VAKRANGEE LIMITED
(erstwhile Vakrangee Softwares Ltd.)
"Vakrangee House", Plot No. 66, Marol Co-op. Ind. Estate,
Off M.V. Road, Marol, Andheri (East), Mumbai – 400059
CIN : L65990MH1990PLC056669
Phone No.: 022-28503412, 28504028, Fax : 022 – 28502017
E-mail :- info@vakrangee.in, Website :- www.vakrangee.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of **VAKRANGEE LIMITED** shall be held on Tuesday, September 29, 2015 at 11.00 AM at the Chancellor Suite, Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai 400 099 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended March 31, 2015, together with the Report of Board of Directors and Auditors' thereon.

2. To declare dividend for the financial year ended March 31, 2015.

3. To re-appoint Mr. Dinesh Nandwana (DIN:00062532), who retires by rotation and being eligible, offers himself for re-appointment.

4. To re-appoint M/s. S. K. Patodia & Associates, Chartered Accountants (ICAI Firm Reg. No. 112723W) as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and for that purpose to pass the following Resolution which will be proposed as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139, 144 and other applicable provisions, if any, of the Companies Act, 2013, M/s. S. K. Patodia & Associates, Chartered Accountants (ICAI Firm Reg. No. 112723W), the retiring Statutory Auditors, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors' of the Company be and is hereby authorised to fix their remuneration for the said period and re-imbursement of actual out of pocket expenses, as may be incurred in the performance of their duties.**"**

SPECIAL BUSINESS:

5. **To appoint Mr. Avinash Vyas (DIN: 06869633) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT**, pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and Schedule IV (Code of Independent Director) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force and Clause 49 of the Listing agreement, and any statutory modifications thereof for the time being in force, Mr. Avinash Vyas (DIN: 06869633) who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 by the Board of Directors with effect from November 14, 2014 and who holds office till the date of this Annual General Meeting and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Avinash Vyas (DIN: 06869633) as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a period of five (5) consecutive years w.e.f. November 14, 2014."

   RESOLVED FURTHER THAT any of the directors or the Company Secretary, be and is hereby authorized to take the necessary steps including but not limited to filing forms with ROC and perform any other formalities as may be required under law".

6. **To appoint Mrs. Sujata Chattopadhyay (DIN: 02336683) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT**, pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and Schedule IV (Code of Independent Director) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force and Clause 49 of the Listing agreement, and any statutory modifications thereof for the time being in force, Mrs. Sujata Chattopadhyay (DIN: 02336683) who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 by the Board of Directors with effect from March 31, 2015 and who holds office till the date of this Annual General Meeting and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr Mrs. Sujata Chattopadhyay (DIN:

02336683) as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a period of five (5) consecutive years w.e.f. March 31, 2015."

RESOLVED FURTHER THAT any of the directors or the Company Secretary, be and is hereby authorized to take the necessary steps including but not limited to filing forms with ROC and perform any other formalities as may be required under law".

7. **To re-appoint Dr. Nishikant Hayatnagarkar (DIN:00062638), as the Whole-Time Director of the Company for a period of five years and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Board of Directors of the Company be and is hereby accorded for the appointment of Dr. Nishikant Hayatnagarkar (DIN: 00062638), as the "Whole-Time Director" of the Company for a period of five years effective from October 1, 2015, on the terms and conditions of appointment and remuneration as contained in the draft agreement to be entered into between the Company and Dr. Nishikant Hayatnagarkar (DIN: 00062638), and that the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Dr. Nishikant Hayatnagarkar."

   RESOLVED FURTHER THAT any of the directors or the Company Secretary, be and is hereby authorized to take the necessary steps including but not limited to filing forms with ROC and perform any other formalities as may be required under law".

By order of the Board of Directors,
Sd/-

Darshi Shah
Company Secretary &
Compliance Officer
Place: Mumbai
Dated: September 1, 2015

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The Proxy Form (MGT 13) should be lodged with the Company at the Registered Office at least 48 hours before the time of the Meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

4. (a) The Company has notified closure of Register of Members and Share Transfer Books from Friday, September 25, 2015 to Tuesday, September 29, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at a meeting.

   (b) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched by October 29, 2015 to those members whose names shall appear on the Company's Register of Members on September 24, 2015; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

5. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, M/s. Bigshare Services Private Limited, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository.

6. Members, holding shares in physical form, are requested to notify changes in address, if any, to the Registrars of the Company immediately, quoting their folio numbers. Members, holding shares in dematerialized form, should send the above information to the respective Depository Participants.

7. Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.

8. Members desirous of getting any information in relation to the Company's Annual Report 2014-15 are requested to address their query(ies) well in advance, i.e. at least 10 days before the Meeting, to the Secretary of the Company to enable the Management to keep the information readily available at the Meeting.

9. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

10. Members/Proxies should bring the attendance slip duly filled in, for attending the Meeting. The Attendance slip is sent with this Annual Report. Members, who hold shares in Electronic Form, are requested to bring their Depository ID Number and Client ID Number to facilitate their identification for recording attendance at the forthcoming Annual General Meeting.

11. Members holding shares in single name and physical form are advised to make nomination in respect of shareholding in the Company. Members can avail of the Nomination facility by filing Form SH-13 with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in Demat form, the nomination has to be lodged with their DP.

12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Bigshare Services Private Limited, for consolidation into a single folio.

13. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to M/s. Bigshare Services Private Limited, E-2/3 Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E) Mumbai 400 072

15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically

16. All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 6.00 p.m. up to the date of declaration of the result of the Annual General Meeting of the Company.

17. **E-Voting:**

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Clause 35B of the listing agreement, the Company is pleased to provide the facility of remote e-voting through Central Depository Services (India) Limited (CDSL) to all members for all the businesses to be transacted at the ensuing General Meeting. The e-voting instructions explaining the process of e-voting have been mentioned in the Notice herewith. Such remote e-voting facility is in addition to voting that may take place at the meeting venue on Septmeber 29, 2015. The Company has appointed Dr. S. K. Jain, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. E-voting is optional.

Instructions to Members for e-voting are as under :

(a) Date and time of commencement of voting through electronic means : September 26, 2015 (9.00 a.m.)

(b) Date and time of end of voting through electronic means: September 28, 2015 (5.00 p.m.)

(c) Details of Website : www.evotingindia.com

Details of persons to be contacted for issues relating to e-voting:

Mr. Upadhya, General Manager of M/s. Bigshare Services Pvt.Ltd., E-2/3 Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E) Mumbai 400 072. Tel No. 28470652, 40430200, Fax No. 28475207, E-mail : investor@bigshareonline.com

The remote e-voting module shall be disabled for voting on September 28, 2015 (5.00 p.m.) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. **The voting right of shareholders shall be in proportion to their share in the paid up equity capital of the Company as on September 22, 2015 (cut-off date). Members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the meeting. The voting at the meeting shall be made by Poll.**

Dr. S. K. Jain, Practicing Company Secretary has been appointed as Scrutinizer, who in the opinion on the Board can scrutinize the voting process including the e-voting process in fair and transparent manner. The Scrutinizer shall immediately, after the conclusion of voting at the Annual General Meeting, first count the votes at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the chairman or a person authorised bye him in writing who shall counter sign the same. The chairman or a person authorised by him in writing shall declare the result of the voting forthwith. The Result declared along with the Scrutinizer's Report shall be placed on the website of the Company viz. www.vakrangee.in and also on the website of CDSL viz. www.cdslindia.com immediately after the result is declared by the chairman and shall also be communicated to the Bombay Stock Exchange Limited and National Stock Exchange of (India) Limited.

Procedure for Remote e-voting:

A.) In case of members receiving e-mail:

i) Log on to the e-voting website www.evotingindia.com

ii) Click on "Shareholders" tab.

iii) Now, select "VAKRANGEE LIMITED" from the drop down menu and click on "SUBMIT"

iv) Now Enter your User ID

a) For CDSL: 16 digits beneficiary ID,

b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

vi) If you are holding shares in demat form and had logged on to and voted on an earlier voting of any company, then your existing password is to be used.

vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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

ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for "VAKRANGEE LIMITED".

xii) 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.

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

xiv) 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.

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

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

xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B.) In case of members receiving the physical copy:

xix) Please follow all steps from sr. no. (i) to sr. no. (xvii) above to cast vote.

xx) The voting period begins on September 26, 2015 at 9.00 a.m. and ends on September 28, 2015 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 22, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

xxi) In case you have any queries or issues regarding e-voting, 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.

The Notice of AGM is placed on website of the Company viz. www.vakrangee.in

Annexure to Notice

Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Avinash Vyas	Mrs. Sujata Chattopadhyay	Dr. Nishikant Hayatnagarkar	Mr. Dinesh Nandwana
Age	53	51	57	52
Date of Appointment	14/11/2014	31/3/2015	27/08/1999	28/05/1990
Expertise in specific functional areas	Mr. Avinash Vyas has wide experience in Audit Certification for externally aided projects funded by foreign agencies such as World Bank and its extended arms.	Fellow member of the Institute of Cost Accountants of India and the Associate member of the Institute of Company Secretaries of India, Sujata Chattopadhyay has over 26 years post qualification experience. Starting her career at Kelvinator of India Limited, she has worked across various industries and geographies. Presently in full time practice as a Company Secretary	Dr. Nishikant Hayatnagarkar is a Doctorate in Computer Science from IIT at Powai, Mumbai and is associated with the Company since 1994. He is a well-known personality in the field of microchip designing. Has also developed a voice recognition system, which is widely used in various applications like Tele Banking, Tele Gas Booking, etc. Has also designed and developed a multi-lingual Keyboard and is a consultant to Media Labs Asia - Kamal Rekhi School for Information Technology (IIT Mumbai) for development of Multi-lingual data input device - Marathi language Key Board (Key - Lekh) and E-Lekh (Tablet based Marathi language Input).	Mr. Dinesh Nandwana is the main promoter of the Company with over 25 years of business experience. His main functions and areas of responsibilities in the Company include policy formulation and decision making.
Qualifications	Commerce Graduate and LL.B (Professional)Dinker Industries OPC Private Limited	Commerce Graduate, Cost and Works Accountant, Company Secretary	Doctrate in Computer Science from IIT Powai, Mumbai	Chartered Accountant, Commerce Graduate
List of Companies in which outside Directorship held as on March 31, 2015		1. Steel Exchange India Limited 2. Arysta LifeScience India Limited 3. Polygenta Technologies Limited.	1. Vakrangee Technologies Limited 2. Vakrangee IT Solutions Limited 3. Vakrangee Finserve Limited	1. Vakrangee Capital Private Limited 2. Vakrangee Technologies Limited 3. Vakrangee Shares and Stock Brokers Limited 4. Vakrangee Multi Commodities Private Limited 5. Vakrangee Holdings Private Limited 6. Vakrangee Infraprojects Limited 7. eDoc Vision Infotech Private Limited 8. Vakrangee Energy Private Limited 9. Vakrangee Lacteus and Hortus Limited 10. Garnet International Limited 11. Vakrangee Finserve Limited

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants and members who hold shares in physical form, may register the same with M/s. Bigshare Services Private Limited.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 5

The Board of Directors of the company has in its Meeting held on November 14, 2014, appointed Mr. Avinash Vyas (DIN: 06869633) as an additional Director (Independent). In terms of Section 149(10) of the Act, an Independent Director may be appointed by a Company for a consecutive period of 5 years. It is, therefore, proposed that Mr. Avinash Vyas (DIN: 06869633) be appointed as an Independent Director of the Company for a consecutive period of 5 years with effect from November 14, 2014 at the forthcoming Annual General Meeting.

Mr. Avinash Vyas (DIN: 06869633) has wide experience in Audit Certification for externally aided projects funded by foreign agencies such as World Bank and its extended arms. He holds a Bachelor's Degree in Commerce and is LL.B (professional) which adds to his business acumen.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Avinash Vyas (DIN: 06869633) for the office of Director of the Company.

The Company has also received declaration from Mr. Avinash Vyas (DIN: 06869633) that he meets with the criteria of independence as pre scribed both under sub-section (6) of Section 149 of the Act and Rules made thereunder and under clause 49 for the Listing Agreement.

In the opinion of the Board, Mr. Avinash Vyas (DIN: 06869633) fulfills the conditions for appointment as Independent Directors as specified in the Act and the Listing agreement. Mr. Avinash Vyas (DIN: 06869633) is Independent of the Management of the Company.

Mr. Avinash Vyas (DIN: 06869633) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Mr. Avinash Vyas (DIN: 06869633) is interested in the Resolution set out in Item No. 5 of the Notice with regard to his appointment.

The relatives of Mr. Avinash Vyas (DIN: 06869633) may be deemed to be interested in the Resolution set out in Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Director / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these Resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out in Item No. 5 of the Notice for approval of the shareholders.

ITEM NO.6:

As per the provisions of the Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, it is mandatory to appoint a Woman Director on the Board of the Company.

The Board of Directors in its meeting held on March 31, 2015, appointed Mrs. Sujata Chattopadhyay (DIN: 02336683) as an additional Director under section 161 of the Companies Act, 2013 to meet the requirement of women director in terms of second proviso to sub-section (1) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and she holds office upto forth coming Annual General Meeting. She has been designated as Independent Director.

The resolution is set out at item no. 6 of the Notice to appoint Mrs. Sujata Chattopadhyay (DIN: 02336683) as a Director designated as Independent Director for a consecutive Five (5) years w.e.f. March 31, 2015 at the forthcoming Annual General Meeting.

Mrs. Sujata Chattopadhyay (DIN: 02336683) is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given her consent to act as a Director.

The Company has received Notice in writing from Member of the Company under Section 160 of the Companies Act, 2013 along with deposit of requisite amount proposing the candidature of Mrs. Sujata Chattopadhyay (DIN: 02336683) for office of Director of the Company.

The Company has also received declaration from Mrs. Sujata Chattopadhyay (DIN: 02336683) that she meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mrs. Sujata Chattopadhyay (DIN: 02336683) fulfills the conditions for appointment as Woman as well as Independent Director as specified in the Companies Act, 2013 and the Listing Agreement.

Fellow member of the Institute of Cost Accountants of India and the Associate member of the Institute of Company Secretaries of India, Sujata Chattopadhyay (DIN: 02336683) has over 26 years post qualification experience. Starting her career at Kelvinator of India

Limited, she has worked across various industries and geographies.

Mrs. Sujata Chattopadhyay (DIN: 02336683) is interested in the Resolution set out in Item No. 6 of the Notice with regard to her appointment.

The relatives of Mrs. Sujata Chattopadhyay (DIN: 02336683) may be deemed to be interested in the Resolution set out in Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Director / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these Resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out in Item No. 6 of the Notice for approval of the shareholders.

Item No. 7

Dr. Nishikant Hayatnagarkar (DIN : 00062638) was appointed as the Whole-time Director for a period, of five years, which is to expire on September 30, 2015. As a part of initiative to create an enduring leadership for the company, as recommended by the Nomination and Remuneration and Compensation Committee, the board of directors of the company at its meeting held on September 1, 2015 resolved to reappoint Dr. Nishikant Hayatnagarkar (DIN : 00062638) as Whole-time Director of the Company for a further Period of five years commencing from October 1, 2015.

The reappointment is subject to the approval of the members. The terms and conditions of his reappointment are as follows:

1. Period of appointment: 5 years beginning October 1, 2015 and ending September 30, 2020.

2. Details of remuneration - Salary: ₹ 3.5 Lac per month

Perquisites

As may be decided by the Board of Directors In accordance with the provisions, and limits specified under Schedule V to the Companies Act, 2013.

The agreement may be terminated by either party by giving six months notice in writing of such termination.

If, at any time, Dr. Nishshikant Hayatnagarkar (DIN 00062638) ceases to be a Director of the Company for any cause whatsoever, he shall also cease to be the Whole-time Director and the agreement shall forthwith be terminated.

Dr. Nishikant Hayatnagarkar (DIN 00062638) shall perform such duties as shall from time to time be entrusted to him subject to the superintendence and control of the Board of Directors and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors.

The Board accordingly recommends the resolution set forth in item No.7 for approval of members. No director except Dr. Nishikant Hayatnagarkar (DIN 00062638) is deemed to be interested or concerned in his reappointment and remuneration payable to him.

