs. 1091158778and Rs. 159222 respectively.

As per the books of accounts VL, the amount due to the Secured creditors as on 30th September, 2022 is Rs. 0 and in VL E-GOV there are no Secured Creditors and that of the unsecured creditors is Rs. 1325283717 and Rs. 159222 respectively.

47. The name and addresses of the Promoters of Vakrangee Limited including their shareholding in the Companies as on 13th January 2023 are as under:

Sr. No.	Name and address of Promoters and Promoter Group	VL		VL E-GOV	
		No. of Shares of Re. 1/- each	%	No. of Shares of Rs.10/- each	%
PROMOTERS					
1.	Dinesh Nandwana 2502, Tivoli Co. Op. Housing Society Ltd, Central Avenue Road, Hiranandani Gardens, Powai, Mumbai – 400076	69107095	6.54	0	0
2.	Dinesh Nandwana (HUF) 2502, Tivoli Co. Op. Housing Society Ltd, Central Avenue Road, Hiranandani Gardens, Powai, Mumbai – 400076	196000	0.02	0	0
PROMOTER GROUP					
3.	Vakrangee Holdings Private Limited Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C. Marol, Andheri East Mumbai Mumbai City MH 400093	250950388	23.69	0	0
4.	NJD Capital Private Limited	131099682	12.37	0	0

	Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C. Marol, Andheri East Mumbai Mumbai City MH 400093				
	Total	451353165	42.60	0	0

48. The name and addresses of the Promoters of VL E-GOV including their shareholding in the Companies as on 13th January 2023 are as under:

Sr.No.	Name and address of Promoters and Promoter Group	VL		VL E-GOV	
		No. of Shares of Re.1/- each	%	No. of Shares of Rs. 10/- each	%
PROMOTERS					
1.	Vakrangee Limited Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C. Marol, Andheri East Mumbai Mumbai City MH 400093	0	0	11999994	100
2.	Dinesh Nandwana, (Nominee of Vakrangee Limited) 2502, Tivoli Co. Op. Housing Society Ltd, Central Avenue Road, Hiranandani Gardens, Powai, Mumbai – 400076	69107095	6.52	1	0
3.	Nishikant Hayatnagarkar, (Nominee of Vakrangee Limited) 701 Hill Queens Apt., Bhavani Nagar, Marol, Andheri (E) Mumbai-400059 Maharashtra, INDIA	174288	0.02	1	0
4.	Jitendra Jog, (Nominee of Vakrangee Limited) 901/A, Greenwoods Society, M.V.Road, Near Gurunank Petrol Pump, Chakala, M.I.D.C., Andheri (East), Mumbai – 400093	0	0	1	0

5.	Viral Majumdar, (Nominee of Vakrangee Limited) A-301, Devki Aashirwad, Eksar Road, Near Shanti Aashram, Borivali West, Mumbai – 400103	36000	0	1	0
6.	Ajay Jangid, (Nominee of Vakrangee Limited) D.C.M. Indira Gandhi Nagar, Udyog Puri, Kota, Rajasthan - 324004	0	0	1	0
7.	Sachin Khandekar, (Nominee of Vakrangee Limited) Flat No. 1003, Bldg No. 5B, Destiny Paradise CHSL, Gavhanpada, Mulund East – Mumbai 400081	142	0	1	0
	TOTAL			12000000	100

49. The details of the Directors of VL as on 13th January 2023 are as follows:

Sr. no.	Name of Director	Address	DIN
1	Mr. Ramesh Joshi	D-1303, Panchsheel Heights, Mahavir Nagar, Kandivili (W) Mumbai - 400067, Maharashtra, INDIA	00002683
2	Mr. Dinesh Nandwana	2502, Tivoli Co. Op. Housing Society Ltd, Central Avenue Road, Hiranandani Gardens, Powai, Mumbai – 400076	00062532
3	Dr. Nishikant Kishanrao Hayatnagarkar	701 Hill Queens Apt., Bhavani Nagar, Marol, Andheri (E) Mumbai-400059 Maharashtra, INDIA	00062638
4	Mr. Sunil Agarwal	354, Talwandi, Kota-324005, Rajasthan, INDIA	00062767
5	Mr. Babu Lal Meena	7 Shanti Vihar, Sarswati Nagar, Jaipur – 302017, Rajasthan	03281592
6	Mr. Avinash Chandra Vyas	C-45A, Shiv Marg, Dundlod House Colony, Hawa Sadak, Jaipur – 302019, Rajasthan, INDIA	06869633
7	Mr. Hari Chand Mittal	H. No. 234, Sector 40 A, Chandigarh – 160036	08797386

8	Mr. Ranbir Datt	768, Krishna Niwas, 8th Floor, Dr Ghanti Road, Parsi Colony, Dadar – East, Mumbai – 400014	08064889
9	Mrs. Sujata Chattopadhyay	CH, 1/15, Kharghar, Kendriya Vihar, Sector 11, Kharghar, Navi Mumbai– 410210	02336683

50. The details of the Directors of VL E-GOV as on 13th January 2023 are as follows:

Sr. No.	Name of Director	Address	DIN
1	Dinesh Nandwana	2502, Tivoli Co. Op. Housing Society Ltd, Central Avenue Road, Hiranandani Gardens, Powai, Mumbai – 400076	00062532
2	Yogesh Kharate (#)	C/004, Royal Dreams CHS, Namaskar Dhaba, Adivali, Shree Malang Road, Kalyan (East) - 421306	09831227
3	Amit Sabarwal	107 / 108, Shivam Apts, Nr. Regal Shoes, J. P. Road, 7 Bunglow, Andheri- (West) Mumbai, Maharashtra India 400058	06478938

(#) Mr. Yogesh Kharate has been appointed as additional director w.e.f. 21/12/2022.
Mr. Jitendra Jog who voted in favour of the resolution passed at the board of directors meeting held on 12/11/2021 has resigned as a director on 21/12/2022.

51. The details of the shareholding of the Directors and the Key Managerial Personnel of VL in VL and VL E-GOV as on 13th January 2023 are as follows:

Name of Director and KMP	Position	Equity Shares held in VL	Equity shares in VL E-GOV
Dinesh Nandwana	Managing Director & Group CEO	69107095	1*
Dr. Nishikant Hayatnagarkar	Whole Time Director	174288	1*
Ramesh Joshi	Director	500	0
Hari Chand Mittal	Director	361623	0
Babu Lal Meena	Director	36812	0
Avinash Vyas	Director	0	0
Sunil Agarwal	Director	0	0
Sujata Chattopadhyay	Director	0	0
Ranbir Datt	Nominee Director	0	0
Ajay Jangid	CFO	0	1*
Sachin Khandekar	Company Secretary	142	1*

* Note: One share held in VL E-Gov is in the capacity as a Nominee of Vakrangee Limited.

52. The details of the shareholding of the Directors and the Key Managerial Personnel of VL E-GOV in VL and VL E-GOV as on 13th January 2023 are as follows:

Name of Director and KMP	Position	Equity Shares held in VL	Equity Shares held in VL E-GOV
Dinesh Nandwana	Director	69107095	0
Amit Sabarwal	Director	2000	0
Yogesh Kharate	Director	2320	0
Pradeep Somani	CFO	1000	0
Khushbu Mehta	Company Secretary	0	0

53. The Pre& Post -Arrangement shareholding pattern of VL as on 13th January 2023 are as under:

		Pre - Arrangement		**Post -Arrangement**	
Sr. NO	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares	No. of fully paid up equity shares to be held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group				
(1)	Indian				
(a)	Individuals/Hindu undivided family	69303095	6.54	69303095	6.54
(b)	Body Corporate	382050070	36.06	382050070	36.06
(c)	Trust	-	-	-	-
	Sub-Total (A)(1)	**451353165**	**42.60**	**451353165**	**42.60**
(2)	Foreign				
(a)	Body Corporate (through GDRs)	-	-		
	Sub-Total (A)(2)	**-**	**-**		
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	**451353165**	**42.60**	**451353165**	**42.60**
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds	0	0.00	0	0.00
(b)	Foreign Portfolio Investors	84261161	7.95	84261161	7.95
(c)	Financial Institutions/ Banks	16488	0.00	16488	0.00
(d)	Insurance Companies	66926981	6.32	66926981	6.32
(e)	Foreign Institutional Investors (FII's)	-	-	-	-
	Sub Total (B) (1)	**151204630**	**14.27**	**151204630**	**14.27**

(2)	Central Government/State Government(s)/ President of India	-	-		
	Sub Total (B)(2)	**-**	**-**		
(3)					
(a)	i. Individual shareholders holding nominal share capital upto Rs.2 lakhs	220997306	20.86	220997306	20.86
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	81790010	7.72	81790010	7.72
(b)	NBFCs Registered with RBI	-	-	-	-
(c)	Overseas Depositories (Holding GDRs)	-	-	-	-
(d)	Any Other				
	Trusts	164742	0.02	164742	0.02
	Investor Education and Protection Fund(IEPF)	2347560	0.22	2347560	0.22
	Hindu Undivided Family	19264934	1.82	19264934	1.82
	Overseas Corporate Bodies	-	-	-	-
	Non Resident Indians (Repatriation)				
	Clearing Members	3969340	0.37	3969340	0.37
	Non Residents Indians (Non-Repatriation)	-	-	-	-
	Bodies Corporate	103157331	9.74	103157331	9.74
	Non Residents Indians	25066184	2.36	25066184	2.36
	Other Director	184588	0.02	184588	0.02
	Sub Total (B)(3)	**456941995**	**43.13**	**456941995**	**43.13**
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)	**608146625**	**57.40**	**608146625**	**57.40**
	Total Shareholding (A+B)	**1059499790**	**100.00**	**1059499790**	**100.00**

Pre and post Arrangement (expected) shareholding pattern of VL E-GOV as on 13th January 2023:

		Pre - Arrangement		**Post -Arrangement**	
Sr. No	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares	No. of fully paid up equity shares to be held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group				
1	Indian				

(a)	Individuals/Hindu undivided family	0	0	6930309	6.54
(b)	Body Corporate	12000000	100	38205007	36.06
(c)	Trust				
	Sub-Total (A)(1)	**12000000**	**100**	**45135316**	**42.60**
2	Foreign				
(a)	Body Corporate (through GDRs)	0	0	0	0
	Sub-Total (A)(2)				
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	**12000000**	**100**	**45135316**	**42.60**
(B)	Public Shareholding				
1	Institutions				
(a)	Mutual Funds	0	0	0	0.00
(b)	Foreign Portfolio Investors	0	0	8426116	7.95
©	Alternate Investment Fund	0	0	0	0
(d)	Financial Institutions/ Banks	0	0	1649	0.00
(e)	Insurance Companies	0	0	6692698	6.32
(f)	Foreign Institutional Investors (FII's)	0	0	0	0
	Sub Total (B) (1)	**00**	**00**	**15120463**	**14.27**
2	Central Government/State Government(s)/ President of India				
	Sub Total (B)(2)	**0**	**0**	**0**	**0**
3					
(a)	i. Individual shareholders holding nominal share capital upto Rs.2 lakhs	0	0	22099731	20.86
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	0	8179001	7.72
(b)	NBFCs Registered with RBI	0	0	-	-

(c)	Overseas Depositories (Holding GDRs)	0	0		
(d)					
	Trusts	0	0	16474	0.02
	IEPF	0	0	234756	0.22
	Hindu Undivided Family	0	0	1926493	1.82
	Overseas Corporate Bodies	0	0		
	Non Resident Indians (Repatriation)	0	0		
	Clearing Members	0	0	396934	0.37
	Non Residents Indians (Non-Repatriation)	0	0		
	Bodies Corporate	0	0	10315733	9.74
	Non Residents Indians	0	0	2506618	2.36
	Other Director or Directors Relative	0	0	18458	0.02
	LLP	0	0		
	Sub Total (B)(3)	**0**	**0**	**45694199**	**43.12**
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)	**0**	**0**	**60814662**	**57.40**
	Total Shareholding (A+B)	**12000000**	**100**	**105949979**	**100.00**

54. The pre and post-Arrangement (expected) capital structure of VL will be as follows (assuming the continuing capital Structure as on 13th January 2023 being date of the Order):

PRE-ARRANGEMENT

	Amount (Rupees)
Authorised Share Capital	1250000000
Total	**1250000000**
Issued, Subscribed and Paid-Up Capital	1059499790
Total	1059499790

POST ARRANGEMENT

	Amount (Rupees)
Authorised Share Capital	1250000000
Total	**1250000000**

Issued, Subscribed and Paid Up Capital	1059499790
Total	1059499790

The capital structure of VL E-GOV is as under (assuming the continuing capital Structure as on 13th January 2023):

PRE-ARRANGEMENT

Share Capital	**Amount in Rs.**
Authorised Share Capital	150000000
Total	150000000
Issued, Subscribed and Paid-Up Capital	120000000
Total	120000000

POST ARRANGEMENT

Share Capital	**Amount in Rs.**
Authorised Share Capital	1100000000
Total	**1100000000**
Issued, Subscribed and Paid-Up Capital	**1059499790**
	1059499790
Total	
	1059499790

55. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

56. The following documents are available at the website: www.vakrangee.in

i. Copy of the order passed by NCLT in the Company Scheme Application No.71/ 2022 dated January 20, 2023 directing VL to, inter alia, convene the meeting of its Unsecured Creditors;

ii. Copy of the Joint Company Scheme Application No. **71/2022** with annexures filed by VL & VL E-GOV before NCLT;

iii. Copy of the Memorandum and Articles of Association of VL & VL E-GOV respectively;

iv. Copy of the annual reports of VL & VL E-GOV for the financial years ended 31st March 2022; and unaudited financial statements of VL for the six months period ended on 30th September, 2022 and audited financial statements of VL E-GOV for the six months period ended on 30th September, 2022.

v. Copy of the Register of Directors' shareholding of each of the Companies;

vi. Copy of Valuation report dated 11th November, 2021 submitted by Mr. Lalit Kumar Dangi. Chartered Accountants, Registered Valuer.

vii. Copy of the Fairness Opinion, dated 12th November, 2021 issued by Ashika Capital Limited, to the Board of Directors of VL.

viii. Copy of the Audit Committee Report, dated 12th November, 2021 of VL

ix. Copies of the resolutions, both dated 12th November, 2021, passed by the respective Board of Directors of VL & VL E-GOVapproving the Scheme;

x. Copy of the Statutory Auditors' certificate on Accounting Treatment dated 12th November, 2021 issued by M/s A P Sanzgiri & Co, Chartered Accountants to VL.

xi. Copy of the Statutory Auditors' certificate on accounting treatment dated 12th November, 2021 issued by M/s S K Patodia& Associates, Chartered Accountants to VL E-GOV

xii. Copy of the complaints report, dated 10th January, 2022 and 24th December, 2021 submitted by VL to BSE and NSE respectively;

xiii. Copy of the no adverse observation / objection letter issued by BSE and NSE, dated11th March, 2022 issued to VL.

xiv. Summary of the Valuation Report including the basis of valuation;

xv. Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies vide SRN No. F57635385 and SRN No. F57635922 along with challan dated 20th January, 2023, evidencing filing of the Scheme;

xvi. Copy of the certificate, dated 12th November, 2021, issued by A P Sanzgiri& Co, Chartered Accountants, certifying the amount due to the secured and unsecured creditors of VL as on 31st March, 2022.

xvii. Copy of the certificate, dated 11th March,2022 issued by M/s S K Patodia & Associates, Chartered Accountants, certifying the amount due to the secured and unsecured creditors of VL E-GOV as on 31st March, 2022.

xviii. Copy of the Scheme;

xix. Copy of the Reports dated 12th November, 2021 adopted by the Board of Directors of VL and VL E-GOV respectively, pursuant to the provisions of section 232(2)(c) of the Act.

57. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules.

58. After the Scheme is approved, by Unsecured Creditors of VL it will be subject to the approval/sanction by NCLT.

Dated this 23rd day of January,2023

M. A. Kuvadia
(Chairman appointed for the
aforesaid NCLT Convened Meeting)

Registered office:
Vakrangee Corporate House,
plot No. 93, Road No. 16,
MIDC Marol, Andheri East,
Mumbai- 400093

Encl.: As above

SCHEME OF ARRANGEMENT

FOR DEMERGER

UNDER SECTIONS 230 to 232 READ WITH SECTION 66

OF THE COMPANIES ACT, 2013

BETWEEN

VAKRANGEE LIMITED ('VL')

... DEMERGED COMPANY

AND

VL E-GOVERNANCE & IT SOLUTIONS LIMITED ('VL E-GOV') RESULTING COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS

A) PREAMBLE

This Scheme of arrangement (herein after referred to as" Scheme") is presented under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013, which inter alia provides for Demerger of E-Governance & IT/ITES Business (Demerged undertaking) of **VAKRANGEE LIMITED** into **VL E-GOVERNANCE & IT SOLUTIONS LIMITED**.

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

B) DISCRIPTION OF THE DEMERGED COMPANY AND RESULTING COMPANY

1. **Vakrangee Limited ('VL')**

The Demerged Company (VL) was incorporated as a Private Limited company under the Companies Act, 1956 on 28th May, 1990 in the name of Vakrangee Investment And Consultancy Private Limited in the State of Maharashtra.

The name of the Demerged Company was changed from Vakrangee Investment And Consultancy Private Limited to Vakrangee Investment Limited and obtained a fresh certificate of incorporation dated 3rd April, 1992 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

The name of the Demerged Company was further changed from Vakrangee Investment Limited to Vakrangee Limited and obtained a fresh certificate of incorporation dated 31st March, 1995 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

The name of the Demerged Company was further changed from Vakrangee Limited to Vakrangee Softwares Limited and obtained a fresh certificate of incorporation dated 24th August, 1999 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

The name of the Demerged Company was further changed from Vakrangee Software's Limited to its present name Vakrangee Limited and obtained a fresh certificate of incorporation dated 1st October, 2013 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

The CIN of the Company is L65990MH1990PLC056669.

The Demerged Company is a Public Company and its shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE').

The main object clauses of the Memorandum of Association of the Demerged Company authorize the Demerged Company:

- To carry on business as manufactures, products, developers, processors, dealers, traders, importers, exporters, stockists, distributors or agents in software, information technology, e-commerce, e-mail, internet, multimedia, data processing, data management, telefilms, motion movies, web paging, telecommunication including peripherals computer data processing machine, systems and components thereof.

- To undertake designing & development, research of software systems, products and solutions in all areas of application including those in emerging niche segments like internet, website, applications solutions software, enterprise resource planning (ERP), ecommerce, value added products and other business applications either for its own use or for sale in India or for export outside India and to design, develop such systems and application software for or on behalf of manufactures, owners and users of computer systems, telecom, digital, electronic equipment in India or elsewhere in world.

- To develop, provide, undertake design, import, export, distribute and deals in Systems and application software for microprocessor based information systems, offshore software development project, software project consultancy, development of computer languages and allied computer service and to own and/or operate data processing and service bureau centres in India and Abroad, and to invest in/manage/assist, overseas software companies for the fulfilment of above objectives and to develop, design, own T.V. Channel, media company.

- To advice and render services like staff and management recruitment, training and placements, technical analysis of data, electronic data processing, preparation of project reports, surveys and analysis for implementation of project and their progress review, critical path analysis, organization and methods studies and other economic, mathematical, statistical, scientific and modern management techniques and to establish and render any and all consultancy and other services of professional and technical natural and to undertake assignments, jobs and appointments.

- To carry on the business of adopting advance technological tools as well as modern enterprise management mechanism, and to establish and help organizations, government bodies, banks and financial institutions and their customers alike to conduct transactions electronically through secure electronic channels, inter-alia, biometric, smart card, magnetic card, EMV Card, one time password, bank pins or any combination of any of them so as to realize the full potential of technology and services and further the development of India's payment system industry, providing software application, data management, cash management, payment and/or transaction related services to any person, entity, firm, company, bank, government bodies or body corporate including developing, improving, designing, marketing, distributing or licensing software and programmed products and hardware and other infrastructure and facilities /services that aid the process of (without limitation) electronic data interchange, transaction initiation, processing, clearing or settlement services by physical or electronic means, whether by using inter-alia computers and Automated Teller Machines (ATMs)/ micro ATMs, Point Of Sale (POS), mobile devices or by any other modes of communication in financial and e-commerce and e-governance services for G2G/G2B/G2C/B2B/B2C/C2C activities and other products and services in India and abroad.

- To carry on the business of manufacturing, procuring, developing, processing, dealing in, stocking, distributing, acting as an agent, importing or exporting ATM machines and providing intermediary ATM Deployer (IAD) services, White labeled ATM operator (WLAO) services, including but not limited to setting up/ owning/operation of ATM network, management and adjacent services including technology management (both EMV and non-EMV environment), cash Management, ATM device supply and maintenance services in India as per the Payment & Settlement System (PSS) Act, 2007 of RBI and any amendments made therein by RBI from time to time and in abroad adhering to the statutory requirements of the country of operation from time to time.

- To carry on the business of providing services in relation to payment card transactions for acquiring, switching and processing of Debit, credit and charge card related payment transaction and stored value card transactions for acquiring institutions and merchants, including without limitation to ADHAAR enabled payment system, NEFT, RTGS, IMPS, GIRO based retail payments, interoperable QR code based payment system, virtual payment card, digital online and offline payment system or any other such system as may be notified by the government in India and abroad, merchant sales, assessment, Technology management (both EMV and non-EMV environment), and adjacent service, Point Of Sale (POS) terminal device supply and maintenance services in India as per the Payment & Settlement System (PSS) Act, 2007 of RBI and any amendments made therein by RBI from time to time and in abroad adhering to the statutory requirements of the country of operation from time to time and/or to act as dealers, distributors, agents, representative of Indian and foreign concerns/persons operating in the line of prepaid, postpaid and other payment system services and allied activities related thereto.

- To carry on the business of engaging in the development, distribution, licensing, management and operation, marketing and selling of processing software, switches and associated supply of maintenance and support services for card, POS, ATM to credit and debit card user companies and financial institutions (both EMV and non-EMV environment) in India as per the Payment & Settlement System (PSS) Act, 2007 of RBI and any amendments made therein by RBI from time to time and in abroad adhering to the statutory requirements of the country of operation from time to time.

- To carry on the business of providing payment card transactions for switching and credit, debit and stored value card account data processing services and back office processing services in relation to processing of debit and credit card payment transaction and related services including without limitation to ADHAAR enabled payment system, NEFT, RTGS, IMPS, GIRO based retail payments, interoperable QR code based payment system, virtual payment card, digital online and offline payment system or any other such system as may be notified by the government in India and abroad to card issuer companies in India as per the Payment & Settlement System (PSS) Act, 2007 of RBI and any amendments made therein by RBI from time to time and in abroad adhering to the statutory requirements of the country of operation from time to time

2. **VL E-Governance & IT Solutions Limited**: **- (VL E-GOV)**

The Resulting Company (VL E-GOV) was incorporated as a Private Limited Company under the Companies Act, 2013, on 18th March, 2016 in the name of Vakrangee Logistics Private Limited in the State of Maharashtra.

The name of the Company was changed to VL E-Governance & IT Solutions Private Limited and obtained a fresh certificate of incorporation dated 22nd October, 2021 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

The name of the Resulting Company was further changed to VL E-Governance & IT Solutions Limited and obtained a fresh certificate of incorporation dated 01st November, 2021 consequent on change of name from the Registrar of Companies, Maharashtra, Mumbai.

The Resulting Company currently is an Unlisted Public Limited Company and the entire Issued, Subscribed and Paid up Equity Share Capital is held by the Demerged Company. By virtue of the Shareholding pattern, the Resulting Company is a Wholly Owned Subsidiary of the Demerged Company.

Pursuant to change in the name of the Resulting Company the object clause of the Memorandum of Association was also amended and presently the main object clauses of the Memorandum of Association authorizes the Resulting Company to do the following business activities ;

1. To carry on business as manufactures, products, developers, processors, dealers, traders, importers, exporters, stockists, distributors or agents in software, information technology, e-commerce, e-mail, internet, multimedia, data processing, data management, telefilms, motion movies, web paging, telecommunication including peripherals computer data processing machine, systems and components thereof.

1(A) To undertake designing & development, research of software systems, products and solutions in all areas of application including those in emerging niche segments like internet, website, applications solutions software, enterprise resource planning (ERP), ecommerce, value added products and other business applications either for its own use or for sale in India or for export outside India and to design, develop such systems and application software for or on behalf of manufactures, owners and users of computer systems, telecom, digital, electronic equipment in India or elsewhere in world.

1(B) To develop, provide, undertake design, import, export, distribute and deals in Systems and Application software for microprocessor based information systems, offshore software development project, software project consultancy, development of computer languages and allied computer service and to own and/or operate data processing and service bureau centers in India and Abroad,

1 (C) To act as facilitator between service provider and end user of services to render governmental / non-governmental services, including but not limited to ticket

booking services (IRCTC), postal services, facilitate utility services, any other governmental services to promote general wellbeing of the public at large and other support services.

1(D) To manufacture, develop, procure, produce, import or engage any professional to manufacture, develop any software to make all the activities of the Company available in the form of an application or software available on any device such as mobile or computer or such other devises as may be found appropriate and to make the services of the Company available to the public at large in India and abroad.

C) RATIONALE AND OBJECT OF THE SCHEME

The rationale for the Demerger is as under.

Since Inception, Vakrangee has been One of India's largest e-Governance player functioning as a systems integrator and end-to-end service provider for various e-Governance projects. The Company has an experience of over two decades in delivering systems integration and other IT/ITES services for India's e-Governance plan. We have a strong track record of successfully implementing various timebound Mission Mode Projects (MMPs) under the government's National e-Governance Plan. Some of these MMPs are: computerisation of Election Commission, UIDAI Aadhaar Enrolment services, Ministry of Corporate Affairs Project (MCA21), Rashtriya Swasthya Bima Yojana (RSBY), Common Service Centres (CSC), smart-card based Public Distribution System (PDS), computerisation of registration department in Maharashtra, and passport Services, among others.

Over the years, the Company has evolved into a technology-enabled company focussed around building India's largest network of last-mile physical retail outlets to deliver services to the unserved and the underserved rural, semi-urban and urban population of the country. The Assisted Digital Convenience stores are called as Nextgen Vakrangee Kendras, which act as the 'One Stop Shop' for availing multiple products and services. The Company offer an extensive array of services across various sectors by providing BFSI, ATM, Assisted E-Commerce, Telemedicine, Online Pharmacy & Logistics Services. Vakrangee has emerged as a well diversified distribution platform offering various goods and services under one roof to citizens at affordable prices, same time and same quality.

The Company currently has two Business divisions which are as follows –

1.1 Vakrangee Kendra Business

1.2 E-Governance & IT/ITES Business

- Vakrangee Kendra Business:

Vakrangee is a technology-driven company focussed around building India's largest network of last-mile physical retail outlets to deliver services to the unserved and the underserved rural, semi-urban and urban population of the country. The Assisted Digital Convenience stores are called as Nextgen Vakrangee Kendras, which act as the 'One Stop Shop' for availing multiple products and services. The Company offer an extensive array of services across various sectors by providing BFSI, ATM, Assisted E-Commerce, Telemedicine, Online Pharmacy & Logistics Services. Vakrangee has emerged as a well-diversified distribution platform offering various goods and services under one roof to citizens at affordable prices, same time and same quality with Brick & Mortar exclusive touch points designed by L&H (Lewis & Hickey).

- Vakrangee Kendra is an asset Light Franchisee based Business model. The model is Highly Scalable as well as has Strong Operating leverage in built into it.
- Vakrangee has emerged as one of the largest Financial Inclusion player (Banking business correspondent) in the country and has also emerged the fourth largest ATM operator in Rural India with Pan India presence. Vakrangee has developed Strong on-ground execution skills with deep rural presence. Vakrangee currently has 11,900+ (as on 30th June 2021) operational Exclusive Branded outlets and is well placed to achieve its March-2022 target of 25,000 operational outlets across the country. Vakrangee's growth plan is well defined with a long term target of 75,000 kendra outlets by 2025 and to emerge as the Largest Rural Distribution platform in India.

Vakrangee has recently launched an online digital platform to enable seamless services for the consumer at the comfort of their homes. Through this, company has evolved into the unique O2O (Online to Offline) platform, whereby there is Assistance available through the Physical Kendra network along with Digital Online Services The company has Initiated this Unique Hybrid proposition with launch of first Digital service of Telemedicine services The company plans to make many more services live through this platform. The Company is also launching a Mobile Super App based business platform

The Company would be providing various services digitally through its Mobile app platform such as : -

o Online Shopping

o Total Healthcare services (Doctor consultation, Home Blood Test facility, Covid Care packages)

o Online Pharmacy

o Money Transfer

o Insurance

o Loan products / Financial products

o Mutual funds / Credit Cards

o All type of Bill payments

o Mobile / DTH recharges

o Travel services (Bus / Train / Flights / Hotel Bookings)

o Movie Tickets / Entertainment

o Online Education

o Online Agri Products – Seeds & Pesticides

o Courier Booking

Strategy 2.0: Next 5 Year Growth Strategy

o Our vision is now set to create the world's largest franchisee based distribution channel in India with a strong focus on Rural India. We are confident of delivering strong growth momentum over the next 5 years as our network would grow from 11,900+ to 25,000+ outlets by March 2022 and to 75,000 outlets by March 2026. We estimate that our Gross Transaction value would cross US$50 Billion on an annualised basis over the next 5 years, while the number of transactions would cross a billion transactions annually. This would result into significant growth in revenues and profitability, especially as we will continue to take advantage of our asset-light franchisee-based model with strong operating leverage. Our Cash Adjusted Return on Capital would improve significantly.

Vakrangee is having an another vertical i.e. E- Governance & IT/ITES Business;

Vakrangee has an established and proven track record in delivering time-bound 'mission critical' Government projects, getting involved in the entire value chain – right from data digitisation to technology and IT Procurement management.

With proven skills and robust domain expertise, Vakrangee has valuable and consistent experience of 25+ years in executing such projects by providing back-end support and systems integration beyond the Gram Panchayat level.

The objective of providing services in this vertical is to improve the overall processes and public administration services under the e-Governance plan, which ***inter alia*** includes the following :-

- Aadhar Card
- Print and Data Management Services and Election related projects
- Public Distribution System
- Inspector General of Registration & Stamps (IGRS)
- IT & ITES services have now grown importance which would help business to become agile, secure, service oriented and capable of delivering unified experiences to end customers.
- To provide complete suite of IT hardware equipment's for the various projects including Vakrangee Kendra Segments.

Sustainable Competitive Advantages of E-Governance & IT/ITES Business

- One of India's largest e-Governance player with about two decades of experience
- One of the leading systems integrator for key government projects :
- ISO/IEC 27001:2013 Certified: Information Security Management System (ISMS)
- ISO/IEC 20000-1:2011 Certified: Information Technology service management system (ITSMS)
- Strong expertise from data digitisation to technology management
- Strong track record of delivering time-bound mission critical projects
- Efficient back-end for assimilating and processing data related to G2C and B2C services
- Participation in Mission Mode Projects – MCA 21, RSBY, Passport Seva Kendra, UIDAI

In view of long-term benefits and looking at synergy in operations of businesses of both the Companies, cost saving and other strategic benefits, it is now considered expedient to demerge the E-Governance & IT/ITES Business (Demerged undertaking) of Vakrangee Limited (Demerged Company) and merge the same into VL E-Governance & IT Solutions Limited, the Resulting Company.

The Demerger of Demerged Undertaking and vesting of the same with Resulting Company would enable the Resulting Company to enhance Operational efficiencies, ensuring synergies through pooling of the financial, managerial, personnel capabilities, skills and expertise and the management is of the view that segregation of the Demerged Undertaking would lead to the following benefits;

a. The transfer and vesting of the Demerged Undertaking of the Demerged Company to the Resulting Company through this Scheme is with a view to unlock the economic value of both the divisions.

b. The Demerger is likely to enable the business and activities comprised in the demerged undertaking and remaining business and activities of VL to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings will ensure required depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their business.

c. Vakrangee Kendra Business is Retail centric Consumer facing business whereby we are building the last mile physical distribution platform as well as a B2C E-Commerce focussed Mobile Super app Digital platform.

d. Vakrangee Kendra Business (Physical as well as Digital) is an asset light, high return on Capital business and thereby will get proper representation post Demerger.

e. E-Governance & IT/ITES Business is a capital intensive B2B business. It is Capex Heavy as well as Working capital Intensive. The E-Governance & IT/ITES Business segment requires different skill sets and focused approach towards time bound project execution capabilities as well as dedicated efforts on collection of Debtors / Receivables, Vendor management and procurement of IT equipment's.

f. The focus is on enhancing strategic flexibility to build a viable platform solely focusing on each of these businesses (Vakrangee Kendra business as well as EGovernance / IT & ITES).

g. The Demerger will enable both the Companies to enhance business operations by streamlining operations more efficient management control and outlining independent growth strategies.

h. Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock value for the shareholders.

i. Each undertaking will be able to target and attract new customers corresponding to their own business.

j. The demerger will unlock value of both business and result in shareholder value maximization.

k. Pursuant to the scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of E-Governance and IT/ITES business for the shareholders of the Demerged Company. Further the existing Shareholders of the Demerged Company would hold the shares of two listed entities after the scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.

l. The Scheme shall be in the beneficial interest of the shareholders of the companies. The Scheme shall not be in any manner prejudicial to the interest of the concerned members, creditors, employees or general public at large.

In view of the above-mentioned reasons, it is considered desirable and expedient to demerge the Demerged Undertaking of the Demerged Company and vest the same with the Resulting Company.

The Scheme is in the interest of all shareholders and creditors and there is no likelihood that any shareholder or creditor of either Demerged Company or Resulting Company would be prejudiced as a result of this Scheme of Arrangement.

The Demerger under this Scheme is proposed under the provisions of Sections 230 to 232 read with section 66 and other relevant provisions of the Companies Act, 2013.

The Demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:

a. all the properties of the Demerged Undertaking being transferred by the Demerged Company, immediately before the Demerger shall become the properties of the Resulting Company by virtue of such Demerger;

b. all the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger shall become the liabilities of the Resulting Company by virtue of such Demerger;

c. the properties and the liabilities relatable to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company at the values appearing in the books of account of the Demerged Company immediately before the Demerger;

d. the Resulting Company shall issue, in consideration of the Demerger, shares to the shareholders of the Demerged Company;

e. all shareholders of the Demerged Company shall become the shareholders of the Resulting Company by virtue of the Demerger; and

f. the transfer of the Demerged Undertaking shall be on a going concern basis.

Note: -

i. This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under the prevailing tax laws, including Section 2 (19AA) and other relevant sections of the Income tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however, not affect other parts of the Scheme.

ii. Upon the Scheme becoming effective, the Demerged Company and Resulting Company are also expressly permitted to revise income tax returns, goods and service tax returns and other tax returns and to claim refunds and / or credits etc. pertaining to the Remaining Business and Demerged Undertaking, respectively, pursuant to the provisions of the Scheme.

D) PARTS OF THE SCHEME

This Scheme of Arrangement is divided into the following parts

(a) **Part I deals** with the definitions and share capital;

(b) **Part II** deals with Demerger of E-Governance & IT/ITES Business of VL;

(c) **Part III** deals with the general terms and conditions applicable to this Scheme

PART 1

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

1.1 "Act" or "The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force;

1.2 "Appointed Date" would mean – 1st April, 2021 or such other date as may be fixed or approved by the National Company Law Tribunal, Mumbai Bench, Mumbai;

1.3 "Appropriate Authority" means:

i. The government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof;

ii. Any public international organization or supranational body and its institutions, departments, agencies and instrumentalities;

iii. Any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, exclusive, judicial, legislative, regulatory, licensing, competition, tax, importing, exporting or other governmental or quasi-governmental authority;

1.4 "Board of Directors" or **"Board"** in relation to each of the Demerged Company and the Resulting Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorized for the purposes of matters pertaining to the Demerger, the Scheme and/or any other matter relating thereto;

1.5 "Demerged Company" means VAKRANGEE LIMITED, a company incorporated under the Companies Act, 1956 and having its registered office at Vakrangee Corporate House, plot No. 93, Road No. 16, MIDC Marol, Andheri East, Mumbai- 400093.

1.6 "Demerged Undertaking" means

E-Governance & IT/ITES business undertaking of the Demerged Company, on a going concern basis, which shall include (without limitation)

1. E-Governance & IT/ITES business undertaking is having moveable and immoveable assets and loans & advances; and shall in relation to the aforesaid undertaking and/or division on a going concern basis, which shall include (without limitation):

2. All properties of the E-Governance & IT/ITES business undertaking wherever situated, moveable or immoveable including flats, investments together with all present and future liabilities (including contingent liabilities) if any, appertaining to or relatable to Demerged Undertaking;

3. All investments, the benefit of any deposits, financial assets, funds belonging to or proposed to be utilized for the Demerged Undertaking, all other rights and benefits, funds, benefits of all agreements, subsidies, grants and tax credits, incentive Schemes

formulated by Central or State Governments, contracts and arrangements (other than employee related contracts) and all other interests in connection with or relating to the Demerged Undertaking;

4. All permits, quotas, rights, entitlements and benefits, licenses, bids, tenders, letters of intent, expressions of interest, municipal permissions, approvals, consents, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, and all other interests in connection with or relating to the Demerged Undertaking;

5. All earnest moneys and/or security deposits, if any, paid or received by the Demerged Company in connection with or relating to the Demerged Undertaking;;

6. All necessary records, files, papers, and information, manuals, data, quotations, and other records in connection with or relating to the Demerged Undertaking;;

7. All liabilities arising out of the activities or operation of the Demerged Undertaking, duties and obligations relatable to the Investment Undertaking on the Appointed Date.

8. All employees on the payroll of the Demerged Company employed in the Demerged Undertaking, as identified by the Board of Directors of the Demerged Company, as on the Effective Date;

   (**Note 1: -** For the purpose of this Scheme, a Statement of Account of E-Governance & IT/ITES business undertaking is drawn up as on the Appointed Date giving details of assets and liabilities of the Demerged Undertaking; and is duly certified by Chartered Accountant of VL).

   (**Note 2: -** Any question that may arise as to whether a particular asset or liability pertains or does not pertain to E-Governance & IT/ITES business undertaking shall be decided by mutual agreement between the Board of Directors of VL and VL E-GOV).

   (**Note 3: -** It is intended that the definition of E-Governance & IT/ITES business undertaking under this clause would enable the transfer of all property & all assets and ascertained liabilities of and E-Governance & ITES business undertaking of VL pursuant to this Scheme).

1.7 "Demerger" means the transfer by way of demerger of the Demerged Undertaking to the Resulting Company and the consequent issue of equity shares by the Resulting Company to the Shareholders of the Demerged Company as set out in this Scheme;

1.8 "Effective Date " means the later of the dates on which the certified copies of the orders sanctioning this Scheme, passed by the National Company Law Tribunal or such other competent Authority, as may be applicable, are filed with the Registrar of Companies, at Maharashtra, Mumbai by VL and VL E-GOV.

1.9 "Employees" mean all the permanent employees of the Demerged Company employed/engaged in the Demerged Undertaking as on the Effective Date;

1.10"ESOP Scheme" shall mean ESOP Scheme 2014 of Vakrangee Limited.

1.11 "Encumbrance" means any options, pledge, mortgages, liens, securities, interests, claims, charges, pre-emptive rights, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever; and the term **"Encumbered"** shall be construed accordingly;

1.12 "NCLT" Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai;

1.13 "Parties "shall mean Vakrangee Limited (VL) and VL E-Governance & IT Solutions Limited (VL E-GOV)

1.14 "Permits" means all consents, licenses, permits, certificates, permissions, authorization, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory or regulatory as required under Applicable Law;

1.15 "Remaining Business" shall mean all the undertakings, business, activities and operations, assets and liabilities of the Demerged Company including business carried out through Physical Vakrangee Kendra Outlets and Digital business.

1.16 "Resulting Company" means **VL E-Governance & IT Solutions Limited** incorporated under the Companies Act, 2013 and having Registered Office at Vakrangee Corporate House, plot No. 93, Road No. 16, MIDC Marol, Andheri East, Mumbai- 400093;

1.17 "Record Date" means the date to be fixed by the Board of Directors of VL in consultation with the Board of Directors of VL E-GOV for the purpose of reckoning names of the Equity shareholders of the Demerged Company (VL), who shall be entitled to receive shares of the Resulting Company (VL E-GOV) upon coming into effect of this Scheme as specified in clause 13 of this Scheme;

1.18 "ROC" means the Registrar of Companies, Maharashtra, Mumbai;

1.19 "Scheme" means this Scheme of arrangement, including the schedules, as amended or modified in accordance with the provisions hereof;

i. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and any other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

ii. References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.

iii. The headings herein shall not affect the construction of this Scheme.

iv. The singular shall include the plural and vice versa; and references to one gender include all genders.

v. Any phrase introduced by the terms including in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

vi. References to person include any individual, firm, body corporate (whether incorporated), Government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).;

1.20 **"SEBI"** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

1.21 **"SEBI Circular"** means the circular issued by the SEBI, being Circular SEBI/HO/CFD/DIL1/CIR/P/2020/49 dated 22nd December, 2020, and any amendments thereof, modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.22 **"SEBI LODR Regulations"** mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

1.23 **"Stock Exchanges"** means BSE Limited **("BSE"**), National Stock Exchange of India Limited (**"NSE"**) and any other recognized stock exchange, as the case may be;

1.24 **"Taxation" or "Tax" or "Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Resulting Company or the Demerged Company or any other person and all penalties, charges, costs and interest relating thereto; and

1.25 **"Tax Laws"** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax/value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature.

2. SHARE CAPITAL

a. DEMERGED COMPANY:

The share capital structure of the Demerged Company (VL) as per the last audited balance sheet as at 31st March, 2021 and as on the date is as under:

Share Capital	Amount in Rs.
125,00,00,000 Equity Shares of Re. 1/- Each	**125,00,00,000**
Total	**125,00,00,000**
Issued, Subscribed and Paid Up Capital	
105,94,05,640 Equity Shares of Re. 1/- each	**105,94,05,640**
Total	**105,94,05,640**

Subsequent to the above there has been no change in the Authorized, Subscribed and Paid up Capital of the Demerged Company.

The Demerged Company has outstanding Employees Stock option Scheme under the Existing ESOP Scheme 2014, the exercise of which may result in increase in its subscribed and paid up capital.

b. RESULTING COMPANY

The Resulting Company is currently Unlisted Public Limited Company and the present share capital structure of the Resulting Company as per the latest Balance Sheet as at 31st March, 2021 and as on date is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
1,50,00,000 Equity Shares of Rs. 10/- each	**15,00,00,000**
Total	**15,00,00,000**
Issued, Subscribed and Paid Up Capital	
1,20,00,000 Equity Shares of Rs. 10/- each	**12,00,00,000**

PART II – DEMERGER

SECTION 1- TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

3. TRANSFER OF ASSETS

3.1. With effect from the Effective Date the Demerged Undertaking (including all the estate, assets, rights including claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of this Clause in relation to the mode of transfer and vesting and pursuant to the provisions of Section 232(3) of the Act, without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and shall be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions, if any.

3.2. In respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement and delivery, the same shall stand so transferred by the Demerged Company upon the coming into effect of the

Scheme, and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to encumbrances in favour of banks and/or financial institutions.

3.3. In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-Clause 3.2 above, the same shall, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and vested in and/or be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company upon the coming into effect of Part II of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

3.4. All assets, rights, title, licenses, interest and investments of the Demerged Company in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

4. CONTRACTS, DEEDS, ETC.

4.1 Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under.

4.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

4.3 Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme, all consents, permissions, licenses, approvals, certificates, insurance covers, clearances, authorities given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company.

4.4 Without prejudice to the aforesaid, it is clarified that if any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected.

5. TRANSFER OF LIABILITIES

5.1 Upon the coming into effect of the Scheme, all debts, liabilities, duties and obligations (including the liabilities which arise out of the activities or operations of the Demerged Undertaking) of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and shall become the debts, liabilities, duties and obligations of the Resulting Company.

5.2 In so far as the existing Encumbrance in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the transferred liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

5.3 For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance over such assets relating to the Transferred Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrance relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company), shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

5.4 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

5.5 Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such Transferred Liabilities.

5.6 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

5.7 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

6. EMPLOYEES

6.1 Upon the coming into effect of this Scheme, all Employees of the Demerged Undertaking shall become the employees of the Resulting Company with effect from the Appointed Date, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Employees with the Demerged Company shall also be taken into account, and paid by the Resulting Company as and when the same become payable.

6.2 In so far as the provident fund and gratuity fund and any other funds or benefits if any created by the Demerged Company inter alia for the Employees are concerned (collectively referred to as the "Funds"), the funds and such investments made by the Funds which are relatable to the Employees in terms of sub-Clause 6.1 above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company does not have its own Funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own Funds, at which time the funds and the investments and contributions pertaining to the Employees shall be transferred to the Funds created by the Resulting Company.

6.3 In relation to any other fund created or existing for the benefit of the Employees being transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such Scheme, funds, bye laws, etc. in respect of such Employees.

6.4 In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the employees of the Remaining Business.

6.5 Employee Stock Benefits

6.5.1 Upon Part II of the Scheme becoming effective, employees of the Demerged Company holding options, (whether vested or unvested) under the Vakrangee Limited Employee Stock Option Scheme 2014 (ESOP) as on the Effective Date, shall continue to hold such Vakrangee Limited ESOPs on the existing terms and conditions, except for such modifications as may be required to give effect to this Clause 6.5.