By order of the Board of Directors,
Sd/-

Darshi Shah
Company Secretary &
Compliance Officer
Place: Mumbai
Dated: September 1, 2015

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

Vakrangee
सशक्त परिवर्तन

Embracing a **Billion** People

VAKRANGEE LIMITED
Annual Report 2014 -15

Vakrangee Kendra

URBAN

RURAL

Vakrangee
सशक्त परिवर्तन

Embracing a **Billion** People

SASHAKT PARIVARTAN **OR TRANSFORMATIONAL CHANGE – A CHANGE THAT IS NOT MERELY AN IMPROVEMENT OVER THE PAST; IT IS BOLD, FEARLESS, INNOVATIVE, COLLABORATIVE AND RADICAL IN NATURE. IT IS ABOUT BEING INNOVATIVE, INVOLVING PEOPLE AND CHALLENGING THE STATUS QUO.**

We, at Vakrangee Limited, are innovating and delivering a *Sashakt Parivartan* or a far-reaching change in India. We are enabling this by building cultures of continuous improvement and shaping a change vision that is deep-rooted, strong and entrenched. This change is immovable and for good.

Being one of the most rurally-penetrated companies in India and tangibly delivering last-mile financial access, we own a compelling and shared vision to be the catalyst for this change. With a deep experience and vigorous approach, our strategic priority is to be the enabler for shared prosperity. Our fundamental objective is to touch every single life in India by increasing our scope of dealing a mix of rural and urban population across the length and breadth of the country.

With a comprehensive approach, we are hand-holding our customers and travelling with them throughout their financial journey. We are spreading the banking habit by bringing the "financially excluded" under the perimeter of India's formal banking sector; developing a culture of savings; broadening the resource base of our financial system; delivering subsidies and direct transfers; building a robust network of our touch points – Vakrangee Kendras; and also bringing about greater integration between the Government and its citizens.

Our formidable task is to ensure that as each customer gains financial access and falls under the purview of formal banking, we create awareness on financial services & products with the aim of enabling financial security. In the process, Financial Access ultimately culminates into Financial Inclusion, Financial Literacy and Financial Security. The real test of our progress is to play a vital role in India's inclusive and sustainable socio-economic development by way of dedication, resilience and a willingness to make bold commitments.

ANNUAL REPORT 2014-15

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NOTE ON FORWARD LOOKING STATEMENTS

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

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

Corporate Information

Board of Directors

Mr. Dinesh Nandwana
- Managing Director & CEO

Dr. Nishikant Hayatnagarkar
- Whole Time Director, R&D

Mr. Ramesh M. Joshi

Mr. Sunil Agarwal

Mr. B. L. Meena

Mr. Avinash Vyas

Mr. T. Sitharthan

Mrs. Sujata Chattopadhyay

Compliance

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

Company Secretary & Compliance Officer

Ms. Darshi Shah

Bankers

Axis Bank Limited
Union Bank of India
State Bank of India
IDBI Bank Limited
Indian Overseas Bank
Dhanlaxmi Bank Limited
Vijaya Bank
Bank of India
State Bank of Travancore
State Bank of Bikaner & Jaipur
State Bank of Mauritius Limited
Kotak Mahindra Bank Limited (Earlier ING Vysya Bank Limited)
Andhra Bank
Punjab National Bank

Security Trustee

Axis Trustee Services Limited

Registrars

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

Registered Office

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

Vakrangee
सशक्त परिवर्तन

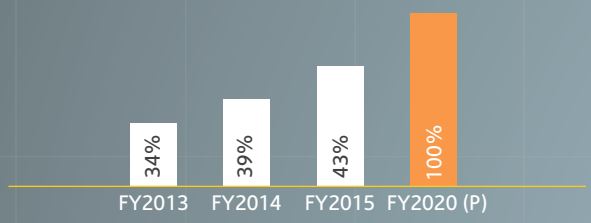
At a Glance

We are a technology-driven company, focussing on creating India's largest network of last-mile retail points-of-sale. Our aim is to potentially enable every Indian to seamlessly benefit from financial inclusion, Government programmes and a wider access to basic goods and services. We leverage our vast network of retail access points to deliver real-time Banking services, Insurance Services, E-Governance Services (G2C), e-Commerce Services (B2C) & ATM Services to the unserved rural, semi-urban and urban markets.

Our endeavour is to connect India's citizens with a modern ecosystem. We also aim to bridge the financial inclusion gap between the developed urban India and under-developed rural India by serving a market of one billion people through our Vakrangee Kendras. Being the largest single systems integrator for key government projects, we enable the Central and State Governments to administer and deliver E-Governance services to each citizen – more affordably, reliably and efficiently than ever before.

75,000

Franchisee Network of Vakrangee Kendras across India



Rising Share of Vakrangee Kendras to Revenues

16

Number of States in which Vakrangee Kendras will be set up

15,000

White Label ATMs to be set up and managed across India

200Million

Potential customers to be served across under-served Rural, Semi-Urban and Urban India

50,000

Rural Vakrangee Kendras to be set up

22

Years of Consistent Execution Experience

17,000

Semi-Urban Vakrangee Kendras to be set up (including WLAs)

8,000

Urban Vakrangee Kendras (including WLAs)

DELIVERING REAL-TIME SERVICES TO THE UNDER-SERVED, RURAL, SEMI-URBAN AND URBAN LANDSCAPE IN INDIA ACROSS BANKING, INSURANCE, E-GOVERNANCE, E-COMMERCE AND ATM SERVICES PLATFORMS

BANKING & INSURANCE

- Bank A/C Opening - Savings, Current, Recurring
- Transactions - Deposits, Withdrawals, Remittances
- Balance Enquiry, Statement of Accounts
- Direct Benefit Transfer
- Pension Disbursement
- Food Security related DBT
- Retail Loans, ODs, FDs
- Recovery of Loans
- Insurance - Life & Non-Life premium payments
- Insurance Schemes - Atal Pension Yojna, Jeevan Jyoti Bima Yojna and Pradhan Mantri Suraksha Bima Yojna

E-GOVERNANCE

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

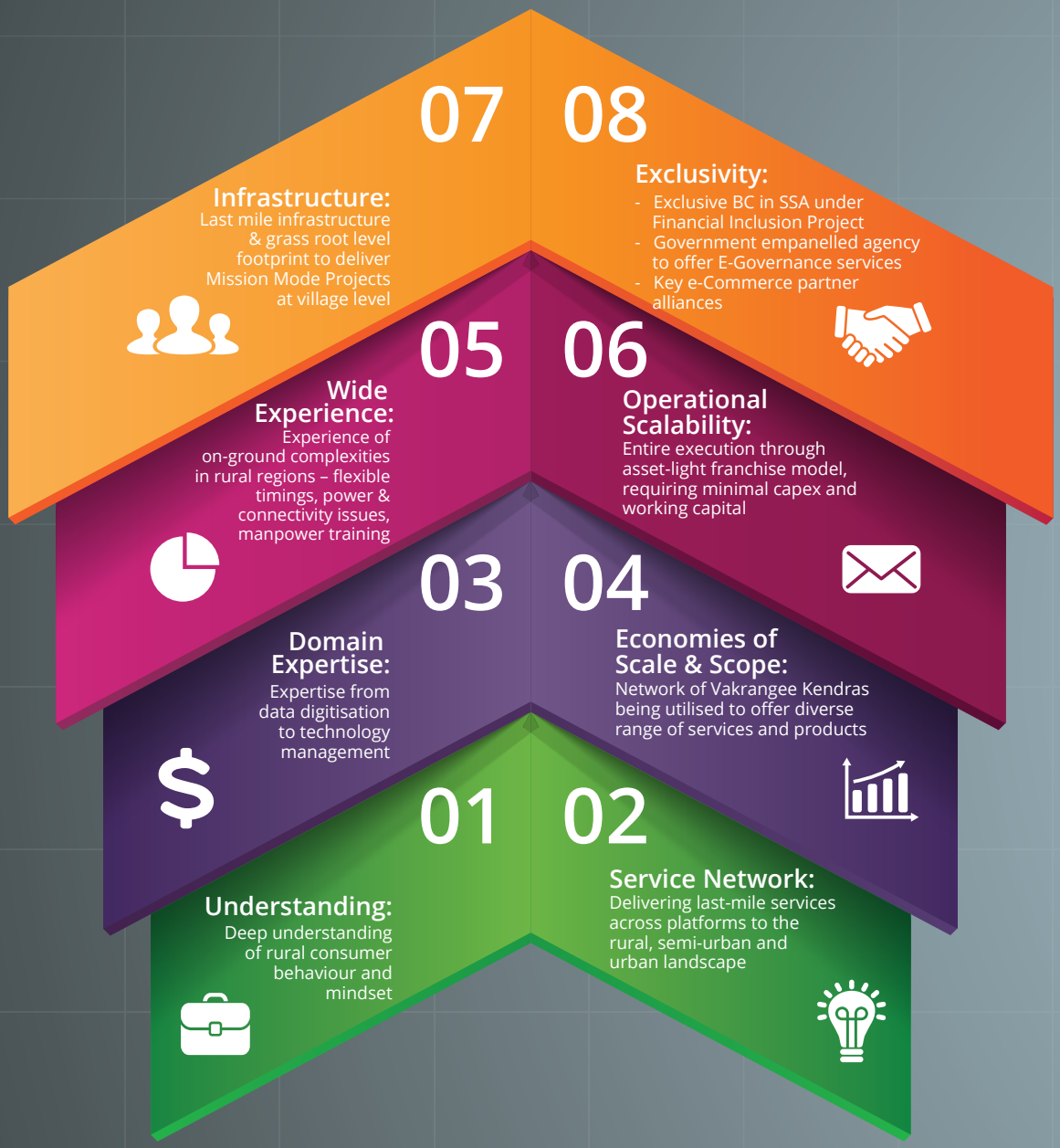
E-COMMERCE

- Telecom - Mobile Recharge
- DTH service - Recharge, Bill Payments
- Educational
- E-Commerce, Retail in alliance with Amazon India
- Logistic tie-up with Mypacco

ATM

- Real time cash withdrawals from all banks through WLA
- Balance inquiry, statement printing
- Co-located ATMs in urban/semi-urban branches to cater to holistic banking needs of customer while optimising cost of operations

Our Competitive Strengths



Our Opportunities

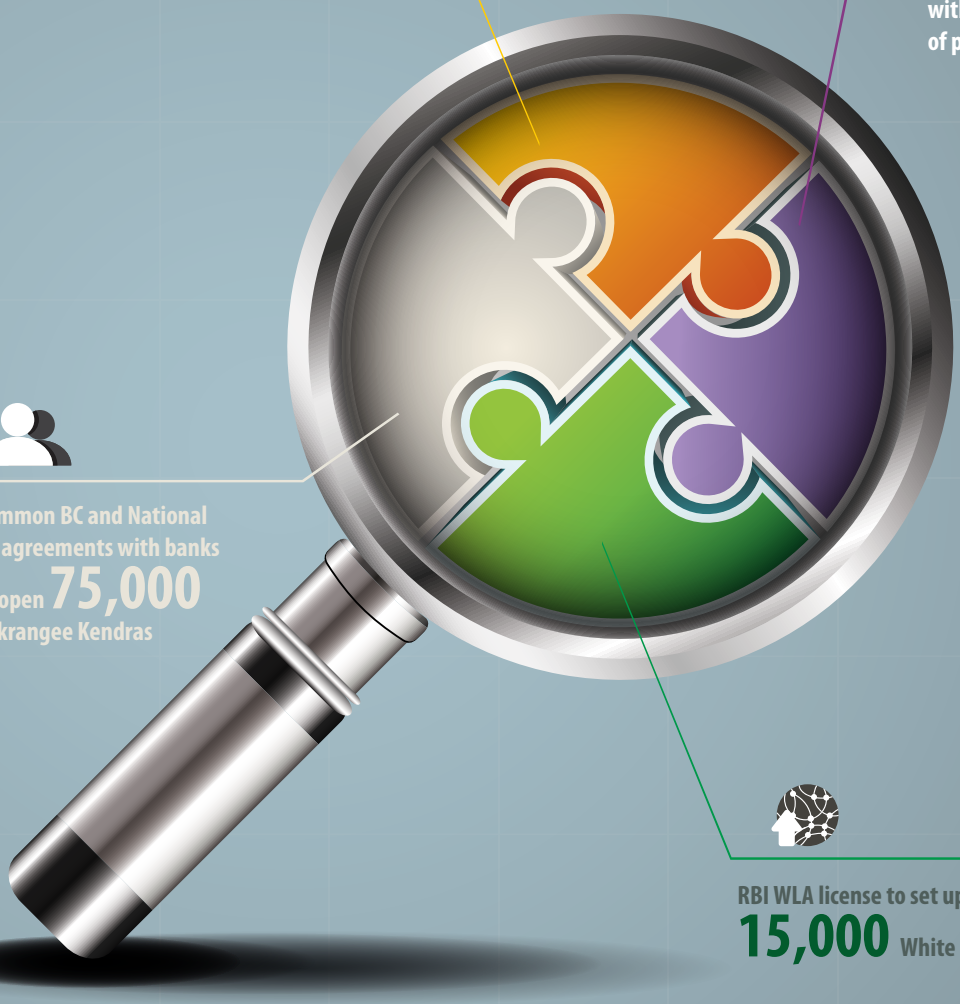
PRADHAN MANTRI JAN DHAN YOJANA

To provide at least 1 bank account per household

FINANCIAL INCLUSION

a. Under-penetrated banking access with only 35.2% bank accounts per population

b. Under-penetrated ATM market with only 112 ATMs per million of population



Common BC and National BC agreements with banks to open **75,000** Vakrangee Kendras

RBI WLA license to set up and manage minimum **15,000** White Label ATMs across India

Our Vision

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

Our Mission

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

Our Brand Promise

No matter how remote or excluded they might be, we promise to give every under-served Indian their rightful access to basic modern banking, within walking distance from their homes. Along with this, we also promise to bring closer to them affordable and quality products & services that improve their essential living standards. We will continue this endeavour until we have included the last financially excluded person in our country.

The Vakrangee Effect

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

WE CALL THIS "THE VAKRANGEE EFFECT".

OUR SUSTAINABLE ADVANTAGES

01 Strong technology expertise

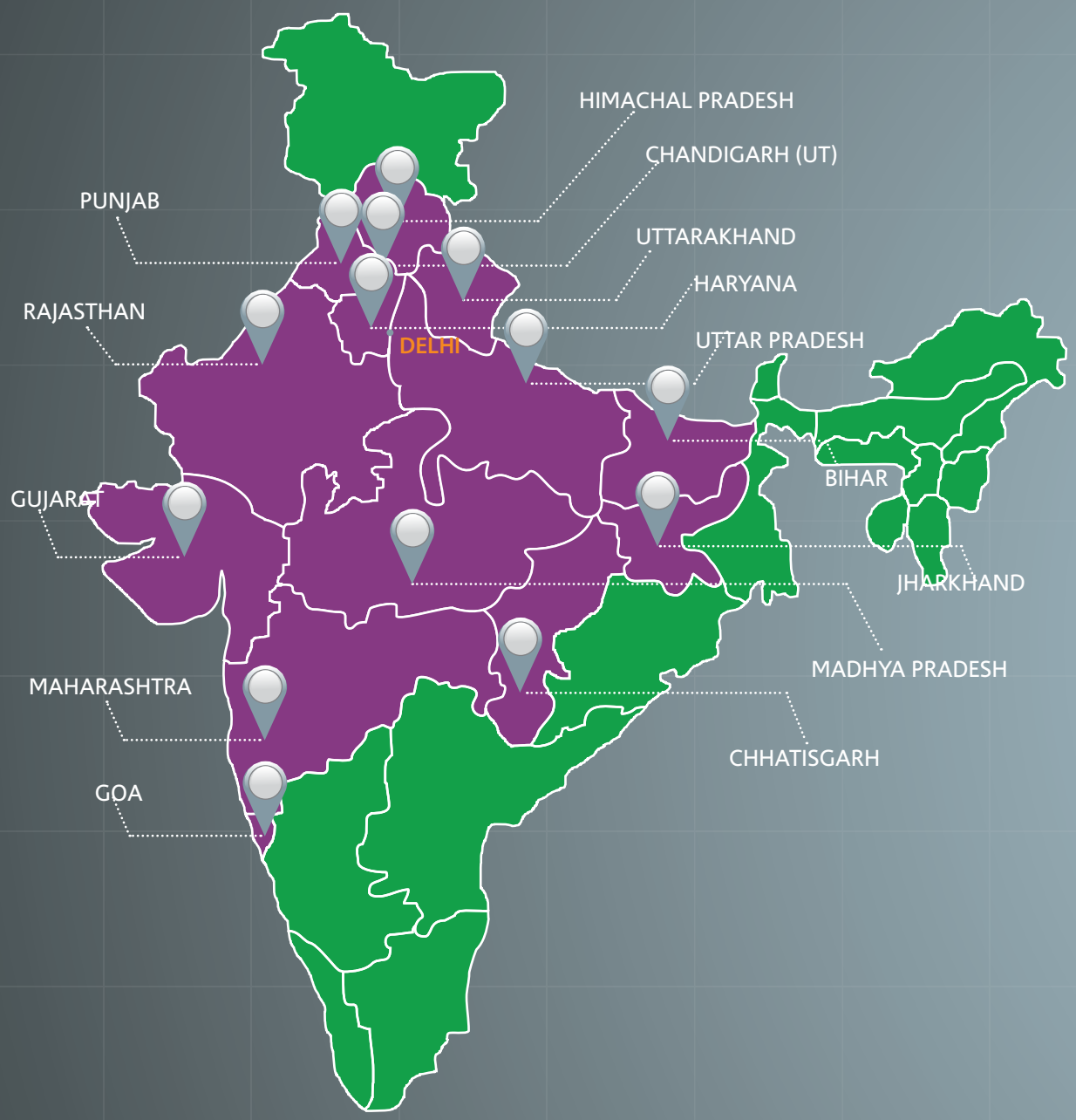
02 Reach till Gram Panchayat level

03 Proven track record

04 Unparalleled execution capabilities

05 Preferred partner for banks

Our Pan India Presence



Our Brand Principles

TRUST	THE GLUE THAT BINDS ALL OUR STAKEHOLDERS – GOVERNMENT, BANKS, BUSINESSES AND OUR FRANCHISEES.
PERSEVERANCE	THE ATTITUDE WE HAVE TO ACCOMPLISH THE UNPRECEDENTED FEAT OF CREATING THE WORLD'S LARGEST RETAIL NETWORK, EVEN IN THE MOST REMOTEST AND INHOSPITABLE AREAS WITHOUT ELECTRICITY AND CONNECTIVITY.
UNYIELDING RIGOR	THE WAY WE TRAIN OUR PEOPLE AND SET HIGH STANDARDS OF QUALITY IN OUR SYSTEMS AND PROCESSES IS THE BACKBONE OF OUR SUCCESS. WE CAN TAKE ORDINARY INDIVIDUALS AND TRAIN THEM WITH SKILL-SETS THAT HELP THEM YIELD REMARKABLE RESULTS.
ENTREPRENEURIAL	AN ENTREPRENEURIAL SPIRIT IN OUR APPROACH TO BUSINESS – BOTH IN OUR EMPLOYEES AND OUR FR ANCHISEES – OUR KEY BUSINESS PARTNERS.
PRUDENT	OUR BASIC APPROACH TO SCALABILITY, SECURITY, CONFIDENTIALITY, PLANNING, RISK MANAGEMENT AND VALUE CREATION.

An Insight into our Operations

WE FACILITATE DELIVERY OF SOCIAL WELFARE BENEFITS AND TRANSFER OF SUBSIDIES TO THE BENEFICIARIES THROUGH DIRECT CREDIT TO THEIR BANK ACCOUNTS, THEREBY ELIMINATING THE MIDDLEMAN.

Our Service Offerings

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

BANKING & INSURANCE SERVICES

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

Banking Services

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

Direct Benefit Transfer

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

Pension Transactions

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

Insurance

Through our corporate agency tie-ups with LIC and NIA, we offer comprehensive life insurance and non-life insurance plans at our Vakrangee Kendra. Vakrangee Kendras have secured corporate agency licenses from Life Insurance Corporation of India (LIC) and the New India Assurance Company Limited (NIA) to sell life insurance and non-life insurance policies, respectively. We also offer Government Insurance Schemes, namely Atal Pension Yojna, Jeevan Jyoti Bima Yojna and Pradhan Mantri Suraksha Bima Yojna.

E-COMMERCE SERVICES

VAKRANGEE KENDRAS EMPOWER OUR CUSTOMERS BY OFFERING THEM ACCESS TO AN ARRAY OF PRODUCTS AND FINANCIAL SERVICES AT THE CLICK OF A BUTTON. THIS IS BEING IMPLEMENTED WITH THE HELP OF INNOVATIVE AND CUSTOMER-FOCUSED INITIATIVES.

Vakrangee Kendras are empanelled to provide end-to-end e-Commerce solutions with the aim of connecting India's citizens with a modern ecosystem. The Kendras empower our customers by offering them access to an array of products and financial services at the click of a button. This is being implemented with the help of innovative and customer-focused initiatives. The key idea behind this is to bring the unbanked and under-banked population under the organised financial services framework.

Our E-Commerce Offerings

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

Direct to Home (DTH)
We have partnered with leading DTH providers of home entertainment, enabling them to increase their subscriber base through Vakrangee Kendras. Our service delivery includes end-to-end solutions in the DTH segment including recharge coupons, subscription cards, new set-top box connections, and various other customer services.

Educational
We are providing educational materials for Government educational programme and private institutions.

Leveraging digital platform

In our endeavour to connect India's unserved and under-served citizens to the modern ecosystems, we entered into a strategic tie-up with the online shopping portal, Amazon India. Through the tie-up, we aim to provide marketing, promotional and pick-up services to Amazon India through our last-mile retail outlets, Vakrangee Kendras. Yet another strategic partnership has been with the logistic solutions provider Mypacco. Through this, we wish to offer convenient access to citizens to domestic and international courier services at competitive prices. The tie-up enables us to send parcels to all pin-codes in India and to more than 200 countries, thus adding to our basket of services offered.

E- GOVERNANCE SERVICES

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

Collection Services: Payment of electricity, telephone and mobiles

Recruitment Application Processing: Processing of applications for recruitment of workforce for Government-related services, such as for Police, Teacher and Anganwadi Workers, among others

Issuance of Certificates: Online registration and issuance of birth, death and marriage certificates

Grievance Management Services: Enables citizens to issue formal grievance to the Government (directly/ through local agencies)

Enrolments:

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

E-GOVERNANCE (SI)

WITH PROVEN SKILLS AND ROBUST DOMAIN EXPERTISE, WE HAVE VALUABLE AND CONSISTENT EXPERIENCE OF 22 YEARS IN EXECUTING SUCH PROJECTS BY PROVIDING BACK-END SUPPORT AND SYSTEMS INTEGRATION BEYOND THE GRAM PANCHAYAT LEVEL.

We have an established and proven track record in delivering time-bound 'mission critical' Government projects, getting involved in the entire value chain – right from data digitisation to technology management. With proven skills and robust domain expertise, we have valuable and consistent experience of 22 years in executing such projects by providing back-end support and systems integration beyond the Gram Panchayat level. Our objective in providing services in this vertical is to improve the overall processes and public administration services under the e-Governance plan.

Aadhaar Card

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

Print and Data Management Services and Election-related projects

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

Public Distribution System

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

Inspector General of Registration & Stamps (IGRS)

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

Our Current Projects:

- UID - Unique Identification Project
- SSA - Sarva Shiksha Abhiyaan
- PDS - Public Distribution System
- RSBY - Rashtriya Swasthya Bima Yojana
- IGRS - Inspector General of Registration & Stamps
- PMS / DMS - Electoral Data

WHITE LABEL ATMs

WE ARE IN THE PROCESS OF ESTABLISHING WHITE LABEL ATMs NEAR OR WITHIN VAKRANGEE KENDRAS TO INCREASE COST SYNERGIES. WE INTEND TO MAKE THESE ATMs BIOMETRIC-ENABLED TO ALLOW PEOPLE TO ACCESS AND CONDUCT ATM TRANSACTIONS USING THEIR FINGERPRINTS, IN ADDITION TO BANK CARDS.

We have undertaken several Strategic Projects to broaden our spectrum of customer base from rural and semi-urban to the urban population. We are well supported by the vast and geographically well-positioned retail infrastructure network of banks. The basic objective behind this service is to drive rising demand for financial services in every single household with the aim of converting spending into savings and wealth creation.

We have received a mandate from the Reserve Bank of India (RBI) to set up and manage a minimum of 15,000 White Label ATMs across India within three years. The move will help us earn revenues from participating banks, from whom we will earn a fee for every transaction (financial and non-financial) conducted through these White Label ATMs.

We are in the process of establishing White Label ATMs near or within Vakrangee Kendras to increase cost synergies. We intend to make these ATMs biometric-enabled to allow people to access and conduct ATM transactions using their fingerprints, in addition to bank cards. We also aim to tap other revenue-generating avenues such as OOH advertisements and value-added services.

White Label ATMs: Roll-out Plan

- To implement roll-out at the rate of 5,000 ATMs a year
- To maintain a Rural-to-Urban ratio of 2:1, i.e., for every White Label ATM set up in Tier I or Tier II centres, we will establish two White Label ATMs in Tier III to Tier VI centres
- Minimum 10% of ATMs in Tier III to Tier VI centres to be opened in Tier V and Tier VI centres

Message by the Managing Director & CEO

DEAR SHAREHOLDERS,

FY2015 has been a year of rewarding moments and significant developments within the organisation. We made solid progress on multiple fronts, including the bolstering of our strategic platforms, while establishing exciting new ones.

Most significantly, this report coincides with the launch of our Vision 2020 declaration, and it's only apt that I explain this briefly as a preface to this message. By 2020, we have the vision to increase our customer base to 200 million through 75,000+ Vakrangee Kendra branches. Of these, 50,000 will be Rural Kendras (servicing 2,000 customers each), 17,000 Semi-Urban Kendras (servicing 3,500 customers each) and 8,000 Urban Kendras (servicing 6,000 customers each). With a well-crafted strategy in place, and the team to back up its execution, we are on an exciting journey with a destination for crossing $2 billion in revenues by 2020. This will be almost 4.5 times of from where we are today already. The subsequent pages to my message explain our Vision 2020 in more depth.

Numbers and Beyond

On a consolidated basis, Vakrangee Limited's (VL) revenues for FY2015, including other income, stood at ₹ 27,863.91 million, as compared to ₹ 19,580.63 million in FY2015. Your Company's Profit After Tax amounted to ₹ 3,218.43 million, in comparison with ₹ 1,750.42 million earlier – a growth of 83.93% on a YoY basis. We delivered an ROCE of 34.76% for FY2015. Going forward, our "asset light" business model which works on a franchisee basis and requires minimal working capital and initial capital expenditure, is expected to translate into further improvements in our return ratios and reduction in debt levels.

Our growing network of Vakrangee Kendras and White Label ATM business is helping us reduce our

IN LINE WITH OUR VISION 2020 GOALS, WE SIGNIFICANTLY STRENGTHENED OUR BUSINESS VERTICALS BY SEGREGATING OUR ACTIVITIES INTO FIVE SEPARATE PROFIT CENTRES.

reliance on short-term and e-Governance projects. The network will also generate incremental stable revenues and cash flows over a longer period of time. A prudent mix of our franchise model for Vakrangee Kendras and White Label ATMs will help us efficiently manage our balance sheet size and working capital requirements. Further, our extensive distribution platforms can be further leveraged to add more services and products from time to time. Going forward, we hope to derive significant benefits from new business opportunities in the form of stable revenue profile, healthy margins, and better return ratios over the long term.

Touching a Billion Lives

To capture the vast potential of the moment, we are executing a bold agenda. A critical objective of our financial inclusion agenda is to be one of the key enablers in broadening and deepening of financial services till the bottom of the socio-economic pyramid. In line with our Vision 2020 goals, we significantly strengthened our business verticals by segregating our activities into five separate profit centres: namely E-Governance; E-Commerce; Banking; Insurance and White Label ATMs. Moreover, each of these verticals is now headed by a dedicated CEO and managed by its respective dedicated team. In addition to improving our management bandwidth, this step is enabling us to enhance our scope of services and products in each vertical.

Leveraging e-Commerce

We are all about connecting India's unserved and underserved citizens with the modern ecosystems. To enable this beyond our traditional services, we have entered into a strategic tie-up with Amazon India, amongst the largest online store in India and globally, with more than 25 million products for sale. Our Company will facilitate the transactions, the settlement of such transactions and the last mile delivery to take place. This is a classic example of how we are aiming to leverage our reach by passing through new products and services.

Moving ahead, our mission is to transform India into a digitally empowered society and knowledge economy. With a footprint in most parts of India, we have the "first mover advantage" to leverage the opportunity and expand our marketplace by capitalising on our digital infrastructure enabling Rural India to enjoy the benefits of e-Commerce. We are working to make this not just a successful business, but an essential institution for our clients and the world in a new era.

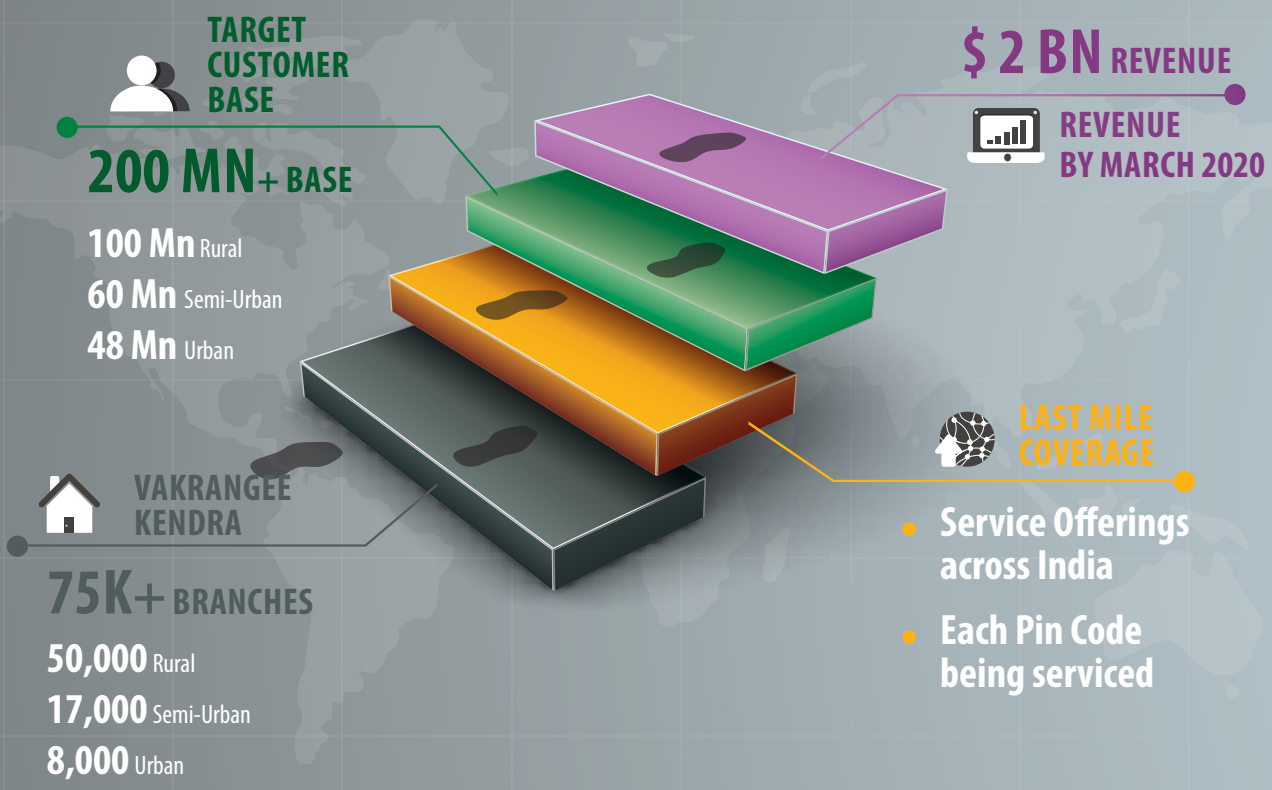
I am deeply proud of the Vakrangee team for bringing us here, and I am grateful to you, our shareholders, banker, clients and various government departments for your unwavering support. I hope you share our excitement about your Company's path and the shared opportunity we have, together, to build a brighter future on a smarter planet.