6.5.2 Immediately upon Part II of the Scheme becoming effective, Vakrangee Limited ESOPs shall continue, subject to such adjustments towards the demerger of the E-Governance & IT/ITES business Division, as may be deemed appropriate by the relevant committee of the Board of the Demerged Company in accordance with the provisions of the Vakrangee Limited ESOPs and in compliance with the applicable laws. The Board of the Demerged Company shall through its Nomination & Remuneration & Compensation Committee, decide the manner in which difference in the intrinsic value created pursuant to the demerger of the Digital Division is to be compensated to the Vakrangee Limited ESOPs holders in compliance with the applicable laws and SEBI regulations.

6.5.3 The Boards of the Demerged Company and the Resulting Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 6.5

7. LEGAL, TAXATION AND OTHER PROCEEDINGS

7.1. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and, in each case, relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be replaced/ added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in co-operation with the Demerged Company.

7.2. If any proceedings are taken against the Demerged Company in respect of the matters referred to in sub-Clause 7.1 above, it shall defend the same in accordance with any reasonable and prudent advice provided by the Resulting Company at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged

Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

7.3. The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company in relation to Demerged Undertaking referred to in sub-Clause 7.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.

SECTION 3 - REMAINING BUSINESS

8. Save and except Demerged Undertaking and as expressly provided in this Scheme, nothing contained in this Scheme shall affect Retained Undertaking (remaining business) of VL which shall continue to belong to and be vested in and be managed by VL. It is expressly clarified and provided that the Retained Undertaking shall continue to be so vested in VL and all liabilities, present or contingent, under the Income Tax Act, 1961 of VL as a whole, for the period prior to the Appointed Date shall be borne by VL with VL also being entitled to any and all tax refunds and other credits under the said acts for such prior period.

8.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

8.2 All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relates to the Remaining Business.

8.3 If proceedings are taken against the Resulting Company in respect of the matters referred to in sub-Clause 8.2 above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

8.4 **With effect from the Appointed Date and up to and including the Effective Date**:

8.4.1 the Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Demerged Undertaking for and on its own behalf;

8.4.2 all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company;

8.4.3 all assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company;

SECTION 4 – CONSIDERATION

9. The provisions of this Section 4 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or Writing.

9.1 Upon this scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this scheme, the Resulting Company shall, without any further act or deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by him / her / it in the Demerged Company One (1) new Equity share of the Resulting Company of the face value of Rs. 10/- each fully paid up;

9.2 The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank *pari passu* in all respects with the existing equity shares of the Resulting Company.

9.3 The shares issued to the members of the demerged company pursuant to clause 9.1 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the demerged company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the shares shall be issued to such members in dematerialized form provided that the members of the Demerged Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required it is only thereupon that the Resulting Company shall issue and directly credit the dematerialized securities to the account of such member with the shares of the Resulting Company. In the event that the Resulting Company has received notice from any member that shares are to be issued in certificate form or if any members has not provided the requisite details relating to the account with depository participant or other confirmations as may be required, then the Resulting Company shall issue shares in certificate form to such member.

9.4 The New Equity Shares to be issued in respect of the shares of the Demerged Company held in the unclaimed suspense account, if any, shall be issued to a new unclaimed suspense account created for the shareholders of the Resulting Company.

9.5 New Equity Shares to be issued by the Resulting Company pursuant to Clause 9.1 above in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Resulting Company.

9.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, prior or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Resulting Company and in relation to the shares issued by the Resulting Company after the effectiveness of this Scheme. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Resulting Company on account difficulties faced in the transition period.

9.7 Unless otherwise determined by the Board of Directors or any committee thereof of the Demerged and Resulting Company, allotment of shares in terms of clause 9.1 of this part shall be done within 60 days from the effective date.

9.8 If any Eligible member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of Equity shares by the Resulting Company in accordance with this Scheme, the Board of Directors of the Resulting Company shall consolidate all such fractional entitlement and shall , without any further application, act, instrument or deed issue and allot such consolidate shares directly to an individual trustee in a separate account nominated by the Resulting Company ('The Trustee'), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heir, executors, administrators, successors for the specific purpose of selling such shares in the open market at such price or prices and on such time or times within 60 days from the date of allotment, as the trustee may in it's sole discretion decide and on such sale , pay to the Resulting Company, the net sale proceeds (after deducting the applicable taxes and cost incurred) thereof and any additions and accretions , whereupon the Resulting Company shall subject to the withholding tax, if any, distribute such sale proceeds to the concerned Eligible Members in proportion to their respective fractional entitlement.

9.9 Pursuant to and upon this Scheme becoming effective, the Resulting company shall take necessary steps to increase and alter its authorized share capital suitably to enable the Resulting company to issue and allot the Equity Shares in the Resulting Company to the shareholders of the Demerged Company in terms of this Scheme and as an integral part of this Scheme, the share capital of the Resulting Company shall be increased in the manner set out in Clause 15 below.

9.10 Equity Shares of the Resulting Company issued in terms of clause 9.1 above shall pursuant to the circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/49 dated 22nd December, 2020 issued by Securities and Exchange Board of India (SEBI) and in accordance with compliance with requisite formalities under applicable laws, be listed and / or admitted to trading on BSE Limited and National Stock Exchange of India Limited (NSE), the relevant stock exchange(s) where the existing equity shares of the Demerged Company are listed and / or admitted to trading in accordance with the compliance with requite formalities under applicable laws and the Demerged company and the Resulting Company shall enter into such agreement / arrangement and give confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchange (BSE Limited and National Stock Exchange of India Limited (NSE)).

9.11 The equity shares of the Resulting Company allotted pursuant to the scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.

9.12 Till the listing of the equity shares of the Resulting Company, there will be no change in the pre-arrangement capital structure and shareholding pattern or controls in the Resulting Company which may affect status of the approval of the stock exchanges to this scheme.

9.13 Approval of the Scheme by the shareholders of VL E-GOV shall be deemed to be due compliance of the provisions of section 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made thereunder, the SEBI(LODR) Regulations, 2015and the Articles of Association of the Resulting company and no other consent shall be required under the Act or the Articles of Association of the Resulting company for the issue and allotment of the Equity shares by VL E-GOV to the shareholders of VL as provided hereinabove.

SECTION 5 – REDUCTION OF SHARE CAPITAL OF THE RESULTING COMPANY

9.14 Simultaneously, with the issue and allotment of the new Equity Shares by the Resulting Company to the Equity Shareholders of the Demerged Company in accordance with clause 9.1 of the Scheme in the books of the Resulting Company the existing shareholding in the equity share capital of the Resulting Company shall stand cancelled as an integral part of this Scheme in accordance with the provisions of section 66 of the Companies Act, 2013.

9.15 Since the said reduction is an integral part of the Scheme under Section 230 to 232 and will be made effective pursuant to order(s) of the NCLT(s) sanctioning the Scheme in terms of Sections 230 to 232 of the Act, the provisions of Section 66 of the 2013 Act shall not be applicable unless the NCLT holds otherwise. In any event, it shall be deemed that the members of the Resulting Company who have approved the Scheme have also resolved and accorded all relevant consents under Section 66 of the Companies Act, 2013 or any other provisions of the Act to the extent the same may be considered applicable and that there will be no need to pass a separate shareholders' resolution as required under Section 66 of the Companies Act, 2013.

9.16 The order of NCLT sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming reduction and no separate sanction under section 66 of the Act shall be necessary.

SECTION 5 - GENERAL TERMS AND CONDITIONS

ACCOUNTING TREATMENT

Upon the Scheme becoming effective, demerger of Demerged Undertaking of the Demerged Company into Resulting Company will be accounted for in accordance with the applicable accounting standards and Clause 10 and 11 (Accounting Treatment) of the Scheme.

10 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY (VL)

On the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall account for demerger in its books as under:

10.1 All the assets, liabilities and reserves of the Demerged Company pertaining to the Demerged Undertaking, being transferred to the Resulting Company, shall be reduced from the books of accounts of the Demerged Company at their respective book values / carrying values at the close of business on the day immediately preceding the Appointed Date.

10.2 The excess/deficit, if any, of the book value of the assets over the book value of the liabilities and reserves of the Demerged Company pertaining to the Demerged Undertaking, which have been transferred pursuant to this Scheme, shall be adjusted against the reserves in the financial statements of the Demerged Company as drawn up in compliance with the Scheme and applicable accounting standards/IND AS of the Demerged Company. Notwithstanding anything above, the Board of Directors of the Demerged Company is authorized to account for any of the above-mentioned transactions or any matter not dealt with under this clause in accordance with the applicable accounting standards /IND AS and generally accepted accounting principles.

11. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY (VL E-GOV)

On the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall account for demerger in its books as under:

11.1 Demerger of Demerged Undertaking of the Demerged Company into Resulting Company shall be accounted for in the books of account of the Resulting Company in accordance with applicable accounting standards/IND AS and generally accepted accounting principles;

11.2 The Resulting Company shall record the assets, liabilities and reserves pertaining to the Demerged Undertaking vested in it pursuant to this Scheme, at their respective book values / carrying values in the books of the Demerged Company;

11.3 The identity of the reserves, shall be preserved, and they shall appear in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company;

11.4 The inter-corporate borrowings, deposits / loans and advances outstanding, if any, between the Resulting Company and the Demerged Undertaking of the Demerged Company as on the Effective Date will stand cancelled and there shall be no further obligation in that behalf. Further, any other inter-company payables and receivables between the Demerged Undertaking of the Demerged Company and the Resulting Company shall be cancelled and the Resulting Company shall accordingly credit the concerned payable against related receivables in its books and debit the concerned receivable against the related payables in its books;

11.5 The Resulting Company shall issue and allot equity shares to the shareholders of the Demerged Company in accordance with Clause 9 above and credit the aggregate face value of such equity shares to its share capital account.

11.6 The surplus / deficit, if any, of the net value of assets, liabilities and reserves of the

Demerged Undertaking of the Demerged Company acquired and recorded by the Resulting Company over the amount recorded as share capital issued shall be credited or debited, as the case may be, to the reserves in the financial statements of the Resulting Company;

11.7 In case of any difference in the accounting policies between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and the difference, if any, will be quantified and shall be adjusted in the Reserves, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy;

11.8 Upon the Scheme being effective, the existing shareholding in the Resulting Company shall stand cancelled. Upon cancellation, the Resulting Company shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by the shareholders in the Resulting Company, which stand cancelled and the same shall be credited to the Capital Reserve of the Resulting Company.

11.9 Notwithstanding the above, the Board of the Resulting Company in consultation with its statutory auditors, is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit in accordance with the prescribed accounting standards, and applicable generally accepted accounting principles as applicable to the Resulting Company.

12. TAXES

All taxes (including income tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, GST, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, GST, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

13. SCHEME CONDITIONAL ON

This Scheme is conditional upon and subject to:

13.1 Obtaining no-objection /observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of SEBI (LODR) Regulations, 2015.

13.2 the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors of the Demerged Company and the Resulting Company as required under the Act and the requisite order of the National Company Law Tribunal, Mumbai Bench, Mumbai being obtained.

13.3 such other sanctions and approvals as may be required by law in respect of this Scheme being obtained; and

13.4 In the event of this Scheme failing to take effect by 30th September, 2022 or such later date as may be agreed by the respective Board of Directors, this Scheme shall stand revoked, cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter se between the parties or their shareholders or creditors or employees or any other person. In such case, the Demerged Company shall bear all costs and expenses.

13.5 Para 10 of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020 shall not be applicable to the Scheme.

13.6 such other sanctions and approvals as may be required by law in respect of this Scheme being obtained; and

13.7 the Certified copies of the NCLT orders referred to in this Scheme being filed with the Registrar of Companies, Maharashtra, Mumbai.

PART III – OTHER TERMS & CONDITIONS

SECTION 6 - OTHER TERMS AND CONDITIONS

14.1 The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, as applicable.

14.2 The Equity shares of the Resulting Company to be issued and allotted to the Equity shareholders of the Demerged Company as provided in clause 9 hereof shall be entitled to dividends from the date of allotment.

14.3 The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

14.4 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of the Demerged Company and the Resulting Company respectively, and subject to the approval, if required, of the shareholders of the Demerged Company and the Resulting Company respectively.

14.5 The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

14.6 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the boards of directors of the Demerged Company and the Resulting Company respectively, and subject to the approval, if required, of the shareholders of the Demerged Company and the Resulting Company respectively

15. INCREASE IN THE AUTHORISED SHARE CAPITAL OF VL E-GOVERNANCE & IT SOLUTIONS LIMITED (VL E-GOV) CONSEQUENT ALTERATIONS IN THE MEMORANDUM OF ASSOCIATION

The Authorized Share Capital of VL E-GOVERNANCE & IT SOLUTIONS LIMITED shall be increased and reorganized, in the manner mentioned below, to cover the fresh issue of equity shares by VL E-GOV to the shareholders of the Demerged Company in terms of clause 9 of this Scheme:

The Authorised Share Capital of VL E-GOVERNANCE & IT SOLUTIONS LIMITED shall be increased and reorganized from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) comprising of 1,50,00,000 (One Crore fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 110,00,00,000/- (Rupees One Hundred Ten Crores only) comprising of 11,00,00,000 (Eleven Crores Only) Equity Shares of Rs. 10/- (Rupee Ten) each.

In consequence of the increase in the Authorised Share Capital, as mentioned above, following new clause V shall be inserted in the Memorandum of Association of the Resulting Company (VL E-GOV) in place and stead of the existing clause V:

Clause V: - Memorandum of Association.

The Authorised share capital of the Company is Rs. 110,00,00,000/- (Rupees One Hundred Ten Crores only) comprising of 11,00,00,000 (Eleven Crores Only) Equity Shares of Rs. 10/- (Rupees Ten) each.

It is clarified that the relevant date for the increase of Authorised Share Capital of the Resulting Company shall be the effective date and the statutory time limit for filing of necessary documents with Registrar of Companies in connection with such increase in the Authorised Share Capital shall commence from the date the Scheme becomes effective. It is also clarified that the Resulting Company shall be required to pay the filing fee and stamp duty only on the increase in the Authorised Share Capital from Rs. 15,00,00,000/- to Rs. 110,00,00,000/- i.e. an increase of Rs 95,00,00,000/-.

It is further clarified that the Resulting Company shall not be required to pass any resolution under section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 for increase in the Authorised Share Capital of the Resulting Company, as envisaged above and that the members of the Resulting Company shall be deemed to have accorded their consent under various provisions of the Companies Act, 2013 and Rules made there under to the increase in the share capital in terms of this Scheme.

16. APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL

The Demerged Company and the Resulting Company shall make necessary applications before the National Company Law Tribunal, Mumbai Bench, Mumbai for the sanction of this Scheme under Sections 230 to 232 of the Act.

17. MODIFICATIONS OF SCHEME

17.1 The Demerged Company and the Resulting Company through their Board of Directors may consent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the NCLT and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.

17.2 However, no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the Tribunal / Court and the same shall be subject to powers of the NCLT under the Act.

17.3 For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Demerged Company and the Resulting Company are authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

17.4 The Demerged Company and Resulting Company shall take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

18 NON- RECEIPT OF APPROVALS AND REVOCATION/WITHDRAWAL OF THIS SCHEME

18.1 The Demerged Company and the Resulting Company acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme.

18.2 The Demerged Company and/or Resulting Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme in case the Demerged Company or the Resulting Company is declared insolvent.

18.3 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before 30th September, 2022 or such later date from the date of approvals of the Scheme by respective Boards of the Parties or within such extended period as may be mutually agreed upon between the Demerged Company and the Resulting Company through their respective Boards or their authorized representatives, this Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

In the event of revocation/withdrawal of the Scheme under Clause 18.1, 18.2 or 18.3 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or n accordance with the Applicable Law and in such case, each party shall bear its owns costs, unless otherwise mutually agreed

19. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

20. COSTS

Upon the sanction of this Scheme by the NCLT, Mumbai, all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the Demerger shall be borne entirely by the Demerged Company.

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LALIT KUMAR DANGI
FCA, ACS, ACMA, B.Com
IBBI Regd. Valuer – Securities and Financial Assets
Reg No. -IBBI/ RV/ 05/2020 /12901

Annexure 2

STRICTLY PRIVATE AND CONFIDENTIAL

Dated: November 11th 2021

To,

The Board of Directors,
Vakrangee Limited
'Vakrangee Corporate House', Plot No 93,
Road No. 16, M.I.D.C. Marol, Andheri (East),
Mumbai, Maharashtra, 400093

And

The Board of Directors
VL E-Governance & IT Solutions Limited
(Formerly Known as Vakrangee Logistics Pvt Ltd)
'Vakrangee Corporate House', Plot No 93,
Road No. 16, M.I.D.C. Marol, Andheri (East),
Mumbai, Maharashtra, 400093

Dear Sirs,

Sub: Report on Recommendation of Share Entitlement Ratio for Demerger of E – Governance & IT/ITES Business of the Demerged Company and Vesting into VL E-Governance & IT Solutions Limited/ ("Resulting Company)

1. SCOPE AND PURPOSE OF THE REPORT

1.1 We have been informed by the Management of the Companies (hereinafter referred to as the 'Management') that they are considering the proposal of Demerger of E – Governance & IT/ITES Business of the Demerged Company and Vesting into VL E-Governance & IT Solutions Limited ("Resulting Company) vide a Scheme of Arrangement amongst the Demerged Company, the Resulting Company and their Respective Shareholders and Creditors under the Provisions of Section 230 to 232 read with section 66 and other applicable provisions, if any, of the Companies Act, 2013.

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IBBI Registered Valuer - Securities and Financial Assets
Reg. No. - IBBI/RV/05/2020/12901

104, M. K. Bhavan, 300, Shahid Bhagat Singh Road, Fort, Mumbai 400001
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Subject to necessary approvals, the Demerged Undertaking of 'VL' would demerged from 'VL' into 'VL E-GOV' with effect from appointed date of April 1st, 2021 ('Appointed Date').

Pursuant to scheme, of the Consideration for the proposed Demerger, 'VL E-GOV' will allot its equity shares of the face value of INR 10 each fully paid up to the equity shareholders of 'VL'. The existing pre-demerger issued share capital of 'VL E-GOV' will be cancelled pursuant to scheme.

1.2 In this regard, we have requested to issue a report opining on the share entitlement ratio for the Proposed Demerger as recommended by the Management of 'Vakrangee Ltd '.

The scope of our service is to determine the share entitlement ratio as at the valuation date after considering the facts of the case and report on the same in accordance with generally accepted professional standards including Indian Valuation Standards, 2018 issued by the Institute of Chartered Accountants of India (ICAI) and applicable Securities Exchange Board of India ('SEBI' Regulations) as may be applicable to the Listed Entities.

1.3 This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter.

2.1 BACKGROUND ABOUT THE COMPANIES

2.1. Vakrangee Ltd:

Vakrangee Ltd ('VL') is listed on the BSE with the BSE code of 511431 and at NSE with the NSE Symbol of VAKRANGEE. The Company was incorporated in the year 1990. The Corporate Identification Number is L65990MH1990PLC056669.

It is technology-driven company centred around building India's largest network of last-mile retail outlets to deliver services to the unserved and the underserved rural, semi-urban and urban population of the country & It offers an extensive array of services across various sectors by providing BFSI, ATM, E-Commerce & Logistics Services.

The registered office of the company is at Vakrangee Corporate House, Plot No 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai 400093, Maharashtra, India.

For the half yearly ended: (September 30th, 2021), Total Income of the Company was INR 31,815.22 (In Lakhs) and Profit After Tax stood at INR 4,394.75 (In Lakhs).

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The Issued and Paid up Share Capital of the Company is INR 10,594.06 (In Lakhs) for the period.

As defined in the scheme "Demerged Undertaking" means: E-Governance & IT/ITES business undertaking of the Demerged Company, on a going concern basis, which shall include (without limitation)

1. E-Governance & IT/ ITES business undertaking is having moveable and immoveable assets and loans & advances; and shall in relation to the aforesaid undertaking and/or division on a going concern basis, which shall include (without limitation):

2. All properties of the E-Governance & IT/ITES business undertaking wherever situated, moveable or immoveable including flats, investments together with all present and future liabilities (including contingent liabilities) if any, appertaining to or relatable to Demerged Undertaking;

3. All investments, the benefit of any deposits, financial assets, funds belonging to or proposed to be utilized for the Demerged Undertaking, all other rights and benefits, funds, benefits of all agreements, subsidies, grants and tax credits, incentive Schemes formulated by Central or State Governments, contracts and arrangements (other than employee related contracts) and all other interests in connection with or relating to the Demerged Undertaking;

4. All permits, quotas, rights, entitlements and benefits, licenses, bids, tenders, letters of intent, expressions of interest, municipal permissions, approvals, consents, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, and all other interests in connection with or relating to the Demerged Undertaking;

5. All earnest moneys and/or security deposits, if any, paid or received by the Demerged Company in connection with or relating to the Demerged Undertaking;

6. All necessary records, files, papers, and information, manuals, data, quotations, and other records in connection with or relating to the Demerged Undertaking;

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7. All liabilities arising out of the activities or operation of the Demerged Undertaking, duties and obligations relatable to the Investment Undertaking on the Appointed Date.

8. All employees on the payroll of the Demerged Company employed in the Demerged Undertaking, as identified by the Board of Directors of the Demerged Company, as on the Effective Date;

9. All employees on the payroll of the Demerged Company employed in the Demerged Undertaking, as identified by the Board of Directors of the Demerged Company, as on the Effective Date;

(**Note 1:** - For the purpose of this Scheme, a Statement of Account of E-Governance & IT/ITES business undertaking is drawn up as on the Appointed Date giving details of assets and liabilities of the Demerged Undertaking; and is duly certified by Chartered Accountant of VL).

(**Note 2:** - Any question that may arise as to whether a particular asset or liability pertains or does not pertain to E-Governance & IT/ITES business undertaking shall be decided by mutual agreement between the Board of Directors of VL and VL E-GOV).

(**Note 3:** - It is intended that the definition of E-Governance & IT/ITES business undertaking under this clause would enable the transfer of all property & all assets and ascertained liabilities of and E-Governance & IT/ITES business undertaking of VL pursuant to this Scheme).

2.2. The Shareholding Pattern of 'Vakrangee Ltd' as at March 31, 2021 & Share Capital Structure as on September 30, 2021:

Category of Shareholder	No. of Equity Shares Face Value of INR 10/- Each	Percentage
Promoter & Promoter Group	45,13,53,165	42.60%
Non-Promoter	60,80,52,475	57.40%
Total	**105,94,05,640**	100%

Source: Company

Share Capital	Amount in Rs.
125,00,00,000 Equity Shares of Re. 1/- Each (Authorised Share Capital)	125,00,00,000
Total	125,00,00,000
Issued, Subscribed and Paid Up Capital	
105,94,05,640 Equity Shares of Re. 1/- each	105,94,05,640
Total	**105,94,05,640**

Source: Company

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2.3. VL E-Governance & IT Solutions Limited:

The Resulting Company was incorporated under Companies Act,2013 on 18th March 2016.

The registered office of the company is at Vakrangee Corporate House, Plot No 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai 400093, Maharashtra, India.

The Resulting Company currently is an Unlisted Public Limited Company and the entire Issued, Subscribed and Paid up Equity Share Capital is held by the Demerged Company. By virtue of the Shareholding pattern, the Resulting Company is a Wholly Owned Subsidiary of the Demerged Company. The main object clauses of the Memorandum of Association of the Resulting Company authorize the Resulting Company:

1. To carry on business as manufactures, products, developers, processors, dealers, traders, importers, exporters, stockists, distributors or agents in software, information technology, e-commerce, e-mail, internet, multimedia, data processing, data management, telefilms, motion movies, web paging, telecommunication including peripherals computer data processing machine, systems and components thereof.

1(A) To undertake designing & development, research of software systems, products and solutions in all areas of application including those in emerging niche segments like internet, website, applications solutions software, enterprise resource planning (ERP), ecommerce, value added products and other business applications either for its own use or for sale in India or for export outside India and to design, develop such systems and application software for or on behalf of manufactures, owners and users of computer systems, telecom, digital, electronic equipment in India or elsewhere in world.

1(B) To develop, provide, undertake design, import, export, distribute and deals in Systems and Application software for microprocessor based information systems, offshore software development project, software project consultancy, development of computer languages and allied computer service and to own and/or operate data processing and service bureau centers in India and Abroad.

1 (C) To act as facilitator between service provider and end user of services to render governmental / non-governmental services, including but not limited to ticket booking services (IRCTC), postal services, facilitate utility services, any other governmental services to promote general wellbeing of the public at large and other support services.

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1(D) To manufacture, develop, procure, produce, import or engage any professional to manufacture, develop any software to make all the activities of the Company available in the form of an application or software available on any device such as mobile or computer or such other devises as may be found appropriate and to make the services of the Company available to the public at large in India and abroad.

- **The 'Resulting Company' is incorporated to carry on the business of Logistic provider. The main services offered by the Resulting Company include forward delivery, reverse pick-ups and courier booking and through its network ensures a hassle-free experience to its partners and end customers.**

- **The Shareholding Pattern of** VL E-Governance & IT Solutions Limited as on March 31, 2021 is as:

Name of the Shareholder	Number of Shares held	Percentage of Holding
Vakrangee Limited	1,19,99,999	100
Dinesh Nandwana (As a Nominee of Vakrangee Limited)	1	0
Total	1,20,00,000	100

The Shareholding Pattern of VL E-Governance & IT Solutions Limited as on September 30, 2021 is as:

Name of the Shareholder	Number of Shares held	Percentage of Holding
Vakrangee Limited	1,19,99,994	100
Dinesh Nandwana (As a Nominee of Vakrangee Limited)	1	0
Nishikant Hayatnagarkar (As a Nominee of Vakrangee Limited)	1	0
Jitendra Jog (As a Nominee of Vakrangee Limited)	1	0
Viral Mujumdar (As a Nominee of Vakrangee Limited)	1	0
Sachin Khandekar (As a Nominee of Vakrangee Limited)	1	0
Ajay Jangid (As a Nominee of Vakrangee Limited)	1	0
TOTAL	1,20,00,000	100

Source: Company

Share Capital	Amount in Rs.
Authorized Share Capital	
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid Up Capital	
1,20,00,000 Equity Shares of Rs. 10/- each	12,00,00,000

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As on September 30th , 2021, the Equity Share Capital is INR 1,20,00,000 Total Income is INR 1982.18 (in '000') and Total Profit is INR 1487.74 (in '000') for the period.

3.1 SOURCES OF INFORMATION/ DATA

For the purpose of this exercise, we have relied upon the following sources of the information received from the Management and the information available in the public domain:

a) Draft Scheme of Arrangement pursuant to which the proposed Demerger is to be undertaken for the specified objective.
b) Shareholding Pattern of Vakrangee Ltd and VL E-Governance & IT Solutions Limited as on 31st March, 2021;
c) Audited Financial Statements of 'VL' and 'VL E-Governance & IT Solutions Limited' as on 31st March, 2021;
d) Un-audited Financials of 'VL' along with Limited Review Report'' as on 30th September, 2021;
e) Audited Financials of VL E-GOV as on 30th September, 2021;
f) Such other information and explanations as we required and which have been provided by the Management to understand the rationale and basis of arriving at the recommended share entitlement ratio.

4.1 SCOPE, LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

a) The Report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
b) This report has been prepared for the Board of Directors of the Companies solely for the purpose of opining on the fair share entitlement ratio for the proposed Demerger as recommended by the management of the Companies.
c) The Management has been provided with the opportunity to review the Draft Report as part of our standard practise to make sure that factual inaccuracies/ omissions are avoided in our final report.
d) For the purpose of this exercise, we were provided with both written and verbal information including information detailed herein above in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies/its Auditors/ its Consultants is that of the Companies. Also with respect to explanation and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material facts

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about the Companies/Demerged Undertaking. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our conclusions.

e) The work does not constitute an audit, due diligence or certification of these information referred to in this report, including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, nothing has come to our attention to indicate that the information provided/ obtained was materially mis-stated / incorrect or would not afford reasonable grounds upon which to base the report.

f) This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies/ Demerged Undertaking / 'Vakrangee Limited' and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Companies/ Demerged Undertaking. Events are transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

g) The fee for the engagement and this report is not contingent upon the results reported.

h) This report is prepared only in connection with the Proposed Demerger exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.

i) The Report is not, nor should it be construed as our opining or certifying the compliance of the Proposed Demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Proposed Demerger.

j) Any person/ party intending to provide finance / divest / invest in the shares/ convertible instruments / business of the Companies / Demerged Undertaking / 'VL' shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

k) The Decision to carry out the transaction (including consideration thereof) lies entirely with the Management / The Board of Directors of 'VL' and 'VL E-Governance & IT Solutions Limited' and our work and our finding shall not constitute a recommendation as to whether or not the Management / The Board of Directors should carry out the Proposed Demerger.

l) The Report is meant for the purpose mentioned in Para 1 only and should not be used for any other purpose other than the purpose mentioned therein. The Report should not be copies or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In

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no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available.

m) We nor my partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which report is being issued. All such parties expressly disclaim any and all liability for or based on or relating to any such information contained in this report.

5.1 BASIS OF DETERMINATION OF SHARE ENTITLEMENT RATIO

1. Based on our Review, information made available to us and discussion with the Management, in our Opinion the share entitlement ratio recommended by the Management in consideration for the Proposed Demerger of E - Governance & IT/ITES Business of 'Vakrangee Ltd' ("the Demerged Company") and Vesting into 'VL E-Governance & IT Solutions Limited' ("Resulting Company) is reasonable.
2. We believe that the Share Entitlement Ratio is fair considering the following:
   a) As a part of the Scheme of arrangement, the E - Governance & IT/ITES Business of 'Vakrangee Ltd' ("the Demerged Company") is proposed to be demerged into 'VL E-Governance & IT Solutions Limited'. 'Vakrangee Ltd' has identified assets and liabilities of the E - Governance & IT/ITES Business which will be taken over by and transferred to 'VL E-Governance & IT Solutions Limited'.
   b) We understand that, upon the scheme being effective, all the shareholders of 'VL' would also become the shareholders of 'VL E-Governance & IT Solutions Limited' and with the outstanding issued and paid up share capital of 'VL E-Governance & IT Solutions Limited' will get cancelled by way of capital reduction and their shareholding in 'VL E-Governance & IT Solutions Limited' would mirror their existing shareholding in 'VL' prior to the Demerger.
   c) 'VL E-Governance & IT Solutions Limited' is in E-Governance & IT/ITES business. For the half yearly period: (September 30th, 2021), the Equity Share Capital is INR 1,20,00,000, Total Income is INR 1982.18 (in '000') and Total Profit is INR 1487.74 (in '000')
   d) The Management has proposed a share entitlement ratio of Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by him / her / it in the Demerged Company shall be issued One (1) new Equity share of the Resulting Company of the face value of Rs. 10/- each fully paid up;
   e) We understand that the Share Entitlement Ratio has been recommended keeping in mind the future equity servicing capacity and minimum share capital requirement of 'VL E-Governance & IT Solutions Limited'

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f) Therefore, in our view, the share entitlement ratio is fair and equitable, considering that all the shareholders of 'VL', upon the proposed Demerger, have their inter-se economic interests, rights, obligations in 'VL E-Governance & IT Solutions Limited' post demerger in the same proportion as their existing economic interest, rights and obligation in 'VL' Pre-Demerger.

g) For the reason mentioned above, no relative valuation of Demerged Undertaking and of 'VL E-Governance & IT Solutions Limited' is required to be undertaken for the Proposed Demerger. Accordingly, valuation approaches as indicated in the format (as shown below) as prescribed by Circular Number NSE /CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case

Valuation Methodology	Demerged Undertaking of 'Vakrangee Ltd'		'VL E-Governance & IT Solutions Limited'	
	Value Per Share	Weights	Value Per Share	Weights
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative Value	NA	NA	NA	NA

NA = Not Applied / Not Applicable

6.1 CONCLUSION

As mentioned in Para 1.1. above, in consideration for the proposed Demerger, 'VL E-Governance & IT Solutions Limited' would issue equity shares to the equity shareholders of 'Vakrangee Ltd'. In the light of the above and on consideration of all the relevant factors and circumstances and subject to our scope, limitations as mentioned above, following share entitlement ratio is fair.

"Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by him / her / it in the Demerged Company shall be issued One (1) new Equity share of the Resulting Company of the face value of Rs. 10/- each fully paid up;"

Mr. Lalit Kumar Dangi
(IBBI Registered Valuer)

lkdang

Reg No: IBBI/RV/05/2020/12901
UDIN No: 21034509AAAAAE4387
Date: 11/11/2021

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SEBI Authorised Merchant Banker
SEBI Registration No.: INM 000010536

Strictly Private & Confidential

November 12, 2021

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

Sub: Fairness Opinion on the Recommendation of Share Exchange Ratio for the proposed Scheme of Arrangement between Vakrangee Limited ("Demerged Company") and VL E-Governance & IT Solutions Limited (*Formerly Known as Vakrangee Logistics Private Limited*) **("Resulting Company") and their respective shareholders and creditors**

Dear Sir/ Madam,

We refer to our engagement letter, whereby Ashika Capital Limited (hereinafter referred to as "**Ashika**") was appointed by Vakrangee Limited (hereinafter referred to as "**Demerged Company**") to provide a fairness opinion to them on the Share Exchange Ratio for the proposed demerger of E-Governance & IT/ITES Business ("**Demerged Undertaking**", as defined in the Draft Scheme Document) of the Demerged Company and vesting into VL E-Governance & IT Solutions Limited (*Formerly Known as Vakrangee Logistics Private Limited*) ("**Resulting Company**") on a going concern basis.

1. Scope and Purpose:

We understand that the Board of Directors of Demerged Company is proposing the demerger of the Demerged Undertaking and vesting into the Resulting Company, on a going concern basis ("**Proposed Demerger**"). The proposed demerger is to be carried out pursuant to a Scheme of Arrangement ("**Scheme**") between the companies and their respective shareholders and creditors under the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act 2013 (including any statutory modifications, re-enactments or amendments thereof) and other applicable securities and capital market laws and rules issued thereunder to the extent applicable.

Pursuant to the Scheme, the equity shareholders of the Demerged Company will receive the equity shares in Resulting Company as consideration for their respective shareholding in Demerged Company. The terms and conditions of the proposed demerger are more fully set out in Draft Scheme of Arrangement for the Proposed Demerger ("**Draft Scheme Document**") shared with us, the final version of which will be filed by the aforementioned companies with the appropriate authorities.

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7th Floor, Kolkata 700 020
Tel.: +91 33 4010 2500
Fax.: +91 33 4010 2543
E-mail: ashika@ashikagroup.com

Corporate Office:
1008, 10th Floor, Raheja Centre
214, Nariman Point, Mumbai- 400 021
Tel.: +91 22 6611 1700
Fax.: +91 22 6611 1710
E-mail: mbd@ashikagroup.com

We further understand that the share exchange ratio for the proposed demerger has been arrived at based on a report dated November 11, 2021 ("**Valuation Report**") being issued by Mr. Lalit Kumar Dangi, Registered Valuer - Securities and Financial Assets, with Insolvency and Bankruptcy Board of India (**'IBBI'**) with Registration Number: IBBI/RV/05/2020/12901(**'Valuer'**).

Based on our examination of the Valuation Report, we understand that, pursuant to the Scheme, the Resulting Company will issue and allot One (1) new Equity Share of the face value of Rs. 10/- each fully paid up to every member of the Demerged Company holding Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by them in the Demerged Company.

We further understand that, upon the Scheme being effective, all the shareholders of Demerged Company would also become the shareholders of Resulting Company and their shareholding would mirror the existing shareholding in Demerged Company (prior to the Demerger) and the outstanding (prior to the Demerger) issued and paid up share capital of Resulting Company will get cancelled by way of capital reduction as an integral part of the Scheme.

In connection with the aforesaid, you requested our independent opinion ("**Opinion**") as to the fairness of the share exchange ratio recommended in the Valuation Report by the Valuer.

2. Background of the Companies that are parties to the Scheme:

Vakrangee Limited:

The Demerged Company ("**Vakrangee Limited**") was incorporated on May 28, 1990, under the Companies Act, 1956. The registered office of the company is at Vakrangee Corporate House, Plot No 93, Road No. 16, M.I.D.C., Marol, Andheri (East), Mumbai 400093, Maharashtra, India. The Corporate Identification Number (CIN) of the Company is L65990MH1990PLC056669.

The Demerged Company is technology-driven company centered around building India's largest network of last-mile retail outlets to deliver services to the unserved and the underserved rural, semi-urban and urban population of the country and offers an extensive array of services across various sectors by providing BFSI, ATM, E-Commerce & Logistics Services.

The equity shares of Demerged Company shares are presently listed on BSE Limited, Mumbai (**'BSE'**) with Scrip Code: 511431 and National Stock Exchange of India Limited, Mumbai (**'NSE'**) with Symbol: VAKRANGEE.

For the half year ended September 30, 2021, Total Income of the Demerged Company was INR 31,815.22 Lakhs and Profit After Tax stood at INR 4,394.75 Lakhs.

The share capital structure of the Demerged Company as per the last audited balance sheet as at March 31, 2021 and as on date, is as under:

Particulars	Amount (Rs.)
Authorised Share Capital 125,00,00,000 Equity Shares of Re. 1/- Each	125,00,00,000
Issued, Subscribed and Paid-up Share Capital 105,94,05,640 Equity Shares of Re. 1/- each	105,94,05,640

The Demerged Company has an outstanding Employees Stock Option Scheme, ESOP Scheme 2014, the exercise of which may result in increase in its subscribed and paid up capital.

The shareholding pattern of the Demerged Company, as on September 30, 2021, is as under:

Category of Shareholder	No. of Shares	% of Shareholding
Promoter & Promoter Group	45,13,53,165	42.60%
Public	60,80,52,475	57.40%
Total	**105,94,05,640**	**100.00%**

VL E-Governance & IT Solutions Limited:

The Resulting Company ("**VL E-Governance & IT Solutions Limited**") was originally incorporated as a private Limited Company under the Companies Act, 2013, on March 18, 2016 in the name of Vakrangee Logistics Private Limited in the State of Maharashtra. The Corporate Identification Number (CIN) of the Company is U74110MH2016PLC274618.

The Resulting Company currently is an Unlisted Public Limited Company and the entire Issued, Subscribed and Paid up Equity Share Capital is held by the Demerged Company. By virtue of the Shareholding pattern, the Resulting Company is a Wholly Owned Subsidiary of the Demerged Company.

The main object clauses of the Memorandum of Association of the Resulting Company would authorize the Resulting Company:

1 To carry on business as manufactures, products, developers, processors, dealers, traders, importers, exporters, stockists, distributors or agents in software, information technology, e-commerce, e-mail, internet, multimedia, data processing, data management, telefilms, motion movies, web paging, telecommunication including peripherals computer data processing machine, systems and components thereof;

1(A) To undertake designing & development, research of software systems, products and solutions in all areas of application including those in emerging niche segments like internet, website, applications solutions software, enterprise resource planning (ERP), ecommerce, value added products and other business applications either for its own use or for sale in India or for export outside India and to design, develop such systems and application software for or on behalf of manufactures, owners and users of computer systems, telecom, digital, electronic equipment in India or elsewhere in world;

1(B) To develop, provide, undertake design, import, export, distribute and deals in Systems and Application software for microprocessor based information systems, offshore software development project, software project consultancy, development of computer languages and allied computer service and to own and/or operate data processing and service bureau centers in India and abroad;

1 (C) To act as facilitator between service provider and end user of services to render governmental / non-governmental services, including but not limited to ticket booking services (IRCTC), postal services, facilitate utility services, any other governmental services to promote general wellbeing of the public at large and other support services;

1(D) To manufacture, develop, procure, produce, import or engage any professional to manufacture, develop any software to make all the activities of the Company available in the form of an application or software available on any device such as mobile or computer or such other devises as may be found appropriate and to make the services of the Company available to the public at large in India and abroad;

For the half year ended September 30, 2021, the Total Income of the Resulting Company is INR 1982.18 (in '000') and Total Profit is INR 1487.74 (in '000') for the said period.

The share capital structure of the Resulting Company as per the last audited balance sheet as at March 31, 2021 and as on date, is as under:

Particulars	Amount (Rs.)
Authorized Share Capital 1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000
Issued, Subscribed and Paid Up Capital 1,20,00,000 Equity Shares of Rs. 10/- each	12,00,00,000

The Shareholding Pattern of the Resulting Company, as on March 31, 2021 is as under:

Name of the Shareholder	No. of Shares	% of Shareholding
Vakrangee Limited	1,19,99,999	100.00%
Dinesh Nandwana (as a Nominee of Vakrangee Limited)	1	-
Total	**1,20,00,000**	**100.00%**

The Shareholding Pattern of the Resulting Company, as on September 30, 2021 is as under:

Name of the Shareholder	No. of Shares	% of Shareholding
Vakrangee Limited	1,19,99,994	100.00%
Dinesh Nandwana (as a Nominee of Vakrangee Limited)	1	-
Nishikant Hayatnagarkar (as a Nominee of Vakrangee Limited)	1	-
Jitendra Jog (as a Nominee of Vakrangee Limited)	1	-
Viral Mujumdar (as a Nominee of Vakrangee Limited)	1	-
Sachin Khandekar (as a Nominee of Vakrangee Limited)	1	-
Ajay Jangid (as a Nominee of Vakrangee Limited)	1	-
TOTAL	**1,20,00,000**	**100.00%**

3. Sources of Information:

In connection with this Opinion, we have:

(i) reviewed the management certified copy of Draft Scheme Document and the Valuation Report;
(ii) reviewed certain publicly available historical business, operational and financial information with respect to Demerged Company available in its annual & interim reports and company presentations, as provided by the Company, and sought certain clarifications with respect to the same;
(iii) held discussions with the Valuer, in relation to the valuation report and recommendation;
(iv) sought various clarifications from the respective senior management teams of the relevant companies;
(v) reviewed published & secondary sources of data, whether or not made available by the Companies; and
(vi) performed such other financial analysis and considered such other information and factors as we deemed appropriate.

4. Basis of Opinion:

The Proposed Demerger would enable the Resulting Company to enhance Operational efficiencies, ensuring synergies through pooling of the financial, managerial, personnel capabilities, skills and expertise and the management is of the view that segregation of the Demerged Undertaking would lead to the following benefits:

a. The transfer and vesting of the Demerged Undertaking to the Resulting Company through the Scheme is with a view to unlock the economic value of both the divisions.
b. The demerger is likely to enable the business and activities comprised in the demerged undertaking and remaining business and activities of Demerged Company to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings will ensure required

depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their business.

c. Vakrangee Kendra Business is Retail centric Consumer facing business whereby the Demerged Company is building the last mile physical distribution platform as well as a B2C E-Commerce focused Mobile Super app Digital platform.
d. Vakrangee Kendra Business (Physical as well as Digital) is an asset light, high return on Capital business and thereby will get proper representation post demerger.
e. E-Governance & IT/ITES Business is a capital intensive B2B business. It is Capex heavy as well as working capital intensive. The E-Governance & IT/ITES Business segment requires different skill sets and focused approach towards time bound project execution capabilities as well as dedicated efforts on collection of Debtors / Receivables, Vendor management and procurement of IT equipment which would be possible post demerger.
f. The focus is on enhancing strategic flexibility to build a viable platform solely focusing on each of the businesses (Vakrangee Kendra Business as well as E-Governance & IT/ITES Business).
g. The Demerger will enable both the Companies to enhance business operations by streamlining operations more efficient management control and outlining independent growth strategies.
h. Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock value for the shareholders.
i. Each undertaking will be able to target and attract new customers corresponding to their own business.
j. The demerger will unlock value of both business and result in shareholder value maximization.

The Scheme shall be in the beneficial interest of the shareholders of the companies. The Scheme shall not be in any manner prejudicial to the interest of the concerned members, creditors, employees or general public at large.

The key features of the Scheme provided to us through the Draft Scheme Document are as under:

1. Upon the Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by him / her / it in the Demerged Company One (1) new Equity share of the Resulting Company of the face value of Rs. 10/- each fully paid up.

2. The equity shares issued and allotted by the Resulting Company in terms of the Scheme shall rank *pari-passu* in all respects with the existing equity shares of the Resulting Company.

3. Pursuant to the scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of E-Governance and IT/ITES business for the shareholders of the Demerged Company. Further the existing Shareholders of the Demerged Company would hold the shares of two listed entities after the scheme becoming effective, giving them flexibility in managing their investments in the two businesses having differential dynamics.

We have relied on the Draft Scheme Document and taken the above mentioned key features of the Scheme (together with other facts and assumptions set forth) into account while determining the meaning of fairness,from a financial point of view, for the purposes of this Opinion.

All capitalized terms not defined herein shall have the same meaning, as set out in the Draft Scheme Document.

5. <u>Exclusions and Limitations:</u>

Our Opinion is limited to the extent of review of documents as provided to us by the Company including the Valuation Report prepared by the Valuer and the Draft Scheme Document.

We have assumed and relied upon the accuracy and completeness of all information and documents providedto us, data publicly available or otherwise reviewed by or discussed with us. We have relied upon the Companies' assurance that they are not aware of any facts or circumstances that would make such information or data incomplete, inaccurate or misleading in any material respect.

We have not carried out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Companies, and / or their subsidiaries/affiliates. In particular, we do not express any opinion as to the value of any asset of Companies, and / or their subsidiaries/affiliates, whetherat current time or in the future. No investigation of Company's claim to title of assets has been made for thepurpose of the exercise and the claim to such rights has been assumed to be fully valid.

We have reviewed the underlining assumptions adopted to recommend the Share Exchange Ratio. One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where equity shares of Resulting Company are being issued as consideration to the shareholders of Demerged Company, it is not the absolute per share value that is important for framing an opinion but the relative per share value of Resulting Company vis-â-vis per share value of Demerged Company.

We have assumed, with the Company's consent that the Scheme will be in compliance with all applicable laws and other requirements and will be implemented on the terms described in the Draft Scheme Document,without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Company, and / or their relevant subsidiaries/ affiliates and their respective shareholders. We have assumed, at the directions of the Company that the final Scheme will not differ in any material respect from the Draft Scheme Document. We understand from the Company's management that the Scheme will be given effect to in totality and not in parts.

We express no view or opinion as to any terms or other aspects of the Scheme (other than the Recommendation of Share Exchange Ratio, from a financial point of view) including, without limitation, the form or structure of the proposed transaction. We were not requested to, and we did not, participate in the negotiations for the proposed transaction. Our Opinion is limited to the fairness, from a financial point of view, of the share exchange ratio proposed by the Valuer, to the shareholders of Demerged Company. Our analysis relates to the relative values of the Demerged Company. However, the actual transaction value may be significantly different from the result of our analysis and would depend on a number of other factors. We express no opinion or view with respect to the financial implications of the proposed transaction for any stakeholders, including creditors of the Company.

We express no view as to, and our Opinion does not address, the underlying business decision of the Company to effect the proposed transaction, the relative merits of the proposed transaction as compared to any other alternative business strategy, the effect of the proposed transaction on the Company or its affiliates, including, without limitation, possible implications on ownership structure, listing format, capital structure or trading price of Demerged Company's shares post completion of the proposed transaction. The Company remains solely responsible for the commercial assumptions on the basis of which it agrees to proceed with the proposed transaction. Our Opinion is necessarily based only upon information as referred to in this opinion. We have relied solely on representations, whether verbal or otherwise, made by the management ofthe Company for areas where the same has been made.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on the Company, and / or their subsidiaries/affiliates, and their respective shareholders, nor does our Opinion address any legal, tax, accounting or structural matters as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, Governmental investigation or other contingent liabilities to which the Company, and/ortheir subsidiaries/affiliates, are/or may be a party.

Our Opinion is necessarily based on financial, economic, monetary, market and other conditions as in effecton, and the information made available to us as of, the date hereof.

The opinion rendered in this report only represents the opinion of Ashika Capital Limited based upon information furnished by the Management and other sources and the said opinion shall be considered advisory in nature.

It should be understood that subsequent developments may affect this Opinion and we assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

Our Opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance, shareholders rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the Scheme other than the fairness, from a financial point of view, of the share recommendation proposed by the Valuer, to the shareholders of Demerged Company.

Our engagement as a fairness opinion provider is independent of our other business relationships, which we may have with the company, and / or their relevant subsidiaries/ affiliates. In addition, in the ordinary course of their respective business, affiliates of Ashika Capital Limited may invest in the securities of the companies, and / or their subsidiaries or group companies, for their own accounts and for the accounts of their clients, subject to the compliance of the SEBI (Prohibition of Insider Trading) Regulations, may at any time hold a position in such securities. We will not be responsible to any other person/party for any decision. Our engagement and opinion expressed herein solely for the benefit of the Board of Directors of the Company (in its capacity as such) in connection with its consideration of the Scheme and for none other. Delivery of our opinion does not create any fiduciary, equitable or contractual duties on Ashika Capital Limited (including, without limitation, any duty of trust or confidence). Further, our Opinion is being provided only for the limited purpose of complying with the SEBI Regulations / SEBI Circulars and the requirement of the stock exchanges on which the Company is listed or as required under applicable law, and for no other purpose. Neither Ashika Capital Limited, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information, contained therein.

The Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final Opinion.

The fee for our services is not contingent upon the results of the proposed Scheme. This document is subjectto the laws of India.

Our Opinion is not intended to and does not constitute a recommendation to any party as to how such partyshould vote or act in connection with the Scheme or any matter related thereto.

6. Conclusion:

Based on our examination of the facts, information and documents mentioned herein and our discussions with the management of Demerged Company and other intermediaries as appointed by them inthis regard and subject to the foregoing, including various assumptions and limitations set forth herein, to the best of our knowledge and belief, we are of the opinion on the date hereof that from a financial point ofview, the Share Exchange Ratio recommended by the Valuer in the Valuation Report is fair to the shareholders of Demerged Company.

7. Distribution of Fairness Opinion:

This Fairness Opinion is for the purpose of submission to Stock Exchanges and disclosure on the companies and Stock Exchange Websites as required under the requirements of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and shall not be disclosed or referred to publicly or to any third party other than the purpose as mentioned above.

Thanking You,

Yours faithfully,
For **Ashika Capital Limited**

ASHIKA CAPITAL LIMITED MUMBAI 400 021

Narendra Kumar Gamini
Vice President-MBD

DCS/AMAL/MJ/R37/2254/2021-22 **"E-Letter"** **March 11 ,2022**

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

Dear Sir,

Sub: Observation letter regarding the Scheme of Arrangement for Demerger between Vakrangee Limited and VL E-Governance & IT Solutions Limited and their respective Shareholders.

We are in receipt of the Draft Scheme of Arrangement of Vakrangee Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated March 10, 2022 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **"Company shall ensure that additional information or undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**

- **"Company shall duly comply with various provisions of the Circular dated March 10, 2017."**

- **"Company is advised that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."**

- **"Company shall ensure that the financials in the Scheme including financials considered for valuation report are not for period more than 6 months old."**

- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the Company obliged to bring the observations to the notice of NCLT."**

- **"It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations."**

Accordingly, based on aforesaid comment offered by SEBI, the Company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of VL E-Governance & IT Solutions Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, VL E-Governance & IT Solutions Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of VL E-Governance & IT Solutions Limited is at the discretion of the Exchange. In addition to the above, the listing of VL E-Governance & IT Solutions Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about VL E-Governance & IT Solutions Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all VL E-Governance & IT Solutions Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about VL E-Governance & IT Solutions Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:

   i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

   ii. "There shall be no change in the shareholding pattern of VL E-Governance & IT Solutions Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted**. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,
Sd/-

Prasad Bhide
Manager

National Stock Exchange Of India Limited

Ref: NSE/LIST/29038_II

March 11, 2022

The Company Secretary
Vakrangee Limited
Vakrangee Corporate House, Plot No. 93,
Road No. 16, MIDC, Marol,
Andheri (East), Mumbai – 400093

Kind Attn.: Mr. Sachin Khandekar

Dear Sir,

Sub: Observation Letter for draft Scheme of Demerger between Vakrangee Limited and VL E-Governance & IT Solutions Limited and their respective shareholders

We are in receipt of draft Scheme of Demerger between Vakrangee Limited and VL E-Governance & IT Solutions Limited and their respective shareholders vide application dated November 16, 2021.

Based on our letter reference no. NSE/LIST/29038 dated November 22, 2021 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017(as amended), kindly find following comments on the draft scheme:

a. *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter is displayed on the websites of the listed company and the Stock Exchanges.*

b. *The entities involved in the scheme shall duly comply with various provisions of the said Circular.*

c. *Company shall ensure that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval*

d. *Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

e. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.*

This Document is Digitally Signed

Signer: Harshad P Dharod
Date: Fri, Mar 11, 2022 20:48:33 IST
Location: NSE

f. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchanges. Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Company should also fulfil the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of VL E-Governance & IT Solutions Limited is at the discretion of the Exchange.

The listing of VL E-Governance & IT Solutions Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about VL E-Governance & IT Solutions Limited and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited ("NSE") for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

   "The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Resulting Company, its promoters, its management etc."

2. To publish an advertisement in the newspapers containing all the information about VL E-Governance & IT Solutions Limited in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about VL E-Governance & IT Solutions Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

   (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

   (b) "There shall be no change in the shareholding pattern or control in VL E-Governance & IT Solutions Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities. The validity of this "Observation Letter" shall be six months from March 11, 2022 within which the scheme shall be submitted to NCLT.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist

This Document is Digitally Signed

Signer: Harshad P Dharod
Date: Fri, Mar 11, 2022 20:48:33 IST
Location: NSE

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

January 10, 2022

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001

Scrip Code: 511431

Ref: Application for grant of approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sub: Report on Complaints in terms of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020.

Dear Sir,

This is in reference to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Demerger of E-Governance & IT/ ITES Business (Demerged undertaking) of Vakrangee Limited (Demerged Company") into VL E-Governance & IT Solutions Limited.

As per Para I(A)(6) of the SEBI Circular, the Company is required to submit a "Report on Complaints" containing the details of complaints/comments received by the Company on the Draft Scheme, within 7 days of expiry of 21 days from the date of filing of the Scheme with the Exchanges and hosting of the same on its website.

The period of 21 days from the hosting of said documents by the BSE on their website i.e. December 20, 2021 expired on January 09, 2022, accordingly, please find attached herewith Report on Complaints.

The Report on Complaints is also being uploaded on the website of the Company, as per requirement of said SEBI Circular.

Kindly take the same on your record and provide us necessary "No Objection" at the earliest to enable us to file the Scheme of Arrangement with Hon'ble National Company Law Tribunal.

Thanking you,

Yours faithfully,

For Vakrangee Limited

VAKRANGEE LIMITED MUMBAI

Sachin Khandekar
Company Secretary & Compliance Officer

Encl: a/a

Vakrangee
सशक्त परिवर्तन

Complaints Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange/ SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

For Vakrangee Limited

VAKRANGEE LIMITED MUMBAI

Sachin Khandekar
Company Secretary & Compliance Officer

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

December 24, 2021

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

Scrip Code: VAKRANGEE

Ref: Application for grant of approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sub: Report on Complaints in terms of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020.

Dear Sir,

This is in reference to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Demerger of E-Governance & IT/ ITES Business (Demerged undertaking) of Vakrangee Limited (Demerged Company") into VL E-Governance & IT Solutions Limited.

As per Para I(A)(6) of the SEBI Circular, the Company is required to submit a "Report on Complaints" containing the details of complaints/comments received by the Company on the Draft Scheme, within 7 days of expiry of 21 days from the date of filing of the Scheme with the Exchanges and hosting of the same on its website.

The period of 21 days from the hosting of said documents by the NSE on their website i.e. December 03, 2021 expired on December 23, 2021, accordingly, please find attached herewith Report on Complaints.

The Report on Complaints is also being uploaded on the website of the Company, as per requirement of said SEBI Circular.

Kindly take the same on your record and provide us necessary "No Objection" at the earliest to enable us to file the Scheme of Arrangement with Hon'ble National Company Law Tribunal.

Thanking you,

Yours faithfully,

For Vakrangee Limited

VAKRANGEE LIMITED MUMBAI

Sachin Khandekar
Company Secretary & Compliance Officer

Encl: a/a

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

Complaints Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange/ SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

For Vakrangee Limited

VAKRANGEE LIMITED MUMBAI

Sachin Khandekar
Company Secretary & Compliance Officer

Annexure - 7

Summary of the Valuation report along with the basis of such valuation

1. The management of Vakrangee Limited (the Demerged Company) and VL E Governance & IT Solutions Limited (the Resulting Company) have appointed Lalit Kumar Dangi, Chartered Accountant, Mumbai as independent valuer to recommend a fair ratio of allotment of equity shares of Resulting Company to the Equity Shareholders of Demerged Company of the proposed Scheme of Arrangement for Demerger.

2. For the purpose of arriving at the share entitlement ratio, the valuation report was obtained in terms of the SEBI Scheme circular, circular No. LIST/COMP/02/2017-18 dated May 29, 2017 issued by the BSE and circular No. NSE/CML/2017/12 dated June 1, 2017 issued by the NSE and Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2022.

3. The valuer has considered the following points;

   (a) the valuer has identified assets and liabilities of the E-Governance & IT/ITES Business which will be taken over by and transferred to VL E-Governance & IT Solutions Limited.

   (b) The Valuer has also considered that upon the Scheme being effective all the shareholders of VL would become the shareholders of VL E-Governance & IT Solutions Limited and the outstanding, issued and paid-up Capital of VL E-Governance & IT Solutions Limited, Resulting Company will get cancelled by way of Capital Reduction and their shareholding in VL E-Governance & IT Solutions Limited would mirror the existing shareholding in Vakrangee Limited.

   (c) The Valuer has recommended the ratio keeping in mind the future Equity servicing capacity and minimum share capital requirement of VL E-Governance & IT Solutions Limited.

VAKRANGEE LIMITED MUMBAI

(d) The Valuer has therefore considered that no relative Valuation of Demerged undertaking and VL E-Governance & IT Solutions Limited is required to be undertaken for the proposed Demerger.

(e) The Valuer therefore is of the opinion that the share entitlement ratio is fair and equitable considering that all the shareholders of Demerged Company upon the proposed Demerger have their inter-se economic interest, rights, obligations and interest in Resulting Company post Demerger is in the same proportion as their existing economic interest, rights and obligations in the Demerged Company Pre-Demerger.

4. In consideration of all the relevant factors and circumstances, the valuer has recommended the ratio of 10 (Ten) equity share of face value of Re.1/- each fully paid up held by the shareholder in the Demerged Company shall be issued 1 (One) new Equity Share of the Resulting Company of the face value of Rs. 10/- each fully paid up and has been approved by the Audit Committee of Demerged Company.

5. The Fairness opinion dated 12th November, 2021 was issued by Ashika Capital Limited, a SEBI registered Merchant Banker, explaining the rationale for their opinion as to the fairness of the share entitlement ratio from a financial point of view.

6. The above fair entitlement ratio has been arrived at on the basis of a relative valuation for the Demerged Undertaking and for each of the Companies based on the various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regards to information base, key underlying assumptions and limitations.

~~For~~ Vakrangee Limited

VAKRANGEE LIMITED MUMBAI

Dinesh Nandwana
Managing Director
DIN:00062532

VL E-GOVERNANCE & IT SOLUTIONS LIMITED

(Formerly Vakrangee Logistics Private Limited)
(Wholly Owned subsidiary of Vakrangee Limited)
"Vakrangee Corporate House" | Plot No. 93 | Road No. 16 I
M.I.D.C Marol I Andheri (East) | Mumbai– 400093 | Maharashtra | INDIA
Phone No. - 022 28503412, 022 67765100 | Fax -022-28502017
E-mail:- info@vakrangee.in | CIN – U74110MH2016PLC274618

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF VL E-GOVERNANCE & IT SOLUTIONS LIMITED ('COMPANY') IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON 12th NOVEMBER, 2021.

1. The Board of Directors ('Board') of the Company at their meeting held on 12th November, 2021 had approved a draft of the proposed Scheme of Arrangement for Demerger of E-Governance & IT/ITES division (Demerged undertaking) of VAKRANGEE LIMITED (Demerged Company) into VL E-GOVERNANCE & IT SOLUTIONS LIMITED (Resulting Company) and their respective shareholders.

   Pursuant to this Scheme of Arrangement, the shareholders of the Demerged Company will be issued One (1) new Equity share of the Resulting Company of the face value of Rs. 10/- each fully paid up on every Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by him / her / it in the Demerged Company;

2. As per Section 232(2) (c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters, non-promoter shareholders of the Company laying out in particular the Share exchange ratio, specifying any special valuation difficulties.

3. Having regard to the applicability of the aforesaid provisions, the scheme and the following documents are placed before the Board;

   a. Valuation Report dated 11th November, 2021 issued by Mr. Lalit Kumar Dangi, Registered Valuer, Mumbai, describing inter alia the methodology adopted by them in arriving at the share valuation including the share entitlement ratio and setting out the details of computation of fair entitlement ratios for the proposed arrangement ("Valuation Report")

   b. Fairness Opinion dated 12th November, 2021 issued by M/s. Ashika Capital Limited, a SEBI Registered Merchant Banker, providing its opinion on the fairness of the Valuation Report and the Share Entitlement Ratio.

VL E-GOVERNANCE & IT SOLUTIONS LIMITED MUMBAI *

c. Certificate dated 12th November, 2021 from S.K. Patodia & Associates., Chartered Accountants, the Statutory Auditors of the Company confirming that the accounting treatment in the draft Scheme is in accordance with the applicable accounting standards and applicable law.

4. **Rationale of the Scheme**

The demerger of digital division undertaking of the Demerged Company into Resulting Company would *inter alia* have the following benefits:

Since Inception, Vakrangee Limited, the Demerged Company has been One of India's largest e-Governance player functioning as a systems integrator and end-to-end service provider for various e-Governance projects. The Demerged Company has an experience of over two decades in delivering systems integration and other IT/ITES services for India's e-Governance plan. Vakrangee Limited have a strong track record of successfully implementing various timebound Mission Mode Projects (MMPs) under the government's National e-Governance Plan. Some of these MMPs are: computerisation of Election Commission, UIDAI Aadhaar Enrolment services, Ministry of Corporate Affairs Project (MCA21), Rashtriya Swasthya Bima Yojana (RSBY), Common Service Centres (CSC), smart-card based Public Distribution System (PDS), computerisation of registration department in Maharashtra, and passport Services, among others.

Over the years, Vakrangee Limited has evolved into a technology-enabled company focussed around building India's largest network of last-mile physical retail outlets to deliver services to the unserved and the underserved rural, semi-urban and urban population of the country. The Assisted Digital Convenience stores are called as Nextgen Vakrangee Kendras, which act as the 'One Stop Shop' for availing multiple products and services. Vakrangee Limited offers an extensive array of services across various sectors by providing BFSI, ATM, Assisted E-Commerce, Telemedicine, Online Pharmacy & Logistics Services. Vakrangee Limited has emerged as a well diversified distribution platform offering various goods and services under one roof to citizens at affordable prices, same time and same quality.

Vakrangee Limited currently has two Business divisions which are as follows –

1.1 Vakrangee Kendra Business

1.2 E-Governance & IT/ITES Business

The details for the both the Businesses are provided below: -

VL E-GOVERNANCE & IT SOLUTIONS LIMITED
MUMBAI

5. **Effect of the Scheme on Stakeholders**

Sr. No.	Category of Stakeholder	Effect of the Scheme
(i)	Shareholders	The Company has only Equity Shareholders and does not have any Preference Shareholders. Upon this scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this scheme, the Resulting Company shall, without any further act or deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by him / her / it in the Demerged Company One (1) new Equity share of the Resulting Company of the face value of Rs. 10/- each fully paid up;
(ii)	Promoters	The Share Capital of the Promoters of the Company who are holding shares in the Resulting Company will get cancelled.
(iii)	Non- Promoter Shareholders	Not Applicable.
(iv)	Debentures and Debenture Trustees	The Company has not issued any debentures hence this clause is not applicable

VL E-GOVERNANCE & IT SOLUTIONS LIMITED MUMBAI

1.1 Vakrangee Kendra Business:

Vakrangee is a technology-driven company focussed around building India's largest network of last-mile physical retail outlets to deliver services to the unserved and the underserved rural, semi-urban and urban population of the country. The Assisted Digital Convenience stores are called as Nextgen Vakrangee Kendras, which act as the 'One Stop Shop' for availing multiple products and services. The Company offer an extensive array of services across various sectors by providing BFSI, ATM, Assisted E-Commerce, Telemedicine, Online Pharmacy & Logistics Services. Vakrangee has emerged as a well-diversified distribution platform offering various goods and services under one roof to citizens at affordable prices, same time and same quality with Brick & Mortar exclusive touch points designed by L&H (Lewis & Hickey).

Vakrangee Kendra is an asset Light Franchisee based Business model. The model is Highly Scalable as well as has Strong Operating leverage in built into it. ⍰ Vakrangee has emerged as one of the largest Financial Inclusion player (Banking business correspondent) in the country and has also emerged the fourth largest ATM operator in Rural India with Pan India presence. Vakrangee has developed Strong on-ground execution skills with deep rural presence. Vakrangee currently has 11,900+ (as on 30th June 2021) operational Exclusive Branded outlets and is well placed to achieve its March-2022 target of 25,000 operational outlets across the country. Vakrangee's growth plan is well defined with a long term target of 75,000 kendra outlets by 2025 and to emerge as the Largest Rural Distribution platform in India.

Vakrangee has recently launched an online digital platform to enable seamless services for the consumer at the comfort of their homes. Through this, company has evolved into the unique O2O (Online to Offline) platform, whereby there is Assistance available through the Physical Kendra network along with Digital Online Services. Vakrangee Limited has Initiated this Unique Hybrid proposition with launch of first Digital service of Telemedicine services and it plans to make many more services live through this platform. The Company is also launching a Mobile Super App based business platform.

Vakrangee Limited would be providing various services digitally through its Mobile app platform such as : -

o Online Shopping

o Total Healthcare services (Doctor consultation, Home Blood Test facility, Covid Care packages)

o Online Pharmacy

o Money Transfer

VL E-GOVERNANCE & IT SOLUTIONS LIMITED ★ MUMBAI o Insurance

o Loan products / Financial products

o Mutual funds / Credit Cards

o All type of Bill payments

o Mobile / DTH recharges

o Travel services (Bus / Train / Flights / Hotel Bookings)

o Movie Tickets / Entertainment

o Online Education

o Online Agri Products – Seeds & Pesticides

o Courier Booking

Strategy 2.0: Next 5 Year Growth Strategy

o Vakrangee's vision is now set to create the world's largest franchisee based distribution channel in India with a strong focus on Rural India and are confident of delivering strong growth momentum over the next 5 years as it's network would grow from 11,900+ to 25,000+ outlets by March 2022 and to 75,000 outlets by March 2026. It is estimated that Vakrangee's Gross Transaction value would cross US$50 Billion on an annualised basis over the next 5 years, while the number of transactions would cross a billion transactions annually. This would result into significant growth in revenues and profitability, especially as it will continue to take advantage of it's asset-light franchisee-based model with strong operating leverage. Vakrangee's Cash Adjusted Return on Capital would improve significantly.

Sustainable Competitive Advantage

o One of India's largest e-Governance player with about two decades of experience

o One of the leading systems integrator for key government projects :

- ISO/IEC 27001:2013 Certified: Information Security Management System (ISMS)
- ISO/IEC 20000-1:2011 Certified: Information Technology service management system (ITSMS)

o Strong expertise from data digitisation to technology management

o Strong track record of delivering time-bound mission critical projects

o Efficient back-end for assimilating and processing data related to G2C and B2C services

o Participation in Mission Mode Projects – MCA 21, RSBY, Passport Seva Kendra, UIDAI

VL E-GOVERNANCE & IT SOLUTIONS LIMITED MUMBAI

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(v)	Creditors	Upon the Scheme coming into effect the creditors obligation with respect to Demerged undertaking (as defined in the scheme) shall become the obligations to VL E-Governance & IT Solutions Limited and Creditors (Resulting Company) obligations with respect to remaining undertaking (as defined in the scheme) shall remain with Vakrangee Limited.
(vi)	Key Managerial Personnel	None of the Key Managerial Personnel of the Company are holding shares in the Resulting Company.

6) **Valuation**

Valuation Report dated 11th November, 2021 issued by Mr. Lalit Kumar Dangi, Registered Valuer, Mumbai, describing inter alia the methodology adopted by them in arriving at the share valuation including the share entitlement ratio and setting out the details of computation of fair entitlement ratios for the proposed arrangement ("Valuation Report").

7) **Adoption of Report by the Directors**

The Directors of the Company have adopted this report after noting and considering information set forth in this report. The Board or any duly authorised person/ committee by the Board is entitled to make relevant modification to this report, if required, and such modifications or amendments shall be deemed to form part of this report.

Date: 12/11/2021

Place: Mumbai

VL E-GOVERNANCE & IT SOLUTIONS LIMITED MUMBAI

CHAIRMAN

Vakrangee
सशक्त परिवर्तन

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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF VAKRANGEE LIMITED ('COMPANY') IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON 12th NOVEMBER, 2021.

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2. As per Section 232(2) (c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters, non-promoter shareholders of the Company laying out in particular the Share exchange ratio, specifying any special valuation difficulties.

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VAKRANGEE LIMITED MUMBAI

c. Certificate dated 12th November, 2021 from A.P. Sanzgiri & Co., Chartered Accountants, the Statutory Auditors of the Company confirming that the accounting treatment in the draft Scheme is in accordance with the applicable accounting standards and applicable law.

d. A copy of the Audit Committee Report dated 12th November, 2021 in terms of the requirement of circular no. Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020 issued by the Securities and Exchange Board of India.

e. A Copy of the report of the Committee of Independent Directors is made in order to comply with the requirements of the circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated November 03, 2020 issued by the Securities and Exchange Board of India (SEBI).

f. Undertaking certified by the A.P. Sanzgiri & Co., Statutory Auditors of the company to the effect that para 10 of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020 shall not be applicable (i.e. the approval only by public shareholders) since no allotment is proposed to be made to any of the persons mentioned in the aforesaid para of said circular pursuant to the proposed Scheme of Arrangement.

4. **<u>Rationale of the Scheme</u>**

The demerger of digital division undertaking of the Demerged Company into Resulting Company would *inter alia* have the following benefits:

Since Inception, Vakrangee has been One of India's largest e-Governance player functioning as a systems integrator and end-to-end service provider for various e-Governance projects. The Company has an experience of over two decades in delivering systems integration and other IT/ITES services for India's e-Governance plan. We have a strong track record of successfully implementing various timebound Mission Mode Projects (MMPs) under the government's National e-Governance Plan. Some of these MMPs are: computerisation of Election Commission, UIDAI Aadhaar Enrolment services, Ministry of Corporate Affairs Project (MCA21), Rashtriya Swasthya Bima Yojana (RSBY), Common Service Centres (CSC), smart-card based Public Distribution System (PDS), computerisation of registration department in Maharashtra, and passport Services, among others.

Over the years, the Company has evolved into a technology-enabled company focussed around building India's largest network of last-mile physical retail outlets to deliver services to the unserved and the underserved rural, semi-urban and urban population of the country. The Assisted Digital Convenience stores are called as Nextgen Vakrangee Kendras, which act as the 'One Stop Shop' for

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availing multiple products and services. The Company offer an extensive array of services across various sectors by providing BFSI, ATM, Assisted E-Commerce, Telemedicine, Online Pharmacy & Logistics Services. Vakrangee has emerged as a well diversified distribution platform offering various goods and services under one roof to citizens at affordable prices, same time and same quality.

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Vakrangee has recently launched an online digital platform to enable seamless services for the consumer at the comfort of their homes. Through this, company has evolved into the unique O2O (Online to Offline) platform, whereby there is Assistance available through the Physical Kendra network along with Digital Online Services The company has Initiated this Unique Hybrid proposition with launch of first Digital service of Telemedicine services The company plans to make many more services live through this platform. The Company is also launching a Mobile Super App based business platform.

The Company would be providing various services digitally through its Mobile app platform such as : -

o Online Shopping
o Total Healthcare services (Doctor consultation, Home Blood Test facility, Covid Care packages)
o Online Pharmacy
o Money Transfer
o Insurance
o Loan products / Financial products
o Mutual funds / Credit Cards
o All type of Bill payments
o Mobile / DTH recharges
o Travel services (Bus / Train / Flights / Hotel Bookings)
o Movie Tickets / Entertainment
o Online Education
o Online Agri Products – Seeds & Pesticides
o Courier Booking

Strategy 2.0: Next 5 Year Growth Strategy

o Our vision is now set to create the world's largest franchisee based distribution channel in India with a strong focus on Rural India. We are confident of delivering strong growth momentum over the next 5 years as our network would grow from 11,900+ to 25,000+ outlets by March 2022 and to 75,000 outlets by March 2026. We estimate that our Gross Transaction value would cross US$50 Billion on an annualised basis over the next 5 years, while the number of

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transactions would cross a billion transactions annually. This would result into significant growth in revenues and profitability, especially as we will continue to take advantage of our asset-light franchisee-based model with strong operating leverage. Our Cash Adjusted Return on Capital would improve significantly.

Sustainable Competitive Advantage

o One of India's largest e-Governance player with about two decades of experience

o One of the leading systems integrator for key government projects :

- ISO/IEC 27001:2013 Certified: Information Security Management System (ISMS)
- ISO/IEC 20000-1:2011 Certified: Information Technology service management system (ITSMS)

o Strong expertise from data digitisation to technology management

o Strong track record of delivering time-bound mission critical projects

o Efficient back-end for assimilating and processing data related to G2C and B2C services

o Participation in Mission Mode Projects – MCA 21, RSBY, Passport Seva Kendra, UIDAI

5. **Effect of the Scheme on Stakeholders**

Sr. No.	Category of Stakeholder	Effect of the Scheme
(i)	Shareholders	The Company has only Equity Shareholders and does not have any Preference Shareholders. Upon this scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this scheme, the Resulting Company shall, without any further act or

		deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every Ten (10) Equity Shares of the face value of Re.1/- each fully paid up held by him / her / it in the Demerged Company One (1) new Equity share of the Resulting Company of the face value of Rs. 10/- each fully paid up;
(ii)	Promoters	Promoters of the Company who are holding shares in the Demerged Company will get the shares in the same ratio as stated in point no. (i) in the Resulting Company as there will be mirror image be created after the Demerger of demerged undertaking.
(iii)	Non- Promoter Shareholders	Please refer to point (i) above the details regarding effect on shareholder.
(iv)	Debentures and Debenture Trustees	The Company has not issued any debentures hence this clause is not applicable
(v)	Creditors	Upon the Scheme coming into effect the creditors obligation with respect to Demerged undertaking (as defined in the scheme) shall become the obligations to VL E-Governance & IT Solutions Limited and Creditors (Resulting Company) obligations with respect to remaining undertaking (as defined in the scheme) shall remain with the Company.

VAKRANGEE LIMITED MUMBAI

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(vi)	Key Managerial Personnel	Key Managerial Personnel of the Company who are holding shares in the Demerged Company will get the shares in the same ratio as stated in point no. (i) in the Resulting Company as there will be mirror image be created after the Demerger of demerged undertaking.

6) **Valuation**

Valuation Report dated 11th November, 2021 issued by Mr. Lalit Kumar Dangi, Registered Valuer, Mumbai, describing inter alia the methodology adopted by them in arriving at the share valuation including the share entitlement ratio and setting out the details of computation of fair entitlement ratios for the proposed arrangement ("Valuation Report").

7) **Adoption of Report by the Directors**

The Directors of the Company have adopted this report after noting and considering information set forth in this report. The Board or any duly authorised person/ committee by the Board is entitled to make relevant modification to this report, if required, and such modifications or amendments shall be deemed to form part of this report.

Date: 12/11/2021

Place: Mumbai

CHAIRMAN

VAKRANGEE LIMITED MUMBAI

Plot No. 22, House No. 174, Anand Nagar Lane,
Behind Vakola Police Station, Santacruz (East),
Mumbai – 400 055, India
Tel : +91-22-2669 1232 / 2669 1233
Email : contact@ca-aps.in

A P SANZGIRI & CO
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S 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, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of 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, 2022, 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules frame 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 obtained by us 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 reports.

A. P. SANZGIRI & CO. ★ MUMBAI F. R. NO. 1[illegible]293W

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 capitalised additions to Property, Plant and Equipment (PPE), mainly related to the Automated Teller Machine (ATM) purchased newly from the OEM. Expenditure such as freight cost and cost to bring the asset to the location and new 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 practice 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 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, 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 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.

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2. Expected Credit Loss

As described in Note 2 (B) (xi) (d) of the Standalone financial statements for the year ended March 31, 2022. The management has determined the allowance for credit losses based on historical loss experience adjusted to reflect the impact of the economic conditions. The allowance for credit loss model requires consideration of the effect of COVID-19 pandemic event on the customers' business operations/ability to pay dues. Based on such analysis the Company has recorded an allowance aggregating to ` 729.00 lacs as at March 31, 2022, considered in Note 7 & 13 of the standalone financial statements. We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.

Principal Audit Procedure

We have performed the following procedures:

i. Evaluated the design and implementation including the operating effectiveness of the controls over:
   - Basis of consideration of the impact of the economic conditions
   - Completeness and accuracy of the data used in estimation of probability of default
   - Computation of the expected credit loss allowance

ii. Carried out inquiries with the management to understand the impact of COVID-19 in terms of identification of distressed customers and evaluation of recoverability of dues, extension in contractual terms for collections.

iii. Tested the completeness and accuracy of the ageing of accounts receivable data.

iv. Further in addition to the above process, a forward-looking expected loss impairment model as prescribed in IND AS 109 "Financial Instruments" was also applied by the Company. This involves judgment as the expected credit losses must reflect information about past events, current conditions, and forecasts of future conditions.

v. Selected a sample of the customers, and

   - Verified publicly available credit reports and other information relating to the Company's customers to test if the management had correctly considered the adjustments to credit risk.

   - Obtained and verified the details of credit period extension granted to the customers and developed an expectation of similar extensions across other customers of the Company.

vi. Recomputed the expected credit loss allowance considering the above determined input data and compared the amounts so recomputed with the amounts recorded by the management to determine if there were any material differences individually or in the aggregate.

Information Other than the Standalone Financial Statements and Our Report Thereon

The Company's Management and Board of Directors are responsible for the preparation of 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 report.

Our opinion on the standalone financial statements does not cover the other information and we do 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 charges with governance and take necessary actions as applicable under the relevant laws and regulations.

Management's and Those Charged with Governance Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are 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 including Other 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 and Board of Directors are 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

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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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Standalone Financial statements 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 and Board of Directors 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.

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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 preclude 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss 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 Statement 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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(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:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid or provided by the company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

(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 Standalone 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.

iv.

a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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c. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act

For A. P. Sanzgiri & Co.
Chartered Accountants
FRN: 116293W

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

Anil Agrawal
Partner
Membership No: 041396
UDIN: 22041396AIYHPB9926

Date: May 13, 2022
Place: Mumbai

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**)

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2022, we report that:

i. Property, Plant and Equipment and Intangible Assets:

a. (A)The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets.

b. The Company has regular program of verification of Property, Plant & Equipment by which all Property, Plant & Equipment of the Company are being verified in a phased manner, which, in our opinion, is reasonable, having regard to the size of the Company and nature of its business. Pursuant to program, a portion of Property, Plant & Equipment has been physically verified by the management during the year and no material discrepancies were noticed on verification conducted during the year as compared with book records.

c. According to the information and explanations given to us, based on test check examination of the records and Sale deeds/ 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.

d. According to the information and explanations given to us the Company has not revalued its Property, Plant & Equipment (including Right-of-Use Assets) or Intangible assets or both during the year;

e. According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. Inventories

a. 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.

b. During any the year, the Company has been sanctioned working capital limit in excess of five crore rupees, in aggregate, from Bank on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

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iii. The Company has not made investments in, and not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause 3 (iii)(a) to (f) of the order is not applicable to the Company;

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, 2022 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.

viii. There were no transactions which have not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act,1961 (43 of 1961).

ix.

a. In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of loans or borrowings to a financial institutions or banks.

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

b. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c. The Company has not raised any term loan during the year.

d. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the Company.

e. The Company has not taken any funds from any entity or person on account of or to meet obligations of its subsidiaries Company, therefore the details under the clause (ix) (e) of the order is not required.

f. The Company has not raised any loans during the year by pledging the shares of the Subsidiaries Company, therefore the details under the clause (ix) (f) of the order is not required.

x.

a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.

b. During the year, the company has not made preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.

xi.

a. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

b. No report under sub-section (12) of section 143 of the Companies Act, 2013 is required to be filed by the auditors in Form ADT-4 as prescribed under Rules, 2014 with the central government during the year and upto the date of this report.

c. Based on our enquires and according to the information and explanation given by the management, we have been informed that whistle blower complaint has been considered by the Company as received during the year.

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.

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xiv.

a. The Company has an internal audit system commensurate with the size and nature of its business.

b. We have considered, the internal audit reports for the period under audit.

xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered during the year into any non-cash transactions with its directors or persons connected with them and hence clause 3 (xv) of the Order is not applicable to the Company.

xvi.

a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi)(a) of the order is not applicable.

b. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi)(b) of the order is not applicable.

c. The Company is not a Core Investment Company (CIC) as defined by Reserve Bank of India. Accordingly, clause 3 (xvi)(c) of the order is not applicable.

d. According to the information and explanations provided to us during the course of audit, the group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii. According to the information and explanation given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and based on our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet and as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due with a period of one year from the Balance sheet date, will get discharged by the Company as and when they fall due.

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xx.

a. There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause (xx)(a) of the order is not applicable for the year.

b. The Company during the year has transferred unspent amount in special account relating to ongoing project in compliance with sub section (6) of Section 135 of the Act.

For A. P. Sanzgiri & Co.
Chartered Accountants
FRN: 116293W

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

Date: May 13, 2022
Place: Mumbai

Anil Agrawal
Partner
Membership No: 041396
UDIN: 22041396AIYHPB9926

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 with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of VAKRANGEE LIMITED ("the Company") as of March 31, 2022 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 management and Board of Directors are 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 Act.

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 Act, 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.

A. P. SANZGIRI & CO. ★ MUMBAI F. R. NO. 116293W ★ CHARTERED ACCOUNTANTS

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 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, 2022, 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

For A. P. Sanzgiri & Co.
Chartered Accountants
FRN: 116293W

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

Anil Agrawal
Partner
Membership No: 041396
UDIN: 22041396AIYHPB9926

Date: May 13, 2022
Place: Mumbai

Vakrangee Limited
Balance Sheet as at March 31, 2022

(₹ In lakhs)

	Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
I	**ASSETS**					
1	**Non - Current Assets**					
	Property Plant and Equipment	4		13,853.34		15,564.00
	Capital Work-in-Progress	4		197.45		140.25
	Intangible Assets under development	5		434.79		346.43
	Financial Assets					
	(i) Investments	6	3,037.57		2,934.85	
	(ii) Trade Receivables	7	-		-	
	(iii) Loans	8	2,692.91		2,657.46	
	(iv) Other Financial Assets	9	135.58	5,866.06	159.72	5,752.03
	Other Non - Current Assets	11		59,026.88		59,633.83
	Total Non-current Assets			**79,378.52**		**81,436.54**
2	**Current Assets**					
	Inventories	12		410.46		497.22
	Financial Assets					
	(ii) Trade Receivables	13	91,486.68		1,07,614.49	
	(iii) Cash and Cash equivalents	14	4,195.08		584.01	
	(iv) Bank Balances other than (iii) above	14	614.21		1,004.75	
	(v) Loans	15	3.26		2.43	
	(vi) Other Financial Assets	16	605.47	96,904.70	1,832.94	1,11,038.62
	Current Tax Assets (Net)	17		-		511.53
	Other Current Assets	18		1,10,945.58		89,756.53
	Total Current Assets			**2,08,260.74**		**2,01,803.90**
	TOTAL			**2,87,639.26**		**2,83,240.44**
II	**EQUITY AND LIABILITIES**					
1	**Equity**					
	Equity Share Capital	19		10,595.00		10,594.06
	Other Equity	20		2,59,702.38		2,52,394.70
	Total Equity			**2,70,297.38**		**2,62,988.76**
2	**Liabilities**					
i	**Non - Current Liabilities**					
	Financial Liabilities					
	(i) Trade Payables	21				
	- Dues of micro enterprises and small enterprises		-		-	
	- Dues of Creditors other than micro enterprises and small enterprises		12.04		14.34	
	(ii) Other Financial Liabilities	22	41.28	53.32	40.39	54.73
	Deferred Tax Liabilities (net)	10		74.03		58.10
	Employee Benefit Obligations	23		307.92		331.00
	Total Non-Current Liabilities			**435.27**		**443.83**
ii	**Current Liabilities**					
	Financial Liabilities					
	(i) Borrowings	24	-		-	
	(ii) Trade Payables	25				
	- Dues of micro enterprises and small enterprises		102.35		38.76	
	- Dues of Creditors other than micro enterprises and small enterprises		3,130.36		2,622.47	
	(iii) Other Financial Liabilities	26	6,694.53	9,927.24	8,086.50	10,747.73
	Other Current Liabilities	27		3,413.28		7,236.09
	Provisions	28		1,160.55		1,092.08
	Employee Benefit Obligations	29		16.45		26.05
	Current Tax Liabilities	30		2,389.09		705.90
	Total Current Liabilities			**16,906.61**		**19,807.85**
	Total Liabilities (i + ii)			**17,341.88**		**20,251.68**
	TOTAL			**2,87,639.26**		**2,83,240.44**
	Significant Accounting Policies and Notes forming part of the Standalone Financial Statements.	1-55				

As per our report of even date

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Anil Agarwal
Partner
Membership No.: 041396

Place : Mumbai
Date : May 13, 2022

For and on behalf of the Board of Directors

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
MD & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Ajay Jangid
Chief Financial Officer

Sachin Khandekar
Company Secretary

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Vakrangee Limited
Statement of Profit and Loss for the year ended March 31, 2022

(₹ in lakhs)

	Particulars	Note No.	For the year ended March 31, 2022		For the year ended March 31, 2021	
I	**Income**					
	Revenue from Operations	31	69,229.15		22,743.67	
	Other Income	32	231.74		6,815.25	
	Total Income			**69,460.89**		**29,558.92**
II	**Expenses**					
	Operating Expenses	33	50,689.90		14,196.94	
	Purchase of Stock-in-Trade		825.43		949.03	
	Changes in Inventories	34	91.21		281.13	
	Employee Benefits Expense	35	1,322.82		3,347.33	
	Finance Costs		-		-	
	Depreciation and Amortization Expense	4	1,545.57		1,478.35	
	Other Expenses	36	2,028.15		2,567.55	
	Total Expenses			**56,503.08**		**22,820.33**
III	**Profit Before Tax and exceptional Items**			**12,957.81**		**6,738.59**
IV	**Exceptional Items**	37		(168.66)		
V	**Profit Before Tax**			**12,789.15**		**6,738.59**
VI	**Tax Expense:**					
	(a) Current Tax		2,838.01		1,481.87	
	(b) Deferred Tax		15.18		120.60	
				2,853.19		**1,602.47**
VII	**Profit for the year**			**9,935.96**		**5,136.12**
VIII	**Other Comprehensive Income**					
	Items that will be reclassified subsequently to profit and loss					
	i) Exchange difference on translation of foreign exchange			-		-
	Items that will not be reclassified subsequently to profit and loss					
	i) Fair value gain on financial instruments at fair value through OCI		-		-	-
	ii) Remeasurement of net defined benefit obligations (net of taxes)		2.22	2.22	89.24	89.24
	Other Comprehensive Income (net of tax)			**2.22**		**89.24**
	Total Comprehensive Income for the period			**9,938.18**		**5,225.36**
IX	**Weighted Average No. of equity shares for computing EPS (in lakhs)**	38				
	(1) Basic			10,594.12		10,594.06
	(2) Diluted			10,596.87		10,605.24
X	**Earnings Per Equity Share (Face Value ₹ 1/- Per Share):**	38				
	(1) Basic (₹)			0.94		0.48
	(2) Diluted (₹)			0.94		0.48
	Significant Accounting Policies and Notes forming part of the Standalone Financial Statements.	1-55				

As per our report of even date

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Anil Agarwal
Partner
Membership No.: 049396

Place : Mumbai
Date : May 13, 2022

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
MD & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Ajay Jangid
Chief Financial Officer

VAKRANGEE LTD. MUMBAI

Sachin Khandekar
Company Secretary

Vakrangee Limited

Standalone Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

S. No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I	**Cash flow from operating activities**		
	Profit before tax from continuing operations	12,789.15	6,738.59
	Profit before tax	**12,789.15**	**6,738.59**
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	1,545.57	1,478.35
	Employee share based payment expenses	(1,594.90)	(1,041.58)
	Net foreign exchange differences	0.06	(0.04)
	Allowance for credit losses	131.53	64.78
	Fair value gain on financial instrument at fair value through Profit and	(101.72)	(14.54)
	Remeasurement of defined benefit obligations	2.97	119.25
	Gain on disposal of property, plant and equipment	168.22	-
	Interest income	(90.33)	(6,797.51)
	Dividend income	(1.50)	-
	Operating profit before working capital changes	**12,849.05**	**547.30**
	Movements in assets and liabilities :		
	Decrease / (increase) in inventories	86.76	284.16
	Decrease / (increase) in trade receivables	15,996.29	25,170.26
	Decrease / (increase) in loans and other financial assets	214.78	18,507.98
	Decrease / (increase) in other current assets	(21,189.05)	(47,479.95)
	Decrease / (increase) in other non-current assets	614.92	2,338.93
	Increase / (decrease) in trade payables	569.18	(3,886.90)
	Increase / (decrease) in employee benefit obligations	(32.68)	(5.40)
	Increase / (decrease) in provisions	68.46	395.48
	Increase / (decrease) in other current liabilities	(3,822.81)	1,605.61
	Cash generated from operations	**5,354.90**	**(2,522.53)**
	Income taxes paid (net of refunds)	(651.24)	(372.58)
	Net cash flow generated from operating activities (A)	**4,703.66**	**(2,895.11)**
II	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(756.60)	(2,132.97)
	Proceeds from sale of property, plant and equipment	607.91	0.22
	Proceeds from sale of investments	-	209.53
	Investment in subsidiaries	(1.00)	-
	Loans of subsidiaries	-	9.68
	Interest received	90.33	6,797.51
	Dividends received	1.50	-
	Net cash flow generated from / (used in) investing activities (B)	**(57.86)**	**4,883.97**
III	**Cash flow from financing activities**		
	Proceeds from issue of shares	0.94	-
	Proceeds towards securities premium on issue of shares	23.80	-
	Dividends paid to company's shareholders	(1,059.41)	(2,648.51)
	Net cash flow (used in) in financing activities (C)	**(1,034.67)**	**(2,648.51)**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**3,611.13**	**(659.65)**
	Effects of exchange rate changes on cash and cash equivalents	(0.06)	0.05
	Cash and cash equivalents at the beginning of the year	584.01	1,243.61
	Cash and cash equivalents at the end of the year	**4,195.08**	**584.01**

Significant Accounting Policies and Notes forming part of the Standalone Financial Statements 1-55

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

For and on behalf of the Board of Directors

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
MD & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Anil Agarwal
Partner
Membership No.: 041396

Ajay Jangid
Chief Financial Officer

Sachin Khandekar
Company Secretary

Place : Mumbai
Date : May 13, 2022

Vakrangee Limited

Statement of changes in equity for the year ended March 31, 2022

(₹ 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, 2020	10,594.06	42,746.84	1,90,153.46	18,268.05	2,879.92	(3,086.34)	(102.49)	2,61,453.50
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	-	-	5,136.12	-	-	-	-	5,136.12
Dividends (including dividend distribution tax)	-	-	(2,648.51)	-	-	-	-	(2,648.51)
Transfer to General Reserve	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	(1,041.59)	-	-	(1,041.59)
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	89.24	89.24
Balance as at March 31, 2021	10,594.06	42,746.84	1,92,641.07	18,268.05	1,838.33	(3,086.34)	(13.25)	2,62,988.76
Increase in share capital on account of conversion of ESOPs	0.94	-	-	-	-	-	-	0.94
Amount received on shares issued during the year	-	23.80	-	-	-	-	-	23.80
Transferred from Share Options Outstanding Account	-	33.65	-	-	(33.65)	-	-	-
Profit for the year	-	-	9,935.96	-	-	-	-	9,935.96
Dividends (including dividend distribution tax)	-	-	(1,059.41)	-	-	-	-	(1,059.41)
Transfer to General Reserve	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	(1,594.90)	-	-	(1,594.90)
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	2.22	2.22
Balance as at March 31, 2022	10,595.00	42,804.29	2,01,517.62	18,268.05	209.78	(3,086.34)	(11.03)	2,70,297.37

Significant Accounting Policies and Notes forming part of the Standalone Financial Statements 1-55

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Anil Agarwal
Partner
Membership No.: 045385

Place : Mumbai
Date : May 13, 2022

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
MD & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Ajay Jangid
Chief Financial Officer

VAKRANGEE LTD. MUMBAI

Sachin Khandekar
Company Secretary

Note 4 - Property, Plant and Equipment

(a) (₹ in lakhs)

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, 2020	**1,758.58**	**10,627.96**	**566.11**	**146.77**	**495.69**	**1,691.67**	**3,185.24**	**1,063.38**	**19,535.39**	**461.82**	**19,997.21**
Additions	10.13	2,251.00	5.80	-	1.78	19.08	-	9.68	2,297.46	2,051.52	4,348.98
Disposals/Transfers	-	-	-	-	0.41	-	-	-	0.41	2,373.09	2,373.51
At March 31, 2021	**1,768.72**	**12,878.95**	**571.91**	**146.77**	**497.05**	**1,710.75**	**3,185.24**	**1,073.05**	**21,832.44**	**140.25**	**21,972.69**
Additions	-	588.04	-	45.86	6.07	15.94	-	-	655.92	645.25	1,301.16
Disposals/Transfers	852.90	1,052.00	-	-	100.94	2.38	-	-	2,008.21	588.04	2,596.26
At March 31, 2022	**915.82**	**12,414.99**	**571.91**	**192.63**	**402.19**	**1,724.31**	**3,185.24**	**1,073.05**	**20,480.14**	**197.45**	**20,677.59**
Depreciation and Impairment											
At March 31, 2020	**89.15**	**2,288.47**	**335.81**	**71.35**	**208.64**	**1,244.83**	**123.55**	**239.12**	**4,600.91**	-	**4,600.91**
Depreciation charged for the year	22.41	1,129.18	6.23	16.56	16.62	111.47	59.34	116.54	1,478.35	-	1,478.35
Depreciation for the year transfer to CWIP	6.70	-	29.24	-	58.45	94.96	-	-	189.35	-	189.35
Disposals/Transfers	-	-	-	-	0.18	-	-	-	0.18	-	0.18
At March 31, 2021	**118.26**	**3,417.65**	**371.28**	**87.91**	**283.53**	**1,451.26**	**182.89**	**355.66**	**6,268.43**	-	**6,268.43**
Depreciation for the year charged to P&L	25.12	1,164.28	22.02	19.75	61.13	76.74	59.34	117.21	1,545.57	-	1,545.57
Depreciation for the year transfer to CWIP	1.69	-	6.93	-	14.41	21.85	-	-	44.88	-	44.88
Disposals/Transfers	76.77	1,052.00	-	-	100.94	2.37	-	-	1,232.09	-	1,232.09
At March 31, 2022	**68.30**	**3,529.93**	**400.22**	**107.66**	**258.13**	**1,547.47**	**242.23**	**472.86**	**6,626.79**	-	**6,626.79**
Net Book Value											
At March 31, 2022	847.52	8,885.06	171.69	84.97	144.06	176.84	2,943.01	600.19	**13,853.34**	197.45	**14,050.79**
At March 31, 2021	1,650.45	9,461.30	200.63	58.85	213.53	259.49	3,002.35	717.40	**15,564.00**	140.25	**15,704.25**

(b) Immovable Property situated at Vakrangee Corporate House, Plot No. 93, Road No 16, MIDC, Marol, Near Hotel Suncity Residency, Andheri East, Mumbai-400093 with total built up area of entire building is 21050 Sq ft has been mortgaged as collateral security against borrowings from Union Bank of India.