Best regards,

Dinesh Nandwana
Managing Director & CEO

VISION 2020

Channelising India's Potential



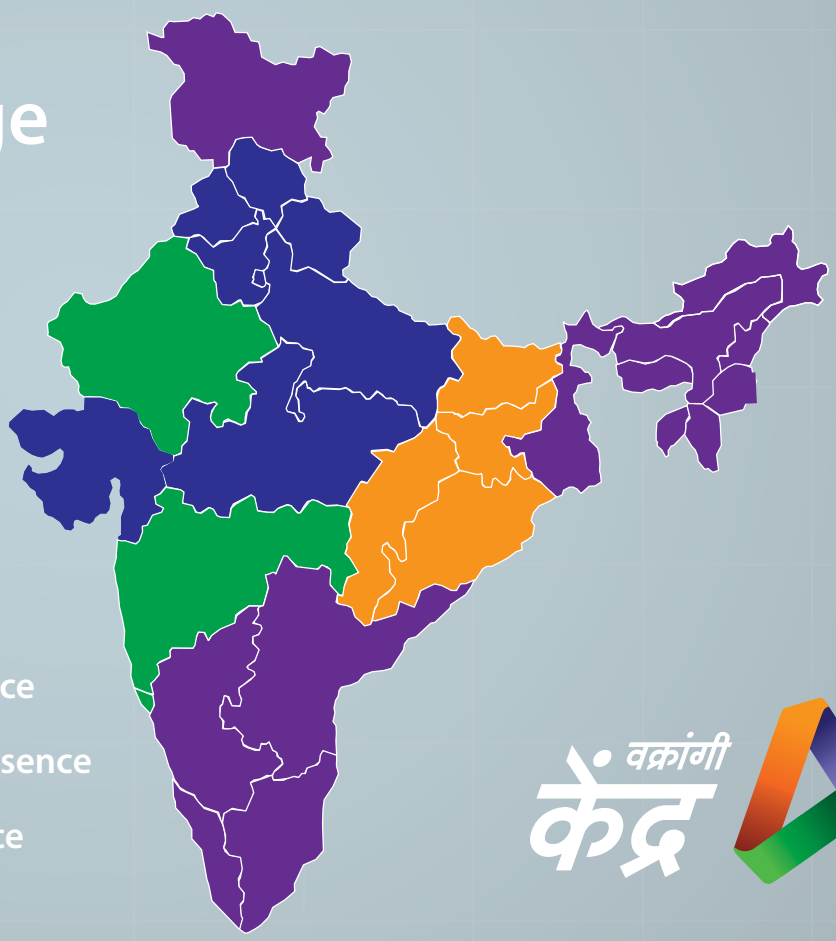
Vakrangee has embarked on a journey to be the preferred last-mile link across the nation for providing all services and products through its "Vakrangee Kendra" Model. With a technologically sound base and a host of service and product offerings, we would be the choice of citizens for availing the needs of household necessities to conduct daily transactions.

We wish to encompass an ecosystem of services that would allow customers to avail a bouquet of services under one roof. With our wide spread network and robust technology, we would be the strategic partner for distribution of services & products for prominent companies desiring to tap into the true potential of India.

Vakrangee Kendra Expansion Vision

	MARCH 2016	MARCH 2017	MARCH 2018	MARCH 2019	MARCH 2020
TOTAL	**20,000**	**35,000**	**50,000**	**65,000**	**75,000**
RURAL KENDRAS	15,000	25,000	35,000	45,000	50,000
SEMI URBAN KENDRAS	3,500	7,000	10,000	13,500	17,000
URBAN KENDRAS	1,500	3,000	5,000	6,500	8,000

Service Coverage Across India



- High Presence
- Medium Presence
- Low Presence
- Planned

वक्रांगी केंद्र

1. Environment

Environmentally conscious, Vakrangee was an early adopter of paperless banking within our network of business correspondent outlets. We have expanded that policy to other services and envisage an ecosystem which would eliminate use of products harming the environment. We promote the use of alternate energy and continue to explore ways to efficiently widen their usage.

2. Social Impact

Social Impact vision has been always at our forefront with ensuring the underserved and unserved citizens can avail the same services as the rest of the classes. Vakrangee envisions enabling more than 75,000 Entrepreneurs who would in-turn drive capacity building to the tune of more than 2.25 lakhs, enabling the economy at the grass-root level. These Kendras will rely on Customer Relationship building through regional connect and providing complete information to the customer.

Workforce diversity is self-built into the system due to infusion of local talent. The Model would lead to a strong impact on the local communities by providing opportunities and services in a customised manner to the target audience.

3. Corporate Governance

Corporate Governance practices followed would be as per the best in the industry standards. We would ensure corporate efficiency and maximise productivity, utilising the best talent right from the management level upto the field staff.

4. Technology

Vakrangee will be a technology intensive company empowering transformation by providing the best and consistent customer experience in services and products even for lowest of the low-income household, ensuring the entire economy is integrated in the system.

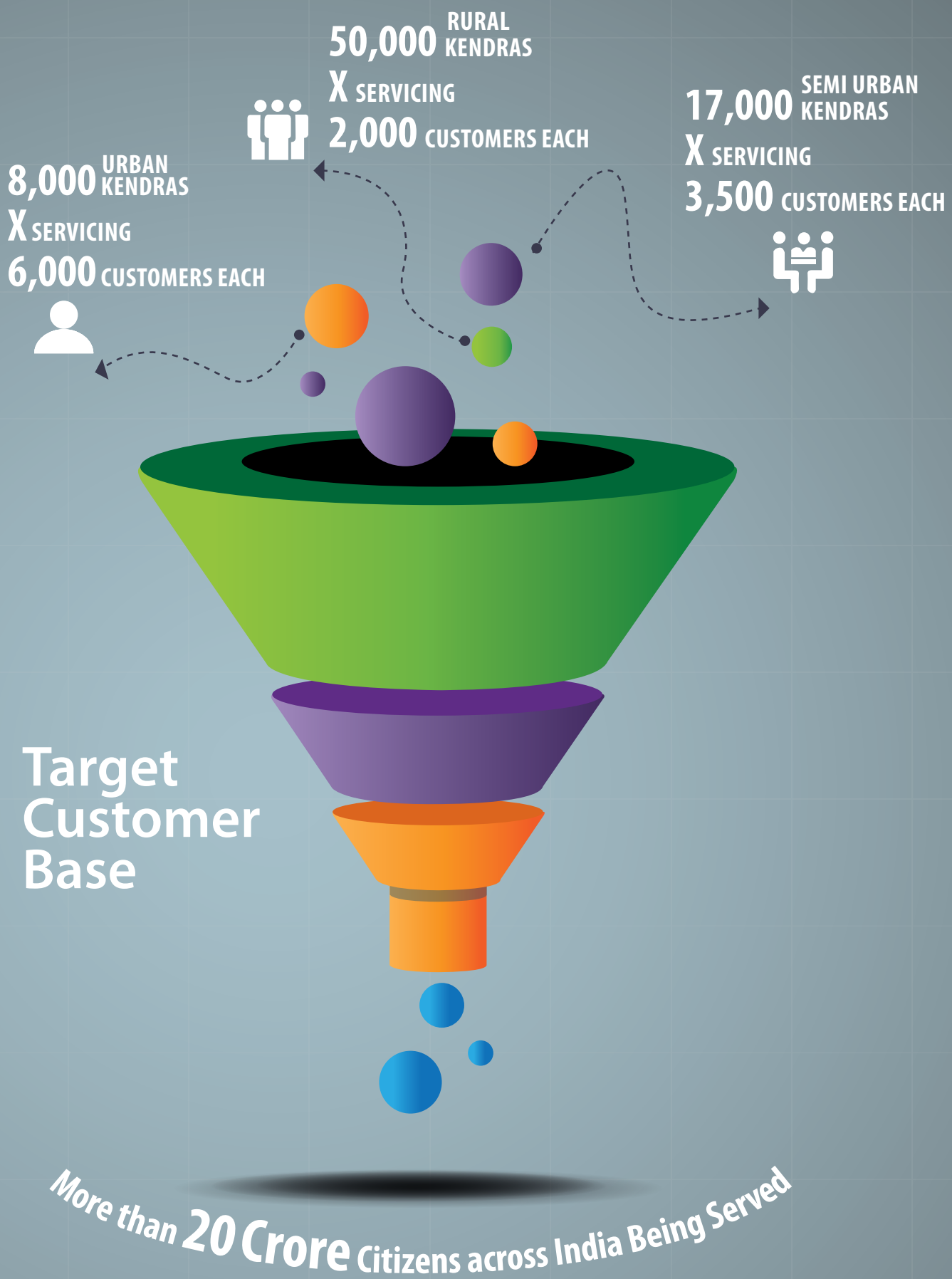
With advancement of technology, we ensure robustness towards ensuring Privacy & Data Security of all stakeholders. Processes and systems would be enhanced to ensure that the Products being provided would meet the highest Product Safety & Quality standards. Simultaneously, Health & Safety concerns would be addressed and followed.

5. Customer Experience

Vakrangee's constant endeavour has been to connect India's unserved and underserved citizens to the modern ecosystem. Vakrangee believes in working from the ground upwards by empowering the lives of citizens who have not been able to benefit from the financial and social system.

We strive to create a customer centric company by ensuring that our offerings and operations are driven by what is best for the customer and which ultimately would be best for the company.

We envisage that the Vakrangee Kendras will be a one-stop hub for citizens in their neighborhood for availing a host of goods and services at global quality and service standards. A consistent and high quality service delivery would be ensured for best customer experience at Vakrangee Kendras.


50,000 RURAL KENDRAS
X SERVICING
2,000 CUSTOMERS EACH
17,000 SEMI URBAN KENDRAS
X SERVICING
3,500 CUSTOMERS EACH
8,000 URBAN KENDRAS
X SERVICING
6,000 CUSTOMERS EACH
Target Customer Base
More than 20 Crore Citizens across India Being Served

Board of Directors

Dinesh Nandwana

Managing Director & CEO

DIN: 00062532

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

Dr. Nishikant Hayatnagarkar

Executive Director - R&D

DIN: 00062638

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

Ramesh M. Joshi

Non Executive Independent Director

DIN: 00002683

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

Sunil Agarwal

Non Executive Independent Director

DIN: 00062767

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

B. L. Meena

Non Executive Independent Director

DIN: 03281592

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

Avinash Vyas

Non Executive Independent Director

DIN: 06869633

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

Sujata Chattopadhyay

Non Executive Independent Director

DIN: 02336683

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

T. Sitharthan

Nominee Director

DIN: 07028265

Mr. T. Sitharthan, represents the Life Insurance Corporation of India on the Board of our Company. He holds a Bachelor's degree in Law from the University of Madras and a Master's degree in Sociology from Annamalai University. Currently, he is a Manager for LIC's Southern Zone.

In a career spanning more than three decades, he has held many positions and has wide exposure in both administrative and marketing assignments. His vision is to continually strive to achieve excellence both in marketing and administrative areas.

Our Key Management

Dinesh Nandwana

Managing Director &CEO

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

Mr. Sumit Jain

CEO – E-Commerce

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

Mr. Rajeev Ranjan

CEO – E-Governance

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

Mr. Rahul Dev Pal

CEO – Banking Business

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

Mr. Nitin Sharma

CEO – ATM Business

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

Dr. Nishikant Hayatnagarkar

Director – R&D

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

Key Financial Indicators

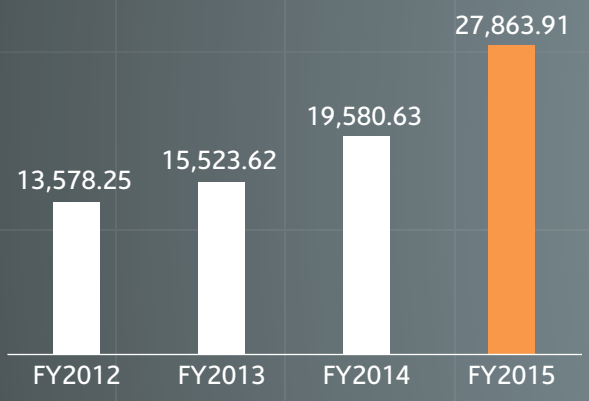
27.08%
3-Year CAGR in Revenue

43.61%
3-Year CAGR in EBITDA

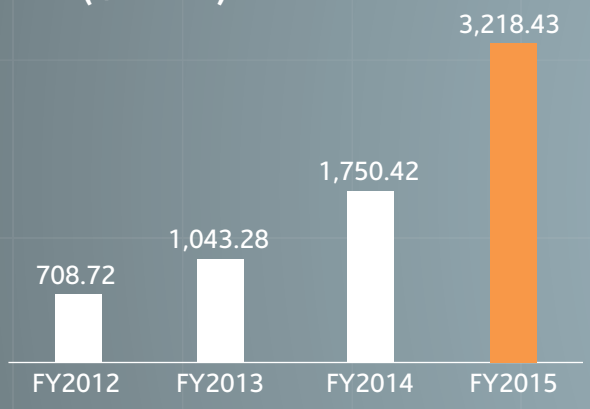
65.60%
3-Year CAGR in PAT

Vakrangee recorded 42.30% YoY increase in its total income in FY2015, driven by a strong traction across Vakrangee Kendras, steady execution of several ongoing e-Governance projects and boost from national/state level election related business. EBITDA increased 34.83% with an EBITDA margin of 26.22%: and PAT increased 83.93% with a PAT margin of 11.58%. The Company has been on a strong growth path over the last three years with its revenues, EBITDA and PAT having grown at CAGR of 27.08%, 43.61% and 65.60%, respectively.

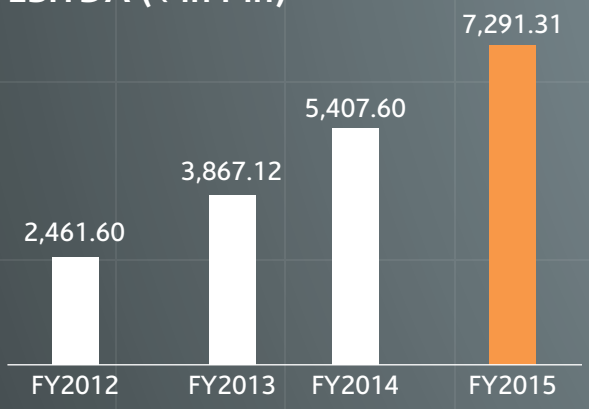
Total Income (₹ in Mn)



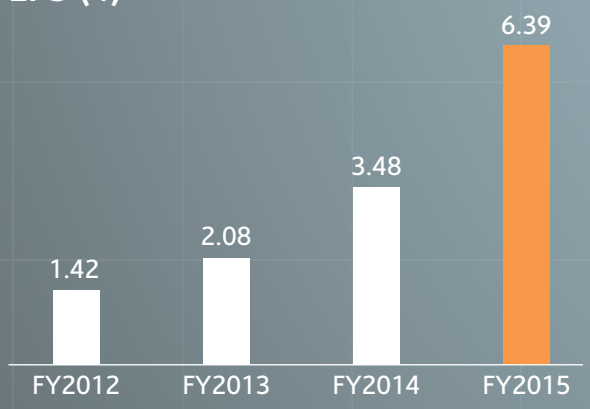
PAT (₹ in Mn)



EBITDA (₹ in Mn)



EPS (₹)



The Year in Brief

01

VAKRANGEE KENDRA:

- Signed agreements with 31 PSU Banks including RRBs (Regional Rural Banks) of PSU Banks
- Entered into E-Commerce alliances across categories with Amazon, Mypacco, LIC, New India Assurance and other telecom and DTH operators
- 12,568 Vakrangee Kendras operational as on March 31, 2015

02

ELECTION COMMISSION:

- A great year in terms of national level Election as well as some major State Elections

03

AADHAAR PROJECT:

- Enrolled 42 million residents under UID
- Set up enrollment centers across India, capturing demographic and biometric data of residents

04

WHITE LABEL ATMs:

- Received the licence to set up and manage 15,000 White Label ATMs in urban, semi-urban and rural areas

01

STRADDLING ACROSS THE VALUE CHAIN WITH OUR CUSTOMERS

The positive relationship between financial development and economic growth and the need for building inclusive financial systems is well known. Access to basic financial services such as savings, payment services and credit is a basic need and can make a substantial positive difference in peoples' lives in places where the cycle of poverty prevails. This underscores the need to promote financial access and expand the physical outreach of the financial system. The expansion of efficient and effective saving mechanisms and other financial services, such as insurance, is one of the most exciting developments in the effort to tackle poverty.