(c) Title deeds of all the Immovable Property are held in name of the company.

(d) The company has not revalued its Property, Plant and Equipment during the year.

(e) CWIP ageing schedule (₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	154.94	42.51	-	-	197.45
Project temporarily suspended	-	-	-	-	-

(f) Finance Lease arrangement (Leasehold Land and Building)

The net carrying amount of Property, Plant and Equipment under finance lease arrangements are as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Leasehold Land & Building	2,943.01	3,002.35

During the the year ended on March 31, 2018, 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.

A. P. SANZGIRI & CO.
MUMBAI
F. R. NO. 116293W
CHARTERED ACCOUNTANTS

VAKRANGEE LTD.
MUMBAI

Note 5 - Intangible Assets under Development

(a)

(₹ in lakhs)

Description	Amount
Gross Block	
At March 31, 2020	-
Additions	346.43
Disposal	-
At March 31, 2021	**346.43**
Additions	88.36
Disposal	-
At March 31, 2022	**434.79**
Depreciation and Impairment	
At March 31, 2020	-
Depreciation Charged for the year	-
Impairment during the year	-
Disposal	-
At March 31, 2021	-
Depreciation Charged for the year	-
Impairment during the year	-
Disposal	-
At March 31, 2022	-
Net Book Value	
At March 31, 2022	434.79
At March 31, 2021	346.43

(b) **Intangible Assets under Development ageing schedule**

(₹ in lakhs)

Intangible Assets under Development	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	88.36	346.43	-	-	434.79
Project temporarily suspended	-	-	-	-	-

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Vakrangee Limited

Notes forming part of Standalone Financial Statements

Note 6 - Investments
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(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 (March 31, 2021 : 96,000 Equity shares)	96.00	96.00
1,00,000 Equity Shares of Vakrangee Digital Ventures Limited of ₹ 1/- each fully paid up (March 31, 2021 : Nil Equity shares)	1.00	-
1,20,00,000 Equity Shares of VL E-Governance & IT Solutions Limited of ₹ 10/- each fully paid up (March 31, 2021 : 1,20,00,000 Equity shares)	1,200.00	1,200.00
1,50,00,000 Equity Shares of Vakrangee Finserve Limited of ₹ 10/- each fully paid up (March 31, 2021 : 1,50,00,000 Equity shares)	1,500.00	1,500.00
(A)	**2,797.00**	**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 (March 31, 2021 : 2,500 Equity shares)	240.57	138.85
(B)	**240.57**	**138.85**
TOTAL (A + B)	**3,037.57**	**2,934.85**
Aggregate amount of unquoted investments	3,037.57	2,934.85

Investment at fair value through profit and loss reflect investment in unquoted equity securities.
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.

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Note 7 - Trade Receivables
(Non Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a)		
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	-	-
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivable - credit impaired	417.57	381.55
	417.57	**381.55**
Less: Allowance for credit losses	417.57	381.55
TOTAL	-	-

(b) Detailed note on disclosure as required by Schdeule III for ageing
Refer Note 48 for ageing of Trade Receivables

Note 8 - Loans
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
(i) Loans Receivable considered good (Secured)		-		-
(ii) Loans Receivable considered good (Unsecured)				
(a) Loan to Others	-		-	
(b) Loan to Related Parties				
Dues from subsidiaries	2,692.91		2,657.46	
		2,692.91		2,657.46
(iii) Loans Receivable which have significant increase in Credit Risk		-		-
(iv) Loans Receivable - credit impaired		-		-
		2,692.91		**2,657.46**

Details of Loans to Related Parties

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount outstanding	Percentage of total Loans	Amount outstanding	Percentage of total Loans
Loan to Subsidiary (without specifying any terms or period of repayment)	2,692.91	100%	2,657.46	100%
Total	**2,692.91**	**100%**	**2,657.46**	**100%**

Note 9 - Other Financial Assets
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
Deposits with bank				
- with maturity period of more than 12 months *		75.50		77.64
Other Deposits				
Security Deposit	19.08		41.08	
Earnest Money Deposit	41.00		41.00	
		60.08		82.08
TOTAL		**135.58**		**159.72**
* Amount held as margin money or security against borrowings, guarantee, other commitments		75.50		77.09

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Note 10 - Deferred Tax Assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
Assets				
(i) On account of difference in depreciation on Property, Plant and Equipment	-		-	
(ii) Provision for Employees' obligations	80.89		59.85	
(iii) On account of Expected Credit Losses	183.47		150.37	
(A)		264.36		210.22
Liabilities				
(i) On account of difference in depreciation on Property, Plant and Equipment	338.39		268.32	
(B)		338.39		268.32
Balance carried to Balance Sheet (A - B)		**(74.03)**		**(58.10)**

(a) Movement in deferred tax account during the year is as follows:

(₹ in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance
For the year ended March 31, 2022 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	(268.32)	(70.07)	-	(338.39)
Expenses provided but allowable in Income Tax on payment	59.85	21.79	(0.75)	80.89
Allowance for expected credit losses	150.37	33.10	-	183.47
	(58.10)	(15.18)	(0.75)	(74.03)
Others	-	-	-	-
	-	-	-	-
TOTAL	**(58.10)**	**(15.18)**	**(0.75)**	**(74.03)**
For the year ended March 31, 2021 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	(126.58)	(141.74)	-	(268.32)
Expenses provided but allowable in Income Tax on payment	85.03	4.84	(30.01)	59.85
Allowance for expected credit losses	134.07	16.30	-	150.37
	92.52	(120.60)	(30.01)	(58.10)
Others	-	-	-	-
	-	-	-	-
TOTAL	**92.52**	**(120.60)**	**(30.01)**	**(58.10)**

The analysis of Deferred Tax Assets is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets to be recovered after more than 12 months	-	-
Deferred Tax Assets to be recovered within 12 months	(74.03)	(58.10)
	(74.03)	(58.10)

(b) Explanation of changes in the applicable tax rate(s) compared to the previous accounting period

Particulars	As at March 31, 2022	As at March 31, 2021
Applicable Tax rate considered for deferred tax asset or liability	25.168%	25.168%

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 11 - Other Non-Current Assets
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
Capital Advances		59,001.30		59,595.90
Prepaid Expenses		5.52		2.18
Balances with statutory / revenue authorities				
- Income Tax (net of provision for taxation)	20.06		12.09	
- Sales Tax	-	20.06	23.66	35.75
TOTAL		**59,026.88**		**59,633.83**

Note 12 - Inventories

(₹ in lakhs)

(a)

Particulars	As at March 31, 2022		As at March 31, 2021	
Stock-in-Trade	394.10		485.31	
Consumables	11.41		4.04	
Stores & Spares	4.95		7.87	
TOTAL		**410.46**		**497.22**

(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.

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Note 13 - Trade Receivables
(Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a)		
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	91,775.65	1,06,344.61
Trade Receivable which have significant increase in Credit Risk	22.46	1,485.80
Trade Receivable - credit impaired	-	-
	91,798.11	**1,07,830.41**
Less: Allowance for credit Losses	311.43	215.92
TOTAL	**91,486.68**	**1,07,614.49**

(b) Debts due from related parties

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Subsidiaries	50.50	0.90
TOTAL	**50.50**	**0.90**

(c) Detailed note on disclosure as required by Schdeule III for ageing
Refer Note 48 for ageing of Trade Receivables

Note 14 - Cash and Cash equivalents and Other Bank Balances

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
(a)				
(A) Cash and Cash Equivalents				
(i) Balances with Banks :				
- Current Accounts	4,141.83		532.26	
- Deposit Accounts	-		-	
(ii) Cash-in-hand	53.25		51.75	
		4,195.08		**584.01**
(B) Bank Balances other than above				
(i) Earmarked balances in unclaimed dividend account	85.50		92.44	
(ii) Fixed Deposits with maturity period of more than 3 months but less than 12 months **	528.71		912.31	
TOTAL		**614.21**		**1,004.75**
** Amount held as margin money or security against borrowings, guarantee, other commitments		522.30		894.07

(b) For the purpose of cash flow statement

Particulars	As at March 31, 2022		As at March 31, 2021	
(A) Cash & Cash Equivalents				
(i) Balances with Banks :				
- Current Accounts	4,141.83		532.26	
- Deposit Accounts	-		-	
(ii) Cash-in-hand	53.25		51.75	
		4,195.08		584.01
Less : - Cash Credit		-		-
TOTAL		**4,195.08**		**584.01**

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Note 15 - Loans

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
(i) Loans Receivable considered good (Secured)		-		-
(ii) Loans Receivable considered good (Unsecured)				
(a) Loan to Others				
Staff Advances	3.26		2.43	
		3.26		2.43
(iii) Loans Receivable which have significant increase in Credit Risk		-		-
(iv) Loans Receivable - credit impaired		-		-
TOTAL		**3.26**		**2.43**

Note 16 - Other Financial Assets (Current)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
Insurance claim Receivable	1.76		0.47	
Security Deposit	22.87		7.71	
Accrued Interest on FD	1.28		0.29	
Receivable against sale of property	170.36		-	
CC Settlement Receivable	2.44		-	
ATM Settlement Receivable	406.76		1,824.47	
		605.47		1,832.94
TOTAL		**605.47**		**1,832.94**

Note 17 - Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax (net of provision for taxation)	-	511.53
TOTAL	**-**	**511.53**

Note 18 - Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to Vendors	93,496.88	77,386.88
Prepaid Expenses	51.05	72.35
Other Receivable		
- Accrued Revenue	16,283.54	10,919.48
Balances with statutory / revenue authorities		
- Goods & Service Tax	1,114.11	1,377.82
TOTAL	**1,10,945.58**	**89,756.53**

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Notes forming part of Standalone Financial Statement

Note 19 - Equity Share Capital

Equity share capital

(i) Authorised share capital

(₹ in lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2021	12,500.00	12,500.00
Increase during the year	-	-
As at March 31, 2022	12,500.00	12,500.00

(ii) Paid up Equity share capital

(₹ in lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2020	10,594.06	10,594.06
Exercise of options	-	-
As at March 31, 2021	10,594.06	10,594.06
Exercise of options	0.94	0.94
As at March 31, 2022	10,595.00	10,595.00

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
Vakrangee Holdings Private Limited	2,509.50	23.69%	2,509.50	23.69%
NJD Capital Private Limited	1,311.00	12.37%	1,311.00	12.37%
Life Insurance Corporation of India	658.65	6.22%	659.15	6.22%
Dinesh Nandwana	691.07	6.52%	691.07	6.52%

(iv) Disclosure of shareholders holding of Promoters

Shares held by promoters as at March 31, 2022

	Number of shares (in lakhs)	% of Total shares	% Change during the year
Vakrangee Holdings Private Limited	2,509.50	23.69%	0.00%
NJD Capital Private Limited	1,311.00	12.37%	0.00%
Dinesh Nandwana	691.07	6.52%	0.00%
Dinesh Nandwana HUF	1.96	0.02%	0.00%

(v) 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, 2022, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 0.10/- per share of ₹ 1/- each for the year ended March 31, 2021.

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.

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

(No. of shares in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
- 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.	8.66	8.08

(vii) 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 :

(₹ in lakhs)

Particulars	As at March 31,	
	2022	2021
Net debt	-	-
Total equity	2,70,297.38	2,62,988.76
Net debt to equity ratio	-	-

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Note 20 - Other Equity

(i) Reserves and surplus (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium	42,804.29	42,746.84
Share Options Outstanding Account	399.80	3,347.37
Deferred Employee Compensation Expense	(190.01)	(1,509.04)
General Reserve	18,268.05	18,268.05
Surplus in Statement of Profit and Loss	2,01,517.62	1,92,641.07
Total (A)	**2,62,799.75**	**2,55,494.29**

(a) Securities Premium (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**42,746.84**	**42,746.84**
Add:- On share issued during the year	23.80	-
Add:- Transfer from shares options outstanding account	33.65	-
Closing balance	**42,804.29**	**42,746.84**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**3,347.37**	**5,950.10**
Add:- On further grant of options	150.90	-
Less:- Reversal due to Lapsation of option	(3,064.82)	(2,602.73)
Less: Transfer to Securities premium account	(33.65)	-
Closing balance	**399.80**	**3,347.37**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**(1,509.04)**	**(3,070.18)**
Add:- On further grant of options	(150.90)	-
Less:- Reversal due to Lapsation of option	1,368.68	1,269.49
Less:- Amortised during the year	101.25	291.65
Closing balance	**(190.01)**	**(1,509.04)**

(d) General Reserve (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**18,268.05**	**18,268.05**
Add:- Transfer from Profit and Loss account	-	-
Closing balance	**18,268.05**	**18,268.05**

(e) Surplus in Statement of Profit and Loss (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**1,92,641.07**	**1,90,153.46**
Add:- Profit for the year	9,935.96	5,136.12
Less:- Transfer to General Reserve	-	-
Less:- Dividend declared and paid	(1,059.41)	(2,648.51)
Less:- Dividend distribution tax	-	-
Closing balance	**2,01,517.62**	**1,92,641.07**

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(ii) Other Comprehensive Income (₹ in lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
Opening balance		**(3,099.59)**	**(3,188.83)**
Remeasurement of net defined benefit obligations (net of taxes)		2.22	89.24
Closing balance	**Total (B)**	**(3,097.37)**	**(3,099.59)**
	Total (A+B)	**2,59,702.38**	**2,52,394.70**

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.

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Note 21 - Trade Payables
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
- 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		12.04		14.34
TOTAL		**12.04**		**14.34**

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.

Detailed note on disclosure as required by Schdeule III for ageing
Refer Note 49 for ageing of Trade Payable

Note 22 - Other Financial Liabilities
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposit	41.28	40.39
TOTAL	**41.28**	**40.39**

Note 23 - Employee Benefit Obligations
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employees' benefits	307.92	331.00
TOTAL	**307.92**	**331.00**

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Note 24 - Borrowings
(Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans		
Loan Repayable on Demand		
- From Bank	-	-
TOTAL	-	-

The Company has working capital facility (sanctioned limit of Rs. 45 Crores) & additional facility (sanctioned limit of Rs. 13.36 Crores) from Union Bank of India. The facilities are secured by First charge (Primary) of hypothecation of Book Debts and present & future current assets of Company.

Collateral Security - Registered Equitable Mortgage of Immovable Property situated at Vakrangee Corporate House, Plot No. 93, Road No 16, MIDC, Marol, Near Hotel Suncity Residency, Andheri East, Mumbai-400093 with total built up area of entire building is 21050 Sq ft in the name of M/S Vakrangee Limited.

Note 25 - Trade Payables
(Current)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
Trade Payables				
- Dues of micro enterprises and small enterprises				
	Principal	**Interest**	**Principal**	**Interest**
Amount due to vendor	102.35	-	38.76	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	102.35	-	38.76	-
Total Dues of micro enterprises and small enterprises		102.35		38.76
- Dues of Creditors other than micro enterprises and small enterprises		3,130.36		2,622.47
TOTAL		**3,232.71**		**2,661.23**

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.

Detailed note on disclosure as required by Schdeule III for ageing
Refer Note 49 for ageing of Trade Payable

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Note 26 - Other Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Payable to Franchisee	5,331.59	6,648.26
Payable for acquisition of Property, Plant & Equipments	627.39	695.96
Payable towards CSR Expenses	650.05	650.05
Unpaid Dividend	85.50	92.23
TOTAL	**6,694.53**	**8,086.50**

Note 27 - Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	1,101.77	294.11
Advance from customers	63.51	3,970.75
Kendra money received pending allotment	1,459.73	1,932.08
Franchisee Wallet Balance	143.33	286.84
Staff Emoluments Payable	644.94	752.31
TOTAL	**3,413.28**	**7,236.09**

Note 28 - Provisions

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Expenses for Goods & services	1,160.55	1,092.08
TOTAL	**1,160.55**	**1,092.08**

Note 29 - Employee Benefit Obligations (Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employees' benefits	16.45	26.05
TOTAL	**16.45**	**26.05**

Note 30 - Current Tax Liabilities (Net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax (net of provision for taxation)	2,389.09	705.90
TOTAL	**2,389.09**	**705.90**

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Note 31 - Revenue from Operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
(a) Revenue from vakrangee kendra, including e-governance activities		56,993.12		15,901.94
(b) Revenue from Sale of Products				
- Computer consumables & peripherals	900.93		1,324.01	
		900.93		1,324.01
(c) Revenue from Sale of Services				
- Information Technology-enabled Services (ITeS)	10,611.89		4,910.94	
- Other	495.00		360.00	
		11,106.89		5,270.94
(d) Other Operating Revenues				
- Kit Transportation charge	196.03		233.31	
- Scrap Sales	32.18		13.47	
		228.21		246.78
TOTAL		69,229.15		22,743.67

Note:- The amount of revenues are exclusive of indirect taxes i.e. Goods and Service Tax

Note 32 - Other Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
(i) Interest Income				
(a) Interest Income on the financial assets at amortized cost				
- Bank Deposits	30.52		195.94	
(b) Other Interest Income	59.81	90.33	6,601.57	6,797.51
(ii) Dividend income		1.50		-
(iii) Other non-operating income				
- Rent Received	2.03		3.12	
- Gain on Sale of Asset	0.44		-	
- Gain on Foreign Exchange Fluctuation	35.51		0.01	
- Fair value gain on financial instrument at fair value through Profit and loss*	101.72		14.54	
- Miscellaneous Income	0.21		0.07	
		139.91		17.74
TOTAL		231.74		6,815.25

*Total Fair value gain on financial instrument at fair value through profit and loss includes ₹ NIL (previous year ₹ 2.63 lakhs) as ' Net Gain on sale of Investments'

Note 33 - Operating Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Project Delivery Cost				
- Opening Stock	11.92		14.93	
- Add : Purchase of goods and services	41,378.37		5,106.89	
- Less : Closing Stock	16.36		11.92	
		41,373.93		5,109.90
Project Expenses		1,036.20		1,035.74
Commission Expenses		7,892.01		7,710.14
Communication Costs		0.92		0.70
Conveyance & Travelling Expenses		2.59		6.15
Penalty *		100.00		-
Transportation, Octroi and Loading / Unloading Charges		188.75		113.70
Rent, Rates and Taxes		95.50		220.61
TOTAL		50,689.90		14,196.94

*RBI has imposed a penalty for non deployment of minimum number of ATMs required to be deployed, which is contrvention of the nature referred to in Section 26 (6) of the Payment and Settlement Systems Act, 2007

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Note 34 - Changes in Inventories

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
(a) At the beginning of the period				
(i) Work-in-Progress	-		-	
(ii) Stock-in-Trade	485.31		766.44	
Less : Stock converted into Fixed Assets	-		-	
		485.31		766.44
Less : at the end of the period				
(i) Work-in-Progress	-		-	
(ii) Stock-in-Trade	394.10		485.31	
		394.10		485.31
TOTAL		**91.21**		**281.13**

Note 35 - Employee Benefits Expenses

(₹ In lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
(a)				
(i) Salaries & Wages	2,453.40		3,857.44	
(ii) Directors' Remuneration	283.87		287.77	
(iii) Contribution to Provident & Other Funds	79.31		187.94	
(iv) Share-based Payment Expenses	(1,594.90)		(1,041.58)	
(v) Directors' Sitting Fees	34.35		19.10	
(vi) Staff Welfare Expenses	66.79		36.66	
		1,322.82		3,347.33
TOTAL		**1,322.82**		**3,347.33**

(b) Detailed note on disclosure as required by Ind AS-19

For details, refer Note No. 43.

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Note 36 - Other Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Repairs & Maintenance :				
- Building	23.69		4.85	
- Vehicle	1.90		2.81	
- Others	54.73	80.32	64.27	71.93
Advertisement and Publicity		237.47		205.81
Business Promotion		19.42		18.10
Rates & Taxes		118.87		235.26
Insurance		60.06		151.57
Electricity Charges		48.59		54.04
Printing and Stationery		7.36		11.43
Communication Costs		62.01		119.50
Fees & Subscriptions		17.06		21.10
Listing, Registrar & Share Issue/Transfer Charges		58.53		41.04
Loss on Foreign Exchange Fluctuation		0.03		67.09
Legal & Professional Fees - Other than payments to Auditor:				
- Legal & Professional	805.73		435.33	
- Filing, Stamp Duty and Franking Charges	27.34	833.07	27.91	463.24
Payments to Auditors :				
- Audit fees (including limited review)	65.00		65.00	
- Tax Audit fees	10.00		10.00	
- For Other Services	-		-	
- For Reimbursement of Expenses	1.65	76.65	1.98	76.98
Conveyance & Travelling		30.23		23.57
Vehicle Expenses		10.57		10.34
Corporate Social Responsibility Expenditure (Refer Note 40)		135.74		745.04
Office & General Expenses		43.25		77.71
Allowance for credit losses				
- Opening Allowances	(597.47)		(532.69)	
- Less : Closing Allowances	(729.00)	131.53	(597.47)	64.78
Miscellaneous Expenses		57.39		109.02
TOTAL		**2,028.15**		**2,567.55**

Note 37 - Exceptional Item

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Net Loss on disposal of Property plant and equipment	(168.66)	-
TOTAL	**(168.66)**	-

Exceptional item consists of loss on sale of office premises (an item of PPE).

Note 38 - Earnings Per Equity Share

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Net profit after tax attributable to equity shareholders for		
Basic EPS	9,935.96	5,136.12
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	9,935.96	5,136.12
(b) Weighted average no. of equity shares (in lakhs) outstanding during the year		
For Basic EPS	10,594.12	10,594.06
For Diluted EPS	10,596.87	10,605.24
(c) Face Value per Equity Share (₹)	1.00	1.00
Basic EPS (₹)	0.94	0.48
Diluted EPS (₹)	0.94	0.48

(d) Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
No. of shares used for calculating Basic EPS	10,594.12	10,594.06
Add: Potential equity shares	2.75	11.18
No. of shares used for calculating Diluted EPS	**10,596.87**	**10,605.24**

Note 39 - Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
(A) Contingent Liabilities				
(i) Claims against the company not acknowledged as debts	-		-	
(ii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts	178.00		170.57	
(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	125.00		325.00	
(A)		303.00		495.57
(B) Commitments				
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	59,001.30		59,595.90	
(B)		59,001.30		59,595.90
TOTAL (A + B)		59,304.30		60,091.47

Note :
The amount of liabilities, which may occur on levying of penalty and/or charges by clients for delays in execution of contracts within the time prescribed in the agreement, is unascertained.

Note 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.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Gross Amount required to be spent by the company during the year	135.74	745.04
b) Amount of expenditure incurred on:		
(i). Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	135.74	94.99
c) Shortfall at the end of the year	-	650.05
d) Total of previous years' short fall	650.05	-
e) Reason for short fall	Pertains to ongoing projects	Pertains to ongoing projects
f) The nature of CSR activities undertaken by the Company	Eradication of hunger and malnutrition, promoting education, healthcare	Eradication of hunger and malnutrition, promoting education, healthcare

Note 41 - Segment Reporting

The Company's activities predominently comprise providing various services through Vakrangee Kendra. Considering the nature of the Company's business and operations, there is only one reportable operating segment (business and / or geographical) i.e. Vakrangee Kendra in accordance with the requirements of the Indian Accounting Standard 108 – "Operating Segments".

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Note 42 - Related Party Details

(a) Key Management Personnel and Directors

Mr. Ramesh Mulchand Joshi	Non-Executive Chairman
Mr. Dinesh Nandwana	Managing Director & Group CEO
Mr. Anil Khanna	Director (upto September 11, 2020)
Dr. Nishikant Hayatnagarkar	Whole-Time Director
Mr. Sunil Agarwal	Director
Mr. Babulal Meena	Director
Mrs. Sujata Chattopadhyay	Director
Mr. Avinash Chandra Vyas	Director
Mr. Ranbir Datt	Nominee Director
Mr. Hari Chand Mittal	Director (w.e.f. July 31, 2020)
Mr. Subhash Singhania	Chief Financial Officer (upto December 20 2020)
Mr. Mehul Rawal	Company Secretary and Compliance Officer (upto December 20 2020)
Mr. Ajay Jangid	Chief Financial Officer (w.e.f. December 21, 2020)
Mr. Jay Bhansali	Company Secretary and Compliance Officer (upto September 24, 2021)
Mr. Sachin Khandekar	Company Secretary and Compliance Officer (w.e.f. September 25, 2021)

(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

- Ms. Divya Nandwana	Daughter of Director
- Mr. Vedant Nandwana	Son of Director

(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, 2022	March 31, 2021
Vakrangee e-Solutions Inc.	Phillipines	100%	100%
Vakrangee Finserve Limited	India	100%	100%
VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited)	India	100%	100%
Vakrangee Digital Ventures Limited	India	100%	100%

Related Party Transactions

- In relation to (a)

(₹ in lakhs)

Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration to Key Managerial Personnel		
- Dinesh Nandwana	240.00	240.00
- Dr. Nishikant Hayatnagarkar	56.55	47.77
- Subhash Singhania	-	37.20
- Mehul Rawal	2.94	16.09
- Ajay Jangid	26.63	-
- Jay Bhansali	3.60	-
- Sachin Khandekar	4.36	-
Post-employment benefits to Key Managerial Personnel		
- Dinesh Nandwana	18.69	17.72
- Dr. Nishikant Hayatnagarkar	20.00	20.00
- Ajay Jangid	0.65	-
- Jay Bhansali	-	-
- Sachin Khandekar	0.21	-
Directors Sitting Fees		
- Ramesh Mulchand Joshi	4.95	2.95
- Sunil Agarwal	5.00	2.75
- Babulal Meena	4.95	2.70
- Sujata Chattopadhyay	4.50	2.50
- Avinash Chandra Vyas	5.45	3.20
- Ranbir Datt	4.50	2.75
- Hari Chand Mittal	5.00	2.25
Balance outstanding as on March 31 :		
(Expenses and Salaries Payable)		
- Dinesh Nandwana	12.48	12.48
- Dr. Nishikant Hayatnagarkar	3.43	3.18
- Subhash Singhania	-	4.63
- Ajay Jangid	1.86	1.80
- Sachin Khandekar	0.68	-
- Jay Bhansali	-	0.40

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Notes forming part of Standalone Financial Statements

- In relation to (b)

(₹ in lakhs)

Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Reimbursement of Expenses Paid		
- Vedant Nandwana	1.95	-
Employee Benefit Expenses		
- Divya Nandwana	16.68	15.42
- Vedant Nandwana	6.95	6.43
Balance outstanding as on March 31 : (Expenses and Salaries Payable)		
- Divya Nandwana	-	1.15
- Vedant Nandwana	-	0.50

- In relation to (c)

(₹ in lakhs)

Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Sales of Support Services		
- Vakrangee Finserve Limited	496.15	360.37
- Vakrangee Digital Venture Limited	43.34	-
Purchase of Support Services		
- VL E-Governance & IT Solutions Limited	18.50	
- Vakrangee Digital Venture Limited	34.37	-
Margin Money against Guarantee issued by Bank		
- Vakrangee Finserve Limited	125.00	325.00
Balance Outstanding as on March 31 :		
- Vakrangee Finserve Limited (Trade Receivable)	50.50	0.90
- Vakrangee Digital Venture Limited (Trade Payable)	22.71	-
- Vakrangee e-Solutions Inc. (Loans Receivable, including foreign exchange fluctuation as at year-end)	2,692.91	2,657.46

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Note 43 - Employee Benefit Obligations

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 169.36 lakhs (March 31, 2021 - ₹ 262.92 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 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 ₹ 57.35 lakhs (March 31, 2021 - ₹ 138.94 lakhs).

Gratuity

The following table sets out the amount recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

(₹ In lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-20	**486.64**	**(400.24)**	**86.40**
Current Service cost	131.10	-	131.10
Past Service Cost	-	-	-
Interest expense/(income)	31.35	(29.95)	1.40
Total amount recognised in profit and loss	**162.45**	**(29.95)**	**132.50**
Remeasurements			
Return on plan assets, excluding amounts included in interest	-	-	-
(Gain)/loss from change in financial assumptions	(132.11)	-	(132.11)
Experience (gains)/losses	1.10	11.75	12.86
Total amount recognised in other comprehensive income	**(131.01)**	**11.75**	**(119.25)**
Employer contributions	-	(5.49)	(5.49)
Benefit payments	(109.99)	109.99	-
31-Mar-21	**408.09**	**(313.95)**	**94.14**

(₹ In lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-21	**408.09**	**(313.95)**	**94.14**
Current Service cost	80.25	-	80.25
Past Service Cost	-	-	-
Interest expense/(income)	25.58	(21.98)	3.60
Total amount recognised in profit and loss	**105.83**	**(21.98)**	**83.85**
Remeasurements			
Return on plan assets, excluding amounts included in interest	-	(0.01)	(0.01)
(Gain)/loss from change in financial assumptions	(0.00)	-	(0.00)
Experience (gains)/losses	(13.90)	10.93	(2.97)
Total amount recognised in other comprehensive income	**(13.90)**	**10.92**	**(2.98)**
Employer contributions	-	(20.00)	(20.00)
Benefit payments	(204.96)	204.96	-
31-Mar-22	**295.06**	**(140.05)**	**155.01**

The net liability disclosed above relates to funded plans are as follows

(₹ In lakhs)

Particulars	31-Mar-22	31-Mar-21
Present value of funded obligations	295.06	408.09
Fair value of plan assets	(140.05)	(313.95)
Deficit/(Surplus) of gratuity plan	**155.01**	**94.14**

Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

	31-Mar-22	31-Mar-21
Discount rate	7.24%	6.67%
Salary growth rate (per annum)	5.00%	5.00%
Mortality Table	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate

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Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Impact on defined benefit obligation		
				Increase in assumption	
	31-Mar-22	31-Mar-21		31-Mar-22	31-Mar-21
Discount rate	1%	1%	Decrease by	7%	8%
Salary growth rate	1%	1%	Increase by	7%	9%

Particulars	Change in assumption		Impact on defined benefit obligation		
				Decrease in assumption	
	31-Mar-22	31-Mar-21		31-Mar-22	31-Mar-21
Discount rate	1%	1%	Increase by	9%	10%
Salary growth rate	1%	1%	Decrease by	6%	8%

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-22	31-Mar-21
Equity instruments	**9.68**	**9.68**
Debt instruments	**86.30**	**86.30**
Government bonds	67.56	67.56
Corporate bonds/debentures	18.74	18.74
Asset backed securities	**-**	**-**
Cash and cash equivalents	**4.02**	**4.02**
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.

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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 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 /5 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 on the basis of market price of the scrip of the company (on the highest traded Stock Exchange) as decided by the Nomination and Remuneration and Compensation Committee. During the year the committee has decided to grant options at closing price on previous day of grant of options.

During the year ended March 31, 2022, the Company has lapsed / cancelled 2699625 options granted under Company's "ESOP Scheme 2014", to its eligible employees as these options have gone underwater and were rendered un-attractive to employees due to decrease in market price of shares. In order to benefit the employees, the Company has cancelled these options and granted new options to eligible employees at prevalent market price. Due to this there is reversal of ₹ 1696.15 Lakhs in Employee stock compensation expenses resulting in decline of Employee Benefit Expenses. the Company has granted 1115300 new options during the year to the eligible employees. Further during the year the Company has allotted 94150 equity shares on conversion of ESOPs.

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-22		31-Mar-21	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	79.48	32,13,675	70.46	64,58,800
Granted during the year	42.70	11,15,300	-	-
Exercised during the year	26.27	94,150	-	-
Lapsed / cancelled during the year	113.53	26,99,625	61.42	32,45,125
Closing Balance	**42.20**	**15,35,200**	**79.48**	**32,13,675**
Vested and exercisable	50.61	3,41,800	86.85	17,31,025

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2022 was ₹ 30.70 (March 31, 2021 : ₹ NIL).

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-22	Share options 31-Mar-21
26-11-2014	26-11-2023	32.35	32,225	32,475
11-03-2016	10-03-2025	56.54	2,72,325	5,93,900
26-07-2017	25-07-2026	109.40	-	13,05,600
26-10-2017	25-10-2026	137.33	-	2,16,800
09-01-2018	08-01-2027	202.28	-	64,000
13-04-2018	12-04-2027	69.85	-	3,01,300
10-07-2018	09-07-2027	25.93	53,500	1,37,200
05-10-2018	04-10-2027	14.38	21,700	1,54,200
03-01-2019	02-01-2028	18.03	12,150	71,700
15-04-2019	14-04-2028	32.95	2,400	1,18,400
10-07-2019	09-07-2028	17.95	18,175	40,200
09-10-2019	08-10-2028	14.18	39,825	1,77,900
11-01-2022	10-01-2030	42.70	10,82,900	-
Total			**15,35,200**	**32,13,675**

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2022 was ₹ 13.53. 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 company has not granted any option during the year ended March 31, 2021.

The model inputs for options granted during the year ended March 31, 2022 included:

a) Options are granted for consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of four years after vesting.

Particulars	Year ended March 31, 2022
b) Exercise price	42.70
c) Grant date	11-01-2022
d) Expiry date	10-01-2030
e) Share price at grant date (₹)	42.30
f) Expected price volatility of the company's shares	51.55%
g) Expected dividend yield	0.25%
h) Risk free interest rate	6.57%
i) Fair value (₹)	13.53

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:

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Employee Stock Option Plan	(1,594.90)	(1,041.58)

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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.

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, 2022 were as follows:-

(₹ in lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	2,692.91	-	-	2,692.91	-	-
Trade Receivables	91,486.68	-	-	91,486.68	-	-
Cash & Cash equivalents	4,195.08	-	-	4,195.08	-	-
Other Bank Balances	614.21	-	-	614.21	-	-
Short Term Loans	3.26	-	-	3.26	-	-
Other Financial Assets	741.05	-	-	741.05	-	-
Investments*	-	240.57	-	240.57	-	240.57
TOTAL	**99,733.19**	**240.57**	-	**99,973.76**	-	**240.57**

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	3,244.75	-	-	3,244.75	-	-
Other Financial Liabilities	6,735.81	-	-	6,735.81	-	-
TOTAL	**9,980.56**	-	-	**9,980.56**	-	-

The carrying value and fair value by each classification as at March 31, 2021 were as follows:-

(₹ in lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	2,657.46	-	-	2,657.46	-	-
Trade Receivables	1,07,614.49	-	-	1,07,614.49	-	-
Cash & Cash equivalents	584.01	-	-	584.01	-	-
Other Bank Balances	1,004.75	-	-	1,004.75	-	-
Short term Loans	2.43	-	-	2.43	-	-
Other financial assets	1,992.66	-	-	1,992.66	-	-
Investments*	-	138.85	-	138.85	-	138.85
TOTAL	**1,13,855.80**	**138.85**	-	**1,13,994.65**	-	**138.85**

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	2,675.57	-	-	2,675.57	-	-
Other Financial Liabilities	8,126.90	-	-	8,126.90	-	-
TOTAL	**10,802.47**	-	-	**10,802.47**	-	-

*excluding Investments in Subsidiary Companies (₹ 2,797.00 lakhs (March 31, 2021 : ₹ 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.

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Table showing age of gross trade receivables and movement in expected credit loss allowance: (₹ in lakhs)

Age of receivables	March 31, 2022	March 31, 2021
Within the credit period	91,775.65	1,06,344.61
1-90 days past due	6.76	834.15
91-180 days past due	14.51	3.56
181-270 days past due	0.51	0.82
More than 270 days past due	418.25	1,028.82
Total	**92,215.68**	**1,08,211.96**

Movement in the expected credit loss allowance	March 31, 2022	March 31, 2021
Balance at beginning of the year	597.47	532.69
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	131.53	64.78
Total	**729.00**	**597.47**

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 :

(₹ in lakhs)

As on March 31, 2022	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-

As on March 31, 2021	< 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.

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:

(₹ in lakhs)

Currency	Liabilities		Assets	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
US Dollar (USD)	-	-	2,692.91	2,657.46

Foreign Currency Exposure

Particulars	USD in Lakhs	
	March 31, 2022	March 31, 2021
Trade Receivables	-	-
Loans Receivable	36.14	36.14
TOTAL	**36.14**	**36.14**

Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and impact on Equity

(₹ in lakhs)

Currency	Impact of Profit and Loss / Equity			
	For year ended March 31, 2022		For year ended March 31, 2021	
	1% increase	1 % decrease	1% increase	1 % decrease
US Dollar (USD)	26.93	(26.93)	26.57	(26.57)

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 46 - Disclosure under Section 186 (4) of the Companies Act, 2013 pertaining to subsidiaries and associates

(i) Details of loans to subsidiaries

(₹ in lakhs)

Name of Subsidiaries	As at March 31, 2022	As at March 31, 2021
- Vakrangee e-Solutions Inc. (Purpose of loan is to provide financial assistance to the subsidiary company)	2,692.91	2,657.46
	2,692.91	**2,657.46**

(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%

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VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited)	1,20,00,000	100%
Vakrangee Digital Ventures Limited	1,00,000	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:

(₹ in lakhs)

Particulars	For year ended March 31, 2022	For year ended March 31, 2021
Profit before income taxes	12,789.15	6,738.59
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	3,218.77	1,695.97
Effect of non-deductible expenses	(395.58)	(242.18)
Others	-	-
Income Tax expense of current year	**2,823.19**	**1,453.79**
Earlier year tax expenses	14.81	28.08
Current Income Tax expense	**2,838.01**	**1,481.87**

(b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2022 and March 31, 2021 :

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Income Tax Liabilities	2,389.09	705.90
Income Tax Assets	20.05	523.62
Net current income tax liabilities / (assets) at the end	**2,369.04**	**182.28**

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2022 and March 31, 2021 is as follows:

(₹ in lakhs)

Particulars	For year ended March 31, 2022	For year ended March 31, 2021
Net current income tax liability / (asset) at the beginning	**182.28**	**(927.01)**
Income Tax paid	(651.24)	(372.58)
Current Income Tax expense	2,838.01	1,481.87
Net current income tax liability / (asset) at the end	**2,369.04**	**182.28**

(c) The gross movement in the deferred income tax account for the year ended March 31, 2022 and March 31, 2021, are as follows:

(₹ in lakhs)

Particulars	For year ended March 31, 2022	For year ended March 31, 2021
Net deferred income tax liability at the beginning	**58.10**	**(92.52)**
Movements relating to temporary differences	15.18	120.60
Temporary differences on other comprehensive income	0.75	30.01
Net deferred income tax liability at the end	**74.03**	**58.10**

Note 48 - Ageing of Trade Receivable

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Outstanding for the following period from invoice date					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	1,549.42	13.72	2,446.40	87,766.11	-	**91,775.65**
	251.47	*2,446.73*	*1,03,646.41*	-	-	*1,06,344.61*
Undisputed Trade receivables – which have significant increase in	21.27	1.19	-	-	-	**22.46**
	837.51	*2.64*	*645.57*	*0.08*	-	*1,485.80*
Undisputed Trade receivables – credit impaired	-	-	1.58	35.47	380.52	**417.57**
	-	-	-	*171.83*	*209.72*	*381.55*
Disputed Trade receivables – considered good	-	-	-	-	-	-
	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-
Total Trade Receivables	1,570.69	14.91	2,447.98	87,801.58	380.52	**92,215.68**
	1,088.98	*2,449.38*	*1,04,291.97*	*171.91*	*209.72*	*1,08,211.96*
Less: Allowance for credit loss						**729.00**
						597.47
Net Trade Receivables						**91,486.68**
						1,07,614.49

Note 49 - Ageing of Trade Payable

Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Outstanding for the following period from invoice date				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	114.39	-	-	-	**114.39**
	53.10	-	-	-	*53.10*
Others	2,948.69	118.27	13.97	49.44	**3,130.36**
	2,589.36	*10.98*	*4.36*	*17.78*	*2,622.47*
Total trade payables	**3,063.08**	**118.27**	**13.97**	**49.44**	**3,244.75**
	2,642.46	*10.98*	*4.36*	*17.78*	*2,675.57*

Note 50 - Details of Benami Properties Held

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988.

Note 51 - Borrowings secured against current assets

Quarterly returns or statements of current assets filed by the company with the bank are in agreement with the books of accounts.

Note 52 - Relationship with Struck-off Companies

(₹ in lakhs)

Name of Struck off Company	Nature of Transaction	Balance outstanding at the end of the year as at March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
SNG CAPITAL TRUST PRIVATE LIMITED	Shares held by struck off company	0.030	Shareholder
YES EQUITIES PRIVATE LIMITED	Shares held by struck off company	0.004	Shareholder

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Note 53 - Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance
Current Ratio	Total Current assets	Total Current liabilities	12.32	10.19	20.91%
Debt-Equity Ratio	Total Debt (including borrowings & lease liabilities)	Total Equity	-	-	0.00%
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	-	-	0.00%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.94	0.48	93.44%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	0.70	0.19	267.62%
Trade payables turnover ratio	Total Purchases	Average Trade Payable	14.26	1.31	987.44%
Net capital turnover ratio	Revenue	Working Capital	0.36	0.12	189.50%
Net profit ratio	Net Profit	Revenue	0.14	0.23	-36.45%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.05	0.03	83.57%
Return on Investment(ROI)	Income generated from investments	Average invested fund	-	-	0.00%

Note 54 - Utilisation of Borrowed funds and share premium

a. The company has not advanced or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any person(s) or entity(ies), including foreign entities (intremidiaries) with the understanding (whether recorded in writing or otherwise) that the intermidiary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

b. The company has not received any funds from any person(s) or entity(ies), including foreign entities (funding parties) with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly lend or invest in other persons or entiities identified in any manner whatsoever by or on behalf of the funding party (the ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Note 55 - 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

Anil Agarwal
Partner
Membership No.: 041396

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 13, 2022

For and on behalf of the Board of Directors

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
MD & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Ajay Jangid
Chief Financial Officer

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Sachin Khandekar
Company Secretary

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 license.

The financial statements were authorized for issue by the Company's Board of Directors on May 13, 2022.

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.

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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 noncurrent.

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.

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.

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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 BFSI and ATM Services (ATM, Insurance Services and Banking & financial services), Assisted E-Commerce Service (Online shopping, Pharmacy, Bill payment and recharge, logistics) 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 license.

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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.

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.

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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

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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

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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.

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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 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.

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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.

Financial Assets

a) Initial recognition and measurement

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

b) Subsequent measurement

Debt Instruments at 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 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.

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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 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 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

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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.

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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

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts.

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on

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short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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 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

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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

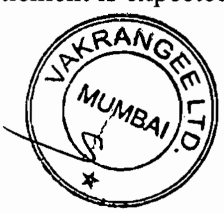
Short-term obligations

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.

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.

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

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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.

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INDEPENDENT AUDITOR'S 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, 2022, 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 and based on the consolidation of reports of other auditors of the subsidiaries, 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, 2022, the consolidated profit, consolidated total comprehensive income, consolidated statement of 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 Act. 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 kay audit matters to be communicated in our report.

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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 cost to bring the asset to the location and new 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 practice 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 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, 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. **Expected Credit Loss**

As described in Note 2 (B) (xi) (d) of the consolidated financial statements for the year ended March 31, 2022. The Group management has determined the allowance for credit losses based on historical loss experience adjusted to reflect the impact of the economic conditions. The allowance for credit loss model requires consideration of the effect of COVID-19 pandemic event on the customers' business operations/ability to pay dues. Based on such analysis the Company has recorded an allowance aggregating to Rs. 931.82 lacs as at March 31, 2022, considered in Note 7 & 13 of the consolidated financial statements. We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.

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Principal Audit Procedure

We have performed the following procedures:

i. Evaluated the design and implementation including the operating effectiveness of the controls over:
   - Basis of consideration of the impact of the economic conditions
   - Completeness and accuracy of the data used in estimation of probability of default
   - Computation of the expected credit loss allowance

ii. Carried out inquiries with the management to understand the impact of COVID-19 in terms of identification of distressed customers and evaluation of recoverability of dues, extension in contractual terms for collections.

iii. Tested the completeness and accuracy of the ageing of accounts receivable data.

iv. Further in addition to the above process, a forward-looking expected loss impairment model as prescribed in IND AS 109 "Financial Instruments" was also applied by the Company. This involves judgment as the expected credit losses must reflect information about past events, current conditions, and forecasts of future conditions.

v. Selected a sample of the customers, and

   - Verified publicly available credit reports and other information relating to the Company's customers to test if the management had correctly considered the adjustments to credit risk.

   - Obtained and verified the details of credit period extension granted to the customers and developed an expectation of similar extensions across other customers of the Company.

vi. Recomputed the expected credit loss allowance considering the above determined input data and compared the amounts so recomputed with the amounts recorded by the management to determine if there were any material differences individually or in the aggregate.

Information Other than the Consolidated Financial Statements and Our Report Thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of 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 report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

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 the balance part of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as applicable under the relevant laws and regulations.

Management's and Those Charged with Governance responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 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, which have been used for the purpose of preparation of consolidated financial statements by the Management and Directors of the Holding company as aforesaid.

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 Group 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:

A. P. SANZGIRI & CO. ★ MUMBAI F. R. NO. 116293W CHARTERED AC

- 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 Act, we are also responsible for expressing our opinion on whether the Holding 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 and Board of Director 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.

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 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.

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

Other Matters

- We did not audit the financial statements of three subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets of Rs. 11,475.81 Lakhs as at March 31, 2022, total revenues of Rs. 9,336.88 Lakhs and net cash flows amounting to Rs. 306.33 Lakhs for the year ended on that date, as considered in preparation of 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) and (11) 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 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 by the holding company so far as it appears from our examination of those books and report of the other auditors.

   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.

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

e. On the basis of the written representations received from the directors of Holding Company as on March 31, 2022 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, 2022 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 managerial remuneration for the year ended March 31, 2022, has been paid / provided by the group to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

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, 2022.

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, 2022.

iv.

A. The respective Management of the Holding Company and its subsidiaries whose financial statements have been audited under the Act has represented to us and the other auditors of such subsidiaries that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective holding company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

A. P. SANZGIRI & CO. ★ MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS ★

B. The respective managements of the holding company and its subsidiaries whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiaries, respectively that, to the best of it's knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the respective holding company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

C. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (A) and (B) above, contain any material misstatement.

v. The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India are in compliance with section 123 of the Act.

2. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's report) Order, 2020 ("the Order"/CARO) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For A. P. Sanzgiri & Co.
Chartered Accountants
FRN: 116293W

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

Anil Agrawal
Partner
Membership No: 041396
UDIN: 22041396AIYHSU5650

Date: May 13, 2022
Place: Mumbai

ANNEXURE "A" TO THE INDEPENDT AUDITOR'S 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 Holding Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of VAKRANGEE LIMITED (hereinafter referred to as "Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective management and Board of Directors of the Holding 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 Holding 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 Act, 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, and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial Statements.

A. P. SANZGIRI & CO.
MUMBAI
F. R. NO.
116293W
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting with reference to Consolidated Financial Statements

The Company's internal financial controls over financial reporting with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to consolidated financial statements 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 below, the Holding 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 with reference to financial statements and such internal financial controls over financial reporting with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting with reference to financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

A. P. SANZGIRI & CO.
MUMBAI
F. R. NO.
116293W
CHARTERED ACCOUNTANTS

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 with reference to these consolidated financial statements of the Holding Company, 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

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

Date: May 13, 2022
Place: Mumbai

Anil Agrawal
Partner
Membership No: 041396
UDIN: 22041396AIYHSU5650

Vakrangee Limited
Consolidated Balance Sheet as at March 31, 2022

(₹ in lakhs)

	Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
I	**ASSETS**					
1	**Non - Current Assets**					
	Property Plant and Equipment	4		13,853.39		15,564.27
	Capital Work-in-Progress	4		197.45		140.25
	Other Intangible Assets	5		-		-
	Intangible Assets under development	5		434.79		346.43
	Financial Assets					
	(i) Investments	6	240.57		138.85	
	(ii) Trade Receivables	7	-		-	
	(iii) Loans	8	-		-	
	(iv) Other Financial Assets	9	483.94	724.51	472.88	611.73
	Deferred Tax Assets (net)	10		0.28		0.38
	Other Non - Current Assets	11		59,074.80		59,687.18
	Total Non-current Assets			**74,285.22**		**76,350.24**
2	**Current Assets**					
	Inventories	12		410.46		497.22
	Financial Assets					
	(i) Trade Receivables	13	95,543.08		1,12,031.21	
	(ii) Cash and Cash equivalents	14	4,746.74		818.59	
	(iii) Bank Balances other than (ii) above	14	925.53		1,309.63	
	(iv) Loans	15	1,244.23		1,146.46	
	(v) Other Financial Assets	16	664.43	1,03,124.01	1,871.68	1,17,177.57
	Current Tax Assets (Net)	17		48.54		516.81
	Other Current Assets	18		1,15,728.26		93,021.52
	Total Current Assets			**2,19,311.27**		**2,11,213.12**
	TOTAL			**2,93,596.49**		**2,87,563.36**
II	**EQUITY AND LIABILITIES**					
1	**Equity**					
	Equity Share Capital	19		10,595.00		10,594.06
	Other Equity	20		2,64,176.89		2,55,813.98
	Total Equity			**2,74,771.89**		**2,66,408.04**
2	**Liabilities**					
(i)	**Non - Current Liabilities**					
	Financial Liabilities					
	(i) Trade Payables	21				
	- Dues of micro enterprises and small enterprises		-		-	
	- Dues of Creditors other than micro enterprises and small enterprises		12.04		14.34	
	(ii) Other Financial Liabilities	22	41.28	53.32	40.39	54.73
	Deferred Tax Liabilities (net)	23		74.03		58.10
	Employee Benefit Obligations	24		307.92		331.00
	Total Non-Current Liabilities			**435.27**		**443.83**
(ii)	**Current Liabilities**					
	Financial Liabilities					
	(i) Borrowings	25	-		-	
	(ii) Trade Payables	26				
	- Dues of micro enterprises and small enterprises		102.35		38.76	
	- Dues of Creditors other than micro enterprises and small enterprises		3,547.42		3,375.05	
	(iii) Other Financial Liabilities	27	6,694.53	10,344.30	8,086.50	11,500.31
	Other Current Liabilities	28		3,804.27		7,236.09
	Provisions	29		1,780.89		1,134.72
	Employee Benefit Obligations	30		24.70		26.05
	Current Tax Liabilities	31		2,435.17		814.32
	Total Current Liabilities			**18,389.33**		**20,711.49**
	Total Liabilities (i +ii)			**18,824.60**		**21,155.32**
	TOTAL			**2,93,596.49**		**2,87,563.36**
	Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1-56				

As per our report of even date

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Anil Agarwal
Partner
Membership No.: 041396

Place : Mumbai
Date : May 13, 2022

For and on behalf of the Board of Directors

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
MD & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Ajay Jangid
Chief Financial Officer

Sachin Khandekar
Company Secretary

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Vakrangee Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(₹ in lakhs)

	Particulars	Note No.	For the year ended March 31, 2022		For the year ended March 31, 2021	
I	**Income**					
	Revenue from Operations	32	77,869.23		31,429.14	
	Other Income	33	391.29		6,965.99	
	Total Income			**78,260.52**		**38,395.13**
II	**Expenses**					
	Operating Expenses	34	57,780.32		21,262.93	
	Purchase of Stock-in-Trade		825.43		949.03	
	Changes in Inventories	35	91.21		281.13	
	Employee Benefits Expense	36	1,473.98		3,441.90	
	Finance Costs		-		-	
	Depreciation and Amortization Expense	4,5	1,545.78		1,480.51	
	Other Expenses	37	2,220.38		2,697.82	
	Total Expenses			**63,937.10**		**30,113.32**
III	**Profit Before Tax and exceptional Items**			**14,323.42**		**8,281.81**
IV	**Exceptional Items**	38		(168.66)		-
V	**Profit Before Tax**			14,154.76		8,281.81
VI	**Tax Expense:**					
	(a) Current Tax		3,187.01		1,882.34	
	(b) Deferred Tax		15.28		120.34	
				3,202.29		**2,002.68**
VII	**Profit for the year**			**10,952.47**		**6,279.13**
VIII	**Other Comprehensive Income**					
	Items that will be reclassified subsequently to profit or loss					
	Exchange difference on translation of foreign operations			38.70		(0.74)
	Items that will not be reclassified subsequently to profit or loss					
	i) Fair value gain on financial instrument at fair value through OCI			-		-
	ii) Remeasurement of net defined benefit obligations (net of taxes)			2.22		89.24
	Other Comprehensive Income (net of tax)			**40.92**		**88.50**
	Total Comprehensive Income for the period			**10,993.39**		**6,367.63**
IX	**Weighted Average No. of equity shares for computing EPS (in lakhs)**	39				
	(1) Basic			10,594.12		10,594.06
	(2) Diluted			10,596.87		10,605.24
X	**Earnings Per Equity Share (Face Value ₹ 1/- Per Share):**	39				
	(1) Basic (₹)			1.03		0.59
	(2) Diluted (₹)			1.03		0.59
	Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1-56				

As per our report of even date

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Anil Agarwal
Partner
Membership No.: 041396

Place : Mumbai
Date : May 13, 2022

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
MD & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Ajay Jangid
Chief Financial Officer

VAKRANGEE LTD. MUMBAI

Sachin Khandekar
Company Secretary

Vakrangee Limited

Statement of changes in equity for the year ended March 31, 2022

(₹ 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, 2020	**10,594.06**	**42,746.84**	**1,91,811.00**	**18,268.04**	**2,879.91**	**-**	**(3,188.83)**	**619.48**	**2,63,730.50**
Increase in share capital on account of conversion of ESOPs	-	-	-	-	-	-	-	-	-
Amount received on shares issued during the year	-	(0.00)	-	-	-	-	-	-	(0.00)
Transferred from Share Options Outstanding Account	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	6,279.13	-	-	-	-	-	6,279.13
Dividends (including corporate dividend tax)	-	-	(2,648.51)	-	-	-	-	-	(2,648.51)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	(1,041.58)	-	-	-	(1,041.58)
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	89.24	-	89.24
Exchange Translations	-	-	-	-	-	-	-	(0.74)	(0.74)
Balance as at March 31, 2021	**10,594.06**	**42,746.84**	**1,95,441.62**	**18,268.04**	**1,838.33**	**-**	**(3,099.59)**	**618.74**	**2,66,408.04**
Increase in share capital on account of conversion of ESOPs	0.94	-	-	-	-	-	-	-	0.94
Amount received on shares issued during the year	-	23.80	-	-	-	-	-	-	23.80
Transferred from Share Options Outstanding Account	-	33.65	-	-	(33.65)	-	-	-	-
Profit for the year	-	-	10,952.49	-	-	-	-	-	10,952.49
Dividends (including dividend distribution tax)	-	-	(1,059.41)	-	-	-	-	-	(1,059.41)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
Share-based payments (net)	-	-	-	-	(1,594.90)	-	-	-	(1,594.90)
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	2.22	-	2.22
Exchange Translations	-	-	-	-	-	-	-	38.70	38.70
Balance as at March 31, 2022	**10,595.00**	**42,804.29**	**2,05,334.70**	**18,268.04**	**209.78**	**-**	**(3,097.37)**	**657.44**	**2,74,771.89**

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1-56

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

For and on behalf of the Board of Directors

Anil Agarwal
Partner
Membership No.: 041396

Place : Mumbai
Date : May 13, 2022

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
MD & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Ajay Jangid
Chief Financial Officer

VAKRANGEE LTD. MUMBAI

Sachin Khandekar
Company Secretary

Vakrangee Limited

Consolidated Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

S. No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I	**Cash flow from operating activities**		
	Profit before tax from continuing operations	14,154.76	8,281.81
	Profit before tax	**14,154.76**	**8,281.81**
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	1,545.78	1,480.51
	Depreciation of investment properties	-	-
	Employee share based payment expenses	(1,594.90)	(1,041.58)
	Net foreign exchange differences	0.06	(0.04)
	Allowance for credit losses	131.53	64.78
	Fair value gain on financial instrument at fair value through Profit and loss	(101.72)	(14.54)
	Remeasurement of defined benefit obligations	2.97	119.25
	Gain on disposal of property, plant and equipment	168.22	-
	Interest income	(229.71)	(6,948.25)
	Dividend income	(1.50)	-
	Operating profit before working capital changes	**14,075.49**	**1,941.94**
	Movements in assets and liabilities :		
	Decrease / (increase) in inventories	86.76	284.16
	Decrease / (increase) in trade receivables	16,356.61	24,788.22
	Decrease / (increase) in loans and other financial assets	1,482.53	13,565.22
	Decrease / (increase) in other current assets	(22,706.74)	(48,442.00)
	Decrease / (increase) in other non-current assets	617.45	2,365.94
	Increase / (decrease) in trade payables	233.68	(3,771.18)
	Increase / (decrease) in employee benefit obligations	(24.44)	(5.40)
	Increase / (decrease) in provisions	646.17	436.21
	Increase / (decrease) in other financial liabilities	(1,391.08)	4,648.03
	Increase / (decrease) in other current liabilities	(3,431.82)	1,516.39
	Cash generated from operations	**5,944.61**	**(2,672.47)**
	Income taxes paid (net of refunds)	(1,102.95)	(390.27)
	Net cash flow from operating activities (A)	**4,841.66**	**(3,062.74)**
II	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, including CWIP	(756.60)	(2,132.97)
	Proceeds from sale of property, plant and equipment	607.91	0.22
	Proceeds from sale of investments	-	209.53
	Decrease in foreign currency translation reserve	38.70	(0.74)
	Interest received	229.71	6,948.25
	Dividends received	1.50	-
	Net cash flow from/(used in) investing activities (B)	**121.22**	**5,024.29**
III	**Cash flow from financing activities**		
	Proceeds from issue of shares	0.94	-
	Proceeds towards securities premium on issue of shares	23.80	-
	Dividends paid to company's shareholders	(1,059.41)	(2,648.51)
	Net cash flow (used in) in financing activities (C)	**(1,034.67)**	**(2,648.51)**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**3,928.21**	**(686.96)**
	Effects of exchange rate changes on cash and cash equivalents	(0.06)	0.05
	Cash and cash equivalents at the beginning of the year	818.59	1,505.50
	Cash and cash equivalents at the end of the year	**4,746.74**	**818.59**

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1-56

For and on behalf of the Board of Directors

For A. P. Sanzgiri & Co.
Chartered Accountants
Firm's Registration No. : 116293W

Anil Agarwal
Partner
Membership No.: 041396

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 13, 2022

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
MD & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Ajay Jangid
Chief Financial Officer

VAKRANGEE LTD. MUMBAI

Sachin Khandekar
Company Secretary

Note 4 - Property, Plant and Equipment

(₹ 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, 2020	**1,758.58**	**10,627.95**	**566.11**	**146.77**	**496.69**	**1,896.33**	**3,185.24**	**1,063.38**	**19,741.05**	**461.82**	**20,202.87**
Additions	10.13	2,251.00	5.80	-	1.78	19.08	-	9.68	2,297.46	2,051.52	4,348.98
Disposals/Transfers	-	-	-	-	0.41	-	-	-	0.41	2,373.09	2,373.51
At March 31, 2021	**1,768.71**	**12,878.95**	**571.91**	**146.77**	**498.06**	**1,915.41**	**3,185.24**	**1,073.05**	**22,038.10**	**140.25**	**22,178.35**
Additions	-	588.04	-	45.86	6.07	15.94	-	-	655.92	645.25	1,301.16
Disposals/Transfers	852.90	1,052.00	-	-	100.94	2.38	-	-	2,008.21	588.04	2,596.26
At March 31, 2022	**915.82**	**12,414.99**	**571.91**	**192.63**	**403.19**	**1,928.97**	**3,185.24**	**1,073.05**	**20,685.80**	**197.45**	**20,883.26**
Depreciation and Impairment											
At March 31, 2020	**89.15**	**2,288.47**	**335.81**	**71.35**	**209.17**	**1,449.37**	**123.54**	**239.12**	**4,805.99**	**-**	**4,805.99**
Depreciation charged for the year	22.41	1,129.18	6.23	16.56	116.82	111.59	59.34	116.54	1,478.68	-	1,478.68
Depreciation for the year transfer to CWIP	6.70	-	29.24	-	58.45	94.96	-	-	189.35	-	189.35
Disposals/Transfers	-	-	-	-	0.18	-	-	-	0.18	-	0.18
At March 31, 2021	**118.26**	**3,417.65**	**371.28**	**87.91**	**284.27**	**1,655.92**	**182.89**	**355.65**	**6,473.83**	**-**	**6,473.83**
Depreciation for the year charged to P&L	25.12	1,164.28	22.02	19.75	61.33	76.74	59.34	117.21	1,545.78	-	1,545.78
Depreciation for the year transfer to CWIP	1.69	-	6.93	-	14.41	21.85	-	-	44.88	-	44.88
Disposals/Transfers	76.77	1,052.00	-	-	100.94	2.37	-	-	1,232.09	-	1,232.09
At March 31, 2022	**68.30**	**3,529.93**	**400.22**	**107.66**	**259.07**	**1,752.13**	**242.22**	**472.86**	**6,832.40**	**-**	**6,832.40**
Net Book Value											
At March 31, 2022	847.52	8,885.06	171.69	84.97	144.12	176.84	2,943.02	600.19	**13,853.39**	197.45	**14,050.85**
At March 31, 2021	1,650.45	9,461.30	200.63	58.86	213.79	259.49	3,002.36	717.39	**15,564.27**	140.25	**15,704.52**

(b) Immovable Property situated at Vakrangee Corporate House, Plot No. 93, Road No 16, MIDC, Marol, Near Hotel Suncity Residency, Andheri East, Mumbai-400093 with total built up area of entire building is 21050 Sq ft has been mortgaged as collateral security against borrowings from Union Bank of India.

(c) Title deeds of all the Immovable Property are held in name of the company.

(d) The compamy has not revalued its Property, Plant and Equipment during the year.

(e) **CWIP ageing schedule**

(₹ In lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	154.94	42.51	-	-	197.45
Project temporarily suspended	-	-	-	-	-

(f) **Finance Lease arrangement (Leasehold Land and Building) :**

The net carrying amount of Property, Plant and Equipment under finance lease arrangements are as follows:

(₹ In lakhs)

	As at March 31, 2022	As at March 31, 2021
Leasehold Land & Building	2,943.02	3,002.36

During the the year ended on March 31, 2018, 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.

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Vakrangee Limited

Notes forming part of Consolidated Financial Statements

Note 5 - Intangible Assets

(₹ in lakhs)

(a)

Description	Amount
Logistics Portal Software	
Gross Block	
At March 31, 2020	**5.50**
Additions	-
Disposal	-
At March 31, 2021	**5.50**
Additions	-
Disposal	-
At March 31, 2022	**5.50**
Depreciation and Impairment	
At March 31, 2020	3.67
Depreciation Charged for the year	1.83
Impairment during the year	-
Disposal	-
At March 31, 2021	**5.50**
Depreciation Charged for the year	-
Impairment during the year	-
Disposal	-
At March 31, 2022	**5.50**
Net Book Value	
At March 31, 2022	-
At March 31, 2021	-

(b) **Intangible Assets under development**

(₹ in lakhs)

Description	Amount
Gross Block	
At March 31, 2020	-
Additions	**346.43**
Disposal	-
At March 31, 2021	**346.43**
Additions	88.36
Disposal	-
At March 31, 2022	**434.79**
Depreciation and Impairment	
At March 31, 2020	-
Depreciation Charged for the year	-
Impairment during the year	-
Disposal	-
At March 31, 2021	-
Depreciation Charged for the year	-
Impairment during the year	-
Disposal	-
At March 31, 2022	-
Net Book Value	
At March 31, 2022	434.79
At March 31, 2021	346.43

(c) **Intangible Assets under Development ageing schedule**

(₹ in lakhs)

Intangible Assets under Development	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	88.36	346.43	-	-	434.79
Project temporarily suspended	-	-	-	-	-

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Note 6 - Investments
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
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 (March 31, 2021 : 2,500 Equity shares)	240.57	138.85
(A)	**240.57**	**138.85**
TOTAL (A + B)	**240.57**	**138.85**
Aggregate amount of unquoted investments	240.57	138.85

Investment at fair value through profit and loss reflect investment in unquoted equity securities.
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.

Note 7 - Trade Receivables
(Non Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a)		
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	-	-
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivable - credit impaired	417.57	381.55
	417.57	**381.55**
Less: Allowance for credit losses	417.57	381.55
TOTAL	-	-

(b) Detailed note on disclosure as required by Schdeule III for ageing
Refer Note 48 for ageing of Trade Receivables

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Note 9 - Other Financial Assets
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
Deposits with bank				
- with maturity period of more than 12 months		397.71		364.65
Other Deposits				
Security Deposit	20.23		42.23	
Earnest Money Deposit	66.00		66.00	
		86.23		108.23
		483.94		**472.88**
* Amount held as margin money or security against borrowings, guarantee, other commitments		397.71		364.11

Note 10 - Deferred Tax Assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
Assets				
(i) On account of difference in depreciation on Property, Plant and Equipment	0.28		0.38	
(ii) Provision for Employees' obligations	-		-	
(iii) Temporary differences on Tax Provisions	-		-	
(iv) On account of Expected Credit Loss	-		-	
(v) Unused tax credits	-		-	
(A)		0.28		0.38
Liabilities				
(i) On account of difference in depreciation on Property, Plant and Equipment	-		-	
(B)		-		-
Balance carried to Balance Sheet (A - B)		**0.28**		**0.38**

(a) Movement in deferred tax account during the year is as follows:

(₹ in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance
For the year ended March 31, 2022 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	0.38	(0.10)	-	0.28
Expenses provided but allowable in Income Tax on payment	-	-	-	-
Allowance for expected credit losses	-	-	-	-
Unused tax credits	-	-	-	-
	0.38	(0.10)	-	0.28
Others	-	-	-	-
	-	-	-	-
TOTAL	**0.38**	**(0.10)**	-	**0.28**

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

For the year ended March 31, 2021 :

Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	0.12	0.26	-	0.38
Expenses provided but allowable in Income Tax on payment	-	-	-	-
Allowance for expected credit losses	-	-	-	-
Unused tax credits	-	-	-	-
	0.12	0.26	-	0.38
Others	-	-	-	-
	-	-	-	-
TOTAL	**0.12**	**0.26**	-	**0.38**

The analysis of Deferred Tax Assets is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets to be recovered after more than 12 months	-	-
Deferred Tax Assets to be recovered within 12 months	0.28	0.38
	0.28	**0.38**

(b) Explanation of changes in the applicable tax rate(s) compared to the previous accounting period

Particulars	As at March 31, 2022	As at March 31, 2021
Applicable Tax rate considered for deferred tax asset or liability	25.168%	25.168%

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 11 - Other Non-Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
Capital Advances		59,001.30		59,595.90
Prepaid Expenses		5.52		4.64
Balances with statutory / revenue authorities				
- Income Tax (net of provision for taxation)	66.34		61.26	
- Sales Tax	1.64		25.38	
		67.98		86.64
TOTAL		**59,074.80**		**59,687.18**

Note 12 - Inventories

(₹ in lakhs)

(a) Particulars	As at March 31, 2022	As at March 31, 2021
(i) Stock-in-Trade	394.10	485.31
(ii) Consumables	11.41	4.04
(iii) Stores & Spares	4.95	7.87
TOTAL	**410.46**	**497.22**

(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.

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Note 13 - Trade Receivables
(Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a)		
Trade Receivable considered good (Secured)	-	-
Trade Receivable considered good (Unsecured)	95,832.05	1,10,761.33
Trade Receivable which have significant increase in Credit Risk	225.28	1,688.62
Trade Receivable - credit impaired	-	-
	96,057.33	**1,12,449.95**
Less: Allowance for credit Losses	514.25	418.74
TOTAL	**95,543.08**	**1,12,031.21**
(b) Debts due from related parties	-	-

(c) Detailed note on disclosure as required by Schdeule III for ageing
Refer Note 48 for ageing of Trade Receivables

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Note 14 - Cash & Cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
(a)				
(A) Cash & Cash Equivalents				
(i) Balances with Banks :				
- Current Accounts	4,693.39		763.46	
- Deposit Accounts	-		-	
(ii) Cash-in-hand	53.35		55.13	
		4,746.74		818.59
(B) Bank Balances other than above				
(i) Earmarked balances in unclaimed dividend account	85.50		92.44	
(ii) Fixed Deposits with maturity period of more than 3 months but less than 12 months **	840.03		1,217.19	
TOTAL		925.53		1,309.63
** Amount held as margin money or security against borrowings, guarantee, other commitments		829.59		1,145.89

(b) For the purpose of cash flow statement

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
(A) Cash & Cash Equivalents				
(i) Balances with Banks :				
- Current Accounts	4,693.39		763.46	
- Deposit Accounts				
(ii) Cash-in-hand	53.35		55.13	
		4,746.74		818.59
Less : - Cash Credit		-		-
TOTAL		4,746.74		818.59

Note 15 - Loans

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
(i) Loans Receivable considered good (Secured)		-		-
(ii) Loans Receivable considered good (Unsecured)		-		-
(a) Loan to Others				
Staff Advances	3.26		2.43	
Inter Corporate Deposits	1,240.97		1,144.03	
		1,244.23		1,146.46
(iii) Loans Receivable which have significant increase in Credit Risk		-		-
(iv) Loans Receivable - credit impaired		-		-
TOTAL		1,244.23		1,146.46

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Note 16 - Other Financial Assets
(Current)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
(i) Others				
Advance for Outlets		3.56		19.84
Advance to BCAs		55.40		18.66
Insurance claim Receivable		1.76		0.47
Security Deposit		22.87		7.71
Accrued Interest on FD		1.28		0.53
Receivable against sale of property		170.36		
CC Settlement Receivable		2.44		
ATM Settlement Receivable		406.76		1,824.47
COD Receivables	20.09		20.09	
Less : - Allowance for credit losses	(20.09)	-	(20.09)	-
TOTAL		**664.43**		**1,871.68**

Note 17 - Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax (net of provision for taxation)	48.54	516.81
TOTAL	**48.54**	**516.81**

Note 18 - Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to Vendors	98,113.23	80,591.63
Prepaid Expenses	51.05	72.35
Other Receivable		
- Accrued Revenue	16,283.54	10,919.48
Balances with statutory / revenue authorities		
- Goods & Service Tax	1,280.44	1,438.06
TOTAL	**1,15,728.26**	**93,021.52**

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

VAKRANGEE LTD. MUMBAI

Vakrangee Limited

Notes forming part of Consolidated Financial Statements

Note 19 - Equity Share Capital

Equity share capital
(i) Authorised share capital

(₹ in lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2021	12,500.00	12,500.00
Increase during the year	-	-
As at March 31, 2022	**12,500.00**	**12,500.00**

(ii) Paid up Equity share capital

(₹ in lakhs)

Particulars	Number of shares (in lakhs)	Amount
As at March 31, 2020	**10,594.06**	**10,594.06**
Exercise of options	-	-
As at March 31, 2021	**10,594.06**	**10,594.06**
Exercise of options	0.94	0.94
As at March 31, 2022	**10,595.00**	**10,595.00**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
Vakrangee Holdings Private Limited	2,509.50	23.69%	2,509.50	23.69%
NJD Capital Private Limited	1,311.00	12.37%	1,311.00	12.37%
Life Insurance Corporation of India	658.65	6.22%	659.15	6.22%
Dinesh Nandwana	691.07	6.52%	691.07	6.52%

(iv) Disclosure of shareholders holding of Promoters
Shares held by promoters as at March 31, 2022

	Number of shares (in lakhs)	% of Total shares	% Change during the year
Vakrangee Holdings Private Limited	2,509.50	23.69%	0.00%
NJD Capital Private Limited	1,311.00	12.37%	0.00%
Dinesh Nandwana	691.07	6.52%	0.00%
Dinesh Nandwana HUF	1.96	0.02%	0.00%

(v) 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, 2022, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 0.10/- per share of ₹ 1/- each for the year ended March 31, 2021.

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.

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

(No. of shares in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
- 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.	8.66	8.08

(vii) 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

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 :

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt	-	-
Total equity	2,74,771.89	2,66,408.04
Net debt to equity ratio	-	-

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Note 20 - Other Equity

(i) Reserves and surplus (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium Reserve	42,804.29	42,746.84
Share Options Outstanding Account	399.80	3,347.37
Deferred Employee Compensation Expense	(190.01)	(1,509.04)
General Reserve	18,268.04	18,268.04
Surplus in Statement of Profit & Loss	2,05,334.70	1,95,441.62
Total (A)	**2,66,616.82**	**2,58,294.83**

(a) Securities Premium Reserve (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**42,746.84**	**42,746.84**
Add:- On share issued during the year	23.80	-
Add:- Transfer from shares options outstanding account	33.65	-
Closing balance	**42,804.29**	**42,746.84**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**3,347.37**	**5,950.10**
Add:- On further grant of options	150.90	-
Less:- Reversal due to Lapsation of option	(3,064.82)	(2,602.73)
Less: Transfer to Securities premium account	(33.65)	-
Closing balance	**399.80**	**3,347.37**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**(1,509.04)**	**(3,070.18)**
Add:- On further grant of options	(150.90)	-
Less:- Reversal due to Lapsation of option	1,368.68	1,269.49
Less:- Amortised during the year	101.25	291.65
Closing balance	**(190.01)**	**(1,509.04)**

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(d) General Reserve (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**18,268.04**	**18,268.04**
Add:- Transfer from Profit & Loss account	-	-
Closing balance	**18,268.04**	**18,268.04**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**1,95,441.62**	**1,91,811.00**
Add:- Profit for the year	10,952.49	6,279.13
Less:- Transfer to General Reserve	-	-
Less:- Dividend declared	(1,059.41)	(2,648.51)
Less:- Dividend distribution tax	-	-
Closing balance	**2,05,334.70**	**1,95,441.62**

(ii) Other Comprehensive Income (₹ in lakhs)
(a)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	(3,099.59)	(3,188.83)
Remeasurement of net defined benefit obligations (net of taxes)	2.22	89.24
Closing balance (i)	**(3,097.37)**	**(3,099.59)**

(b) Foreign Currency Translation Reserve (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	618.74	**619.48**
Translation reserve for the year	38.70	(0.74)
Closing balance (ii)	**657.44**	**618.74**
Total (B)	**(2,439.93)**	**(2,480.85)**
Total (A+B)	**2,64,176.89**	**2,55,813.98**

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Note 21 - Trade Payables
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
- 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		12.04		14.34
TOTAL		**12.04**		**14.34**

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.

Detailed note on disclosure as required by Schdeule III for ageing
Refer Note 49 for ageing of Trade Payable

Note 22 - Other Financial Liabilities
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
OtherPayable		
Security Deposit	41.28	40.39
TOTAL	**41.28**	**40.39**

Note 23 - Deferred Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
Assets				
(i) On account of difference in depreciation on Property, Plant and Equipment	-		-	
(ii) Provision for Employees' obligations	80.89		59.85	
(iii) Temporary differences on Tax Provisions	-		-	
(iv) On account of Expected Credit Loss	183.47		150.37	
(v) Unused tax credits	-		-	
(A)		264.36		210.22
Liabilities				
(i) On account of difference in depreciation on Property, Plant and Equipment	338.39		268.32	
(B)		338.39		268.32
Balance carried to Balance Sheet (B - A)		**74.03**		**58.10**

(a) Movement in deferred tax account during the year is as follows:

(₹ in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance
For the year ended March 31, 2022 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	268.32	70.07	-	338.39
Expenses provided but allowable in Income Tax on p	(59.85)	(21.79)	0.75	(80.89)
Allowance for expected credit losses	(150.37)	(33.10)	-	(183.47)
	58.10	15.18	0.75	74.03
Others	-	-	-	-
	-	-	-	-
TOTAL	**58.10**	**15.18**	**0.75**	**74.03**
For the year ended March 31, 2021 :				
Deferred tax (liabilities)/assets in relation to :				
Difference between WDV of Property, Plant and Equipment as per books and Income taxes	126.58	141.74	-	268.32
Expenses provided but allowable in Income Tax on p	(85.03)	(4.84)	30.01	(59.85)
Allowance for expected credit losses	(134.07)	(16.30)	-	(150.37)
	(92.52)	120.60	30.01	58.10
Others	-	-	-	-
	-	-	-	-
TOTAL	**(92.52)**	**120.60**	**30.01**	**58.10**

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The analysis of Deferred Tax Assets is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets to be recovered after more than 12 months	-	-
Deferred Tax Assets to be recovered within 12 months	74.03	58.10
	74.03	**58.10**

(b) Explanation of changes in the applicable tax rate(s) compared to the previous accounting period

Particulars	As at March 31, 2022	As at March 31, 2021
Applicable Tax rate considered for deferred tax asset or liability	25.168%	25.168%

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 24 - Employee Benefit Obligations
(Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employees' benefits	307.92	331.00
TOTAL	**307.92**	**331.00**

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Note 25 - Borrowings
(Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans		
Loans repayable on demand		
- From Banks	-	-
- From Holding Co. (Unsecured)	-	
TOTAL	-	-

The Company has working capital facility (sanctioned limit of Rs. 45 Crores) & additional facility of Rs. 13.36 Crores (Sanctioned during the year) from Union Bank of India. The facilities are secured by First charge (Primary) of hypothecation of Book Debts and present & future current assets of Company.

Collateral Security - Registered Equitable Mortgage of Immovable Property situated at Vakrangee Corporate House, Plot No. 93, Road No 16, MIDC, Marol, Near Hotel Suncity Residency, Andheri East, Mumbai-400093 with total built up area of entire building is 21050 Sq ft in the name of M/S Vakrangee Limited.

Note 26 - Trade Payables
(Current)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
Trade Payables				
- Dues of micro enterprises and small enterprises		-		
	Principal	**Interest**	**Principal**	**Interest**
Amount due to vendor	102.35	-	38.76	-
Principal amount paid (including unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
	102.35	-	38.76	-
Total Dues of micro enterprises and small enterprises		102.35		38.76
- Dues of Creditors other than micro enterprises and small enterprises		3,547.42		3,375.05
TOTAL		**3,649.77**		**3,413.82**

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.

Detailed note on disclosure as required by Schdeule III for ageing
Refer Note 49 for ageing of Trade Payable

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Note 27 - Other Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Payable to Franchisee under WLA	5,331.59	6,648.26
Payables against cash collection	-	-
Payable for acquisition of Property, Plant & Equipments	627.39	695.96
Payable towards CSR Expenses	650.05	650.05
Unpaid Dividend	85.50	92.23
TOTAL	**6,694.53**	**8,086.50**

Note 28 - Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	1,484.92	294.11
Advance from customers	63.51	3,970.75
Kendra money received pending allotment	1,459.73	1,932.08
Franchisee Wallet Balance	143.33	286.84
Staff Emoluments Payable	652.78	752.31
TOTAL	**3,804.27**	**7,236.09**

Note 29 - Provisions

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Expenses for Goods & services	1,780.89	1,134.72
TOTAL	**1,780.89**	**1,134.72**

Note 30 - Employee Benefit Obligations (Current)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employees' benefits	24.70	26.05
TOTAL	**24.70**	**26.05**

Note 31 - Current Tax Liabilities (Net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax (net of provision for taxation)	2,435.17	814.32
TOTAL	**2,435.17**	**814.32**

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Note 32 - Revenue from Operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
(a) Revenue from vakrangee kendra, including e-governance activities		66,128.20		24,947.41
(b) Revenue from Sale of Products				
- Computer consumables & peripherals	900.93		1,324.01	
		900.93		1,324.01
(c) Revenue from Sale of Services				
- Information Technology-enabled Services (ITeS)	10,611.89		4,910.94	
- Courier and Delivery Services	-		-	
- Others	-		-	
		10,611.89		4,910.94
(d) Other Operating Revenues				
- Kit Transportation charge	196.03		177.69	
- Scrap Sales	32.18		69.09	
		228.21		246.78
TOTAL		**77,869.23**		**31,429.14**

Note:- The amount of revenues are exclusive of indirect taxes i.e. Goods and Service Tax

Note 33 - Other Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
(i) Interest Income				
(a) Interest Income on the financial assets at amortized cost				
- Bank Deposits	62.20		226.70	
(b) Other Interest Income	167.51	229.71	6,721.55	6,948.25
(ii) Dividend Income		1.50		-
(ii) Other non-operating income				
- Rent Received	2.03		3.12	
- Gain on Sale of Asset	0.44		-	
- Gain on Foreign Exchange Fluctuation	55.69		0.01	
- Fair value gain on financial instrument at fair value through Profit and loss*	101.72		14.54	
- Miscellaneous Income	0.20		0.07	
		160.08		17.74
TOTAL		**391.29**		**6,965.99**

*Total Fair value gain on financial instrument at fair value through profit and loss includes ₹ NIL (previous year ₹ 2.63 Lakhs) as ' Net Gain on sale of Investments'

Note 34 - Operating Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Project Delivery Cost				
- Opening Stock	11.92		14.93	
- Add : Purchase of goods and services	41,353.75		5,106.89	
- Less : Closing Stock	16.36		11.92	
		41,349.31		5,109.90
Project Expenses		1,017.70		1,035.74
Commission Expenses		15,025.39		14,775.60
Communication Costs		1.09		1.23
Conveyance & Travelling Expenses		2.59		6.15
Penalty *		100.00		-
Transportation, Octroi and Loading / Unloading Charges		188.74		113.70
Rent, Rates and Taxes		95.50		220.61
TOTAL		**57,780.32**		**21,262.93**

*RBI has imposed a penalty for non deployment of minimum number of ATMs required to be deployed, which is contrvention of the nature referred to in Section 26 (6) of the Payment and Settlement Systems Act, 2007.

Note 35 - Changes in Inventories

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
(a) At the beginning of the period				
(i) Work-in-Progress	-		-	
(ii) Stock-in-Trade	485.31		766.44	
Less : Stock converted into Fixed Assets	-		-	
		485.31		766.44
Less : at the end of the period				
(i) Work-in-Progress	-		-	
(ii) Stock-in-Trade	394.10		485.31	
		394.10		485.31
TOTAL		**91.21**		**281.13**

Note 36 - Employee Benefits Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
(a)				
(i) Salaries & Wages	2,604.56		3,952.01	
(ii) Directors' Remuneration	283.87		287.77	
(iii) Contribution to Provident & Other Funds	79.31		187.94	
(iv) Share-based Payment Expenses	(1,594.90)		(1,041.58)	
(v) Directors' Sitting Fees	34.35		19.10	
(vi) Staff Welfare Expenses	66.79		36.66	
		1,473.98		3,441.90
TOTAL		**1,473.98**		**3,441.90**

(b) Detailed note on disclosure as required by Ind AS-19

For details, refer Note No. 43

Note 37 - Other Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Repairs & Maintenance :				
- Building	23.69		4.85	
- Vehicle	1.90		2.81	
- Others	54.73	80.32	64.27	71.93
Advertisement and Publicity		237.47		205.81
Business Promotion		19.42		18.10
Rates & Taxes		119.96		239.95
Insurance		60.06		151.57
Electricity Charges		48.59		54.04
Printing and Stationery		7.36		11.43
Communication Costs		62.01		119.50
Fees & Subscriptions		17.06		21.10
Listing, Registrar & Share Issue/Transfer Charges		58.53		41.04
Loss on Foreign Exchange Fluctuation		0.03		82.38
Legal & Professional Fees - Other than payments to Auditor:				
- Legal & Professional	815.55		442.55	
- Filing Stamp Duty and Franking Charges	28.66		28.29	
- Registration charges	-	844.21	-	470.84
Payments to Auditors :				
- Audit fees (including limited review)	68.70		66.45	
- Tax Audit fees	10.00		10.15	
- For Other Services	1.30		1.30	
- For Reimbursement of Expenses	1.65	81.65	1.98	79.88
Conveyance & Travelling		30.23		43.58
Vehicle Expenses		10.57		10.34
Corporate Social Responsibility Expenditure (Refer Note 41)		135.74		745.04
Office & General Expenses		203.20		152.20
Allowance for credit losses				
Opening Allowances	(820.38)		(755.60)	
Less : Written off during the year	-		-	
Less : Closing Allowances	(951.91)	131.53	(820.38)	64.78
Miscellaneous Expenses		72.44		114.31
TOTAL		**2,220.38**		**2,697.82**

Note 38 - Exceptional Item

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Net gain on disposal of Property plant and equipment	(168.66)	-
TOTAL	**(168.66)**	-

Exceptional item consists of profit on sale of investment property and old office premises (an item of PPE).