PROVIDING FINANCIAL ACCESS THROUGH

FINANCIAL LITERACY

FINANCIAL INCLUSION

FINANCIAL SECURITY

With an experience of two decades, we serve as an enabler to formal financial services. We understand the transmission channels and inter-relation between financial access, financial literacy, financial inclusion, and financial stability. We aim to balance all the objectives in a sustainable manner. Our first step towards financial security is to provide access to finance through our Vakrangee Kendras spread across cities and villages in India. Through our multi-channel delivery, our objective is to financially empower India's under-served, gainfully serve the under-privileged and overcome the socio-economic inequalities existing in the society.

We act as the connecting bridge between modern and rural India. Besides key banking and insurance services, offer an end-to-end service delivery in banking, insurance, E-Governance, E-Commerce and ATM services to India's unserved and under-served population. We enjoy a prolific edge in connecting citizens with India's modern ecosystem by providing them with technology-driven real time connectivity till the Gram Panchayat level.

Our Vakrangee Kendras enable robust technology, real-time transactions, interoperability and paperless banking by offering a strong platform in India. With potential financial inclusion of a society's large section, the Indian economy will be further enlarged and energised. We are spreading the banking habit by bringing the "financially excluded" under the perimeter of India's formal banking sector; developing

a culture of savings; and broadening the resource base of our financial system through our robust network of touch points. We are taking a systematic approach with a clear financial access strategy as an organising principle.

We do not stop at financial access. With a comprehensive approach, we hand-hold our customers and travel with them through their financial journey. Our formidable task is to ensure that each customer gains financial access, serving our agenda of financial inclusion. As they fall under the purview of formal banking, we go a step further and create increased awareness on financial products, resulting in financial literacy. Financial literacy aids the rural populace in choosing financial products and services best suited to them. The freedom in selecting financial products leads to financial stability and security. Our key objective is to bring every Indian under the banking net, including the poor households, resulting in a strong "percolating down effect" on the society.

We want to be one of the key enablers in broadening and deepening of financial services till the bottom of the socio-economic pyramid. Ensuring that households have access to a broad range of financial services is a critical objective of our financial inclusion agenda. By providing financial access, we enable financial inclusion, further leading to literacy and resulting in financial security and stability.

GOING DIGITAL

In our endeavour to connect India's unserved and under-served citizens to the modern ecosystems, we entered into a strategic tie-up with the online shopping portal, Amazon India. Through the tie-up, we aim to provide marketing, promotional and pick-up services to Amazon India through our last-mile retail outlets, Vakrangee Kendras. Yet another strategic partnership has been with the logistic solutions provider Mypacco. Through this, we wish to offer convenient access to citizens to domestic and international courier services at competitive prices. The tie-up enables us to send parcels to pin-codes in India and to more than 200 countries, thus adding to our basket of services offered.

02

TOUCHING A BILLION LIVES ACROSS INDIA'S LENGTH AND BREADTH

Our vast network financially empowers a large section of the society that is excluded from the mainstream activities of an emerging economy – namely consumption, savings and investment. Our objective is to touch over a billion lives in India – a mix of the "Rurban" population – across its length and breadth.

At Vakrangee, our mission is to potentially enable every Indian to seamlessly benefit from financial inclusion, Government programmes and from a wider access to basic goods and services. We endeavour to connect India's citizens with a modern ecosystem and bridge the financial inclusion gap between the developed urban India and under-developed rural India, serving over 1 billion people through our Vakrangee Kendras.

We aim to leverage our vast network of retail access points to deliver real-time banking, Insurance, E-Governance, E-Commerce and ATM services to India's unserved population. Our large bouquet of services gives us the first-mover advantage in the rural, semi-urban and urban markets. It also ensures we are a "one-stop multi-retail outlet" for consumers. The benefits of our financial products and services percolate down to the beneficiaries and their families, thus enabling us to cover a broad spectrum of the marketplace and usher people in rural settings into the formal financial network.

In addition to this, we also touch the lives of India's urban population through our White Label ATMs (WLAs). This is by virtue of a license granted by the Reserve Bank of India (RBI) to set up and run minimum 15,000 WLAs over three years in India's urban and semi-urban areas. These WLAs have the functionalities of a bank-run ATM dispenser and provide services to customers of all banks. Besides, being in close proximity to Vakrangee Kendras, the WLAs offer other value-added services in banking, insurance, E-Governance and E-Commerce services to the banks' customers. This move enables Vakrangee to optimise costs, enhance profitability, increase revenues and offer cost synergies.

03

LEVERAGING THE E-COMMERCE CHANNEL AS A PATHWAY TO ENHANCE VALUE CREATION

Our objective is to make India digitally empowered. We aim to transform India into a digitally-endowed society and a knowledge economy. Our mission is transformation in totality, aimed towards making technology central to the enabling change.

Our mission is to transform India into a digitally empowered society and knowledge economy. With a footprint in most parts of India, we have the "first mover advantage" to leverage the opportunity and expand our marketplace to national and international markets, with minimum capital investment. Our aim is to capitalise on our digital infrastructure at every nook and corner of rural India and enable rural citizens to enjoy the benefits of e-Commerce.

After being a leader in offering "Services on Demand" to rural citizens, we are ushering in a transformational change by going a step further and now offering "Products on Demand" at the click of the mouse. Our objective is to offer a range of products at reduced cost and create access for consumerism to India's less affluent. We are confident the e-Commerce model will be our next growth driver and revenue generator.

Under this strategic initiative, Vakrangee is undergoing a pilot project to align with online shopping portals, including Amazon India and Mypacco. As part of this, every Vakrangee Kendra will double up as a shopping portal, enabling customers to engage in online shopping. This will be done by setting up a laptop / screen at every Kendra. The cost of each purchase transaction will be transferred upfront from the customers' accounts to that of Vakrangee. Once the a purchase transaction is complete, our supply chain will take care of the logistical processes. During FY2016, we are targeting to set up the online shopping service at the existing Vakrangee Kendras across India. Our initiative will utilise e-Commerce services to enable purchases at comparatively cheaper rates.

04

ENABLING HARMONIOUS INTEGRATION BETWEEN THE GOVERNMENT AND COMMON PEOPLE

We are one of the leading e-Governance players functioning as a systems integrator and an end-to-end service provider for key Government projects. We have an established track record in delivering various time-bound 'mission critical' Government projects for over the past two decades. With this, our objective is to enable the Central and State Governments to administer and deliver E-Governance services to each citizen – more affordably, reliably and efficiently than ever before. We have proven skills and robust expertise in providing the back-end support and systems integration to act as a link between the Government and its people.

We have successfully developed a platform that enables the Government to align its social and commercial goals for the benefit of India's population. With the technology edge, our aim is to improve the overall processes and public administration services under the e-Governance Plan and gain definite and competitive authority. We are well equipped to work with the vast and geographically well-positioned retail infrastructure network of banks to provide these services to the *Aam Aadmi*. Below are some key e-Governance projects handled by Vakrangee to promote household savings and wealth creation.

1. Vakrangee is India's first-largest enrollment agency empanelled with the Unique Identification Authority of India (UIDAI) under T3F4 category. The license enables us to permit pan-India enrollment of Aadhaar Cards, the 12-digit individual identification number issued by the Government of India.

We are bringing about greater vertical integration between the Government and the common people to address the inter-operability gap. Having worked with consumers at a strategic and grass-root level in the e-Governance space and having developed a strong understanding of consumer behaviour, we are enabling the Government serve them better.

2. We offer print management and data management services to Election Commission-related projects and to private corporates in India. Some of our major projects in this area include – work for the Office of Chief Electoral Officer for various states. We have also been aggregating and updating electoral data for Election Commission projects since the 1993s.

3. Through the Public Distribution System, we assist the Government in distribution of subsidised food and non-food items to the poor sections of the society in Haryana. Our aim is to make the public distribution system more transparent, efficient, effective and accountable.

4. Through our Inspector General of Registration & Stamps (IGRS) service, we aim to simplify the registration process, identifying its market value and appropriation and delivering time-bound services.

5. By way of Direct Benefit Transfer, all the social security payments are made through the banking network using Aadhaar-based platform as a unique identifier of the beneficiaries.

6. We also facilitate the delivery of social welfare benefits and transfer of subsidies to beneficiaries through direct credit to their bank accounts, thereby eliminating the middleman.

7. Through our initiative on Pension Transactions, we promote security of income to India's pension subscribers. Our services enable pension subscribers to access pension funds from Aadhaar-linked bank accounts using the robust network of Vakrangee Kendras.

Management Discussion & Analysis

WITH THE LAUNCH OF DIGITAL INDIA PROGRAMME, THE GOVERNMENT HAS INITIATED A GIANT LEAP FORWARD TO TRANSFORM THE COUNTRY INTO A DIGITALLY EMPOWERED KNOWLEDGE ECONOMY. THE CAMPAIGN HAS A KEY FOCUS ON E-GOVERNANCE, WHICH IS ALL ABOUT MAKING THE GOVERNMENT MORE RESPONSIBLE.

Economic Overview

Global Economy

Global economic climate continues to remain subdued and global GDP grew by a modest 3.4% in 2014. However, an interesting phenomenon has been that growth in developed economies picked up relative to last year, even as an economic slowdown ensued in the emerging economies. Growth rebounded in U.S. and U.K., although Japan and euro zone continued to struggle and faced sputtering recovery as the legacies of financial crisis continue to linger. Complex forces that played a key role in global activity in 2014 continue to shape the future outlook. These include medium- and long-term trends, such as population aging and declining potential growth; global shocks, such as lower oil prices which have tanked almost 45% since September; and many region-specific factors, such as crisis legacies and exchange rate swings. These were triggered by actual and expected changes in monetary policies. Lower oil prices will contribute to diverging prospects for oil-exporting and importing countries, particularly in 2015. Meanwhile, geo-political tensions and religious/sectarian violence continued to play havoc in some of the middle-eastern countries such as Iraq, Syria and Libya and also in Ukraine and some parts of Africa.

Going forward, global economic growth is expected to improve, having reached 3.5% in 2015 and 3.8% in 2016. This is on the back of a recovery in advanced economies which continues to gather momentum, but may be offset by lacklustre growth in the emerging economies at 4.3% in 2015, as against 4.6% in 2014. Thi is subsequently seen recovering to 4.7% in 2016. Softening commodity prices leading to receding inflation and stagflation, geo-political and religious/sectarian tensions and disruptive asset price shifts in financial markets continue to pose significant threats to the well-being of the global economy.

Indian Economy

Financial Year 2014-15 capped a very eventful 12 months for the Indian economy. Dramatic changes were witnessed domestically on the economic and political front as the Indian leadership changed hands and an equally dramatic situation unfolded with respect to the global economic environment. On the whole, the year was a very positive one for the Indian economy as growth revived. This came as a huge relief following a lacklustre performance reported in the previous two financial years. The Indian economy has clocked 7.3% growth in GDP, surpassing the $2.1 trillion mark, improving from 6.9% in FY2014 and 5.1% in FY2013.

Towards Digital India:

With the launch of Digital India programme, the Government of India has initiated a giant leap forward to transform the country into a digitally empowered knowledge economy. The programme includes projects that aim to ensure that Government services are available to citizens electronically and people get benefit of the latest information and communication technology. Digital India will enable leveraging India's globally acclaimed IT competence for the benefit of 1.2 billion Indians. Through this, the Government's focus will be on delivering key e-government services to citizens and to give a leg up to electronic manufacturing in the country. Digital India campaign has a key focus on e-governance, which is all about making the government more responsible, more efficient and more available towards its citizens.

Industry Overview:

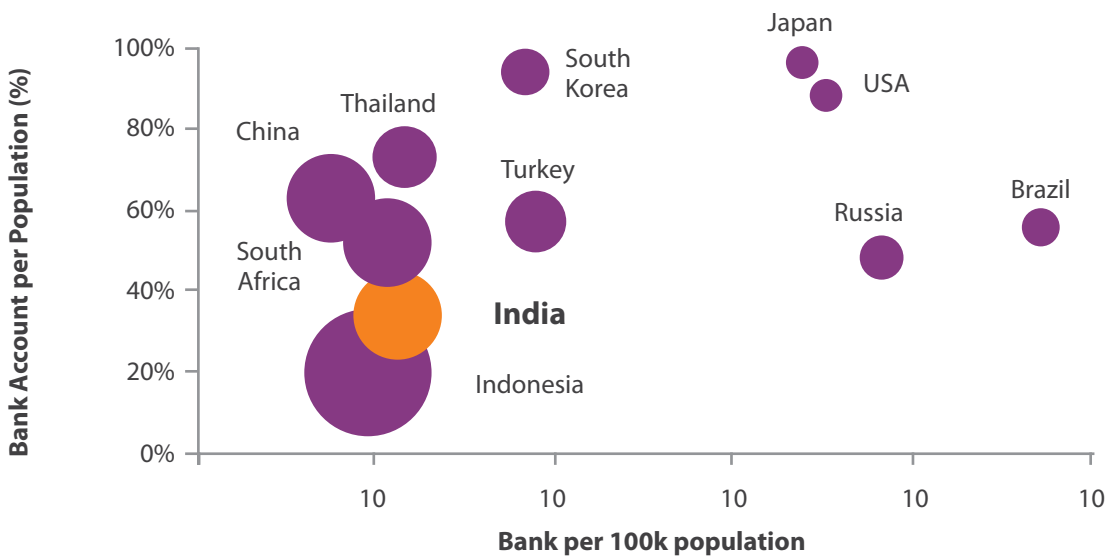
Indian banks have made significant progress to increase the penetration of financial system to the unbanked and under-banked population of India. However, India still remains largely under-banked, with only 35.2% of the population having bank accounts. Currently, there are only 11.4 bank branches per 100k population in India, of which only 30% are located in rural areas. Around 70% of the Indian population lives in rural areas, of which 46% does not have banking access. Further, even in urban areas ~32% of the population does not have banking access. Thus, there is a huge scope for banks to further deepen financial inclusion in India. As shown in the chart, the financial inclusion opportunity in India is second-largest in the world, next only to Indonesia. The Reserve Bank of India (RBI) has already taken cognizance of this and has been taking various policy initiatives to encourage banking penetration in the under-banked rural and urban India.

Financial Inclusion 2010-2014

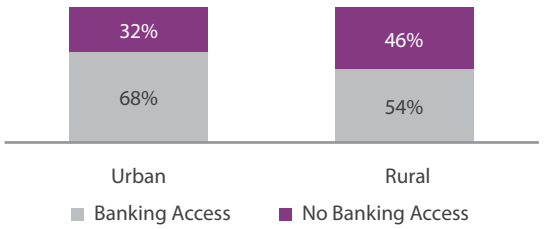
The RBI has encouraged banks to adopt a structured approach to financial inclusion. The first phase of Financial Inclusion Plan (FIP) was implemented over 2010-13, which witnessed a large banking network being created and a large number of bank accounts being opened. Now, for the second phase of FIP from 2014-2016, the remaining 4,90,000 unbanked villages have been identified and allocated to banks for opening banking outlets by March 2016. The progress made by banks under the FIP 2010-2014 is summarised in the chart and table alongside. As reported by the banks under their financial inclusion plans, nearly 2,48,000 Business Correspondent (BC) agents were deployed by banks by March 2014, which are providing services through 337,678 BC outlets.