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Note 39 - Earnings Per Equity Share

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Net profit after tax attributable to equity shareholders for		
Basic EPS	10,952.47	6,279.13
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	10,952.47	6,279.13
(b) Weighted average no. of equity shares (in lakhs) outstanding during the year		
For Basic EPS	10,594.12	10,594.06
For Diluted EPS	10,596.87	10,605.24
(c) Face Value per Equity Share (₹)	1.00	1.00
Basic EPS (₹)	1.03	0.59
Diluted EPS (₹)	1.03	0.59
(d) Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS		
No. of shares used for calculating Basic EPS	10,594.12	10,594.06
Add: Potential equity shares	2.75	11.19
No. of shares used for calculating Diluted EPS	**10,596.87**	**10,605.24**

Note 40 - Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
(A) Contingent Liabilities				
(i) Claims against the company not acknowledged as debts	-		-	
(ii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts	529.00		521.57	
(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	125.00		325.00	
(A)		654.00		846.57
(B) Commitments				
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	59,001.30		59,595.90	
(B)		59,001.30		59,595.90
TOTAL (A + B)		**59,655.30**		**60,442.47**

Note :

The amount of liabilities, which may occur on levying of penalty and/or charges by clients for delays in execution of contracts within the time prescribed in the agreement, is unascertained.

Note 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 committiee has been formed by the Company as per the Act.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Gross Amount required to be spent by the company during the year	135.74	745.04
b) Amount of expenditure incurred on:		
(i). Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	94.99
c) Shortfall at the end of the year	135.74	650.05
d) Total of previous years' short fall	650.05	-
e) Reason for short fall	Pertains to ongoing projects	Pertains to ongoing projects
f) The nature of CSR activities undertaken by the Company	Eradication of hunger and malnutrition, promoting education, healthcare	Eradication of hunger and malnutrition, promoting education, healthcare

Note 42 - Segment Reporting

The Company's activities predominently comprise providing various services through Vakrangee Kendra. Considering the nature of the Company's business and operations, there is only one reportable operating segment (business and / or geographical) i.e. Vakrangee Kendra in accordance with the requirements of the Indian Accounting Standard 108 – "Operating Segments".

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Note 43 - Related Party Details

(a) Key Management Personnel & Directors

Mr. Ramesh Mulchand Joshi	Non-Executive Chairman
Mr. Dinesh Nandwana	Managing Director & Group CEO
Mr. Anil Khanna	Director (upto September 11, 2020)
Dr. Nishikant Hayatnagarkar	Whole-Time Director
Mr. Sunil Agarwal	Director
Mr. Babulal Meena	Director
Mrs. Sujata Chattopadhyay	Director
Mr. Avinash Chandra Vyas	Director
Mr. Ranbir Datt	Nominee Director
Mr. Hari Chand Mittal	Director (w.e.f. July 31, 2020)
Mr. Subhash Singhania	Chief Financial Officer (upto December 20 2020)
Mr. Mehul Rawal	Company Secretary and Compliance Officer (upto December 20 2020)
Mr. Ajay Jangid	Chief Financial Officer (w.e.f. December 21, 2020)
Mr. Jay Bhansali	Company Secretary and Compliance Officer (upto September 24, 2021)
Mr. Sachin Khandekar	Company Secretary and Compliance Officer (w.e.f. September 25, 2021)

(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 .

- Ms. Divya Nandwana	Daughter of Director
- Mr. Vedant Nandwana	Son of Director

Related Party Transactions

- In relation to (a)

(₹ in lakhs)

Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration to Key Managerial Personnel		
- Dinesh Nandwana	240.00	240.00
- Dr. Nishikant Hayatnagarkar	56.55	47.77
- Subhash Singhania	-	37.20
- Mehul Rawal	2.94	16.09
- Ajay Jangid	26.63	-
- Jay Bhansali	3.60	-
- Sachin Khandekar	4.36	-
Post-employment benefits to Key Managerial Personnel		
- Dinesh Nandwana	18.69	17.72
- Dr. Nishikant Hayatnagarkar	20.00	20.00
- Ajay Jangid	0.65	-
- Jay Bhansali	-	-
- Sachin Khandekar	0.21	-
Directors Sitting Fees		
- Ramesh Mulchand Joshi	4.95	2.95
- Sunil Agarwal	5.00	2.75
- Babulal Meena	4.95	2.70
- Sujata Chattopadhyay	4.50	2.50
- Avinash Chandra Vyas	5.45	3.20
- Ranbir Datt	4.50	2.75
- Hari Chand Mittal	5.00	2.25
Balance outstanding as on March 31 : (Expenses and Salaries Payable)		
- Dinesh Nandwana	12.48	12.48
- Dr. Nishikant Hayatnagarkar	3.43	3.18
- Subhash Singhania	-	4.63
- Ajay Jangid	1.86	1.80
- Sachin Khandekar	0.68	-
- Jay Bhansali	-	0.40

- In relation to (b)

(₹ in lakhs)

Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Reimbursement of Expenses Paid		
- Vedant Nandwana	1.95	-
Employee Benefit Expenses		
- Divya Nandwana	16.68	15.42
- Vedant Nandwana	6.95	6.43
Balance outstanding as on March 31 : (Expenses and Salaries Payable)		
- Divya Nandwana	-	1.15
- Vedant Nandwana	-	0.50

Note 44 - Employee Benefit Obligations

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 169.36 lakhs (March 31, 2021 - ₹ 262.92 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 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 ₹ 57.35 lakhs (March 31, 2021 - ₹ 138.94 lakhs).

Gratuity

The following table sets out the amount recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

(₹ in lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-20	**486.64**	**(400.24)**	**86.40**
Current Service cost	131.10	-	131.10
Past Service Cost	-	-	-
Interest expense/(income)	31.35	(29.95)	1.40
Total amount recognised in profit and loss	**162.45**	**(29.95)**	**132.50**
Remeasurements			
Return on plan assets, excluding amounts included in interest	-	-	-
(Gain)/loss from change in financial assumptions	(132.11)	-	(132.11)
Experience (gains)/losses	1.10	11.75	12.86
Total amount recognised in other comprehensive income	**(131.01)**	**11.75**	**(119.25)**
Employer contributions	-	(5.49)	(5.49)
Benefit payments	(109.99)	109.99	-
31-Mar-21	**408.09**	**(313.95)**	**94.14**

(₹ in lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-21	**408.09**	**(313.95)**	**94.14**
Current Service cost	80.25	-	80.25
Past Service Cost	-	-	-
Interest expense/(income)	25.58	(21.98)	3.60
Total amount recognised in profit and loss	**105.83**	**(21.98)**	**83.85**
Remeasurements			
Return on plan assets, excluding amounts included in interest	-	(0.01)	(0.01)
(Gain)/loss from change in financial assumptions	(0.00)	-	(0.00)
Experience (gains)/losses	(13.90)	10.93	(2.97)
Total amount recognised in other comprehensive income	**(13.90)**	**10.92**	**(2.98)**
Employer contributions	-	(20.00)	(20.00)
Benefit payments	(204.96)	204.96	-
31-Mar-22	**295.06**	**(140.05)**	**155.01**

The net liability disclosed above relates to funded plans are as follows

(₹ in lakhs)

Particulars	31-Mar-22	31-Mar-21
Present value of funded obligations	295.06	408.09
Fair value of plan assets	(140.05)	(313.95)
Deficit/(Surplus) of gratuity plan	**155.01**	**94.14**

Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

	31-Mar-22	31-Mar-21
Discount rate	7.24%	6.67%
Salary growth rate (per annum)	5.00%	5.00%
Mortality Table	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Impact on defined benefit obligation		
				Increase in assumption	
	31-Mar-22	31-Mar-21		31-Mar-22	31-Mar-21
Discount rate	1%	1%	Decrease by	7%	8%
Salary growth rate	1%	1%	Increase by	7%	9%

Particulars	Change in assumption		Impact on defined benefit obligation		
				Decrease in assumption	
	31-Mar-22	31-Mar-21		31-Mar-22	31-Mar-21
Discount rate	1%	1%	Increase by	9%	10%
Salary growth rate	1%	1%	Decrease by	6%	8%

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.

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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-22	**31-Mar-21**
Equity instruments	**9.68**	**9.68**
Debt instruments	**86.30**	**86.30**
Government bonds	67.56	67.56
Corporate bonds/debentures	18.74	18.74
Asset backed securities	**-**	**-**
Cash and cash equivalents	**4.02**	**4.02**
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.

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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 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 /5 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 on the basis of market price of the scrip of the company (on the highest traded Stock Exchange) as decided by the Nomination and Remuneration and Compensation Committee. During the year the committee has decided to grant options at closing price on previous day of grant of options.

During the year ended March 31, 2022, the Company has lapsed / cancelled 2699625 options granted under Company's "ESOP Scheme 2014", to its eligible employees as these options have gone underwater and were rendered un-attractive to employees due to decrease in market price of shares. In order to benefit the employees, the Company has cancelled these options and granted new options to eligible employees at prevalent market price. Due to this there is reversal of ₹ 1696.15 Lakhs in Employee stock compensation expenses resulting in decline of Employee Benefit Expenses. the Company has granted 1115300 new options during the year to the eligible employees. Further during the year the Company has allotted 94150 equity shares on conversion of ESOPs.

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-22		31-Mar-21	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	79.48	32,13,675	70.46	64,58,800
Granted during the year	42.70	11,15,300	-	-
Exercised during the year	26.27	94,150	-	-
Lapsed during the year	113.53	26,99,625	61.42	32,45,125
Closing Balance	**42.20**	**15,35,200**	**79.48**	**32,13,675**
Vested and exercisable	50.61	3,41,800	86.85	17,31,025

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2022 was ₹ 30.70 (March 31, 2021 : ₹ NIL).

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-22	Share options 31-Mar-21
26-11-2014	26-11-2023	32.35	32,225	32,475
11-03-2016	10-03-2025	56.54	2,72,325	5,93,900
26-07-2017	25-07-2026	109.40	-	13,05,600
26-10-2017	25-10-2026	137.33	-	2,16,800
09-01-2018	08-01-2027	202.28	-	64,000
13-04-2018	12-04-2027	69.85	-	3,01,300
10-07-2018	09-07-2027	25.93	53,500	1,37,200
05-10-2018	04-10-2027	14.38	21,700	1,54,200
03-01-2019	02-01-2028	18.03	12,150	71,700
15-04-2019	14-04-2028	32.95	2,400	1,18,400
10-07-2019	09-07-2028	17.95	18,175	40,200
09-10-2019	08-10-2028	14.18	39,825	1,77,900
11-01-2022	10-01-2030	42.70	10,82,900	-
Total			**15,35,200**	**32,13,675**

Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2022 was ₹ 13.53. 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 company has not granted any option during the year ended March 31, 2021.

The model inputs for options granted during the year ended March 31, 2022 included:

a) Options are granted for consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of four years after vesting.

Particulars	Year ended March 31, 2022
b) Exercise price	42.70
c) Grant date	11-01-2022
d) Expiry date	10-01-2030
e) Share price at grant date (₹)	42.30
f) Expected price volatility of the company's shares	51.55%
g) Expected dividend yield	0.25%
h) Risk free interest rate	6.57%
i) Fair value (₹)	13.53

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:

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Employee Stock Option Plan	(1,594.90)	(1,041.58)

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Notes forming part of Consolidated Financial Statements

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, 2022 were as follows:-

(₹ in lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	-	-	-	-	-	-
Trade Receivables	95,543.08	-	-	95,543.08	-	-
Cash & Cash equivalents	4,746.74	-	-	4,746.74	-	-
Other Bank Balances	925.53	-	-	925.53	-	-
Short Term Loans	1,244.23	-	-	1,244.23	-	-
Other Financial Assets	1,148.37	-	-	1,148.37	-	-
Investments	-	240.57	-	240.57	-	240.57
TOTAL	**1,03,607.95**	**240.57**	**-**	**1,03,848.52**		**240.57**

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	3,661.82	-	-	3,661.82	-	-
Other Financial Liabilities	6,735.81	-	-	6,735.81	-	-
TOTAL	**10,397.63**	**-**	**-**	**10,397.63**	**-**	**-**

The carrying value and fair value by each classification as at March 31, 2021 were as follows:-

(₹ in lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Assets						
Long Term Loans	-	-	-	-	-	-
Trade Receivables	1,12,031.21	-	-	1,12,031.21	-	-
Cash & Cash equivalents	818.59	-	-	818.59	-	-
Other Bank Balances	1,309.63	-	-	1,309.63	-	-
Short term Loans	1,146.46	-	-	1,146.46	-	-
Other financial assets	2,344.56	-	-	2,344.56	-	-
Investments	-	138.85	-	138.85	-	138.85
TOTAL	**1,17,650.45**	**138.85**	**-**	**1,17,789.30**	**-**	**138.85**

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	3,428.16	-	-	3,428.16	-	-
Other Financial Liabilities	8,126.89	-	-	8,126.89	-	-
TOTAL	**11,555.05**	**-**	**-**	**11,555.05**	**-**	**-**

(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.

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Table showing age of gross trade receivables and movement in expected credit loss allowance:

(₹ in lakhs)

Age of receivables	March 31, 2022	March 31, 2021
Within the credit period	95,564.41	1,10,263.59
1-90 days past due	6.76	871.10
91-180 days past due	14.51	4.87
181-270 days past due	39.39	2.16
More than 270 days past due	849.83	1,689.79
Total	**96,474.90**	**1,12,831.51**

Movement in the expected credit loss allowance	March 31, 2022	March 31, 2021
Balance at beginning of the year	800.29	735.51
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	131.53	64.78
Total	**931.82**	**800.29**

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 :

(₹ in lakhs)

As on March 31, 2022	< 1 Year	1 - 5 years	> 5 years	Total
Non-Current borrowings	-	-	-	-
Current borrowings	-	-	-	-

As on March 31, 2021	< 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.

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:

(₹ in lakhs)

Currency	Liabilities		Assets	
	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021
US Dollar (USD)	-	-	-	-

Foreign Currency Exposure

Particulars	USD in Lakhs	
	As on March 31, 2022	As on March 31, 2021
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

(₹ in lakhs)

Currency	Impact of Profit and Loss / Equity			
	For year ended March 31, 2022		For year ended March 31, 2021	
	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.

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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:

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before income taxes	14,154.76	8,281.81
Enacted tax rates in India *	25.168%	25.168%
Computed expected tax expense	3,566.84	2,097.60
Effect of non-deductible expenses	(385.98)	(255.50)
Absorption of unabsorbed brought forward losses and depreciation	(4.47)	0.12
Others	(4.20)	12.03
Income Tax expense	**3,172.20**	**1,854.26**
Earlier year tax expenses	14.81	28.08
Current Income Tax expense	**3,187.01**	**1,882.34**

*** Tax rate on subsidiaries have been considered at 25.168%, being rate for companies having turnover of less than 250 crores.**

(b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2022 and March 31, 2021 :

(₹ in lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021
Current Income Tax Liabilities	2,435.17	814.32
Income Tax Assets	114.86	578.07
Net current income tax liabilities / (assets) at the end	**2,320.31**	**236.25**

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2022 and March 31, 2021 is as follows:

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net current income tax liability / (asset) at the beginning	**236.25**	**(1,255.83)**
Income Tax paid	(1,102.95)	(390.27)
Current Income Tax expense	3,187.01	1,882.34
Net current income tax liability / (asset) at the end	**2,320.31**	**236.25**

(c) The gross movement in the deferred income tax account for the year ended March 31, 2022 and March 31, 2021, are as follows:

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net deferred income tax liabilities / (asset) at the beginning	**57.72**	**(92.63)**
Movements relating to temporary differences	15.28	120.34
Temporary differences on other comprehensive income	0.75	30.01
Unused Tax Credit	-	-
Net deferred income tax liabilities / (asset) at the end	**73.75**	**57.72**

Note 48 - Ageing of Trade Receivable

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Outstanding for the following period from invoice date					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	2,320.23	52.59	2,675.16	87,766.11	3,017.96	**95,832.05**
	1,324.13	*2,729.94*	*1,03,785.59*	-	*2,921.68*	*1,10,761.34*
Undisputed Trade receivables – which have significant increase in Credit Risk	21.27	1.19	-	-	202.82	**225.28**
	837.51	*2.64*	*645.57*	*0.08*	*202.82*	*1,688.62*
Undisputed Trade receivables – credit impaired	-	-	1.58	35.47	380.52	**417.57**
	-	-	-	*171.83*	*209.72*	*381.55*
Disputed Trade receivables – considered good	-	-	-	-	-	-
	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-
Total Trade Receivables	2,341.50	53.79	2,676.73	87,801.58	3,601.30	**96,474.90**
	2,161.64	*2,732.58*	*1,04,431.15*	*171.91*	*3,334.22*	*1,12,831.51*
Less: Allowance for credit loss						931.82
						800.29
Net Trade Receivables						**95,543.08**
						1,12,031.21

Note 49 - Ageing of Trade Payable

Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Outstanding for the following period from invoice date				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	114.39	-	-	-	**114.39**
	53.10	-	-	-	*53.10*
Others	3,358.75	118.27	19.37	51.03	**3,547.43**
	3,328.89	*14.61*	*12.19*	*19.37*	*3,375.06*
Total trade payables	**3,473.14**	**118.27**	**19.37**	**51.03**	**3,661.82**
	3,381.99	*14.61*	*12.19*	*19.37*	*3,428.16*

Note 50 - Details of Benami Properties Held

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988.

Note 51 - Borrowings secured against current assets

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Notes forming part of Consolidated Financial Statements

Quarterly returns or statements of current assets filed by the company with the bank are in agreement with the books of accounts.

Note 52 - Relationship with Struck-off Companies

(₹ in lakhs)

Name of Struck off Company	Nature of Transaction	Balance outstanding at the end of the year as at March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
SNG CAPITAL TRUST PRIVATE LIMITED	Shares held by struck off company	0.030	Shareholder
YES EQUITIES PRIVATE LIMITED	Shares held by struck off company	0.004	Shareholder

Note 53 - Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	-	-	Variance
Current Ratio	Total Current assets	Total Current liabilities	11.93	10.20	16.95%
Debt-Equity Ratio	Total Debt (including borrowings & lease liabilities)	Total Equity	-	-	0.00%
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	-	-	0.00%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	1.03	0.59	74.42%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	0.75	0.25	197.11%
Trade payables turnover ratio	Total Purchases	Average Trade Payable	11.90	1.14	944.01%
Net capital turnover ratio	Revenue	Working Capital	0.39	0.16	134.91%
Net profit ratio	Net Profit	Revenue	0.14	0.20	-29.60%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.05	0.03	64.77%
Return on Investment(ROI)	Income generated from investments	Average invested fund	-	-	0.00%

Note 54 - Utilisation of Borrowed funds and share premium

a. The company has not advanced or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any person(s) or entity(ies), including foreign entities

b. The company has not received any funds from any person(s) or entity(ies), including foreign entities (funding parties) with the understanding, whether recorded in writing or otherwise,

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Note 55 - Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

(₹ in lakhs)

Name of the entity	Country of incorporation	% of voting power as at March 31, 2022	% of voting power as at March 31, 2021	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	-	-	96.34%	2,64,711.55	86.28%	9,449.34	5.43%	2.22	85.97%	9,451.56
Indian Subsidiaries											
Vakrangee Finserve Limited	India	100.00	100.00	2.20%	6,041.85	13.66%	1,495.69	0.00%	-	13.61%	1,495.69
VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited)	India	100.00	100.00	0.34%	923.05	-0.01%	(0.85)	0.00%	-	-0.01%	(0.85)
Vakrangee Digital Ventures Limited	India	100.00	-	0.00%	6.37	-0.08%	(8.37)	0.00%	-	-0.08%	(8.37)
Foreign Subsidiary											
Vakrangee e-Solutions Inc.	Philipines	100.00	100.00	1.13%	3,089.08	0.15%	16.68	94.57%	38.70	0.51%	55.38
Total					**2,74,771.89**		**10,952.48**		**40.92**		**10,993.41**

Note 56 - 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

A. P. SANZGIRI & CO. MUMBAI F. R. NO. 116293W CHARTERED ACCOUNTANTS

Anil Agarwal
Partner
Membership No.: 041396

Place : Mumbai
Date : May 13, 2022

For and on behalf of the Board of Directors

Ramesh Joshi
Chairman
DIN : 00002683

Dinesh Nandwana
MD & Group CEO
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Ajay Jangid
Chief Financial Officer

VAKRANGEE LTD. MUMBAI

Sachin Khandekar
Company Secretary

Vakrangee Limited

Notes to Consolidated financial statements for the year ended March 31, 2022

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 VL E-Governance & IT Solutions 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 license.

The Consolidated financial statements were authorized for issue by the Board of Directors on May 13, 2022.

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

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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.
- the Group's voting rights and potential voting rights. In assessing control, potential voting rights that currently are exercisable are considered; 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.

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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:

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- 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 noncurrent.

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.

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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 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 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

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- 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 of, 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 BFSI and ATM Services (ATM, Insurance Services and Banking & financial services), Assisted E-Commerce Service (Online shopping, Pharmacy, Bill payment and recharge, logistics) 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 license.

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.

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 recognized 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 recognized 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

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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 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.

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Intangible assets consist of rights under licensing agreement and software licenses 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 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

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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. After 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.

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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 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

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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 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.

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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 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 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.

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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 considers 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.

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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 considering 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.

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xiii. Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts.

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to

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future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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 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 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

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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 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 terms approximating to the terms of the obligation.

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

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

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

Defined Contribution Plan

The 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.

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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:

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- **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. are This estimate also requiring 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 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.

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- **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.

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INDEPENDENT AUDITOR'S REPORT

To the Members of VL E-Governance & IT Solutions Limited
(Formerly known as Vakrangee Logistics Private Limited)

Report on the Audit of Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the Ind AS financial statements of VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of Profit and Loss, statement of change in equity and statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS 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 that there are no key audit matters to communicate in our report for the year ended March 31, 2022.

Information other than the financial statements and auditors' report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

S.K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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.

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- 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

The Company is yet to appoint the Company Secretary as required under the provisions of Section 203 of Companies Act, 2013. (Refer Note 32). Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 A".

g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

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 explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company has already made adequate provision for material foreseeable losses on long-term contracts as the management has decided to close down the Company. Also, the company has not entered in to any derivative contracts.

iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (A) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(B) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

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(C) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (A) and (B) above contain any material misstatement.

v. No dividend has been declared or paid during the year by the company.

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

Dhiraj Lalpuria
Partner
Membership Number: 146268
UDIN : 22146268AIVGSV3385

Place : Mumbai
Date : May 10, 2022

Annexure A to the Independent Auditors' Report
Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of VL E-Governance & IT Solutions Limited

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

1. We have audited the internal financial controls over financial reporting of VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls which were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to Financial Statements

6. A company's internal financial controls over financial reporting with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Generally Accepted Accounting Principles. A company's internal financial controls over financial reporting with reference to financial statements includes those policies and procedures that :

   i. pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company;

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ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, 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 with reference to financial statements to future period are subject to the risk that the internal financial controls over financial reporting with reference to financial statements may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company, in all material respect, an adequate internal financial control system over financial reporting with reference to financial statements and such internal financial controls over financial reporting with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

S.K. PATODIA & ASSOCIATES
FRN 112723W
MUMBAI
Chartered Accountants

Dhiraj Lalpuria
Partner
Membership Number : 146268
UDIN : 22146268AIVGSV3385

Place : Mumbai
Date : May 10, 2022

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) All the property, plant & equipment are physically verified by the Management according to phased programme designed to cover all the items over the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanations, no material discrepancies have been noticed on such verification.

(c) As per the records examined by us, the Company does not have any immovable property. Accordingly, the provisions of Clause 3(i)(c) of the Order are not applicable to the Company.

(d) The company has not revalued its property, plant & equipment and Intangible Assets.

(e) As per the records examined by us and explanation given to us, the company does not have any proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made thereunder. Accordingly, the provisions of Clause 3(i)(e) of the Order are not applicable to the Company.

(ii) (a) The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii)(a) of the said Order are not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of Rs 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not granted any unsecured loan, to the companies covered in the register maintained under Section 189 of the Companies Act, 2013. The company also has not granted any secured or unsecured loans to firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act.

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) The company has neither made any investments nor granted any loans, hence reporting under clause 3(iii)(b) is not applicable.

(c) The company has not granted any loans and therefore the schedule of repayment of principal and payment of interest is not required, Accordingly, reporting under clause 3(iii)(c) is not applicable.

(d) As the company has not granted any loans during the year, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) The company has not granted any loan during the year, Accordingly reporting under clause 3(iii)(e) is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

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(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act. Accordingly the provisions under Clause 3(vi) of the order are not applicable to the company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, goods & service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) The Company does not have any loans or borrowings or other liabilities from any financial institution, bank, government or any other individual, nor has it issued any debentures as at the balance sheet date. Hence, the provisions of Clause 3(ix)(a)(b)(c)(d)(e)(f) of the Order are not applicable to the Company.

(x) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of 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. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi)(a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, The Company has not received any whistle blower complaint during the year.

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(xii) 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) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the records of the Company examined by us and the information and explanation given to us, the company does not meet the criteria for the applicability of internal audit. Accordingly, the provisions of Clause 3(xiv) of said Order are not applicable to the company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) According to the information and explanations given to us, and the records of the company examined by us, the Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3 (xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us by the management and the records of the Company examined by us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities and other information accompanying the financial statements, there is no material uncertainty as to the company's inability to meet its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date.

(xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Companies Act, 2013. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable

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

Dhiraj Lalpuria
Partner
Membership Number: 146298
UDIN: 22146268AIVGSV3385

Place : Mumbai
Date : May 10, 2022

PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

VL E-Governance & IT Solutions Limited
(formerly known as Vakrangee Logistics Private Limited)
Balance Sheet as at March 31, 2022

(Amount in ₹ 000's)

	Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
I	**ASSETS**					
1	**Non - Current Assets**					
	Property, Plant & Equipment	4	6.19		26.43	
	Other Intangible Asset	5	-		-	
	Financial Assets					
	(a) Other Financial Assets	6	25.00		25.00	
	Deferred Tax Assets (Net)	7	27.86		37.75	
				59.04		89.18
2	**Current Assets**					
	Financial Assets					
	(a) Trade Receivables	8	-		-	
	(b) Cash and cash equivalents	9	311.52		4,843.32	
	(c) Bank Balances other than (b) above	10	139.65		5,132.71	
	(d) Other Financial Assets	11	91,690.00		80,263.78	
	Other Current Assets	12	308.97		411.45	
				92,450.14		90,651.25
	TOTAL			**92,509.18**		**90,740.43**
II	**EQUITY & LIABILITIES**					
1	**Equity**					
	Equity Share Capital	13	1,20,000.00		1,20,000.00	
	Other Equity	14	(27,694.22)		(29,458.79)	
				92,305.78		90,541.21
2	**Non - Current Liabilities**			-		-
3	**Current Liabilities**					
	Financial liabilities					
	(a) Trade Payables	15				
	micro enterprises and small enterprises		-		-	
	creditors other than micro enterprises and small		159.22		159.22	
	(b) Other Financial Liabilities	16	-		-	
	Other Current Liabilites	17	44.18		40.00	
	Current Tax Liabilities	18	-		-	
				203.40		199.22
	TOTAL			**92,509.18**		**90,740.43**
	Significant Accounting Policies	1-3				

The accompanying notes forms an integral part of the financial statements

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

Dhiraj Lalpuria
Partner
Membership No.: 146268

For & on behalf of the Board of Directors

Dinesh Nandwana
Whole Time Director
DIN : 00062532

Amit Sabarwal
Director
DIN : 06478938

Ajad Ansari
Chief Financial Officer

Place : Mumbai
Date : May 10, 2022

Place : Mumbai
Date : May 10, 2022

VL E-Governance & IT Solutions Limited
(formerly known as Vakrangee Logistics Private Limited)
Statement of Profit and Loss for the year ended March 31, 2022

(Amount in ₹ 000's)

	Particulars		For the year ended March 31, 2022		For the year ended March 31, 2021	
I	**Income**					
	Revenue from Operations	19	-		-	
	Other Income	20	2,008.07		301.39	
	Total Income			**2,008.07**		**301.39**
II	**Expenses**					
	Purchases	21	-		-	
	Operating Expenses	22	-		-	
	Employee Benefits Expenses	23	-		-	
	Depreciation	4 & 5	20.24		215.70	
	Other Expenses	24	213.35		133.52	
	Total Expenses			**233.60**		**349.22**
III	**Profit Before Tax**			**1,774.47**		**(47.83)**
IV	**Tax Expense:**					
	(a) Current Tax		-		-	
	(b) Deferred Tax		9.89	**9.89**	(26.03)	**(26.03)**
V	**Profit for the period**			**1,764.58**		**(21.80)**
VI	**Other Comprehensive Income**					
	Items that will be reclassified subsequently to profit or loss		-		-	
	Items that will not be reclassified subsequently to profit or loss		-	-	-	-
VII	**Total Comprehensive Income for the period**			**1,764.58**		**(21.80)**
VIII	**computing EPS (in thousands)**					
	(1) Basic	25		12,000.00		12,000.00
	(2) Diluted			12,000.00		12,000.00
IX	**Value ₹ 10/- Per Share):**	25				
	(1) Basic (₹)			**0.147**		**(0.002)**
	(2) Diluted (₹)			**0.147**		**(0.002)**
	Significant Accounting Policies	1-3				

The accompanying notes forms an integral part of the financial statements

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

Dhiraj Lalpuria
Partner
Membership No.: 146268

S. K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

Dinesh Nandwana
Whole Time Director
DIN : 00062532

Amit Sabarwal
Director
DIN : 06478938

VL E-GOVERNANCE & IT SOLUTIONS LIMITED MUMBAI

Ajad Ansari
Chief Financial Officer

Place : Mumbai
Date : May 10, 2022

Place : Mumbai
Date : May 10, 2022

VL E-Governance & IT Solutions Limited
(formerly known as Vakrangee Logistics Private Limited)
Cash flow statement for the year ended March 31, 2022

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit before tax from continuing operations	1,774.47	(47.83)
Non-cash adjustment to reconcile the profit before tax to net cash flows		-
- Allowance for credit losses	-	-
- Interest Income	(158.07)	(301.21)
Depreciation of property, plant and equipment	20.24	215.70
Operating profit before working capital changes	**1,636.65**	**(133.34)**
Movements in assets and liabilities :		-
- Increase/(Decrease) in Trade payables	-	-
- Increase/(Decrease) in Other payables	-	-
- Increase/(Decrease) in Other current liabilities	4.18	(0.07)
- Increase/(Decrease) in Employee benefit obligations	-	-
- (Increase)/Decrease in Trade Receivables	-	-
- (Increase)/Decrease in Other financial assets	(6,433.16)	(0.49)
- (Increase)/Decrease in Other current assets	304.44	(22.14)
Cash generated from /(used in) operations	**(4,487.90)**	**(156.04)**
Income taxes paid (net of refunds)	(201.96)	(22.02)
Net cash flow used in operating activities (A)	**(4,689.87)**	**(178.07)**
Cash flows from investing activities		
Interest received	158.07	301.21
Net cash flow used in investing activities (B)	**158.07**	**301.21**
Cash flows from financing activities	-	-
Net cash flow from financing activities (C)	-	-
Net increase in cash and cash equivalents (A + B + C)	**(4,531.80)**	**123.15**
Cash and cash equivalents at the beginning of the period	4,843.32	4,720.17
Cash and cash equivalents at the end of the period	**311.52**	**4,843.32**

The accompanying notes forms an integral part of the financial statements

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

S.K. PATODIA & ASSOCIATES
FRN 112723W MUMBAI
Chartered Accountants

Dhiraj Lalpuria
Partner
Membership No.: 146268

Place : Mumbai
Date : May 10, 2022

For & on behalf of the Board of Directors

VL E-GOVERNANCE & IT SOLUTIONS LIMITED
MUMBAI

Dinesh Nandwana
Director
DIN : 00062532

Amit Sabarwal
Director
DIN : 06478938

Ajad Ansari
Chief Financial Officer

Place : Mumbai
Date : May 10, 2022

VL E-Governance & IT Solutions Limited
(formerly known as Vakrangee Logistics Private Limited)
Statement of changes in equity for the year ended March 31, 2022

(Amount in ₹ 000's)

Particulars	Equity Share Capital	Other Equity - Reserve and Surplus - Retained earnings	Total equity attributable to equity holders of the Company
As at March 31, 2020	**1,20,000.00**	**(29,436.99)**	**90,563.01**
Profit for the year	-	(21.80)	(21.80)
Other comprehensive income	-	-	-
Issue of equity shares	-	-	-
As at March 31, 2021	**1,20,000.00**	**(29,458.79)**	**90,541.21**
Profit for the period	-	1,764.58	1,764.58
Other comprehensive income	-	-	-
Issue of equity shares	-	-	-
As at March 31, 2022	**1,20,000.00**	**(27,694.21)**	**92,305.79**

The accompanying notes forms an integral part of the financial statements

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

Dhiraj Lalpuria
Partner
Membership No.: 146268

S.K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

For & on behalf of the Board of Directors

VL E-GOVERNANCE & IT SOLUTIONS LIMITED MUMBAI

Dinesh Nandwana
Whole Time Director
DIN : 00062532

Amit Sabarwal
Director
DIN : 06478938

Ajad Ansari
Chief Financial Officer

Place : Mumbai
Date : May 10, 2022

Place : Mumbai
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VL E-Governance & IT Solutions Limited
(formerly known as Vakrangee Logistics Private Limited)

Notes to financial statements for the year ended March 31, 2022

Note 1 - Corporate Information

VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private 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 House', Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C. Marol, Andheri East, Mumbai - 400093, Maharashtra, India. The Company is a wholly owned subsidiary of Vakrangee Limited, whose shares are listed on two stock exchanges in India- the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

The Company is engaged in providing last mile delivery services of parcels on behalf of e-commerce entities and courier booking services.

The financial statements were authorized for issue by the Company's Board of Directors on May 10, 2022.

Note 2 - Significant Accounting Policies

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

A. Basis of preparation

i. Statement of compliance

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

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

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

ii. Basis of measurement

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

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and
- share based payments

B. Summary of significant accounting policies

a. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non –current.

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

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

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

b. Foreign Currencies

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

Transaction and balances

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

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered 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 recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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

c. Revenue recognition

The Company derives revenues primarily from providing last mile delivery / reverse pick-up services of parcels on behalf of logistics service provider.

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

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognize revenue when or as an entity satisfies performance obligations

Sales of Services

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

The Company recognizes the income for last mile delivery upon delivery of shipment to end customer or in case of reverse pick-up upon the pick-up of the shipment from the end customer. The Company recognizes the income or commission income from courier services upon pick up of parcels by courier companies.

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

Contract balances

Trade receivables

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

Contract liabilities

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

Interest Income

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

Dividend Income

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

d. Property, Plant and Equipment

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.

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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.

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

Description of Asset	**Life**
Computers and Printers, including Computer Peripherals	3 Years
Office Equipment	5 Years
Software	3 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 derecognized 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 recognized in profit or loss.

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e. Taxation

Current taxes

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

Deferred taxes

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

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

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

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

f. Fair Value measurement

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

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

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

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

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

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

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

g. Impairment of Non-Financial Assets

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

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h. Financial Instruments

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

Financial Assets

a) Initial recognition and measurement

All financial assets are recognized 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 recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

Debt Instruments at amortized cost:

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

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

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

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

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

Equity instruments

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

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

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

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

c) De-recognition

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

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 recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

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

d) Impairment of financial assets

The Company recognises impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortized cost, debt instruments at FVTOCI, lease

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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 considers historical credit loss experience and adjusted for forward-looking information.

Financial Liabilities

a) Initial recognition and measurement

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

b) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognized 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 recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

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

Loans and borrowings

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

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

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 recognized 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 recognized less cumulative amortization.

c) Derecognition

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

d) Offsetting of financial instruments

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

i. Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the

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j. 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 recognized in statement of profit and loss in the period in which they are incurred.

k. Equity Instruments

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

Dividends

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

l. Provisions

Provisions are recognized 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.

m. Contingent Liabilities

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

n. Earnings Per Share

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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.

o. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

p. Leases:

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

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

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

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

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

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

The lease liability is subsequently remeasured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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

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

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

q. Employee Benefits

- **Short-term obligations**

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

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

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the treated are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on

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S.K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants B233 government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognized in the Statement of Profit and Loss.

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

- **Post- employment obligations**

Defined benefit plan - Gratuity Obligations

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

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

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

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

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

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

Note 3 - Critical Accounting Judgements and Estimates

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

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

- **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.

- **Fair value measurement of financial instruments**

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

- **Revenue from contracts with customers**

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

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

Impact of Covid-19

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Due to the outbreak of COVID-19 globally and in India. The Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

The amendments are extensive and the Company has implemented the same wherever applicable, as required by law.

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Notes to financial statements for the year ended March 31, 2022

Note 4 - Property, Plant & Equipment

Computer & Laptops (Amount in ₹ 000's)

Description	As at March 31, 2022	As at March 31, 2021
At start of period	**156.00**	**156.00**
Additions	-	-
Disposals/Transfers	-	-
At end of period	**156.00**	**156.00**
Depreciation and Impairment		
At start of period	156.00	143.32
Depreciation charged for the period	-	12.68
Disposals/Transfers	-	-
At end of period	**156.00**	**156.00**
Net Book Value		
At end of period	-	-

Office Equipment (Amount in ₹ 000's)

Description	As at March 31, 2022	As at March 31, 2021
At start of period	**100.39**	**100.39**
Additions	-	-
Disposals/Transfers	-	-
At end of period	**100.39**	**100.39**
Depreciation and Impairment		
At start of period	**73.96**	**53.77**
Depreciation charged for the period	20.24	20.19
Disposals/Transfers	-	-
At end of period	**94.20**	**73.96**
Net Book Value		
At end of period	**6.19**	**26.43**

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Note 5 - Other Intangible Assets

Logistics Portal Software (Amount in ₹ 000's)

Description	As at March 31, 2022	As at March 31, 2021
At start of period	550.00	**550.00**
Additions	-	-
Disposals/Transfers	-	-
At end of period	**550.00**	**550.00**
Depreciation and Impairment		
At start of period	550.00	367.17
Depreciation charged for the period	-	182.83
Disposals/Transfers	-	-
At end of period	**550.00**	550.00
Net Book Value		
At end of period	-	-

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Note 6 - Other Financial Assets
Non-Current

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposit with statutory authorities	25.00	25.00
TOTAL	**25.00**	**25.00**

Note 7 - Deferred Tax Assets/(Liability)

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets		
(i) Temporary differences on Tax Provisions	-	-
(A)	-	-
Liabilities		
(i) On account of difference in depreciation	(27.86)	(37.75)
(B)	**(27.86)**	**(37.75)**
TOTAL (A - B)	**27.86**	**37.75**

Note 8 - Trade Receivables

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
(i)Trade Receivables considered good - Secured	-	-
(ii)Trade Receivables considered good - Unsecured	-	-
(iii)Trade Receivables which have significant increase in Credit Risk	-	-
(iv)Trade Receivables - credit impaired	-	-
	-	-
TOTAL	-	-
Dues receivable from Holding Company	-	-

Note 9 - Cash and Cash equivalents

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
(i) Balances with Banks :		
- Current Accounts	311.52	4,843.32
- Deposit Accounts	-	-
(ii) Cash-in-hand	-	-
TOTAL	311.52	4,843.32

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Note 10 - Bank Balances other than above

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposits with maturity period of more than 3 months but less than 12	139.65	5,132.71
TOTAL	**139.65**	**5,132.71**
* Amount held as margin money against	100.00	100.00

Note 11 - Other Financial Assets

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Receivables (COD Receivables)	2,008.70	2,008.70
Less:- Allowance for credit losses	2,008.70	2,008.70
	-	-
Advance to Vendor	91,690.00	80,240.00
Interest Accured on FDR	-	23.78
	91,690.00	**80,263.78**

Note 12 - Other Current Assets

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with statutory authorities		
- GST	50.16	354.59
- Income Tax	258.82	56.86
TOTAL	**308.97**	**411.45**

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Note 13 - Equity Share Capital

(Amount in ₹ 000's)

(i) Authorised Share Capital :	As at March 31, 2022 Number of Shares (in 000's)	Amount	As at March 31, 2021 Number of Shares (in 000's)	Amount
As at start of period	15,000.00	1,50,000.00	15,000.00	1,50,000.00
Increase during the period	-	-	-	-
As at end of period	15,000.00	1,50,000.00	15,000.00	1,50,000.00

(Amount in ₹ 000's)

(ii) Issued Equity Share Capital	Shares (in 000's)	Amount	Shares (in 000's)	Amount
As at start of period	12,000.00	1,20,000.00	12,000.00	1,20,000.00
Increase during the period	-	-	-	-
As at end of period	12,000.00	1,20,000.00	12,000.00	1,20,000.00

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

(Amount in ` 000's)

Particulars	As at March 31,	As at March 31, 2021
1,20,00,000 equity shares are held by Vakrangee Limited (March 31, 2022 : 1,20,00,000 equity shares)	1,20,000	1,20,000

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

(Amount in ₹ 000's)

No. of Shares held by	As at March 31, 2022		As at March 31, 2021	
	Number of Shares (in	%	Number of Shares (in 000's)	%
Vakrangee Limited	12,000.00	100.00	12,000.00	100.00
TOTAL	12,000.00	100.00	12,000.00	100.00

(v) Disclosure of shareholding of Promoters

(Amount in ₹ 000's)

Shares held by Promoters					% Change during the year
Promoters' Name	As at March 31, 2022		As at March 31, 2021		
	Number of shares	% of Total Shares	Number of shares	% of Total Shares	
Vakragee Limited	12,000	100.00	12,000	100.00	-

(vi) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. New equity shares issued shall be ranked parripassu to the existing equity shares.

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

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

Note 14 - Other Equity

(Amount in ₹ 000's)

Particulars	As at March 31, 2022		As at March 31, 2021	
Surplus in Statement of Profit & Loss				
Balance at the beginning of the period	(29,458.79)		(29,436.99)	
Add: Profit for the period	1,764.58		(21.80)	
TOTAL		(27,694.22)		(29,458.79)

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Note 15 - Trade Payables

(Amount in ₹ 000's)

Particulars	As at March 31, 2022		As at March 31, 2021	
Trade Payables				
- 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 period	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
Total Dues of micro enterprises and small enterprises	-	-	-	-
- Dues of Creditors other than micro enterprises and small enterprises	159.22	-	159.22	-
TOTAL		159.22		159.22

As at March 31, 2022 and March 31, 2021, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same.

Trade Payables Ageing Schedule (Amount in ₹ 000's)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
1) MSME	-	-	-	-	-
2) Others	-	-	-	159.22	**159.22**
3) Disputed Dues - MSME	-	-	-	-	-
4) Disputed Dues - Others	-	-	-	-	-
Total	-	-	-	**159.22**	**159.22**

Note 16 - Other Financial Liabilities

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
Payables against cash collection	-	-
Advance from customers	-	-
Commission Expenses Payable	-	-
TOTAL	-	-

Note 17 - Other Current liabilites

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
Withholding taxes and others	5.38	1.50
Other Payables:		
Audit Fees Payable	38.80	38.50
Payable for Expenses	-	-
	38.80	38.50
TOTAL	44.18	40.00

Note 18 - Current Tax Liabilities (Net)

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax (Net of Provision for Income Tax)	-	-
TOTAL	-	-

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Note 19 - Revenue from Operations

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Sale of Courier services	-		-	
Sale of Last mile delivery services	-		-	
TOTAL		-		-

Note : The amount of revenues are exclusive of indirect taxes (GST etc.)