Financial Inclusion Plan (FIP) Progress

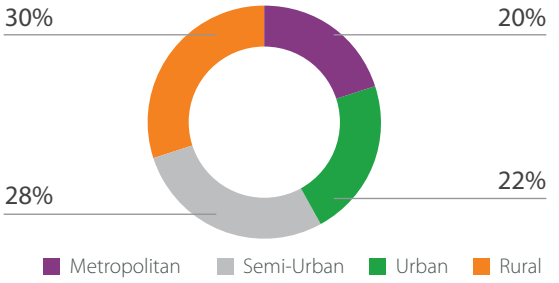
FINANCIAL INCLUSION OPPORTUNITY



BANKING ACCESS - % HOUSEHOLDS



BANK BRANCH DISTRIBUTION IN INDIA



Source: India Census 2011

490,000

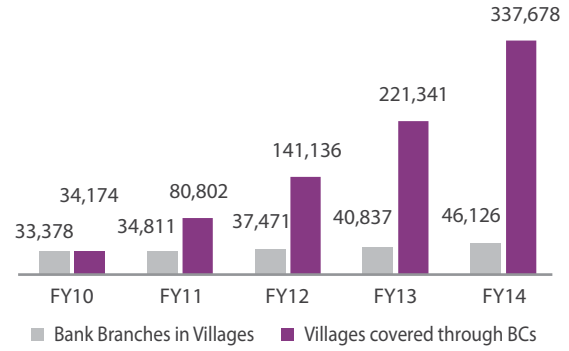
Unbanked villages identified for opening Bank Outlets by March 2016

FOR SECOND PHASE OF FINANCIAL INCLUSION PLAN FROM 2014-2016, THE REMAINING 4,90,000 UNBANKED VILLAGES HAVE BEEN IDENTIFIED AND ALLOCATED TO BANKS FOR OPENING BANKING OUTLETS BY MARCH 2016.

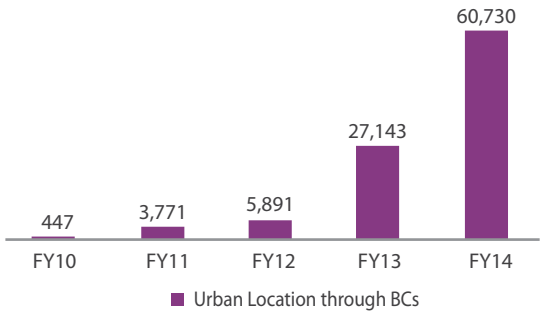
Strong Government Focus on Financial Inclusion in India:

To solve the banking access problem, the current government has launched a comprehensive financial inclusion initiative – the Pradhan Mantri Jan Dhan Yojana (PMJDY). The objective of PMJDY is to ensure access to various financial services such as availability of basic savings bank account, access to need-based credit, remittances facility, insurance and pension to the excluded sections, i.e., the weaker sections and low-income groups, at affordable cost through effective use of technology. This scheme is to be implemented as National Mission Mode Project in two phases.

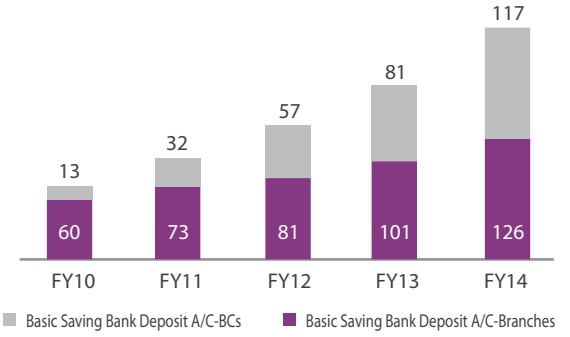
BANK PRESENCE IN VILLAGES



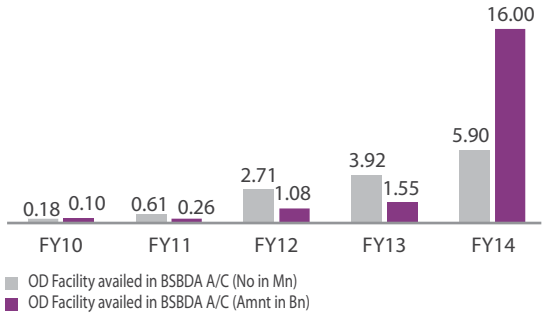
BANK URBAN PRESENCE THROUGH BCs



BASIC SAVING ACCOUNTS (in Mn)



OD FACILITY AVAILED IN BSBDA A/C



FIP 2010-14: On-Ground Progress (Source: RBI Trends & Progress 2014)

Phase I: (15th Aug, 2014 – 15th Aug, 2015)

- Universal access to banking facilities
- Providing Basic Banking Accounts for saving and remittances and RuPay Debit card with in-built accident insurance cover of Rs 100,000 and RuPay Card
- Financial Literacy Programme

Phase II: (15th Aug, 2015 – 15th Aug, 2018)

- Overdraft facility of up to Rs 5,000 after six months of satisfactory performance of saving / credit history
- Creation of a Credit Guarantee Fund for coverage of defaults in overdraft A/Cs
- Micro-Insurance
- Unorganised sector Pension Schemes, for example Swavalamban

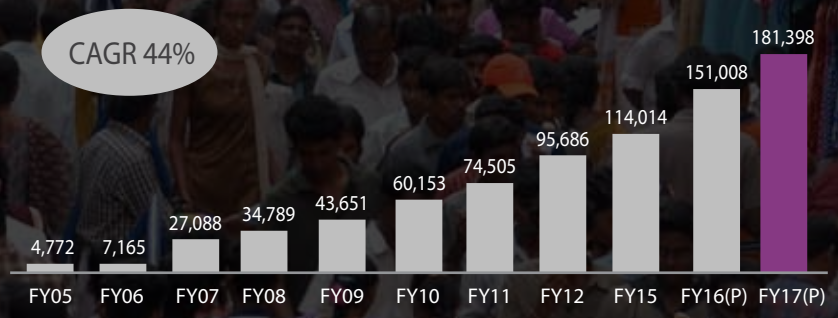
Under this scheme, around 600,000 villages across India are to be divided into Sub Service Areas (SSA), where in each SSA consists of 1,000 to 1,500 households, and every SSA consists of at least one fixed point banking outlet catering to the population in that SSA. It is proposed that SSAs shall be covered through a combination of branch banking and branch-less banking. The scheme aims to build a strong financial system framework which can be used to channel all the Government benefits (from Centre/ State/Local body) directly to the beneficiaries in their bank accounts. According to a McKinsey (2011) study, connecting every Indian household to a digital payment system and automating Government payment flows can save $22 billion a year, 80% of it from reduced leakages.

The PMJDY adopts a new approach for effective implementation of Financial Inclusion in India

Sr. No	Earlier Approach (Swabhimaan)	New Approach (PMJDY)
1	Villages with population greater than 2,000 covered; thus limited geographical coverage	Focus on household; Sub Service Area (SSA) for coverage of the whole country
2	Only rural	Both rural and urban
3	Bank Mitra (Business Correspondent) was visiting on fixed days only	Fixed point Bank Mitra (BC agent) in each SSA comprising 1,000-1,500 households (3 to 4 villages on an average) to visit other villages in the SSA on fixed days
4	Offline accounts opening - Technology lock-in with the vendor	Only online accounts in CBS of the Bank
5	Focus on account opening and large number of accounts remained dormant	Account opening to be integrated with DBT, credit, insurance and pension
6	Inter-operability of accounts was not there	Inter-operability through RuPay Debit Card, AEPS
7	No use of mobile banking	Mobile wallet and USSD based mobile banking to be utilised
8	Cumbersome KYC formalities	Simplified KYC/e-KYC in place as per RBI guidelines
9	No guidelines on the remuneration of the Bank Mitr (Business Correspondent). Banks went generally with Corporate BCs who were least expensive to them.	Minimum remuneration of the Bank Mitr (Business Correspondent) to be Rs 5,000/month
10	A recent RBI survey finds that 47% of Bank Mitr are untraceable	Viability and sustainability of Bank Mitr (Business Correspondent) is identified as a critical component
11	Monitoring left to banks	Financial Inclusion campaign in Mission Mode with structured monitoring mechanism at Centre, State and District level
12	Financial literacy had no focus	Rural branches of banks to have a dedicated Financial Literacy Cell
13	No active involvement of states / districts	State and District level monitoring Committees to be set up
14	No brand visibility of the Programme and Bank Mitr (Business Correspondent)	Brand visibility for the programme and Bank Mitr (Business Correspondent) proposed
15	Providing credit facilities was not encouraged	OD limit after satisfactory operations / credit history of 6 months
16	No grievance redressal mechanism	Grievance redressal at SLBC level in respective states

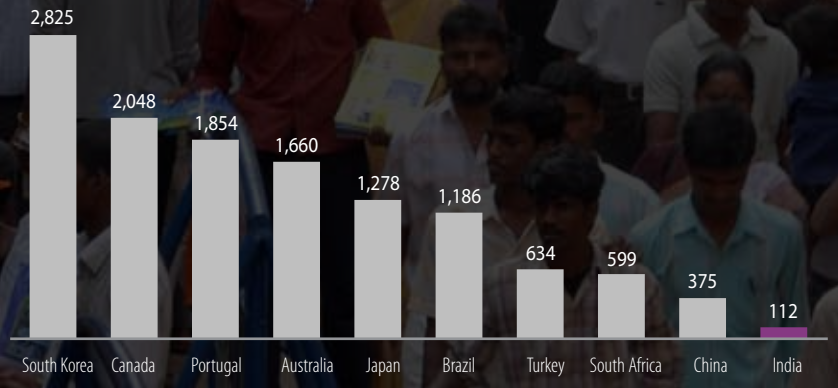
WHITE LABEL ATMs WILL BE AN EFFECTIVE CHANNEL IN SIGNIFICANTLY IMPROVING THE BANKING ACCESSIBILITY IN TIER III TO TIER VI AREAS, THUS DRIVING THE "FINANCIAL INCLUSION" INITIATIVE OF RBI AND THE MINISTRY OF FINANCE.

ATM GROWTH IN INDIA



Source: RBI

ATM PENETRATION IN INDIA IS STILL ONE OF THE LOWEST



Source: World Bank & IMF

350,000

Number of ATMs expected in India by 2017

THE ATM PENETRATION IN INDIA IS STILL AT THE LOWEST, WITH ONLY 112 ATMS PER MILLION POPULATION. THIS IS COMPARED TO 1,186 ATMS PER MILLION IN BRAZIL, 634 ATMS PER MILLION IN TURKEY AND 375 ATMS PER MILLION IN CHINA.

Growth of ATMs in India

The Indian ATM industry has grown at a handsome pace over the last decade - growing at a CAGR of 44% to reach 181,398 ATMs by March 2015. Despite this strong growth, the ATM penetration in India is still at the lowest, with only 112 ATMs per million population. This is compared to 1,186 ATMs per million in Brazil, 634 ATMs per million in Turkey and 375 ATMs per million in China. Hence, there is a huge opportunity for further growth in ATMs in India, which is expected to reach 3,50,000 ATMs by 2017.

White Label ATMs

On 20th June 2012, RBI reviewed its extant policy on ATMs. It has decided to permit non-bank entities incorporated in India under the Companies Act 1956, to set up, own and operate ATMs in India. Non-bank entities that intend setting up, owning and operating ATMs, would be called as "White Label ATM Operators" (WLAO) and such ATMs would be called "White Label ATMs" (WLAs). WLAOs will provide banking services to the customers of banks in India, based on the cards (debit/credit/prepaid) issued by banks.

RBI permitted WLA Schemes:

RBI introduced three WLA schemes under which the WLAO applicants will be awarded the license. The non-banking entities applying for the license are required to maintain a minimum networth of Rs 100 crore in order to be eligible for this project. As decided by RBI, each WLAO will earn Rs 15 per financial transaction and Rs 5 per non-financial transaction. Further, each WLAO will need to have a sponsor bank for cash settlement of transactions, adequate cash supply at WLA and redressal of failed transactions.

WLAs will be an effective channel in significantly improving the banking accessibility in Tier III to Tier VI areas, thus driving the "financial inclusion" initiative of RBI and the Ministry of Finance. With the expansion of the WLA network, customers will have access to basic banking facilities located closer to their home or place of work. Further, expanded ATM network at the rural level will provide the last-mile connectivity to masses across the country when the direct benefit transfer gains momentum.

Scheme A	Scheme B	Scheme C
• Year 1 - Minimum of 1,000 WLAs	• Minimum of 5,000 WLAs every year for three years	• Minimum of 25,000 WLAs in the first year and at least another 25,000 in the next two years
• Year 2 - Minimum of 2x WLAs installed in Year 1	• Split – 2:1 (Teri III-VI : Tier I-II), minimum 10% of Tier III-VI in Tier V & VI	• Split – 1:1 (Teri III-VI : Tier I-II), minimum 10% of Tier III-VI in Tier V & VI
• Year 3 - Minimum of 3x WLAs installed in Year 2		
• Split – 3:1 (Teri III-VI : Tier I-II), minimum 10% of Tier III-VI in Tier V & VI		

12,568

Delivery Points through which we delivered our Services

WE LEVERAGED OUR TECHNOLOGY PLATFORM AND TRACK RECORD ON THE NATIONAL E-GOVERNANCE PLAN TO ENTER NEW BUSINESSES IN FINANCIAL INCLUSION.

Business Overview:

Vakrangee is India's largest e-Governance player functioning as a systems integrator and end-to-end service provider for various e-Governance projects. We have an experience of over two decades in delivering systems integration and other services for India's e-Governance plan. We have a strong track record of successfully implementing various time-bound Mission Mode Projects (MMPs) under the government's National e-Governance Plan. Some of these MMPs are: computerisation of Election Commission, Ministry of Corporate Affairs Project (MCA-21), 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.

We are a technology-enabled company and have built up an extensive delivery network for our services across selected regions in northern and western India. As of March 31st 2015, we delivered our services through 12,568 delivery points. Our business is broadly divided into the following two business segments: (i) e-Governance Business, including systems integration projects and print and data management services; (ii) Vakrangee Kendra Business, which includes banking, insurance, E-Governance, E-Commerce Services and White Label ATM Business. In recent years, we leveraged our technology platform, impeccable track record on the national e-Governance plan and our delivery network to enter new businesses in the area of financial inclusion.

Currently, Vakrangee is the largest enrollment agency for Unique Identification Authority of India's (UIDAI) Aadhaar Cards Project. Over the years, Vakrangee has developed strong project execution capabilities, a nation-wide footprint with presence till the grass root level, strong workforce capable of driving project implementation, and end-to-end IT expertise. Vakrangee has continuously evolved over the years and has moved up the value chain from being a sub-contractor to a consortium partner to an independent executor for various E-Governance projects.

Vakrangee's business model is now set to transform over coming years, with the Company undertaking several new projects in the field of financial inclusion. This includes opening of banking branches by acting as a common "Business Correspondent" to various public and private banks, and operating White Label ATMs across India. Through these projects, Vakrangee has embarked on its next phase of evolution and transformation from being a project solution provider to a platform provider earning stable annuity income and achieving strong growth.

Vakrangee is currently operating under two broad business segments as mentioned below:

Vakrangee
सशक्त परिवर्तन

E-GOVERNANCE

Systems integrator and End-to-End Service provider

- More than 20 years of consistent execution experience
- Business Evolution
- Subcontractor Consortium Partner to Prime/ Independent Bidder
- Current Projects (Under NeGP)
  - UID –Unique Identification Project
  - SSA- Sarva Shiksha Abhiyan
  - PDS- Public Distribution System
  - RSBY –Rashtriya Swastha Bima Yojna
  - IGRS – Inspector General of Registration and Stamps
  - PMS/DMS –Electoral Data

VAKRANGEE KENDRA

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

- Setup & manage 75,000 Vakrangee Kendra Outlets and covering the presence in 100% Pin code of India by 2020.
- **Banking:** Offering robust technology, real time, interoperability and paper less banking.
- **Insurance:** Corporate agent of Life Insurance Corporation of India (LIC) and The New India Assurance Company Limited and Provide Insurance Schemes under Atal Pension Yojna, Jeevan Jyoti Bima Yojna and Pradhan Mantri Suraksha Bima Yojna.
- **ATM:** RBI license to setup and manage 15,000 WLA across India.
- **E-Governance:** Offer various Government-to-Citizen services from Vakrangee Kendra.
- **E-Commerce:** Offer various Business-to-Customer services like mobile and DTH recharges and education. Alliance with Amazon India to facilitate sale of various products and alliance with Mypacco for logistic services using the last-mile distribution network of Vakrangee Kendra outlets.

Financial Inclusion Project:

As a part of the Financial Inclusion initiative of MoF, Government of India and Reserve Bank of India, Vakrangee has been appointed as a Business Correspondent (BC) by various banks under the "Common BC" and "National BC" agreements across 16 states in India. Vakrangee will set up and manage 75,000 Vakrangee Kendras BC bank branches (50,000 rural, 17,000 semi urban and 8,000 urban) covering each pincode of India by 2020.