Note 20 - Other Income

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Interest Income				
- Bank Deposits	158.07		301.21	
Miscellaneous Income	1,850.00		0.18	
		2,008.07		301.39
TOTAL		2,008.07		301.39

Note 21 - Purchases

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of Courier Services	-	-
TOTAL	-	-

Note 22 - Operating Expenses

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Commisison Expense	-	-
TOTAL	-	-

Note 23 - Employee Benefits Expenses

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
(i) Salaries & Wages	-		-	
(ii) Staff Welfare Expenses	-		-	
TOTAL		-		-

Note 24 - Other Expenses

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Conveyance & Travelling Expenses		-		-
Allowance for credit losses				
- Opening Allowances	(2,008.70)		(2,008.70)	
- Add : Written off during the year	-		-	
- Less : Closing Allowances	(2,008.70)	-	(2,008.70)	-
Rent Rates & Taxes		-		-
Bank Charges & Commission		0.33		0.14
Software & Other IT charges				
Legal & Professional Fees - Other than payments to Auditor				
- Legal & Professional Fees	76.50		38.00	
- Filing Stamp Duty and Franking Charges	37.46	113.96	2.41	40.41
Payments to Auditors :				
- Audit fees	40.00		40.00	
- Certification Fee	10.00		-	
- Limited Review	45.00	95.00	45.00	85.00
Office & General Expenses		4.07		7.97
TOTAL		213.35		133.52

Note 25 - Earnings Per Equity Share

(Amount in ₹ 000's)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Net profit after tax attributable to equity shareholders for Basic EPS	1,764.58	(21.80)
	Add/Less: Adjustment relating to potential equity shares	-	-
	Net profit after tax attributable to equity shareholders for Diluted EPS	1,764.58	(21.80)
(b)	Weighted average no. of equity shares outstanding during the year		
	For Basic EPS	12,000.00	12,000.00
	For Diluted EPS	12,000.00	12,000.00
(c)	Basic EPS (₹)	0.147	(0.002)
	Diluted EPS (₹)	0.147	(0.002)
	Face Value per Equity Share (₹)	10.00	10.00
(d)	**Reconciliation between no. of shares used for calculating basic and diluted EPS**		
	No. of shares used for calculating Basic EPS	12,000.00	12,000.00
	Add: Potential equity shares	-	-
	No. of shares used for calculating Diluted EPS	12,000.00	12,000.00

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Note 26 - Ratio Calculations

Particulars	Mar-22	Mar-21
1) Current ratio (a/b) (in times)	**454.53**	**455.03**
Current Assets (a)	92,450.14	90,651.25
Current Liability (b)	203.40	199.22
2) Debt Equity ratio (c/d) (in times)	**N.A.**	**N.A.**
Debt (c)	-	-
Equity (d)	92,305.78	90,541.21
Note: As the company does not have any debt, the debt equity ratio is not applicable.		
3) Debt Service Coverage ratio (e/f)	**N.A.**	**N.A.**
EBITDA (e)	1,794.71	167.87
Interest on Term Loan	-	-
Principal Repayment	-	-
Total Interest & Principal Repayment (f)	-	-
Note: As the company does not have any debt, the debt service coverage ratio is not applicable.		
4) Inventory Turnover Ratio (g/h) (in times)	**N.A.**	**N.A.**
Cost of Goods sold (g)	-	-
Average inventory (h)	-	-
Note : As the company does not have inventories and business nature of company is providing services, Inventory Turnover Ratio is not applicable.		
5) Trade Receivable Turnover Ratio (i/j) (in times)	**N.A.**	**N.A.**
Net Sales (i)	-	-
Average Account Receivable (j)	-	-
Note : As the company does not have Trade Receivables & Operational Revenue, Trade Receivable Turnover ratio is not appliable.		
6) Return on Equity ratio (k/l) (in %)	**1.91%**	**(0.02)%**
Profit after Tax (k)	1,764.58	(21.80)
Shareholder's Equity (l)	92,305.78	90,541.21
Note: Since, there is Inome in Current Financial Year, the company has earned profit.		
7) Trade Payable Turnover ratio (m/n) (in times)	**N.A.**	**N.A.**
Credit purchase (m)	-	-
Average Account Payable (n)	159.22	159.22
Note: As the company does not have purchases, Trade Payable Ratio will not be applicable.		
8) Net Capital Turnover ratio (o/r) (in times)	**N.A.**	**N.A.**
Total Sales (o)	-	-
Current Assets (p)	92,450.14	90,541.21
Current Liabilities (q)	203.40	199.22
Working Capital (r) {p-q}	92,246.74	90,341.99
Note: As the company does not have sales, Net Capital Turnover Ratio will not be applicable.		
9) Net Profit ratio (s/t) (in %)	**87.87%**	**(7.23)%**
Profit after Tax (s)	1,764.58	(21.80)
Total Sales (t)	2,008.07	301.39
Note: As the company does not have sales, Net Profit Ratio has been calculated on Total Income.		
10) Return on Capital Employed (u/x) (in %)	**1.94%**	**0.19%**
EBITDA (u)	1,794.71	167.87
Net Worth (v)	92,305.78	90,541.21
Total Debt (w)	-	-
Total Capital Employed (x) {v+w}	92,305.78	90,541.21
11) Return on Investment (y/z) (in %)	**1.94%**	**0.19%**
EBITDA (y)	1,794.71	167.87
Net Worth (z)	92,305.78	90,541.21

S.K. Patodia & Associates, Chartered Accountants, FRN 112723W, Mumbai

VL E-Governance & IT Solutions Limited, Mumbai

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Notes to financial statements for the year ended March 31, 2022

Note 27 - Related Party Transactions

a) Key Management Personnel

Dinesh Nandwana	Director
Jitendra Jog	Director
Sanjay Nandwana	Director
Chetan Joshi	Director
Amit Sabarwal	Director
Vimal Jain	Chief Financial Officer (upto February 5, 2021)
Ajad Ansari	Chief Financial Officer (w.e.f. May 17, 2021)
Harshvardhan Tarkas	Company Secretary (upto 12.06.2019)

b) Holding Company of the company with whom company has entered in transactions during the period

- Vakrangee Limited

Transactions during the period

- In relation to (a) **(Amount in ₹ 000's)**

Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Employee Benefit Expenses		
Jitendra Jog	-	-
Harshvardhan Tarkas	-	-

- In relation to (b) **(Amount in ₹ 000's)**

Nature of Transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of goods and services	1,850.00	-
Receipts towards sales	-	-
Balance outstanding as on date		
Equity Share Capital	1,20,000.00	1,20,000.00

VL E-GOVERNANCE & IT SOLUTIONS LIMITED MUMBAI

S.K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

VL E-Governance & IT Solutions Limited

(formerly known as Vakrangee Logistics Private Limited)

Notes to financial statements for the year ended March 31, 2022

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

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Contingent Liabilities		
Company has provided Counter Guarantee in relation	100.00	100.00
Total (A)	**100.00**	**100.00**
(B) Commitments		
Estimated amount of contracts remaining to be	-	-
Total (B)	-	-
Total (A+B)	**100.00**	**100.00**

Note 29 - Financial Risk Management

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

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

Note 30 - Income Taxes

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

(Amount in ₹ 000's)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Income Tax Liabilities	-	-
Income Tax Assets	258.82	56.86
Net current income tax liabilities / (assets) at the en	**(258.82)**	**(56.86)**

The gross movement in the current income tax liability / (asset)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net current income tax liability / (asset) at the beg	**(56.86)**	**(34.84)**
Income taxes paid (net of refunds)	(201.96)	(22.02)
Current Income Tax expense	-	-
Net current income tax liability / (asset) at the end	**(258.82)**	**(56.86)**

VL E-GOVERNANCE & IT SOLUTIONS LIMITED MUMBAI

S.K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

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VL E-Governance & IT Solutions Limited

(formerly known as Vakrangee Logistics Private Limited)

Notes to financial statements for the year ended March 31, 2022

Note 31 - Scheme of arrangement

During the year, the Company in its Board of Directors' meeting held on October 10, 2021, has approved the draft Scheme of Arrangement of Demerger between Vakrangee Limited ("demerged company") and VL E-Governance & IT Solutions Limited ("resulting company") in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other generally accepted accounting principles. The said Scheme, would be effective from April 1, 2021 (the Appointed Date) for demerger of E-Governance & ITES Business (Demerged undertaking) of Vakrangee Limited into VL E-Governance & IT Solutions Limited. The approval of the National Company Law Tribunal (NCLT) is awaited.

Note 32 - Appointment of Company Secretary

During the financial year 2019-20, the whole time Company Secretary has resigned from the company in the month of June, 2019. As per provisions of Section 203 of Companies Act, 2013 read with rule 8 and rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and other applicable provisions, if any, of Companies Act 2013 ("Act"), as amended or re-enacted from time to time, the Company was required to appoint a Company Secretary in whole time employment of the Company. However, the company since then is in search of appropriate candidate to be appointed as Company Secretary of the Company and consequently, as on date, the said position is vacant.

Note 33 - 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.

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

S. K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

Dhiraj Lalpuria
Partner
Membership No.: 146268

For & on behalf of the Board of Directors

Dinesh Nandwana
Director
DIN : 00062532

Amit Sabarwal
Director
DIN : 06478938

VL E-GOVERNANCE & IT SOLUTIONS LIMITED MUMBAI

Ajad Ansari
Chief Financial Officer

Place : Mumbai
Date : May 10, 2022

Place : Mumbai
Date : May 10, 2022

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

October 21, 2022

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, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

Dear Sir/Madam,

Sub.: Outcome of Board Meeting
Ref.: Scrip Code - 511431/VAKRANGEE

Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held on October 21, 2022 has approved the Un-audited (Standalone & Consolidated) Financial Results for the Second Quarter / Half year ended September 30, 2022.

We enclose copy of the Un-audited (Standalone & Consolidated) Financial Results for the Quarter/ Half Year ended September 30,2022 along with the Limited Review Report of M/s. S.K. Patodia & Associates, Chartered Accountants, statutory auditors of the Company in respect of the said Financial Results.

The Board Meeting commenced at 03.00 P.M and concluded at 04.20 P.M.

Thanking you,

Yours faithfully,

For Vakrangee Limited

VAKRANGEE LIMITED
MUMBAI

Sachin Khandekar
Company Secretary
(Mem. No.: A50577)

VAKRANGEE LIMITED

Vakrangee

VAKRANGEE CORPORATE HOUSE, PLOT NO. 93, ROAD NO. 16,
M.I.D.C., MAROL, ANDHERI (EAST), MUMBAI – 400 093. INDIA
CIN : L65990MH1990PLC056669
PHONE : 022 6776 5100
E-mail : info@vakrangee.in Website : www.vakrangee.in

(₹ in Lakhs)

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

S.No.	Particulars	For the quarter ended			For the half year ended		For the year ended
		30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
		(1)	(2)	(3)	(4)	(5)	(6)
1	**Income**						
	Revenue from operations	22,599.69	21,660.10	18,604.05	44,259.79	31,711.13	69,229.15
	Other Income	112.22	169.18	2.02	281.40	104.09	231.74
	Total Income	22,711.91	21,829.28	18,606.07	44,541.19	31,815.22	69,460.89
2	**Expenses**						
	Purchase of stock in trade and other operating expenditure	20,478.80	19,748.30	13,728.65	40,227.10	22,966.08	51,515.33
	Changes in inventories of stock-in-trade	30.57	(0.59)	14.14	29.98	47.57	91.21
	Employee benefits expense	551.85	547.86	731.69	1,099.71	1,409.63	1,322.82
	Finance costs	-	-	-	-	-	-
	Depreciation and amortisation expense	419.34	392.48	392.23	811.82	745.70	1,545.57
	Other expenses	499.43	538.92	604.17	1,038.35	877.94	2,028.15
	Total expenses	21,979.99	21,226.97	15,470.88	43,206.96	26,046.92	56,503.08
3	**Profit before tax & Exceptional Item (1-2)**	**731.92**	**602.31**	**3,135.19**	**1,334.23**	**5,768.30**	**12,957.81**
4	Exceptional Item	-	-	-	-	-	(168.66)
5	**Profit before tax (3+4)**	**731.92**	**602.31**	**3,135.19**	**1,334.23**	**5,768.30**	**12,789.15**
6	**Tax expense**						
	Current tax	182.06	175.16	729.97	357.22	1,348.31	2,838.01
	Deferred tax	20.58	1.89	27.89	22.47	25.24	15.18
	Total tax expenses	**202.64**	**177.05**	**757.86**	**379.69**	**1,373.55**	**2,853.19**
7	**Profit for the period / year (5-6)**	**529.28**	**425.26**	**2,377.33**	**954.54**	**4,394.75**	**9,935.96**
8	Other comprehensive income (OCI) / (expenses) **Items that will not be reclassified to profit or loss**						
	Remeasurement of net defined benefit obligations (net of taxes)	44.97	(1.73)	11.46	43.24	(3.13)	2.22
	Total other comprehensive income / (expenses) for the period / year	**44.97**	**(1.73)**	**11.46**	**43.24**	**(3.13)**	**2.22**
9	**Total comprehensive income for the period / year (7+8)**	**574.25**	**423.53**	**2,388.79**	**997.78**	**4,391.62**	**9,938.18**
10	Paid up equity share capital (face value ₹ 1/- each)	10,595.00	10,595.00	10,594.06	10,595.00	10,594.06	10,595.00
11	Reserves excluding revaluation reserves as per balance sheet of previous accounting year						2,59,702.38
12	**Earnings per share (EPS) in ₹ (not annualised)**						
	(a) Basic	0.05	0.04	0.23	0.09	0.42	0.94
	(b) Diluted	0.05	0.04	0.23	0.09	0.42	0.94

VAKRANGEE LIMITED MUMBAI

S.K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

Vakrangee Limited

Notes to the unaudited standalone financial results for the quarter and half year ended September 30, 2022:

1 The above un-audited standalone financial results for the quarter and half year ended September 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 21, 2022. The statutory auditors of the Company, S. K. Patodia & Associates, Chartered Accountants, have reviewed the above standalone financial results for the quarter and half year ended September 30, 2022.

2 These results have been prepared on the basis of un-audited standalone financial statements, which are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

3 During the quarter ended September 30, 2022, the Company has granted 61300 new options under Company's "ESOP Scheme 2014" to its eligible employees.

4 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.

5 The Board of Directors at their meeting held on October 10, 2021, considered and approved to restructure the business by way of a Scheme of Arrangement for Demerger ("Scheme") whereby the E-Governance & IT/ITES Business (Demerged Undertaking) of Vakrangee Limited ("Demerged Company") will be demerged into the VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) ("Resulting Company") as a going concern basis. Pursuant to the Regulation 37 of the LODR the Company has obtained No Objection Letter from the BSE and NSE vide their letter dated 11th March, 2022 and subsequently, an application has been made to the National Company Law Tribunal for further directions, the same is pending for hearing and disposal.

6 The figures of the previous year / period have been regrouped / rearranged / recast to render the comparable with the figures of the current period.

7 The above results of the Company are available on the Company's website www.vakrangee.in and also on www.bseindia.com and www.nseindia.com.

For and on behalf of the Board of Directors

S.K. PATODIA & ASSOCIATES Chartered Accountants FRN 112723W MUMBAI

Place : Mumbai

Date : October 21, 2022

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

VAKRANGEE LIMITED MUMBAI

VAKRANGEE LIMITED MUMBAI

Vakrangee Limited

Standalone Statement of Assets and Liabilities as at September 30, 2022

(₹ in Lakhs)

Particulars	As at September 30, 2022 (Un-audited)	As at March 31, 2022 (Audited)
I. ASSETS		
1. Non-Current Assets		
(a) Property, plant and equipment	13,057.33	13,853.34
(b) Capital work-in-progress	205.55	197.45
(c) Intangible Assets under development	434.79	434.79
(d) Investment property	-	-
(e) Financial assets		
(i) Investments	3,037.57	3,037.57
(ii) Trade Receivables	-	-
(iii) Loans	3,001.89	2,692.91
(iv) Other financial assets	137.66	135.58
(f) Deferred tax assets (Net)	-	-
(g) Other non-current assets	59,047.56	59,026.88
Total Non-Current Assets	78,922.35	79,378.52
2. Current Assets		
(a) Inventories	385.29	410.46
(b) Financial assets		
(i) Investments	-	-
(ii) Trade receivables	97,342.06	91,486.68
(iii) Cash and cash equivalents	3,859.26	4,195.08
(iv) Bank balances other than (iii) above	876.37	614.21
(v) Loans	1.53	3.26
(vi) Other financial assets	456.03	605.47
(c) Current tax assets (net)	-	-
(d) Other current assets	1,08,218.97	1,10,945.58
Total Current Assets	2,11,139.51	2,08,260.74
TOTAL ASSETS	2,90,061.86	2,87,639.26
II. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity share capital	10,595.00	10,595.00
(b) Other equity	2,60,198.12	2,59,702.38
Total Equity	2,70,793.12	2,70,297.38
2. Liabilities		
Non Current Liabilities		
(a) Financial liabilities		
(i) Trade payables		
- Dues of micro enterprises and small enterprises	-	-
- Dues of Creditors other than micro enterprises and small enterprises	1.36	12.04
(ii) Other financial liabilities	392.50	41.28
(b) Deferred Tax Liabilities (net)	111.04	74.03
(c) Employee benefit obligations	252.26	307.92
Total Non-Current Liabilities	757.16	435.27
3. Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables		
- Dues of micro enterprises and small enterprises	243.68	102.35
- Dues of Creditors other than micro enterprises and small enterprises	5,755.52	3,130.36
(iii) Other financial liabilities	5,839.34	6,694.53
(b) Other current liabilities	2,975.56	3,413.28
(c) Provisions	1,199.86	1,160.55
(d) Employee benefit obligations	19.39	16.45
(e) Current tax liabilities (Net)	2,478.23	2,389.09
Total Current Liabilities	18,511.58	16,906.61
TOTAL EQUITY AND LIABILITIES	2,90,061.86	2,87,639.26

VAKRANGEE LIMITED MUMBAI

S.K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

Vakrangee Limited

Standalone Cash Flow Statement for the half year ended September 30, 2022

(₹ In lakhs)

S. No	Particulars	For the half year ended September 30, 2022	For the year ended March 31, 2022
I	**Cash flow from operating activities**		
	Profit before tax from continuing operations	1,334.23	12,789.15
	Profit before tax	1,334.23	12,789.15
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	811.82	1,545.57
	Employee share based payment expenses	27.71	(1,594.90)
	Net foreign exchange differences	(0.02)	0.06
	Allowance for credit losses	(0.00)	131.53
	Fair value gain on financial instrument at fair value through Profit and	-	(101.72)
	Remeasurement of defined benefit obligations	57.78	2.97
	Gain on disposal of property, plant and equipment	4.91	168.22
	Interest income	(17.86)	(90.33)
	Dividend income	-	(1.50)
	Operating profit before working capital changes	2,218.57	12,849.05
	Movements in assets and liabilities :		
	Decrease / (increase) in inventories	25.17	86.76
	Decrease / (increase) in trade receivables	(5,855.39)	15,996.29
	Decrease / (increase) in loans and other financial assets	(880.59)	214.78
	Decrease / (increase) in other current assets	2,726.61	(21,189.05)
	Decrease / (increase) in other non-current assets	(20.68)	614.92
	Increase / (decrease) in trade payables	2,755.80	569.18
	Increase / (decrease) in employee benefit obligations	(52.71)	(32.68)
	Increase / (decrease) in provisions	39.30	68.46
	Increase / (decrease) in other current liabilities	(437.72)	(3,822.81)
	Cash generated from operations	518.36	5,354.90
	Income taxes paid (net of refunds)	(268.07)	(651.24)
	Net cash flow generated from operating activities (A)	250.29	4,703.66
II	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(266.81)	(756.60)
	Proceeds from sale of property, plant and equipment	238.00	607.91
	Proceeds from sale of investments	-	-
	Investment in subsidiaries	-	(1.00)
	Loans of subsidiaries	(45.43)	-
	Interest received	17.86	90.33
	Dividends received	-	1.50
	Net cash flow generated from / (used in) investing activities (B)	(56.38)	(57.86)
III	**Cash flow from financing activities**		
	Proceeds from issue of shares	-	0.94
	Proceeds towards securities premium on issue of shares	-	23.80
	Dividends paid to company's shareholders	(529.75)	(1,059.41)
	Net cash flow (used in) in financing activities (C)	(529.75)	(1,034.67)
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	(335.84)	3,611.13
	Effects of exchange rate changes on cash and cash equivalents	0.02	(0.06)
	Cash and cash equivalents at the beginning of the year	4,195.08	584.01
	Cash and cash equivalents at the end of the year	3,859.26	4,195.08

VAKRANGEE LIMITED MUMBAI

S.K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

Independent Auditor's Review Report on Unaudited Standalone Financial Results of Vakrangee Limited for the Quarter and Six Months Ended September 30, 2022 pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

TO THE BOARD OF DIRECTORS OF
VAKRANGEE LIMITED

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of **Vakrangee Limited**, ("the Company") for the quarter and six months ended September 30, 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. ("the Regulation")

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. (a) The standalone financial results of the company for the year ended March 31, 2022, were audited by another firm of Chartered Accountants, who issued an unmodified opinion vide their report dated May 13, 2022.

   (b) The standalone financial results of the company for the quarter ended June 30, 2022 and quarter and half year ended September 30, 2021, were reviewed by another firm of Chartered Accountants who vide their report dated July 07, 2022 and October 09, 2021 respectively, expressed an unmodified conclusion on those financial results.

   Our conclusion is not qualified in respect of those matters.

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

FRN 112723W MUMBAI
S.K. PATODIA & ASSOCIATES Chartered Accountants

Dhiraj Lalpuria
Partner
Membership Number : 146268
UDIN : 22146268BAOLPC2253

Place : Mumbai
Date : October 21, 2022

VAKRANGEE LIMITED

Vakrangee

VAKRANGEE CORPORATE HOUSE, PLOT NO. 93, ROAD NO. 16,
M.I.D.C., MAROL, ANDHERI (EAST), MUMBAI – 400 093. INDIA
CIN : L65990MH1990PLC056669
PHONE : 022 6776 5100
E-mail : info@vakrangee.in Website : www.vakrangee.in

(₹ in Lakhs)

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

S.No.	Particulars	For the quarter ended			For the half year ended		For the year ended
		30-Sep-22 (Un-audited)	30-Jun-22 (Un-audited)	30-Sep-21 (Un-audited)	30-Sep-22 (Un-audited)	30-Sep-21 (Un-audited)	31-Mar-22 (Audited)
		(1)	(2)	(3)	(4)	(5)	(6)
1	**Income**						
	Revenue from operations	23,407.39	22,602.77	20,718.72	46,010.16	36,120.82	77,869.23
	Other Income	136.39	186.43	47.25	322.82	188.88	391.29
	Total Income	23,543.78	22,789.20	20,765.97	46,332.98	36,309.70	78,260.52
2	**Expenses**						
	Purchase of stock in trade and other operating expenditure	21,241.29	20,464.82	15,425.97	41,706.11	26,528.43	58,605.75
	Changes in inventories of stock-in-trade	30.57	(0.59)	14.14	29.98	47.58	91.21
	Employee benefits expense	632.92	619.18	764.03	1,252.10	1,474.33	1,473.98
	Finance costs	-	-	-	-	-	-
	Depreciation and amortisation expense	419.34	392.53	392.28	811.87	745.80	1,545.78
	Other expenses	538.58	663.42	641.71	1,202.00	931.47	2,220.38
	Total Expenses	22,862.70	22,139.36	17,238.13	45,002.06	29,727.61	63,937.10
3	**Profit before tax & Exceptional item (1-2)**	681.08	649.84	3,527.84	1,330.92	6,582.09	14,323.42
4	Exceptional item	-	-	-	-	-	(168.66)
5	**Profit before tax (3+4)**	681.08	649.84	3,527.84	1,330.92	6,582.09	14,154.76
6	**Tax expense**						
	Current tax	178.40	195.27	825.55	373.67	1,549.68	3,187.01
	Deferred tax	20.59	1.90	27.91	22.49	25.28	15.28
	Total tax expenses	198.99	197.17	853.46	396.16	1,574.96	3,202.29
7	**Profit for the period / year (5-6)**	482.09	452.67	2,674.38	934.76	5,007.13	10,952.47
8	Other comprehensive income (OCI) / (expenses)						
	Items that will be reclassified to profit or loss						
	Exchange difference on translation of foreign operations	(9.60)	(50.06)	(15.16)	(59.66)	(4.02)	38.70
	Items that will not be reclassified to profit or loss						
	Remeasurement of net defined benefit obligations (net of taxes)	44.97	(1.73)	11.46	43.24	(3.13)	2.22
	Total other comprehensive income / (expenses) for the period / year	35.37	(51.79)	(3.70)	(16.42)	(7.15)	40.92
9	**Total Comprehensive Income for the Period / Year (7+8)**	517.46	400.88	2,670.68	918.34	4,999.98	10,993.39
10	Paid up equity share capital (face value ₹ 1/- each)	10,595.00	10,595.00	10,594.06	10,595.00	10,594.06	10,595.00
11	Reserves excluding revaluation reserves as per balance sheet of previous accounting year						2,64,176.89
12	**Earnings per Share (EPS) in ₹ (not annualised)**						
	(a) Basic	0.05	0.04	0.25	0.09	0.47	1.03
	(b) Diluted	0.05	0.04	0.25	0.09	0.47	1.03

VAKRANGEE LIMITED MUMBAI

S.K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

Vakrangee Limited

Notes to the un-audited consolidated financial results for the quarter and half year ended September 30, 2022:

1 The above un-audited consolidated financial results for the quarter and half year ended September 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 21, 2022. The statutory auditors of the Company, S. K. Patodia & Associates, Chartered Accountants, have reviewed the above consolidated financial results for the quarter and half year ended September 30, 2022.

2 These results have been prepared on the basis of un-audited consolidated financial statements, which are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

3 The un-audited consolidated financial results include the financial results of the Company and its four wholly owned subsidiaries: Vakrangee Finserve Limited, VL E-governance & IT Solutions Limited, Vakrangee Digital Ventures Limited and Vakrangee e-Solutions Inc. (together referred to as 'Group').

4 During the quarter ended September 30, 2022, the Company has granted 61300 new options under Company's "ESOP Scheme 2014" to its eligible employees.

5 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.

6 The Board of Directors at their meeting held on October 10, 2021, considered and approved to restructure the business by way of a Scheme of Arrangement for Demerger ("Scheme") whereby the E-Governance & IT/ITES Business (Demerged Undertaking) of Vakrangee Limited ("Demerged Company") will be demerged into the VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) ("Resulting Company") as a going concern basis. Pursuant to the Regulation 37 of the LODR the Company has obtained No Objection Letter from the BSE and NSE vide their letter dated 11th March, 2022 and subsequently, an application has been made to the National Company Law Tribunal for further directions, the same is pending for hearing and disposal.

7 The figures of the previous year / period have been regrouped / rearranged / recast to render the comparable with the figures of the current period.

8 The above results of the Company are available on the Company's website www.vakrangee.in and also on www.bseindia.com and www.nseindia.com.

For and on behalf of the Board of Directors

Place : Mumbai
Date : October 21, 2022

S.K. Patodia & Associates Chartered Accountants FRN 112723W Mumbai

Dr. Nishikant Hayatnagarkar
Whole-time Director
DIN : 00062638

Vakrangee Limited Mumbai

Vakrangee Limited Mumbai

Vakrangee Limited

Consolidated Statement of Assets and Liabilities as at September 30, 2022

(₹ In Lakhs)

Particulars	As at September 30, 2022 (Un-audited)	As at March 31, 2022 (Audited)
I. ASSETS		
1. Non-Current Assets		
(a) Property, plant and equipment	13,057.33	13,853.39
(b) Capital work-in-progress	252.13	197.45
(c) Intangible Assets	-	-
(d) Intangible Assets under development	434.79	434.79
(e) Financial assets		
(i) Investments	240.57	240.57
(ii) Trade Receivable	-	-
(iii) Loans	-	-
(iv) Other financial assets	236.88	483.94
(f) Deferred Tax Asset (Net)	0.25	0.28
(g) Other non-current assets	59,093.42	59,074.80
Total Non-Current Assets	73,316.37	74,285.22
2. Current Assets		
(a) Inventories	385.29	410.46
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade Receivables	1,01,328.84	95,543.08
(iii) Cash and Cash equivalents	4,247.23	4,746.74
(iv) Bank balances other than (iii) above	987.01	925.53
(v) Loans	1,242.49	1,244.23
(vi) Other Financial Assets	491.26	664.43
(c) Current Tax Assets	442.73	48.54
(d) Other Current Assets	1,12,964.10	1,15,728.26
Total Current Assets	2,22,088.95	2,19,311.27
TOTAL ASSETS	2,95,404.32	2,93,596.49
II. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity share capital	10,595.00	10,595.00
(b) Other equity	2,64,593.18	2,64,176.89
Total Equity	2,75,188.18	2,74,771.89
2. Liabilities		
Non Current Liabilities		
(a) Financial liabilities		
(i) Trade payables		
- Dues of micro enterprises and small enterprises	-	-
- Dues of Creditors other than micro enterprises and small enterprises	1.36	12.04
(ii) Other financial liabilities	392.50	41.28
(b) Deferred Tax Liabilities (net)	111.04	74.03
(c) Employee benefit obligations	252.26	307.92
Total Non-Current Liabilities	757.16	435.27
3. Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables		
- Dues of micro enterprises and small enterprises	243.68	102.35
- Dues of Creditors other than micro enterprises and small enterprises	5,982.78	3,547.42
(iii) Other financial liabilities	5,839.34	6,694.53
(b) Other current liabilities	3,074.93	3,804.27
(c) Provisions	1,580.47	1,780.89
(d) Employee benefit obligations	27.63	24.70
(e) Current tax liabilities (Net)	2,710.15	2,435.17
Total Current Liabilities	19,458.98	18,389.33
TOTAL EQUITY AND LIABILITIES	2,95,404.32	2,93,596.49

VAKRANGEE LIMITED MUMBAI

S.K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

Vakrangee Limited

Consolidated Cash Flow Statement for the half year ended September 30, 2022

(₹ in lakhs)

S. No	Particulars	For the half year ended September 30, 2022	For the year ended March 31, 2022
I	**Cash flow from operating activities**		
	Profit before tax from continuing operations	1,330.92	14,154.76
	Profit before tax	**1,330.92**	**14,154.76**
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	811.87	1,545.78
	Depreciation of investment properties	-	-
	Employee share based payment expenses	27.71	(1,594.90)
	Net foreign exchange differences	(0.02)	0.06
	Allowance for credit losses	(0.00)	131.53
	Fair value gain on financial instrument at fair value through Profit and loss	-	(101.72)
	Remeasurement of defined benefit obligations	57.78	2.97
	Gain on disposal of property, plant and equipment	4.91	168.22
	Interest income	(22.56)	(229.71)
	Dividend income	-	(1.50)
	Operating profit before working capital changes	**2,210.61**	**14,075.49**
	Movements in assets and liabilities :		
	Decrease / (increase) in inventories	25.17	86.76
	Decrease / (increase) in trade receivables	(5,785.76)	16,356.61
	Decrease / (increase) in loans and other financial assets	360.48	1,482.53
	Decrease / (increase) in other current assets	2,764.16	(22,706.74)
	Decrease / (increase) in other non-current assets	(20.61)	617.45
	Increase / (decrease) in trade payables	2,565.99	233.68
	Increase / (decrease) in employee benefit obligations	(52.71)	(24.44)
	Increase / (decrease) in provisions	(200.43)	646.17
	Increase / (decrease) in other financial liabilities	(503.97)	(1,391.08)
	Increase / (decrease) in other current liabilities	(729.34)	(3,431.82)
	Cash generated from operations	**633.59**	**5,944.61**
	Income taxes paid (net of refunds)	(490.88)	(1,102.95)
	Net cash flow from operating activities (A)	**142.71**	**4,841.66**
II	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, including CWIP	(313.39)	(756.60)
	Proceeds from sale of property, plant and equipment	238.00	607.91
	Proceeds from sale of investments	-	-
	Decrease in foreign currency translation reserve	(59.66)	38.70
	Interest received	22.56	229.71
	Dividends received	-	1.50
	Net cash flow from/(used in) investing activities (B)	**(112.49)**	**121.22**
III	**Cash flow from financing activities**		
	Proceeds from issue of shares	-	0.94
	Proceeds towards securities premium on issue of shares	-	23.80
	Dividends paid to company's shareholders	(529.75)	(1,059.41)
	Net cash flow (used in) in financing activities (C)	**(529.75)**	**(1,034.67)**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(499.53)**	**3,928.21**
	Effects of exchange rate changes on cash and cash equivalents	0.02	(0.06)
	Cash and cash equivalents at the beginning of the year	4,746.74	818.59
	Cash and cash equivalents at the end of the year	**4,247.23**	**4,746.74**

VAKRANGEE LIMITED MUMBAI

S.K. PATODIA & ASSOCIATES FRN 112723W MUMBAI Chartered Accountants

Independent Auditor's Review Report on Unaudited Consolidated Financial Results of Vakrangee Limited for the Quarter and Six Months Ended September 30, 2022 pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**TO THE BOARD OF DIRECTORS OF
VAKRANGEE LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Vakrangee Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and six months ended September 30, 2022 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("the Regulation").

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ("Ind-AS") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Parent Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the Circular issued by the SEBI under Regulation 33 (8) of the Regulations to the extent applicable.

4. The Statement includes the results of the following wholly owned subsidiaries,

   - Vakrangee Finserve Limited
   - VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited)
   - Vakrangee Digital Ventures Limited
   - Vakrangee E-Solutions Inc. (Philippines)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results and financial information of one subsidiary included in the consolidated unaudited financial results, whose interim financial results / financial information reflects total assets of Rs. 6,773.78 lakhs as at September 30, 2022 total revenues of Rs. 931.07 lakhs and Rs. 1,998.97 lakhs, total net profit/(loss) after tax of Rs. (17.71) lakhs and Rs.7.64 lakhs and total comprehensive income of Rs. (17.71) lakhs and Rs. 7.64 lakhs, for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively, as considered in the consolidated unaudited financial results. This interim financial results / financial information have been reviewed by the other auditor whose report has been

S.K. PATODIA & ASSOCIATES
FRN 112723W
MUMBAI
Chartered Accountants

furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters

7. The consolidated unaudited financial results also includes the Group's share of total assets of Rs.3,307.44 lakhs as at September 30, 2022, net profit/(loss) after tax and total comprehensive income of Rs. 20.18 lakhs and Rs. 36.72 lakhs for the quarter ended September 30, 2022 and for six months ended April 1, 2022 to September 30, 2022 respectively, in respect of one subsidiary located outside India , as considered in the unaudited consolidated financial results, based on their interim financial statements / financial information / financial results which have not been reviewed by their auditors, which are certified by the Management.

   Our conclusion on the Statement is not modified in respect of the above matters.

8. (a) The consolidated financial results of the Group for the year ended March 31, 2022 were audited by another firm of Chartered Accountants, who issued an unmodified opinion vide their report dated May 13, 2022.

   (b) The consolidated financial results of the Group for the quarter ended June 30, 2022 and quarter and half year ended September 30, 2021 were reviewed by another firm of Chartered Accountants who vide their reports dated July 07, 2022 and October 09, 2021 respectively, expressed an unmodified conclusion on those financial results.

   Our conclusion is not qualified in respect of those matters.

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

Dhiraj Lalpuria
Partner
Membership Number : 146268
UDIN : 22146268BAOKTT6483

S.K. PATODIA & ASSOCIATES
FRN 112723W
MUMBAI
Chartered Accountants

Place : Mumbai
Date : October 21, 2022

S K Patodia & Associates
CHARTERED ACCOUNTANTS

Date: November 18, 2022

To,
The Board of Directors,
VL E-Governance & IT Solutions Limited,
(Formerly known as Vakrangee Logistics Private Limited),
Vakrangee Corporate House,
Plot No.93, Road No.16, M.I.D.C. Marol,
Andheri East, Mumbai 400093.

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Interim Ind AS Financial Statements

Dear Sir,

We, S. K. Patodia & Associates (SKP), Chartered Accountants, have been appointed by the management of **VL E-Governance & IT Solutions Limited** (Formerly known as Vakrangee Logistics Private Limited), to conduct the audit of interim Ind AS financial statements of VL E-Governance & IT Solutions Limited as at September 30, 2022 in accordance with the provisions of Companies Act, 2013 and applicable accounting principles and accounting standards.

Opinion

We have audited the accompanying interim Ind AS financial statements of **VL E-Governance & IT Solutions Limited** (Formerly known as Vakrangee Logistics Private Limited) ("the Company"), which comprise of the Balance sheet as at September 30, 2022, the Statement of profit and loss (including Other Comprehensive Income), Statement of changes in equity and Statement of cash flows for the period ended as on date, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the interim Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standard 34 - "Interim Financial Reporting" ("Ind AS 34') prescribed under section 133 of the Companies Act, 2013 (the "Act") and the accounting principles generally accepted in India, of the state of affairs of the Company as at September 30, 2022, and profit, changes in equity and its cash flows for the period ended on September 30, 2022.

Basis for Opinion

We conducted our audit of the interim Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Interim Ind AS 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 together with the ethical requirements that are relevant to our audit of the interim Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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www.skpatodia.in

Management's Responsibility for the Interim Ind AS financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these interim Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 and the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 interim Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the interim Ind AS financial statements, management and Board of Directors are 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Interim Ind AS financial Statements

Our objectives are to obtain reasonable assurance about whether the interim Ind AS 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 interim Ind AS 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 interim Ind AS 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, but not for the purpose of expressing an opinion on 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 interim Ind AS 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 interim Ind AS financial statements, including the disclosures, and whether the interim Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the interim Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim Ind AS financial statements 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 evaluate the effect of any identified misstatements in the interim Ind AS 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.

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

Sd/-
Dhiraj Lalpuria
Partner
Membership Number: 146268
UDIN : 22146268BDTXDJ3433

Place : Mumbai
Date : November 18, 2022

VL E-Governance & IT Solutions Limited
(formerly known as Vakrangee Logistics Private Limited)
Balance Sheet as at Sep 30, 2022

(Amount in ₹ 000's)

	Particulars	Note No.	As at Sep 30, 2022		As at March 31, 2022	
I	**ASSETS**					
1	**Non - Current Assets**					
	Property, Plant & Equipment	4	-		6.19	
	Other Intangible Asset	5	-		-	
	Financial Assets					
	(a) Other Financial Assets	6	25.00		25.00	
	Deferred Tax Assets (Net)	7	24.70		27.86	
				49.70		59.04
2	**Current Assets**					
	Financial Assets					
	(a) Trade Receivables	8	-		-	
	(b) Cash and cash equivalents	9	139.77		311.52	
	(c) Bank Balances other than (b) above	10	143.16		139.65	
	(d) Other Financial Assets	11	91,690.00		91,690.00	
	Other Current Assets	12	316.16		308.97	
				92,289.09		92,450.14
	TOTAL			**92,338.79**		**92,509.18**
II	**EQUITY & LIABILITIES**					
1	**Equity**					
	Equity Share Capital	13	1,20,000.00		1,20,000.00	
	Other Equity	14	(27,876.82)		(27,694.22)	
				92,123.18		92,305.78
2	**Non - Current Liabilities**			-		-
3	**Current Liabilities**					
	Financial liabilities					
	(a) Trade Payables	15				
	(i) Total outstanding dues of micro enterprises and small enterprises		-		-	
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		159.22		159.22	
	(b) Other Financial Liabilities	16	-		-	
	Other Current Liabilites	17	56.39		44.18	
	Current Tax Liabilities	18	-		-	
				215.61		203.40
	TOTAL			**92,338.79**		**92,509.18**
	Significant Accounting Policies	1-3				

The accompanying notes forms an integral part of the financial statements

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

Sd/-
Dhiraj Lalpuria
Partner
Membership No.: 146268

Place : Mumbai
Date : November 18, 2022

For & on behalf of the Board of Directors

Sd/-
Dinesh Nandwana
Director
DIN : 00062532

Sd/-
Amit Sabarwal
Director
DIN : 06478938

Sd/-
Pradeep Somani
Chief Financial Officer

Sd/-
Khushbu Mehta
Company Secretary

Place : Mumbai
Date : November 18, 2022

Place : Mumbai
Date : November 18, 2022

VL E-Governance & IT Solutions Limited
(formerly known as Vakrangee Logistics Private Limited)
Statement of Profit and Loss for the half year ended Sep 30, 2022

(Amount in ₹ 000's)

	Particulars		For the half year ended Sep 30, 2022		For the year ended March 31, 2022	
I	**Income**					
	Revenue from Operations	19	-		-	
	Other Income	20	3.51		2,008.07	
	Total Income			**3.51**		**2,008.07**
II	**Expenses**					
	Purchases	21	-		-	
	Operating Expenses	22	-		-	
	Employee Benefits Expenses	23	98.27		-	
	Depreciation	4 & 5	6.19		20.24	
	Other Expenses	24	78.49		213.35	
	Total Expenses			**182.95**		**233.60**
III	**Profit Before Tax**			**(179.44)**		**1,774.47**
IV	**Tax Expense:**					
	(a) Current Tax		-		-	
	(b) Deferred Tax		3.16	**3.16**	9.89	**9.89**
V	**Profit for the period**			**(182.60)**		**1,764.58**
VI	**Other Comprehensive Income**					
	Items that will be reclassified subsequently to profit or loss		-		-	
	Items that will not be reclassified subsequently to profit or loss		-	-	-	-
VII	**Total Comprehensive Income for the period**			**(182.60)**		**1,764.58**
VIII	**No. of equity shares for computing EPS (in thousands)**					
	(1) Basic	25		12,000.00		12,000.00
	(2) Diluted			12,000.00		12,000.00
IX	**₹ 10/- Per Share):**	25				
	(1) Basic (₹)			**(0.015)**		**0.147**
	(2) Diluted (₹)			**(0.015)**		**0.147**
	Significant Accounting Policies	1-3				

The accompanying notes forms an integral part of the financial statements

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

Sd/-
Dhiraj Lalpuria
Partner
Membership No.: 146268

Sd/-
Dinesh Nandwana
Director
DIN : 00062532

Sd/-
Amit Sabarwal
Director
DIN : 06478938

Sd/-
Pradeep Somani
Chief Financial Officer

Sd/-
Khushbu Mehta
Company Secretary

Place : Mumbai
Date : November 18, 2022

Place : Mumbai
Date : November 18, 2022

Place : Mumbai
Date : November 18, 2022

VL E-Governance & IT Solutions Limited
(formerly known as Vakrangee Logistics Private Limited)
Cash flow statement for the half year ended Sep 30, 2022

(Amount in ₹ 000's)

Particulars	For the half year ended Sep 30, 2022	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax from continuing operations	(179.44)	1,774.47
Non-cash adjustment to reconcile the profit before tax to net cash flows		
- Allowance for credit losses	-	-
- Interest Income	(3.51)	(158.07)
Depreciation of property, plant and equipment	6.19	20.24
Operating profit before working capital changes	**(176.76)**	**1,636.65**
Movements in assets and liabilities :		
- Increase/(Decrease) in Trade payables	-	-
- Increase/(Decrease) in Other payables	-	-
- Increase/(Decrease) in Other current liabilities	12.21	4.18
- Increase/(Decrease) in Employee benefit obligations	-	-
- (Increase)/Decrease in Trade Receivables	-	-
- (Increase)/Decrease in Other financial assets	(3.51)	(6,433.16)
- (Increase)/Decrease in Other current assets	(7.19)	304.44
Cash generated from /(used in) operations	**(175.25)**	**(4,487.90)**
Income taxes paid (net of refunds)	-	(201.96)
Net cash flow used in operating activities (A)	**(175.25)**	**(4,689.87)**
Cash flows from investing activities		
Interest received	3.51	158.07
Net cash flow used in investing activities (B)	**3.51**	**158.07**
Cash flows from financing activities	**-**	**-**
Net cash flow from financing activities (C)	**-**	**-**
Net increase in cash and cash equivalents (A + B + C)	**(171.74)**	**(4,531.80)**
Cash and cash equivalents at the beginning of the period	311.52	4,843.32
Cash and cash equivalents at the end of the period	**139.77**	**311.52**

The accompanying notes forms an integral part of the financial statements

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

Sd/-
Dhiraj Lalpuria
Partner
Membership No.: 146268

Place : Mumbai
Date : November 18, 2022

For & on behalf of the Board of Directors

Sd/-
Dinesh Nandwana
Director
DIN : 00062532

Sd/-
Amit Sabarwal
Director
DIN : 06478938

Sd/-
Pradeep Somani
Chief Financial Officer

Sd/-
Khushbu Mehta
Company Secretary

Place : Mumbai
Date : November 18, 2022

Place : Mumbai
Date : November 18, 2022

VL E-Governance & IT Solutions Limited
(formerly known as Vakrangee Logistics Private Limited)
Statement of changes in equity for the half year ended Sep 30, 2022

(Amount in ₹ 000's)

Particulars	Equity Share Capital	Other Equity - Reserve and Surplus - Retained earnings	Total equity attributable to equity holders of the Company
As at March 31, 2021	**1,20,000.00**	**(29,458.79)**	**90,541.21**
Profit for the year	-	1,764.58	1,764.58
Other comprehensive income	-	-	-
Issue of equity shares	-	-	-
As at March 31, 2022	**1,20,000.00**	**(27,694.21)**	**92,305.79**
Profit for the period	-	(182.60)	(182.60)
Other comprehensive income	-	-	-
Issue of equity shares	-	-	-
As at Sep 30, 2022	**1,20,000.00**	**(27,876.81)**	**92,123.19**

The accompanying notes forms an integral part of the financial statements

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

Sd/-
Dhiraj Lalpuria
Partner
Membership No.: 146268

Place : Mumbai
Date : November 18, 2022

For & on behalf of the Board of Directors

Sd/-
Dinesh Nandwana
Director
DIN : 00062532

Sd/-
Amit Sabarwal
Director
DIN : 06478938

Sd/-
Pradeep Somani
Chief Financial Officer

Sd/-
Khushbu Mehta
Company Secretary

Place : Mumbai
Date : November 18, 2022

Place : Mumbai
Date : November 18, 2022

Notes to Interim Ind AS financial statements for the half year ended September 30, 2022

Note 1 - Corporate Information

VL E-Governance & IT Solutions Limited (Formerly known as Vakrangee Logistics Private 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 House’, Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C. Marol, Andheri East, Mumbai - 400093, Maharashtra, India. The Company is a wholly owned subsidiary of Vakrangee Limited, whose shares are listed on two stock exchanges in India- the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

The Company is engaged in providing last mile delivery services of parcels on behalf of e-commerce entities and courier booking services.

The interim Ind AS financial statements were authorized for issue by the Company’s Board of Directors on September 30, 2022.

Note 2 - Significant Accounting Policies

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

A. Basis of preparation

i. Statement of compliance

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

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

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

ii. Basis of measurement

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

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and
- share based payments

B. Summary of significant accounting policies

a. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non –current.

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

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

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

b. Foreign Currencies

The company`s Interim Ind AS financial statements are presented in INR (rounded off to thousands), which is also the company’s functional currency.

Transaction and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period.
Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in the statement of profit or loss except

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered 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 recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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

c. Revenue recognition

The Company derives revenues primarily from providing last mile delivery / reverse pick-up services of parcels on behalf of logistics service provider.

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

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognize revenue when or as an entity satisfies performance obligations

Sales of Services

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

The Company recognizes the income for last mile delivery upon delivery of shipment to end customer or in case of reverse pick-up upon the pick-up of the shipment from the end customer. The Company recognizes the income or commission income from courier services upon pick up of parcels by courier companies.

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

Contract balances

Trade receivables

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

Contract liabilities

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

Interest Income

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

Dividend Income

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

d. Property, Plant and Equipment

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.

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

Description of Asset	Life
Computers and Printers, including Computer Peripherals	3 Years
Office Equipment	5 Years
Software	3 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 derecognized 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 recognized in profit or loss.

e. Taxation

Current taxes

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

<u>Deferred taxes</u>

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

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

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

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

f. Fair Value measurement

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

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

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

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

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

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

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

g. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

h. Financial Instruments

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

<u>Financial Assets</u>

a) Initial recognition and measurement

All financial assets are recognized 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 recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

Debt Instruments at amortized cost:

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

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

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

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

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

Equity instruments

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

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

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

Investment in subsidiaries is carried at cost in the Interim Ind AS financial statements.

c) De-recognition

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

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 recognize the transferred asset to the extent of the company`s continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

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

d) Impairment of financial assets

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

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

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

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

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

Financial Liabilities

a) Initial recognition and measurement

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

b) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognized 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 recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

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

Loans and borrowings

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

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

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 recognized 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 recognized less cumulative amortization.

c) Derecognition

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

d) Offsetting of financial instruments

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

i. Inventories

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

j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period 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 recognized in statement of profit and loss in the period in which they are incurred.

k. Equity Instruments

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

Dividends

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

l. Provisions

Provisions are recognized 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.

m. Contingent Liabilities

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

n. Earnings Per Share

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

o. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

p. Leases:

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

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

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

The lease liability is subsequently remeasured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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

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

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

q. Employee Benefits

- **Short-term obligations**

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

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

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

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

- **Post- employment obligations**

Defined benefit plan - Gratuity Obligations

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

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

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

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

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

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

Note 3 - Critical Accounting Judgements and Estimates

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

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

- **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.

- **Fair value measurement of financial instruments**

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

- **Revenue from contracts with customers**

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

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

Impact of Covid-19

Due to the outbreak of COVID-19 globally and in India. The Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose interim Ind AS financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of interim Ind AS financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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Notes to financial statements for the half year ended Sep 30, 2022

Note 4 - Property, Plant & Equipment

Computer & Laptops **(Amount in ₹ 000's)**

Description	As at Sep 30, 2022	As at March 31, 2022
At start of period	**156.00**	**156.00**
Additions	-	-
Disposals/Transfers	-	-
At end of period	**156.00**	**156.00**
Depreciation and Impairment		
At start of period	156.00	156.00
Depreciation charged for the period	-	-
Disposals/Transfers	-	-
At end of period	**156.00**	**156.00**
Net Book Value		
At end of period	**-**	**-**

Office Equipment **(Amount in ₹ 000's)**

Description	As at Sep 30, 2022	As at March 31, 2022
At start of period	**100.39**	**100.39**
Additions	-	-
Disposals/Transfers	**-**	**-**
At end of period	**100.39**	**100.39**
Depreciation and Impairment		
At start of period	**94.20**	**73.96**
Depreciation charged for the period	6.19	20.24
Disposals/Transfers	-	-
At end of period	**100.39**	**94.20**
Net Book Value		
At end of period	**-**	**6.19**

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Note 5 - Other Intangible Assets

Logistics Portal Software **(Amount in ₹ 000's)**

Description	As at Sep 30, 2022	As at March 31, 2022
At start of period	550.00	**550.00**
Additions	-	-
Disposals/Transfers	-	-
At end of period	**550.00**	**550.00**
Depreciation and Impairment		
At start of period	550.00	550.00
Depreciation charged for the period	-	-
Disposals/Transfers	-	-
At end of period	**550.00**	**550.00**
Net Book Value		
At end of period	**-**	**-**

VL E-Governance & IT Solutions Limited
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Notes to financial statements for the half year ended Sep 30, 2022

Note 6 - Other Financial Assets

Non-Current

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022	As at March 31, 2022
Deposit with statutory authorities	25.00	25.00
TOTAL	**25.00**	**25.00**

Note 7 - Deferred Tax Assets/(Liability)

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022	As at March 31, 2022
Assets		
(i) On account of difference in depreciation on Fixed Assets	**24.70**	**27.86**
(A)	**24.70**	**27.86**
Liabilities		
(i) Temporary differences on Tax Provisions	-	-
(B)	-	-
TOTAL (A - B)	**24.70**	**27.86**

Note 8 - Trade Receivables

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022	As at March 31, 2022
(i)Trade Receivables considered good - Secured	-	-
(ii)Trade Receivables considered good - Unsecured	-	-
(iii)Trade Receivables which have significant increase in Credit Risk	-	-
(iv)Trade Receivables - credit impaired	-	-
	-	-
TOTAL	-	-

Dues receivable from Holding Company	-	-

Note 9 - Cash and Cash equivalents

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022	As at March 31, 2022
Cash and cash equivalents		
(i) Balances with Banks :		
- Current Accounts	139.77	311.52
- Deposit Accounts	-	-
(ii) Cash-in-hand	-	-
TOTAL	**139.77**	**311.52**

VL E-Governance & IT Solutions Limited
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Notes to financial statements for the half year ended Sep 30, 2022

Note 10 - Bank Balances other than above

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022	As at March 31, 2022
Fixed Deposits with maturity period of more than 3 months but less than 12 months*	143.16	139.65
TOTAL	**143.16**	**139.65**

* Amount held as margin money against bank guarantee	100.00	100.00

Note 11 - Other Financial Assets

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022	As at March 31, 2022
Other Receivables (COD Receivables)	2,008.70	2,008.70
Less:- Allowance for credit losses	2,008.70	2,008.70
	-	-
Advance to Vendor	91,690.00	91,690.00
Interest Accured on FDR	-	-
	91,690.00	**91,690.00**

Note 12 - Other Current Assets

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022	As at March 31, 2022
Balances with statutory authorities		
- GST	57.35	50.16
- Income Tax	258.82	258.82
TOTAL	**316.16**	**308.97**

VL E-Governance & IT Solutions Limited
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Notes to financial statements for the half year ended Sep 30, 2022

Note 13 - Equity Share Capital

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022		As at March 31, 2022	
(i) Authorised Share Capital :	**Number of Shares (in 000's)**	**Amount**	**Number of Shares (in 000's)**	**Amount**
As at start of period	15,000.00	1,50,000.00	15,000.00	1,50,000.00
Increase during the period	-	-	-	-
As at end of period	**15,000.00**	**1,50,000.00**	**15,000.00**	**1,50,000.00**

(Amount in ₹ 000's)

(ii) Issued Equity Share Capital	**Number of Shares (in 000's)**	**Amount**	**Number of Shares (in 000's)**	**Amount**
As at start of period	12,000.00	1,20,000.00	12,000.00	1,20,000.00
Increase during the period	-	-	-	-
As at end of period	**12,000.00**	**1,20,000.00**	**12,000.00**	**1,20,000.00**

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

- Equity Shares held by the Holding Company

(Amount in ₹ 000's)

Particulars	**As at Sep 30, 2022**	**As at March 31, 2022**
1,20,00,000 equity shares are held by Vakrangee Limited (March 31, 2022 : 1,20,00,000 equity shares)	1,20,000	1,20,000

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

(Amount in ₹ 000's)

No. of Shares held by	As at Sep 30, 2022		As at March 31, 2022	
	Number of Shares (in 000's)	**%**	**Number of Shares (in 000's)**	**%**
Vakrangee Limited	12,000.00	100.00	12,000.00	100.00
TOTAL	**12,000.00**	**100.00**	**12,000.00**	**100.00**

(v) Disclosure of shareholding of Promoters

(Amount in ₹ 000's)

Shares held by Promoters					
Promoters' Name	**As at Sep 30, 2022**		**As at March 31, 2022**		**% Change during the year**
	Number of shares	**% of Total Shares**	**Number of shares**	**% of Total Shares**	
Vakragee Limited	12,000	100.00	12,000	100.00	-

(vi) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. New equity shares issued shall be ranked parripassu to the existing equity shares.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after

distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

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

Note 14 - Other Equity

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022		As at March 31, 2022	
Surplus in Statement of Profit & Loss				
Balance at the beginning of the period	(27,694.22)		(29,458.79)	
Add: Profit for the period	(182.60)		1,765.58	
TOTAL		**(27,876.82)**		**(27,694.22)**

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Notes to financial statements for the half year ended Sep 30, 2022

Note 15 - Trade Payables

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022		As at March 31, 2022	
-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 period	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
Total Dues of micro enterprises and small enterprises	-	-	-	-
- Dues of Creditors other than micro enterprises and small enterprises	159.22	-	159.22	-
TOTAL		**159.22**		**159.22**

As at September 30, 2022 and March 31, 2022, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same.

Trade Payables Ageing Schedule **(Amount in ₹ 000's)**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
1) MSME	-	-	-	-	-
2) Others	-	-	-	159.22	**159.22**
3) Disputed Dues - MSME	-	-	-	-	-
4) Disputed Dues - Others	-	-	-	-	-
Total	-	-	-	**159.22**	**159.22**

Note 16 - Other Financial Liabilities

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022	As at March 31, 2022
Payables against cash collection	-	-
Advance from customers	-	-
Commission Expenses Payable	-	-
TOTAL	-	-

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Notes to financial statements for the half year ended Sep 30, 2022

Note 17 - Other Current liabilites

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022	As at March 31, 2022
Withholding taxes and others	-	5.38
Other Payables:		
Audit Fees Payable	30.00	38.80
Employee Related Liabilities	26.39	-
	56.39	**38.80**
TOTAL	**56.39**	**44.18**

Note 18 - Current Tax Liabilities (Net)

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022	As at March 31, 2022
Income Tax (Net of Provision for Income Tax)	-	-
TOTAL	**-**	**-**

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Notes to financial statements for the half year ended Sep 30, 2022

Note 19 - Revenue from Operations

(Amount in ₹ 000's)

Particulars	For the half year ended Sep 30, 2022		For the year ended March 31, 2022	
Sale of Courier services	-		-	
Sale of Last mile delivery services	-		-	
TOTAL		-		-

Note : The amount of revenues are exclusive of indirect taxes (GST etc.)

Note 20 - Other Income

(Amount in ₹ 000's)

Particulars	For the half year ended Sep 30, 2022		For the year ended March 31, 2022	
Interest Income				
- Bank Deposits	3.51		158.07	
Miscellaneous Income	-		1,850.00	
		3.51		2,008.07
TOTAL		**3.51**		**2,008.07**

Note 21 - Purchases

(Amount in ₹ 000's)

Particulars	For the half year ended Sep 30, 2022		For the year ended March 31, 2022	
Purchase of Courier Services		-		-
TOTAL		-		-

Note 22 - Operating Expenses

(Amount in ₹ 000's)

Particulars	For the half year ended Sep 30, 2022		For the year ended March 31, 2022	
Commisison Expense		-		-
TOTAL		-		-

Note 23 - Employee Benefits Expenses

(Amount in ₹ 000's)

Particulars	For the half year ended Sep 30, 2022		For the year ended March 31, 2022	
(i) Salaries & Wages	98.27		-	
(ii) Staff Welfare Expenses	-		-	
TOTAL		98.27		-

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Notes to financial statements for the half year ended Sep 30, 2022

Note 24 - Other Expenses

(Amount in ₹ 000's)

Particulars	For the half year ended Sep 30, 2022		For the year ended March 31, 2022	
Conveyance & Travelling Expenses		-		-
Allowance for credit losses				
- Opening Allowances	(2,008.70)		(2,008.70)	
- Add : Written off during the year	-		-	
- Less : Closing Allowances	(2,008.70)	-	(2,008.70)	-
Rent Rates & Taxes		-		-
Bank Charges & Commission		0.65		0.33
Software & Other IT charges				
Legal & Professional Fees - Other than payments to Auditor				
- Legal & Professional Fees	41.40		76.50	
- Filing Stamp Duty and Franking Charge	2.40	43.80	37.46	113.96
Payments to Auditors :				
- Audit fees	30.00		40.00	
- Certification Fee	-		10.00	
- Limited Review	-	30.00	45.00	95.00
Office & General Expenses		4.04		4.07
TOTAL		**78.49**		**213.35**

Note 25 - Earnings Per Equity Share

(Amount in ₹ 000's)

	Particulars	For the half year ended Sep 30, 2022		For the year ended March 31, 2022	
(a)	Net profit after tax attributable to equity shareholders for Basic EPS		(182.60)		1,764.58
	Add/Less: Adjustment relating to potential equity shares		-		-
	Net profit after tax attributable to equity shareholders for Diluted EPS		(182.60)		1,764.58
(b)	Weighted average no. of equity shares outstanding during the year				
	For Basic EPS		12,000.00		12,000.00
	For Diluted EPS		12,000.00		12,000.00
(c)	Basic EPS (₹)		(0.015)		0.147
	Diluted EPS (₹)		(0.015)		0.147
	Face Value per Equity Share (₹)		10.00		10.00
(d)	**Reconciliation between no. of shares used for calculating Basic and Diluted EPS**				
	No. of shares used for calculating Basic EPS		12,000.00		12,000.00
	Add: Potential equity shares		-		-
	No. of shares used for calculating Diluted EPS		12,000.00		12,000.00

VL E-Governance & IT Solutions Limited
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Notes to financial statements for the half year ended Sep 30, 2022

Note 26 - Ratio Calculations

Particulars	**Sep-22**	**Mar-22**
1) Current ratio (a/b) (in times)	**428.03**	**454.52**
Current Assets (a)	92,289.09	92,450.14
Current Liability (b)	215.61	203.40
2) Debt Equity ratio (c/d) (in times)	**N.A.**	**N.A.**
Debt (c)	-	-
Equity (d)	92,123.18	92,305.78
Note: As the company does not have any debt, the debt equity ratio is not applicable.		
3) Debt Service Coverage ratio (e/f)	**N.A.**	**N.A.**
EBITDA (e)	- 173.25	1,794.71
Interest on Term Loan	-	-
Principal Repayment	-	-
Total Interest & Principal Repayment (f)	-	-
Note: As the company does not have any debt, the debt service coverage ratio is not applicable.		
4) Inventory Turnover Ratio (g/h) (in times)	**N.A.**	**N.A.**
Cost of Goods sold (g)	-	-
Average inventory (h)	-	-
Note : As the company does not have inventories and business nature of company is providing services, Inventory Turnover Ratio is not applicable.		
5) Trade Receivable Turnover Ratio (i/j) (in times)	**N.A.**	**N.A.**
Net Sales (i)	-	-
Average Account Receivable (j)	-	-
Note : As the company does not have Trade Receivables & Operational Revenue, Trade Receivable Turnover ratio is not appliable.		
6) Return on Equity ratio (k/l) (in %)	**-0.20%**	**1.91 %**
Profit after Tax (k)	(182.60)	1,764.58
Shareholder's Equity (l)	92,123.18	92,305.78
Note: Since, there is Inome in Current Financial Year, the company has earned profit.		
7) Trade Payable Turnover ratio (m/n) (in times)	**N.A.**	**N.A.**
Credit purchase (m)	-	-
Average Account Payable (n)	159.22	159.22
Note: As the company does not have purchases, Trade Payable Ratio will not be applicable.		

VL E-Governance & IT Solutions Limited
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Notes to financial statements for the half year ended Sep 30, 2022

Particulars	**Sep-22**	**Mar-22**
8) Net Capital Turnover ratio (o/r) (in times)	**N.A.**	**N.A.**
Total Sales (o)	-	-
Current Assets (p)	92,289.09	92,305.78
Current Liabilities (q)	215.61	203.40
Working Capital (r) {p-q}	92,073.48	92,102.38
Note: As the company does not have sales, Net Capital Turnover Ratio will not be applicable.		
9) Net Profit ratio (s/t) (in %)	**-5206.66%**	**87.87 %**
Profit after Tax (s)	(182.60)	1,764.58
Total Sales (t)	3.51	2,008.07
Note: As the company does not have sales, Net Profit Ratio has been calculated on Total Income.		
10) Return on Capital Employed (u/x) (in %)	**-0.19%**	**1.94%**
EBITDA (u)	- 173.25	1,794.71
Net Worth (v)	92,123.18	92,305.78
Total Debt (w)	-	-
Total Capital Employed (x) {v+w}	92,123.18	92,305.78
11) Return on Investment (y/z) (in %)	**-0.19%**	**1.94%**
EBITDA (y)	- 173.25	1,794.71
Net Worth (z)	92,123.18	92,305.78

VL E-Governance & IT Solutions Limited
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Note 27 - Related Party Transactions

a) Key Management Personnel

Dinesh Nandwana	Director
Jitendra Jog	Director
Amit Sabarwal	Director
Ajad Ansari	Chief Financial Officer (up to July, 08, 2022)
Pradeep Somani	Chief Financial Officer (w.e.f July, 09, 2022)
Khushbu Mehta	Company Secretary (w.e.f June 20, 2022)

b) Holding Company of the company with whom company has entered in transactions during the period

- Vakrangee Limited

Transactions during the period

- In relation to (a)

(Amount in ₹ 000's)

Nature of Transactions	For the half year ended Sep 30, 2022	For the year ended March 31, 2022
Employee Benefit Expenses		
Jitendra Jog	-	-

- In relation to (b)

(Amount in ₹ 000's)

Nature of Transaction	For the half year ended Sep 30, 2022	For the year ended March 31, 2022
Sale of goods and services	-	1,850.00
Receipts towards sales	-	-

Balance outstanding as on date

Nature of Transaction	For the half year ended Sep 30, 2022	For the year ended March 31, 2022
Equity Share Capital	1,20,000.00	1,20,000.00

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

(Amount in ₹ 000's)

Particulars	As at Sep 30, 2022	As at March 31, 2022
(A) Contingent Liabilities Company has provided Counter Guarantee in relation to Bank Guarantee	100.00	100.00
Total (A)	**100.00**	**100.00**
(B) Commitments Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances).	-	-
Total (B)	**-**	**-**
Total (A+B)	**100.00**	**100.00**

VL E-Governance & IT Solutions Limited
(formerly known as Vakrangee Logistics Private Limited)
Notes to financial statements for the half year ended Sep 30, 2022

Note 29 - Financial Risk Management

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

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

Note 30 - Income Taxes

(a) The following table provides the details of income tax liabilities and income tax asset **(Amount in ₹ 000's)**

Particulars	As at Sep 30, 2022	As at March 31, 2022
Current Income Tax Liabilities	-	-
Income Tax Assets	258.82	258.82
Net current income tax liabilities / (assets) at the end	**(258.82)**	**(258.82)**

The gross movement in the current income tax liability / (asset)

Particulars	the half year ended Sep 30, 2	the year ended March 31, 2
Net current income tax liability / (asset) at the beginning	**(258.82)**	**(56.86)**
Income taxes paid (net of refunds)	-	(201.96)
Current Income Tax expense	-	-
Net current income tax liability / (asset) at the end	**(258.82)**	**(258.82)**

Note 31 - Scheme of arrangement

During the year, the Company in its Board of Directors' meeting held on October 10, 2021, has approved the draft Scheme of Arrangement of Demerger between Vakrangee Limited ("demerged company") and VL E-Governance & IT Solutions Limited ("resulting company") in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other generally accepted accounting principles. The said Scheme, would be effective from April 1, 2021 (the Appointed Date) for demerger of E-Governance & ITES Business (Demerged undertaking) of Vakrangee Limited into VL E-Governance & IT Solutions Limited. The approval of the National Company Law Tribunal (NCLT) is awaited.

Note 32 - 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.

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

Sd/-
Dhiraj Lalpuria
Partner
Membership No.: 146268

Place : Mumbai
Date : November 18, 2022

For & on behalf of the Board of Directors

Sd/-	Sd/-
Dinesh Nandwana	**Amit Sabarwal**
Director	Director
DIN : 00062532	DIN : 06478938
Sd/-	Sd/-
Pradeep Somani	**Khushbu Mehta**
Chief Financial Officer	Company Secretary
Place : Mumbai	Place : Mumbai
Date : November 18, 2022	Date : November 18, 2022

To
The Board of Directors
Vakrangee Limited,
Vakrangee Corporate House,
Plot No.93, Road No.16,
M.I.D.C. Marol, Andheri East Mumbai 400093, MH

Dear Sir,

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to the VL E-Governance & IT Solutions Limited in the Abridged Prospectus in compliance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended, SEBI Master Circular– SEBI/HO/CFD/DILI/CIR/P/2020/249 dated December 22, 2020 read with SEBI Circulars SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 4, 2022, and Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("SEBI Circular") for the purpose of Scheme of Arrangement and Demerger between the Vakrangee Limited ("Demerged Company") and VL E-Governance & IT Solutions Limited ("Resulting Company") and their respective shareholders under section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

We, M/s. Kunvarji Finstock Private Limited **("KFPL", "Kunvarji", "We" or "us"),** a Category I Merchant Banker registered with SEBI, having registration no. MB/INM000012564 have been appointed by Board of Directors **(the "Board")** of Vakrangee Limited (Vakrangee) for the purpose of certifying the adequacy and accuracy of disclosure of information provided in its Abridged Prospectus in connection with the Scheme of Arrangement and Demerger between the Vakrangee Limited ("Demerged Company") and VL E-Governance & IT Solutions Limited ("Resulting Company").

1. Scope and Purpose of the Certificate:

SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended, SEBI Master Circular– SEBI/HO/CFD/DILI/CIR/P/2020/249 dated December 22, 2020 read with SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 4, 2022, and Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 **("SEBI Circular")** inter alia prescribed that the listed entity in the present case Vakrangee Limited **("Vakrangee")** shall include the applicable information pertaining to the unlisted entity involved in the scheme in the present certificate, VL E-Governance & IT Solutions Limited **("VLEG&ITS")** in the format specified

Kunvarji Finstock Pvt. Ltd.
Registered Office : Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Makarba, Ahmedabad - 380 051
Phone:+91 79 6666 9000 | Fax : + 91 79 2970 2196 | Email: info@kunvarji.com
Corpotrate Office : 05, Gr Floor,Summit Business Bay, Opp PVR Cinema, Near Western Express Highway- Metro Station,Andheri (E),Mumbai-400093
CIN - U65910GJ1986PTC008979
www.kunvarji.com
000695/2022

for Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **("ICDR Regulations")**, in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking approval of the scheme. SEBI Circular further prescribes that the accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process.

This certificate is being issued in compliance of above mentioned requirement under the SEBI Circular.

This certificate is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.

2. Certification:

We state and confirm as follows:

1) We have examined various documents and other materials made available to us by the management of Vakrangee and VLEG&ITS in connection with finalization of Abridged Prospectus dated 22nd November, 2022, pertaining to VLEG&ITS, which will be circulated to the members of all the companies i.e. VLEG&ITS and Vakrangee at the time of seeking their consent to the Scheme of Arrangement and Demerger between VLEG&ITS and Vakrangee as a part of explanatory statement to the notice.

2) On the basis of such examination and the discussion with the management of VLEG&ITS and Vakrangee, we confirm that:

   A. The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to VLEG&ITS.

   B. The Abridged Prospectus contains applicable information pertaining to VLEG&ITS as required in terms of SEBI Circular, which, in our view is fair, adequate and accurate to enable the members to make an informed decision on the Scheme of Arrangement and Demerger.

3. Disclaimer:

Our scope of work did not include the following:-

- An audit of the financial statements of VLEG&ITS.
- Carrying out a market survey / financial feasibility for the Business of VLEG&ITS.

Kunvarji Finstock Pvt. Ltd.

- Financial and Legal due diligence of VLEG&ITS.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of VLEG&ITS and Vakrangee.

We do not assume any obligation to update, revise or reaffirm this certificate because of events or transactions occurring subsequent to the date of this certificate.

We understand that the management of VLEG&ITS and Vakrangee, during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our Certificate.

The fee for our services is not contingent upon the result of the Scheme.

The management of VLEG&ITS and Vakrangee or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this certificate available to any party other than those required by statute for carrying out the limited purpose of this certificate.

Our certificate is not, nor should it be constructed as our opinion or certification of the compliance of the Scheme of Arrangement and Demerger with the provision of any law including Companies Act, taxation laws, capital market laws and related laws.

We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in the Company or any of its related parties (holding companies/subsidiaries/associates etc.)

In no event, KFPL, its Directors and employees will be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Yours faithfully,
For, Kunvarji Finstock Private Limited

Kunvarji Finstock Pvt. Ltd.

Mr. Atul Chokshi
Director (DIN: 00929553)

Date: November, 23 2022
Place: Ahmedabad

This is an abridged prospectus prepared to comply with the requirements of regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") read with SEBI Circular No. CFD/DIL/3/CIR/2017/21 dated March 10, 2017 read with Circular SEBI/HO/CED/DILUC1UPl/2020/249 dated December 22, 2020 issued by Securities and Exchange Board of India ('SEBI Circulars") and is in accordance with the disclosure required to be made in the Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable and SEBI Circulars bearing reference Number, SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 4, 2022, and Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021.

This is an Abridged Prospectus/ Memorandum containing information pertaining to the unlisted company, VL E-Governance & IT Solutions Limited, which is a party to the Scheme of Arrangement for demerger proposed to be made between Vakrangee Limited (hereinafter referred as " Vakrangee " or "Demerged Company") and the said VL E-Governance & IT Solutions Limited (Formerly known as Vakrangee Logistics Private Limited) ("VLEG&ITS" or "Resulting Company") and their respective shareholders pursuant to Section 230 to 232 read with section 66 of the Companies Act,20 13 (hereinafter referred to as the "Scheme"). You are also encouraged to read the greater details available in the Scheme.

The Scheme along with the Abridged Prospectus is also available on the website of BSE Limited ('BSE") i.e. www.bseindia.com, National Stock i.e.www.nseindia.com and nothing in this document constitutes an offer or an invitation by or on behalf of Vakrangee to subscribe for or purchase any of the securities of Vakrangee.

THIS ABRIDGED PROSPECTUS CONTAINS 8 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

(Capitalised terms not defined herein shall have the meanings ascribed to them under the Scheme of Arrangement)

No Equity Shares are proposed to be sold or offered pursuant to this Abridged Prospectus

VL E-GOVERNANCE & IT SOLUTIONS LIMITED

(Formerly known as Vakrangee Logistics Private Limited)

Corporate Identity Number: U74110MH2016PLC274618

Date of Incorporation: March 18, 2016

Registered Office	Contact Person	Email Address	Contact Number	Website
Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C. Marol, Andheri East Mumbai – 400093, Maharashtra, India	Khushbu Hitesh Mehta, Company Secretary	info@vakrangee.in.	+91- 022-67765100	Not Applicable

PROMOTER OF OUR COMPANY

VAKRANGEE LIMITED (THE DEMERGED COMPANY)

DETAILS OF THE OFFER

Type of Issue (Fresh/ OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs.)	OFS Size (by no. of shares or by amount in Rs.)	Total Issue Size (by no. of shares or by amount in Rs.)	Issue under ICDR Regulations	Share Reservation
Not Applicable					

DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS

Name	Type	No. of shares offered / amount in Rs.)	WACA in Rs. Per Equity Share	Name	Type	No. of shares offered / amount in Rs.)	WACA in Rs. Per Equity Share
Not Applicable							

SCHEME OF ARRANGEMENT DETAILS AND LISTING

1. This Scheme of Arrangement for Demerger between the Vakrangee and VLEG&ITS (Wholly owned subsidiary of Vakrangee) under **Sections 230 to 232 read with Section 66 and other applicable provisions of The Companies Act, 2013, as applicable and also read with Section 2 (19aa) and other relevant provisions of the Income-Tax Act, 1961, As may be applicable**.
2. The Scheme provides for: (i) Transfer of Assets of Demerged Undertaking i.e E Governance & IT/ITES business undertaking being transferred to and vested in and shall be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date; (ii) all contracts, deeds, etc., shall be and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under; (iii) all liabilities and debts of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date; (iv) all Employees of the Demerged Undertaking shall become the employees of the Resulting Company with

effect from the Appointed Date; (v) Vakrangee Limited ESOPs shall continue, subject to such adjustments towards the demerger of the E-Governance & IT/ITES business Division; (vi) Increase in authorized share capital and issuance of Equity Shares; and (vii) Reduction of Share Capital by cancelling the present issued, subscribed and paid up capital of the Resulting Company.

3. The Scheme shall be effective and operative from the Appointed Date.
4. Rationale for the Scheme: The Demerger of Demerged Undertaking and vesting of the same with Resulting Company would enable the Resulting Company to enhance operational efficiencies, ensuring synergies through pooling of the financial, managerial, personnel capabilities, skills and expertise and the management is of the view that segregation of the Demerged Undertaking would lead to the following benefits;

a) *The transfer and vesting of the Demerged Undertaking of the Demerged Company to the Resulting Company through this Scheme are with a view to unlock the economic value of both the divisions.*
b) *The Demerger is likely to enable the business and activities comprised in the demerged undertaking and remaining business and activities of VL to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings will ensure required depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their business.*
c) *Vakrangee Kendra Business is Retail centric Consumer facing business whereby we are building the last mile physical distribution platform as well as a B2C E-Commerce focussed Mobile Super app Digital platform.*
d) *Vakrangee Kendra Business (Physical as well as Digital) is an asset light, high return on Capital business and thereby will get proper representation post Demerger.*
e) *E-Governance & IT/ITES Business is a capital intensive B2B business. It is Capex Heavy as well as Working capital Intensive. The E-Governance & IT/ITES Business segment requires different skill sets and focused approach towards time bound project execution capabilities as well as dedicated efforts on collection of Debtors / Receivables, Vendor management and procurement of IT equipment's.*
f) *The focus is on enhancing strategic flexibility to build a viable platform solely focusing on each of these businesses (Vakrangee Kendra business as well as EGovernance / IT & ITES).*
g) *The Demerger will enable both the Companies to enhance business operations by streamlining operations more efficient management control and outlining independent growth strategies.*
h) *Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock value for the shareholders.*
i) *Each undertaking will be able to target and attract new customers corresponding to their own business.*
j) *The demerger will unlock value of both business and result in shareholder value maximization.*
k) *Pursuant to the scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of E-Governance and IT/ITES business for the shareholders of the Demerged Company. Further the existing Shareholders of the Demerged Company would hold the shares of two listed entities after the scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.*
l) *The Scheme shall be in the beneficial interest of the shareholders of the companies. The Scheme shall not be in any manner prejudicial to the interest of the concerned members, creditors, employees or general public at large.*

5. Consideration: Upon this Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this scheme, the Resulting Company shall, issue and allot to every member of the Demerged Company holding fully paid-up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every Ten (10) Equity Shares of the face value of Re.1/- each fully paid-up held by him / her / it in the Demerged Company One (1) new Equity share of the Resulting Company of the face value of Rs.10.00/- each fully paid up.
6. Listing: Equity Shares of the Resulting Company issued in terms of the Scheme shall pursuant to the circular SEBI/HO/CFD/DIL1/CIR/P/2020/49 dated December 22, 2020 and SEBI/HO/DIL1/CIR/2021/0000000665 dated November 23, 2021 issued by Securities and Exchange Board of India (SEBI) and in accordance with compliance with requisite formalities under applicable laws, be listed and / or admitted to trading on the Stock Exchanges where the existing equity shares of the Demerged Company are listed and / or admitted to trading in accordance with the compliance with requite formalities under applicable laws and the Demerged company and the Resulting Company shall enter into such agreement / arrangement and give confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchange.

PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

*Price Band**	Not Applicable, since this Abridged Prospectus is prepared in relation to the Scheme
Minimum Bid Lot Size	
Bid / Offer Open On	
Bid / Closes Open On	
Finalisation of Basis of Allotment	
Initiation of Refunds	
Credit of Equity Shares to Demat accounts of Allottees	
Commencement of trading of Equity Shares	

For details of price band and basis of offer price, please refer to price band advertisement and page xx of RHP- **Not applicable*

DETAILS OF WACA OF ALL SHARES TRANSACTED OVER THE TRAILING EIGHTEEN MONTHS FROM THE DATE OF RHP- NOT APPLICABLE

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in Rs.)
Trailing Eighteen Months from the date of RHP	Not Applicable		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP

RISKS IN RELATION TO THE FIRST OFFER

NOT APPLICABLE

GENERAL RISKS

Investment in Equity & Equity-related securities involved a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved.

The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does, SEBI guarantee the accuracy or adequacy of the contents of the Scheme of Amalgamation or Abridged Prospectus. - Not applicable as the offer is not for the public at large.

Specified attention of the investors is invited to the sections titled "Scheme of Arrangement Details and Listing" and "Internal Risk Factors" of this Abridged Prospectus.

PROCEDURE/ INDICATIVE TIMELINE

This Abridged Prospectus should not be deemed to be an offer to the public. The Scheme requires approval of the National Company Law Tribunal, Mumbai bench, and no exact time frame can be given when the Scheme will become effective. However, the Appointed date for the Scheme is April 01, 2021, or such other date as may be determined by the Board of Directors of both the Parties.

PRICE INFORMATION OF MERCHANT BANKER's

Issue Name	Name of Merchant Banker	+/- % change in closing price, (+/- % change in closing benchmark) -		
		30th calendar days from listing	90th calendar days from listing	180th calendar days from listing
Not Applicable since the proposed issue is not to public shareholders but to the shareholders of the Demerged Company pursuant to the Scheme.				

NAME OF THE MERCHANT BANKER

Kunvarji Finstock Private Limited
Block B, First Floor, Siddhi Vinayak Towers, Off S.G. Highway Road, Mouje Makarba, Ahmedabad- 380051
CIN: U65910GJ1986PTC008979
Contact Person: Mr. Niraj Thakkar
Contact Number: +91 79 6666 9000
Fax Number: +91 79 2970 2196
Email Address: niraj.thakkar@kunvarji.com
SEBI Reg. No.: MB/INM000012564

NAME OF SYNDICATE MEMBERS – NOT APPLICABLE

DETAILS OF THE MARKET MAKER– NOT APPLICABLE

DETAILS OF THE REGISTRAR OF THE COMPANY – NOT APPLICABLE

STATUTORY AUDITOR DETAILS

M/s. S K Patodia & Associates
Sunil Patodia Tower, Shree Shakambhari Corporate Park, J. 8. Nagar, Andheri (E), Mumbai – 400099, Maharashtra, India
Contact Number: +91-22-6707 9444
Email Address: info@skpatodia.in
Firm Registration Number: 112723W

CREDIT RATING AGENCY – NOT APPLICABLE

DEBENTURE TRUSTEE – NOT APPLICABLE

SELF-CERTIFIED SYNDICATE BANKS – NOT APPLICABLE

NON-SYNDICATE REGISTERED BROKERS – NOT APPLICABLE

REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS, DEPOSITORY PARTICIPANTS AND STOCK BROKERS WHO CAN ACCEPT APPLICATION FROM INVESTOR – NOT APPLICABLE

PROMOTER OF OUR COMPANY

Sr. No.	Name of the Promoters	Individual/ Corporate	Object of the Corporate Promoter
1.	Vakrangee Limited	Corporate	Vakrangee has been One of India's largest e-Governance player functioning as a systems integrator and end-to-end service provider for various e-Governance projects. The Company has an experience of over two decades in delivering systems integration and other IT/ITES services for India's e-Governance plan. It has a strong track record of implementing various timebound Mission Mode Projects (MMPs) under the government's National e-Governance Plan. Some of these MMPs are: computerisation of Election Commission, UIDAI Aadhaar Enrolment services, Ministry of Corporate Affairs Project (MCA21), Rashtriya Swasthya Bima Yojana (RSBY), Common Service Centres (CSC), smart-card based Public Distribution System (PDS), computerisation of registration department in Maharashtra, and passport Services, among others. Over the years, the Company has evolved into a technology-enabled company focussed around building India's largest network of last-mile physical retail outlets to deliver services to the unserved and the underserved rural, semi-urban and urban population of the country. The Company currently has two Business divisions which are as follows – a) Vakrangee Kendra Business b) E-Governance & IT/ITES Business

BUSINESS OVERVIEW AND STRATEGY

Company Overview: VLEG&ITS is a wholly owned subsidiary of Vakrangee. VLEG&ITS was incorporated as a Private Limited Company under the Companies Act, 2013, on March 18, 2016 in the name of Vakrangee Logistics Private Limited in the State of Maharashtra. The name of the Company was changed to VL E-Governance & IT Solutions Private Limited and obtained a fresh certificate of incorporation dated October 22, 2021, consequent on the change of name from the Registrar of Companies, Maharashtra, Mumbai. The name of the Resulting Company was further changed to VL E-Governance & IT Solutions Limited and obtained a fresh certificate of incorporation dated November 01, 2021 consequent to change of name from the Registrar of Companies, Maharashtra, Mumbai.

Product / Service Offering: The Company is engaged in providing last mile delivery services of parcels on behalf of ecommerce entities and courier booking services.

Revenue segmentation by product / service offering: The Company recognizes the income for last mile delivery upon delivery of shipment to end customer or in case of reverse pick-up upon the pick-up of the shipment from the end customer. The Company recognizes the income or commission income from courier services upon pick up of parcels by courier companies. However, there is no revenue earned on operations by the Company.

Geographies Served: The Company serves in Local, State and National markets only and hence there are no exports.

Revenue segmentation by geographies: Not Applicable, since no revenue has been earned vide operations of the Company. The Company earns other income vide interest income on bank deposits and miscellaneous income.

Key Performance Indicators:
The key performance indicator as per the audited financial statement for the Financial Year ending March 31, 2022, of the Company is set out below:

Particulars	Amount
Revenue from operations	Nil
Other Income	Rs.20,08,070.00/-

Client Profile or Industries Served: The Company is engaged in providing last mile delivery services of parcels on behalf of ecommerce entities and courier booking services.

Revenue segmentation in terms of top 5/10 clients or Industries: Not Applicable, since no revenue has been generated through operations of the Company. The Company earns other income vide interest income on bank deposits and miscellaneous income

Intellectual Property, if any: Nil

Market Share: Not Applicable

Manufacturing plant, if any: Nil

Employee Strength: 1

BOARD OF DIRECTORS

Sr. No.	Name	DIN	Designation	Address	Qualification	Experience	Other Directorship held
1.	Dinesh Birdhilal Nandwana	00062532	Director	2502, Tivoli Co. Op. Housing Society Ltd, Central Avenue Road, Hiranandani Gardens, Powai, Mumbai – 400076, Maharashtra, India	Chartered Accountant	Mr. Dinesh Nandwana holds a Chartered Accountant degree from the Institute of Chartered Accountants of India. He has over 30 years of business experience. He was the key person in driving the business of the Company since its inception. He is fully committed and will continue to play an active role in the Business strategy and operations. His vast experience is backed by astute and dynamistic leadership qualities.	Vakrangee Limited, Vakrangee Technologies Limited, Vakrangee Holdings Private Limited, Vakrangee Shares & Stock Brokers Private Limited,, NJD Capital Private Limited, Vakrangee Finserve Limited, Vakrangee Multi Commodities Private Limited and NJD Lacteus and Hortus Limited

2.	Jitendra Hemant Jog	01905267	Director	901/A, Greenwoods Society, M.V.Road, Near Gurunank Petrol Pump, Chakala, M.I.D.C., Andheri (East), Mumbai – 400093, Maharashtra, India	Diploma in Computer Programming.	He is a result oriented professional with over 20 years of wide and varied experience in the areas of Business Development, Operations Management, General Management and Client Servicing in the logistics and services industry. His specialization lies in Operations Management, Channel Development, Vendor Management, Human Resource Management, Business Administration	For Sure Ecommerce Private Limited
3.	Amit Keval Sabarwal	06478938	Director	107 / 108, Shivam Apts, Nr. Regal Shoes, J. P. Road, 7 Bunglow, Andheri-(West) Mumbai – 400058, Maharashtra India	B.E. PGDM (Finance)	He is a finance professional with considerable experience in the field of Investor Relations, Strategy, Corporate Communications, Investment Research, and Investment Banking. Prior to Vakrangee, he was the CEO and Director at Dickenson Seagull IR, a respected capital markets communication company. Here he advised several mid-cap companies for their Investor Relations and fund raising requirements. Through his career, he has participated in over 300+ global and domestic Investor Roadshows. He has also been nominated among the best Investor Relations Officer (IROs) in India by Bloomberg.	Vakrangee Digital Ventures Limited, Dickenson Investor Relations Events Private Limited, Dickenson Seagull IR Solutions Private Limited and Eighty eight Pictures Media and Entertainment Private Limited

OBJECT OF THE ISSUE

Details of means of finance – Not applicable

The fund requirements for each of the objects of the Issue are stated as follows:

Sr. No.	Objects of the Issue	Total estimated cost	Amount Deployed till date	Amount to be financed through Net Proceeds	Estimated Net Proceeds Utilization
Not Applicable					

DETAILS AND REASONS FOR NON-DEPLOYMENT OR DELAY IN DEPLOYMENT OF PROCEEDS OR CHANGES IN UTILIZATION OF ISSUE PROCEEDS OF PAST PUBLIC ISSUES / RIGHTS ISSUE, IF ANY, OF THE COMPANY IN THE PRECEDING 10 YEARS – NOT APPLICABLE

NAME OF MONITORING AGENCY, IF ANY – NOT APPLICABLE

TERMS OF ISSUANCE OF CONVERTIBLE SECURITY, IF ANY – NOT APPLICABLE

Convertible securities being offered by the Company	Not Applicable
Face Value / Issue Price per Convertible securities	
Issue Size	
Interest on Convertible Securities	

Conversion Period of Convertible Securities	
Conversion Price for Convertible Securities	
Conversion Date for Convertible Securities	
Details of Security created for CCD	

SHAREHOLDING PATTERN PRE-SCHEME

Sr. No.	Particulars	Number of equity shares of face value of Rs.10.00/- per equity share	% of equity shareholding
1.	Promoters	1,20,00,000*	100.00%
2.	Public	--	--
	Total	**1,20,00,000***	**100.00%**

**Includes 6 nominees of Vakrangee holding 1 equity share on behalf of Vakrangee*

SHAREHOLDING PATTERN POST SCHEME

Sr. No.	Particulars	Number of equity shares of face value of Rs.10.00/- per equity share	% of equity shareholding
1.	Promoters	4,51,35,316	42.60%
2.	Public	6,08,14,663	57.40%
	Total	**10,59,49,979**	**100.00%**

NUMBER / AMOUNT OF EQUITY SHARES PROPOSED TO BE SOLD BY SELLING SHAREHOLDERS, IF ANY- NOT APPLICABLE

AUDITED FINANCIALS

Particulars	For the Financial Year ending March 31 (in Rs.)		
	2022	**2021**	**2020**
Revenue from Operations	--	--	2,06,300.00/-
Other Income	20,08,070.00/-	3,01,390.00/-	4,17,550.00/-
Total Income	20,08,070.00/-	3,01,390.00/-	6,23,580.00/-
Net Profit/ (Loss) before tax and extraordinary items	17,74,470.00/-	(47,830.00/-)	4,07,500.00/-
Net Profit / (Loss) after tax and extraordinary items	17,64,580.00/-	(21,800.00/-).	4,29,500.00/-
Equity Share Capital	12,00,00,000.00/-	12,00,00,000.00/-	12,00,00,000.00/-
Reserves and Surplus	(2,76,94,220.00/-)	(2,94,58,790.00/-)	(2,94,36,990.00/-)
Net-worth	9,23,05,780.00/-	9,05,41,210.00/-	9,05,63,010.00/-
Basic earnings per equity share	0.147/-	(0.002/-)	0.036/-
Diluted earnings per equity share	0.147/-	(0.002/-)	0.036/-
Return on net-worth	1.91%	(0.02)%	0.47%
Net asset value per equity share	7.69/-	7.55/-	7.55/-

Notes:
1. *VLEG&ITS is not required to prepare consolidated financials statements, as it does not have subsidiary;*
2. *Net-worth comprises of equity share capital and reserves and surplus;*
3. *Return on net-worth % has been calculated by dividing Net Profit / (Loss) after tax and extraordinary items by Net-Worth and by multiplying it with 100;*
4. *Net asset value per equity share has been calculated by dividing net-worth with the number of equity shares outstanding.*
5.

INTERNAL RISK FACTORS

The below-mentioned risks are the top 5 risk factors:
1. The Scheme for Demerger is subject to the conditions / approvals as envisaged under the Scheme and any failure to receive such approvals will result in non-implementation of the Scheme and may adversely affect the shareholders.
2. The Company is presently an unlisted Company, and its securities are presently not available for trading on any stock exchange.
3. In accordance with the Indian laws, permission for listing and trading of Equity Shares will not be granted until after certain actions have been completed in relation to the issue and allotment of equity shares pursuant to the Scheme. We cannot assure you that we will be able to list the equity shares within the specified time frame.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

1. Total number of outstanding litigations against the company and amount involved

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock	Material Civil Litigations	Aggregate amount involved

				Exchanges against our Promoter		
Company						
By the Company	Nil					
Against the Company						
Directors						
By the Directors	Nil					
Against the Directors						
Promoter						
By the Promoter	Nil					
Against the Promoter						

2. Brief details of top 5 material outstanding litigations against the company and amount involved – Nil

3. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any (200 - 300 word limit in total) – Nil

4. Brief details of outstanding criminal proceedings against Promoters (200 - 300-word limit in total) – Nil

ANY OTHER IMPORTANT INFORMATION AS PER MERCHANT BANKER / ISSUER COMPANY

Nil

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may he have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For VL E-Governance & IT Solutions Limited
(Formerly known as Vakrangee Logistics Private Limited)

Sd/-

Dinesh Birdhilal Nandwana,
Director

Place: Mumbai
Date: November 22, 2022