Our local presence gives us a deep understanding of ground realities and complexities in rural India, including flexible working hours, power and connectivity issues and the challenges involved in imparting training. We have built up long-standing business relationships with local vendors across our markets, providing us an advantage over other competitors. Our operations are spread in different parts of northern and western India, which has equipped us with multi-lingual and multi-cultural expertise that will be difficult for our competitors to replicate. We believe our extensive presence across northern and western India has been instrumental in successfully delivering financial inclusion services for public sector banks in these states.

Only a small proportion of the population in India has access to normal banking services with only ~40% of the populace having a bank account. India lags other developed markets considerably having 11.4 branches per 100,000 adults compared to 38.2, 35.3,and 18.4 branches in Russia, USA and Korea (Source: World Bank as of 2012). India has an ATM penetration of only 11.2 ATM per 100,000 adults compared to 283, 182 and 119 in Korea, Russia and Brazil (Source: World Bank as of 2012).

Further, the new Government in India has been re-inforcing the financial inclusion initiative of the last government by implementing a new scheme called 'Pradhan Mantri Jan Dhan Yojana', a holistic Financial Inclusion Scheme to bring every Indian into the banking net, including the poorest of the poor. The scheme aims to provide bank accounts to 15 crore individuals in Rural and Urban India, along with a life insurance cover of Rs 1 lakh.

The two-phase Financial Inclusion Mission, which has been approved by the Cabinet. The main features of the scheme include an overdraft facility of Rs 5,000 for Aadhaar-linked accounts, a RuPay Debit Card with an in-built Rs 1 lakh accident insurance cover and a minimum monthly remuneration of Rs 5,000 to Business Correspondents who will connect the last link between the account-holders and the Banks.

Some Elements of the new Financial Inclusion Programme:

- Aiming to cover all households in the villages
- Including both rural and urban population
- Focusing on financial literacy, opening of Basic Savings Bank Deposit Account, Convergence with other subsidy schemes and Micro Insurance/ Pension, RuPay Debit Card and Kisan Credit Card
- Monitoring the mechanism at the Centre, State and District level. Active participation of States and districts emphasised.
- Opening of Accounts online on Core Banking Solution of banks. Provision of RuPay Card to each account-holder, giving him freedom to operate anywhere.
- Proposition to launch an advertisement campaign for enhanced 'brand visibility' of the Financial Inclusion programme. Besides, rural branches of these banks will have a dedicated financial literacy cell.

40%

Population in India with a Bank Account

OUR OPERATIONS ARE SPREAD IN DIFFERENT PARTS OF NORTHERN AND WESTERN INDIA, WHICH HAS EQUIPPED US WITH MULTI-LINGUAL AND MULTI-CULTURAL EXPERTISE THAT WILL BE DIFFICULT FOR COMPETITORS TO REPLICATE.

Vakrangee - National BC Agreements:

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

Vakrangee - Common BC Agreements:

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

Vakrangee Kendras:

These BC bank branches are called "Vakrangee Kendras" and they operate as an exclusive BC agent to banks in the allocated SSAs. While Vakrangee offers various banking and financial services (BFSI) through these branches, it is also allowed to offer various insurance, E-Governance, E-Commerce and ATM services and products. Vakrangee Kendra BC Outlets are Brick & Mortar Branches for the respective Public Sector Banks / Private Banks/RRBs with to "One Bank presence in One Panchayat" only. These outlets are equipped with Vakrangee in-house application as well as bank prescribed IT/Non-IT hardware including Micro-ATM with authentication through UID as well as Card and V-SAT for real-time connectivity with respective Bank back-end to run the day-to-day banking operations. These Outlets are integrated with the core banking solution (CBS) of these Banks so that customers of these Banks can, on a real time basis, conduct transactions such as account opening, cash deposit, cash withdrawal, fund transfer, and Direct Benefit Transfer (DBT), among others. In addition to this, Vakrangee also facilitates Loan Disbursement, Fixed Deposit, among others, to the customers of these Banks at these outlets.

In a nutshell, these advanced feature of paper-less banking, real time banking and inter-operable banking, along with e-KYC enabling at these outlets are the unique features of Vakrangee outlets and critical to the success of last-mile banking. Vakrangee has been enhancing the profitability of these outlets by selling life insurance policies of Life Insurance Corporation of India (LIC) and non-life insurance products from The New India Assurance Company Limited (NIA), after taking corporate agency licenses

75,000

Number of Vakrangee Outlets to be set up by 2020

WE WILL HAVE A STRONG TECHNOLOGY INTENSIVE RETAIL DISTRIBUTION PLATFORM OF 50,000 LAST-MILE TOUCH POINTS DELIVERING SERVICES ACROSS BANKING, INSURANCE, E-GOVERNANCE, E-COMMERCE AND ATM DOMAINS ON A REAL-TIME BASIS.

from them. Vakrangee has also been selling various E-Governance services and E-Commerce services at these outlets such as mobile / DTH recharge, Utility Bill collection and alliances with Amazon and Mypacoo to facilitate sale of product and logistic services. Vakrangee has received the White Label ATM (WLA) license from the Reserve Bank of India for setting up and running minimum 15,000 White Label ATMs across the country starting January 2014. As on March 31st 2015, we delivered our services through 12,568 such Vakrangee Kendras.

Out of total 75,000 outlets to be set up and run by Vakrangee by 2020.

- 50,000 rural Vakrangee Kendras
- 17,000 semi urban Vakrangee Kendras (including WLA)
- 8,000 urban Vakrangee Kendras (including WLA)

Vakrangee Kendra – Service Offerings:

With a network of around 75,000 Vakrangee Kendras to be established by 2020, this will result into a strong technology intensive retail distribution platform of 75,000 last-mile touch points delivering services across Banking, Insurance, E-Governance, E-Commerce and ATM domains on a real-time basis to a potential customer base of 200 million across the under-served rural, semi urban and urban India.

Banking	E-Commerce	E-Governance	Insurance	ATM
• Bank A/C Opening - Savings, Current, Recurring	• Telecom - Mobile recharge	• Enrolments-UID Card, NREGA job Card, Election Card	• Insurance- Life and non Life premium payment	• Real time cash withdrawal from all banks through WLA
• Transactions - Deposits, Withdrawals, Remittances	• DTH Service - Recharge, bill payments	• Land Record Digitisation, Electoral Rolls	• Insurance scheme under Atal Pension Yojna, Jeevan Jyoti Bima Yojna and Pradhan Mantri Suraksha Bima Yojna	• Balance inquiry/ statement printing
• Balance Enquiry, Statement of Accounts	• Education	• Payment of Utility Bills, Taxes, Levies		• Co-located ATM in urban/semi urban branches to cater holistic banking needs of customers while optimizing cost of operations
• Direct Benefit Transfer	• Alliance with Amazon India to facilitate sale of products	• Railway Tickets, Certificates, Hall tickets		
• Pension Disbursement	• Alliance with Mypacoo for logistic services	• Exam Fee Payments, Online Form Filling		
• Food Security related DBT				
• Retail Loans, ODs, FDs				
• Recovery of Loans				

E-Governance Projects:

Vakrangee undertakes only Mission Mode Projects under the National e-Governance Plan (NEGP), which continues to be implemented regardless of the changing political parties and bureaucrats. There is a strict compliance in the NEGP project tendering process, which is governed by the World Bank Procurement Standards, and takes place through e-Procurement Auction without any human intervention. We are one of the e-Governance players who have been a part of various mission-mode projects for over two decades. With a footprint in most parts of the country, we believe we have first mover advantage to leverage this huge opportunity from the Rs 1.1 trillion "Digital India" mission of our beloved Prime Minister.

Current E-Governance Projects under Implementation

UID (Unique Identification Project)

- Issue UID to all residents which shall help efficiently of all government benefit schemes
- Vakrangee is one of the leading enrollment agencies empallned with UIDAI on a PAN India Basis under the highest T3F3 Category
- Service includes deployment of UID Client Software, setup in enrollment centres across India, capturing demographic and biometric data of residents and setup data centres for storing data

SSA (Sarva Shiksha Abhiyan)

- Provide Universal Access to Elementary Education for children between the ages of 6 to 14
- Services include distribution of books for children and setting up computer aided learning systems in schools

PDS (Public Distribution System)

- Implement Biometric Smart Card based PDS in Haryana through computerization of PDS scheme
- Services include procurement , commissiong and maintainence of IT and Smart Card Infrastructure, installation and operation of ~9300 Smart Card POS Terminals ,networking and connectivity across sites , development of software of POS , data digitization , Smart Card personalisation and printing and setting up of call centre for technical support

RSBY (Rashtriya Swastha Bima Yojna)

- Provide Health Insurance for Below Poverty Line (BPL) Families
- Services include collection of biometric data from different villages, centre management, system integration, issue and renewals of Smart Cards and printing RSBY Booklets

IGRS Inspector General of Registration and Stamps

- Computerise the process of registration of documents and recovery of Stamp Duty as per the Indian Stamp Act
- Services include computerised registration of marriages, societies, firms and non trading companies

PMS/DMS Computerisation of Election Commission

- Computerise the process of registration of documents and recovery of Stamp Duty as per the Indian Stamp Act
- Services include computerised registration of marriages, societies, firms and non trading companies

UID Enrollment

The Government of India through the UIDAI introduced a policy to issue a unique identity number to all Indian residents, in a phased manner, which can be used for delivery of all government benefit schemes. We are one of the companies empanelled in the (T3 F4) category by Unique Identification Authority of India (UIDAI), allowing us to undertake demographic and biometric data collection for UID enrollment pan-India basis. Our services include deployment of UID client software, establishing more than 4,000 enrollment centers across India, capturing demographic and biometric data of residents. We conduct our operations for UID enrollment through our large pool certified staff. We commenced the project in the year 2011-12 and expect to complete it by 2016-17.

Sarva Shiksha Abhiyan

Sarva Shiksha Abhiyan ("SSA") is an initiative by the Government of India to provide universal access to elementary education for children between the ages of 6 (Six) and 14 (Fourteen). SSA seeks to improve access to education across the county, bridge gender gaps in education, and to provide equal education access to all children. SSA is being implemented in partnership with State Governments and addresses the needs of more than 192 million children in approximately 1.1 million habitations. We participate in the project by printing and/or supplying books for children and setting up computer aided learning systems in schools. We earn revenues for every book we print/supply. We also earn fixed revenues per every computer aided learning system we provide.

Public Distribution System

We are in the process of executing a biometric smart card based public distribution system ("PDS") in the State of Haryana to computerise the PDS scheme. Our services include procurement, commissioning and maintenance of IT and smart card infrastructure, installation and operation of approximately 9,300 Smart card points of sale terminals, setting up networks and connectivity across sites, developing software for points of sale, data digitisation, smart card personalisation and printing and setting up a call center for technical support.

Rashtriya Swasthya Bima Yojna

The Rashtriya Swasthya Bima Yojna ("RSBY") is a Ministry of Labour and Employment, a Government of India project, seeking to provide health insurance for families below poverty line. These families are entitled to more than 700 in-patient medical procedures with a cost of up to Rs 30,000 per annum for a nominal registration fee of Rs 30. Pre-existing medical conditions are also covered and there is no age limit. The scheme is entirely cashless and coverage extends to the head of the household, spouse and up to three dependents.

Inspector General of Registration & Controller of Stamps (IGRS)

We are executing a project to computerise the process of registering documents and recovering stamp duty in accordance with the Indian Stamp Act. Our services include computerised registration of properties, marriages, societies, firms and non-trading

15,000

Number of ATMs to be set up & by Vakrangee

OUR VAKRANGEE KENDRAS AND THE WHITE LABEL ATM BUSINESS WILL REDUCE OUR RELIANCE ON SHORT-TERM PROJECT-BASED REVENUES AND CASH FLOWS FROM E-GOVERNANCE PROJECTS AND HELP US GENERATE INCREMENTAL STABLE REVENUES AND CASH FLOWS.

companies, among others. We earn revenues for every transaction that we register.

Print and Data Management Services and Election related projects

We offer print management services and data management services to election commission related projects and to private corporate in India. Some of our major projects in this area include work for the Office of Chief Electoral Officer for various states. We have also been aggregating and updating electoral data for election commission project.

White Label ATM Project:

In February 2012, RBI allowed non-banking entities to set up, own and operate White Label ATMs which would provide ATM services to customers of all banks. In January 2014, Vakrangee was granted a license from the Reserve Bank of India (RBI) to set up and manage a minimum of 15,000 WLAs across the country in three years. We are required to implement this roll-out at the rate of 5,000 ATMs a year and maintain a rural-to-urban ratio of 2:1 (i.e., for every White Label ATM set up in Tier I or Tier II centres, we will need to establish two white label ATMs in Tier III to Tier VI centers. We will earn revenues by participating banks paying us a transaction fee for every transaction, including financial and non-financial transactions, conducted through our white label ATMs.

Our strategy is to implement this establishing the WLAs adjoining to the BC outlets in semi-urban and urban outlets. We also intend to have our ATMs biometric-enabled that will allow customers to access and conduct ATM transactions using their fingerprints in addition to bank cards thereby increasing the ATM market size to the number of UID in this country. A significant portion of the proceeds from the offering are intended to be deployed in implementing our white label ATM roll-out plan across India over the next year.

Business Outlook:

Vakrangee has already begun its new transformational journey of driving the implementation of financial inclusion in India. This new journey is expected to place the Company on a strong long-term and sustainable growth trajectory, driven by new business opportunities in the financial inclusion space, strong potential to offer a wide spectrum of E Commerce services and products and E Governance services to a large population across the unserved and under-served rural, semi urban and urban India. The Vakrangee Kendra and the White Label ATM businesses will help the Company reduce its reliance on short-term project-based revenues and cash flows from e-Governance projects, and continue generating incremental stable revenues and cash flows over a longer period of time. A prudent mix of owned and franchise model for opening of Vakrangee Kendras and White Label ATMs will help the Company efficiently manage its balance sheet size and working capital requirements. Further, the extensive distribution platform of 75,000 outlets can be further leveraged to add more and more services and products from time to time. Going forward, the Company expects to derive significant benefits from these new business opportunities in the form of stable revenue profile, healthy margins, and better return ratios over the long term.

2:1

Rural to Urban Ratio to be maintained by Vakrangee for setting up White Label ATMs

WE CONTINUE TO INVEST IN LEADERSHIP DEVELOPMENT, EMPLOYEE ENGAGEMENT, TRAINING AND EMPLOYEE ASSISTANCE PROGRAMS. WE CONTINUE TO DESIGN AND DELIVER TRAINING & DEVELOPMENT PROGRAMS THAT FOCUS ON ENHANCING OUR EMPLOYEE PRODUCTIVITY AND PERFORMANCE, WHILE ALSO ENABLING EMPLOYEES' PERSONAL AND PROFESSIONAL DEVELOPMENT.

Human Resources

Our vision is to become an employer of choice by providing a compelling employee value proposition. We strive to attract the best talent and ensure employees' development, retention and contribution to the Company's success. Our HR policies and practices are focused on creating a Happy, Engaged and Productive workforce. We continue to invest in leadership development, employee engagement, training and employee assistance programs.
We continue to design and deliver training & development programs that focus on enhancing our employee productivity and performance, while also enabling employees' personal and professional development. We foster a meritocratic culture, which also forms the basis for various talent management initiatives. Our focus continues to be to attract, develop and retain talent, besides harnessing the true potential of our people – our greatest assets.

Information Technology

Being a technology company, we actively pursue a culture of technology adoption and advancements to improve efficiency and drive customer satisfaction. Our constant priority is to implement the latest and most advanced IT tools to ensure operational excellence and timely dissemination of business information. We focus on accelerating our organisational efficiency and attain scalable growth. Our IT systems are continuously redesigned and integrated with new business practices and processes. Our constant aim is to leap-frot to the next-generation scalable and flexible technology landscape to drive customer centricity by way of process automation.

Risks & Concerns

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

Our future sales growth is expected to be based on the following factors:

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

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

Cautionary Statement

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

Directors' Report

Dear Shareholders,

We are pleased to present the 25th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended March 31, 2015.

1. PERFORMANCE OF THE COMPANY

The Company's performance is summarized below:

• FINANCIAL RESULTS

(₹ in Lacs except EPS and per share data)

	Consolidated			Stand alone		
	2014-2015	2013-2014	YoY growth (%)	2014-2015	2013-2014	YoY growth (%)
Sales and other income	278,639.11	195,806.25	42.30	278,493.51	197,463.21	41.03
Profit before tax	48,932.76	28,199.28	73.52	48,810.44	30,596.10	59.53
Provision for Income Tax	18,260.89	12,294.81	-	18,248.01	12,294.81	-
Provision for Deferred Tax	(1500.33)	(1172.32)	-	(1,495.66)	(1,177.48)	-
Tax for earlier Year	0.78	81.99	-	0.79	81.99	-
MAT Credit Entitlement	(12.87)	(503.25)	-	-	(503.25)	-
Profit after tax	32,184.29	17,498.05	83.93	32,057.30	19,900.03	61.09
Appropriations:						
Proposed dividend on equity shares (₹ per share)	0.25	0.25	-	0.25	0.25	-
Transfer to General Reserve	3,205.73	1,990	-	3,205.73	1,990	-
EPS (₹)	6.39	3.48	83.62	6.37	3.96	60.86

• PERFORMANCE

Consolidated:

During the year, your Company recorded the total income of ₹ 278,639.11 Lacs from ₹ 195,806.25 Lacs in previous year, a growth of 42.30%. The EBITDA stood at ₹ 72913.13 Lacs from ₹ 54075.99 Lacs in previous year, an increase of 34.83%. Profit after Tax was increased to ₹ 32,184.29 Lacs from ₹ 17,498.05 Lacs in previous year, up by 83.93%.

Standalone:

During the year, your Company recorded the total income of ₹ 278493.51 Lacs from ₹ 197,463.21 Lacs in previous year, a growth of 41.04%. The EBITDA stood at ₹ 72736.94 Lacs from ₹ 56415.48 Lacs in previous year, an increase of 28.93%. Profit after Tax was increased to ₹ 32057.30 Lacs from ₹ 19,900.03 Lacs in previous year, up by 61.09%.

2. DIVIDEND

Your Directors recommended a dividend of ₹ 0.25 per equity share i.e. (25% on each equity share having Face value of ₹ 1/- each, subject to the approval by the shareholders at the ensuing Annual General Meeting. The total dividend payout will be of ₹ 1258.70 Lacs with a tax amount of ₹ 251.67 Lacs

3. PUBLIC DEPOSITS

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

Directors' Report

4. SUBSIDIARIES

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

The Company has the following subsidiaries:

• Vakrangee e-Solutions INC.

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

• Vakrangee Finserve Limited

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

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

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and Analysis Report, as required under the Listing Agreement with Stock Exchanges, is enclosed separately with this Annual Report.

6. DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134 (3) (c) of the Companies Act, 2013, your Board of Directors hereby state:

(i) that in the preparation of the Annual Accounts for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the Profit & Loss of the Company for the year ended on that date;

(iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the annual accounts have been prepared on a going concern basis;

(v) that Directors has laid down internal financial controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively;

(vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

7. CORPORATE GOVERNANCE

As per Clause 49 as per Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance practices followed by the Company, together with a Certificate from the Company's Auditors M/s. S. K. Patodia & Associates, Chartered Accountants, confirming Compliance forms an integral part of this report.

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

In accordance with the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, required information relating to the Conservation

Directors' Report

of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given as hereunder

• Conservation of Energy

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

• Technology Absorption

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

• Foreign Exchange Earning and Outgo

Foreign Exchange Earning: ₹ 395.47 Lacs
Foreign Exchange Outgo: ₹ 330.90 Lacs

9. PARTICULARS OF EMPLOYEES AND OTHER DISCLOSURE

The prescribed particulars of Employees required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **"Annexure 2"** to this Report.

The information required pursuant to Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Employees of the Company, will be provided on request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees particulars mentioned in rule 5(2) of the said rule which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company upto the date of ensuing Annual General Meeting. If any Member is interested in inspecting the same, such Member may write to the Company Secretary in advance.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Mr. Avinash Vyas (DIN 06869633) and Mrs. Sujata Chattopadhyay (DIN 02336683) have been appointed as Additional (Independent) Directors of the Company with effect from November 14, 2014 and March 31, 2015 respectively, under the provisions of Section 161 of the Companies Act, 2013. In accordance with the requirements of Section 149 and 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, their continuation as Independent Directors on the Board of the Company will have to be approved by the Members of the Company. The Company has received Notices from shareholders under section 160(1) alongwith deposit of requisite amount proposing their appointment as Independent Directors for a consecutive term of 5 years from the date of their respective appointments as Additional directors Also, Mr. T. Sitharthan (DIN 07028265) has been appointed as Nominee Director, on the Board of the Company with effect from December 4, 2014, to represent the Life Insurance Corporation of India.

Mr. Kunnel Prem (DIN:06722302),resigned from the Board of Directors of the Company w.e.f from April 4, 2014 and the Members of the Board placed on record their appreciation for the valuable contribution made by Mr. Kunnel Prem during his tenure.

The Company has received declarations under sub-section (7) of Section 149 of Companies Act, 2013 from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock exchanges. The details of the proposal for appointment of Independent Directors is mentioned in the statement under Section 102 of the Companies Act, 2013, annexed to the Notice of the 25th Annual General Meeting of the Company.

The remaining two Directors namely Mr. Dinesh Nandwana and Dr. Nishikant Kishanrao Hayatnagarkar are Managing Director and Whole Time Director respectively. During the year, in 24th Annual General Meeting of the Company, Mr. Dinesh Nandwana was re-appointed as the Managing Director for a term of 5 years in pursuance of the provisions of Sections 196, 197, 203 of the Companies Act, 2013 and Rules made there under read with Schedule V to the Companies Act, 2013. Mr. Dinesh Nandwana(DIN: 00062532), Managing Director is liable

Directors' Report

to retire by rotation in terms of sub-section (6) of section 152 of the Companies Act, 2013 and being eligible has offered himself for reappointment at the ensuing Annual General Meeting. Accordingly, his re-appointment forms part of the Notice of the ensuing Annual General Meeting.

The term of Office of Dr. Nishikant Hayatnagarkar expires on September 30, 2015 and hence, he has been proposed to be re-appointed as Whole-time Director for a further term of 5 years under the applicable provisions of the Companies Act, 2013 in the ensuing Annual General Meeting.

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

11. FAMILIARIZATION PROGRAMME

The Company at its various meetings held during the Financial year 2014-15 had familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the Business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarize then with the Company's policies, procedures and practices.

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

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

12. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS

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

b. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on August 6, 2014.

c. AUDIT COMMITTEE

The Board has well-qualified Audit Committee with majority of Independent Directors including Chairman. They possess sound knowledge on Accounts, Audit, Finance, Taxation, Internal Controls etc. The details of the Composition of the Audit Committee are given in the Corporate Governance Report.

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

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

d. NOMINATION AND REMUNERATION AND COMPENSATION COMMITTEE & ITS POLICY

The Company has duly constituted Nomination and Remuneration and Compensation Committee to align with the requirements prescribed under the provisions of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement.

The details of the Composition of the Nomination and Remuneration and Compensation Committee are given in the Corporate Governance Report.

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

Directors' Report

e. RISK MANAGEMENT

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

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

Further, in accordance with Clause 49 of the Listing Agreement, a Risk Management Committee has also been formed which also oversees the Risk Management of the Company.

The details of the Composition of the Risk Management Committee are given in the Corporate Governance Report and a detailed note on risk management is given under Management Discussion and Analysis Report

f. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

The disclosures required to be given under Section 135 of Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **"Annexure 4"** forming part of this Report.

13. AUDITORS AND REPORTS

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

Statutory Auditor and their Report:

At the 24th Annual General Meeting held on September 30, 2014, M/s. S. K. Patodia & Associates, Chartered Accountant, were appointed as Statutory Auditors of the Company to hold office till the conclusion of next Annual General Meeting. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the Auditors is to be placed for ratification at every Annual General Meeting. Accordingly the appointment of M/s. S. K. Patodia & Associates, Chartered Accountants, as Statutory Auditors of the Company is placed for ratification by the Shareholders. In this regard the Company has received a Certificate from the Auditors to the effect that if they are appointed it would be in accordance with the provision of section 141 of the Companies Act, 2013.

The Report given by the Statutory Auditors for the Financial Statements for the year ended March 31, 2015 read with explanatory notes thereon do not call for any explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Secretarial Auditor & his Report:

M/s. S. K. Jain & Co.,(Proprietor Dr. S. K. Jain) Practicing Company Secretary was appointed to conduct Secretarial Audit of the Company for the financial year 2014-15 as required under section 204 of the Companies Act, 2013 and the rules thereunder. The Secretarial Audit report for the financial year 2014-15 forms part of the annual report as **"Annexure 5"** to the Boards Report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013.

14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per the provision of Section 177 (9) of the Companies Act, 2013, the Company is required to establish an effective Vigil Mechanism for Directors and Employees to report genuine concerns. In line with this the Company has framed

Directors' Report

a Vigil Mechanism Policy through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company.

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

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

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

a) No. of Complaints received: 1
b) No. of Complaints disposed off: 1

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

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

17. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the Financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and hence, enclosing of Form AOC-2 is not required. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all Related Party Transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The Company has developed a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

19. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Based on the report of Internal Audit function, corrective action are undertaken in the respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

20. EMPLOYEES STOCK OPTION SCHEME

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

Directors' Report

applicable disclosures as stipulated under the SEBI Regulations as at March 31, 2015 (cumulative position) are given below:

Date of all grants as at 31.03.2015	Price per options	No. of options granted
31.07.2009	₹ 3.095/-	5414000
30.12.2009	₹ 3.3925/-	412000
18.05.2010	₹ 7.325/-	3124000
24.11.2010	₹ 7.5/-	1735000
12.08.2011	₹ 7.5/-	1297000
20.07.2012	₹ 20/-	1190000
20.07.2012	₹ 10/-	2000000
26.11.2014	₹ 64.70/-	1069100
Total		**16241100**
Options Vested as at 31.03.2015	**Price per options**	**No. of options Vested**
31.07.2009 grant	₹ 3.095/-	4293240
30.12.2009 grant	₹ 3.3925/-	196000
18.05.2010 grant	₹ 7.325/-	2262920
24.11.2010 grant	₹ 7.5/-	999540
12.08.2011 grant	₹ 7.5/-	163340
20.07.2012 grant	₹ 20/-	95375
20.07.2012 grant	₹ 10/-	500000
26.11.2014 grant	₹ 64.70/-	N.A.
Total		**8510415**
Options Exercised as at 31.03.2015	**Price per options**	**No. of options Exercised**
31.07.2009 grant	₹ 3.095/-	3254960
30.12.2009 grant	₹ 3.3925/-	193000
18.05.2010 grant	₹ 7.325/-	1723660
24.11.2010 grant	₹ 7.5/-	642000
12.08.2011 grant	₹ 7.5/-	345320
20.07.2012 grant	₹ 20/-	NIL
20.07.2012 grant	₹ 10/-	NIL
26.11.2014 grant	₹ 64.70/-	N.A.
Total		**6158940**

The total number of shares arising as a result of exercise of Options		NIL
Options Lapsed as at 31.03.2015		**5542900**
Money realised by exercise of Options		₹ NIL
Total number of Options in force as at 31.03.2015		3446260
Employee wise details of Options granted to:		
i.	Senior managerial personnel	
	Mr. Santosh Dash	20,00,000
	Dr. Nishikant Hayatnagarkar Mr. Rahul Dev Pal	50,000 25,000
ii.	Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted	NIL
iii.	Identified employees, who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL
Diluted Earnings Per Share (EPS) before exceptional items calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'		**6.04**

Directors' Report

The Company has obtained a certificate from the Auditors of the Company that the Schemes have been implemented in accordance with the SEBI Regulations and the resolutions passed by the shareholders.

21. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2015 made under the provisions of Section 92 (3) of the Act in Form MGT-9 is annexed herewith as **"Annexure 6"**.

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

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

23. HUMAN RESOURCES INDUSTRIAL RELATIONS:

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

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

24. CAUTIONARY STATEMENT:

Statements in this Directors Report and Management Discussion and Analyses describing the Company's objectives, projections, estimates, expectations or predictions may be " forward looking statements" within the meaning of applicable securities law and regulations. Actual results could defer materially from those expressed or implied. Important factors that could make difference to the Company's operations include changes in Government regulations, Tax regimes, Economic developments within India and the countries in which the Company conducts Business and other ancillary factors.

ACKNOWLEDGEMENT AND APPRECIATION

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

On behalf of the Board of Directors

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

Place: Mumbai,
Date: September 1, 2015

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 1

FORM AOC-I

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

Statement containing salient features of the Financial statement of subsidiary companies

Name of the Subsidiary Company	Vakrangee Finserve Limited	Vakrangee E-Solutions Inc.
Financials as on	March 31, 2015	March 31, 2015
Reporting Currency	INR (₹)	Pesos (P)
Exchange Rate	-	1 P = ₹ 1.3963*
Capital	25,00,000	P 96,00,000
Reserves	(101,286,305)	P 404501
Total Assets	86,427,272	P 436245094.99
Total Liabilities	86,427,272	P 436245094.99
Investment Other than Investment in Subsidiary	NIL	NIL
Turnover	54,386,356	NIL
Profit before Taxation	12,231,540	NIL
Provision for Tax	467,584	NIL
Profit after Tax	12,699,124	NIL
Proposed Dividend	NIL	NIL
% of Holding	100	100
Country	India	Philippines

** Exchange rate as on March 31, 2015*

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure - 2

DISCLOSURE UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE GIVEN BELOW:

1	The ratio of the remuneration of each Director to the median Remuneration of the employees of the company for the financial year;	Dinesh Nandwana 63.96:1	Dr. Nishikant Kishanrao Hayatnagarkar 16.89:1		
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	NIL			
3	The percentage increase in the median remuneration of Employees in the financial; year	-28.11% * The decrease in median remuneration of employees in the Financial year 2014-15 as compared to previous year was due to increase in No. of employees from 879 to 1021			
4	The number of Permanent Employees on the rolls of the Company;	1021			
5	The explanation on the relationship between average increase in remuneration and Company performance;	NA as there is no increase in the remuneration of the Directors			
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Aggregate remuneration of Key Managerial Personnel (KMP) in FY-2014-2015 (₹ In Lacs) is 82.17 Revenue (₹ In Lacs) is 278493.51 Remuneration of KMPs (as % of revenue) is 0.03% Profit After Tax (PAT) (₹ in Lacs) is 32057.30 Remuneration of KMPs (as % of PAT) is 0.26%			
7	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and	**Particulars**	**As at 31/03/2015**	**As at 31/03/2014**	**% Change**
		Market Capitalisation (₹ Lacs)	517831.48	502223.53	3.11
		Price Earnings Ratio	16.15	25.19	(35.89)
8	Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last Public offer	**Particulars**	**As at 31.3.2015**	**As at 31.3.1994***	**% Change**
		Market Price (BSE)	102.85	0.50	20470
		Market Price (NSE)	102.75	0.50	20550
		*Adjusted for sub-division of shares from ₹ 10/- to ₹ 1/- and Bonus issue in the ratio 1:1			

Directors' Report

9	Average percentile increase already made in the Salaries of Employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	NIL						
10	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;	Name of the person	Mr. Dinesh Nandwana (Managing Director)	Dr. Nishikant Hayatnagarkar (Executive Director)	Mr. Santosh Dash (CEO)	Mr. Pradeep Kumar	Mr. Subhash Singhania	Ms. Darshi Shah
		Remuneration in FY 2014-15 (₹ In Lacs)	65.00	17.17	89.00	89.12	14.46	5.12
		Revenue (₹ in Lacs)	278493.51	278493.51	278493.51	278493.51	278493.51	278493.51
		Remuneration as % of Revenue	0.02	0.01	0.03	0.03	0.01	0.002
		Profit after Tax (₹ In Lacs)	32057.30	32057.30	32057.30	32057.30	32057.30	32057.30
		Remuneration as % of PAT	0.20	0.05	0.27	0.28	0.05	0.02
11	The key parameters for any variable component of remuneration availed by the Directors;	The employees are paid variable components only after ascertaining their individual performance rating for the year in addition to their jobs fundamentals. It is hereby affirmed that the remuneration paid during the year is as per remuneration policy of the Company.						
12	The ratio of the remuneration of the highest paid Directors to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	Name of the Highest Paid Director	Remuneration of the Highest Paid Director	Name of employees who are not directors but receive remuneration in excess of the highest paid director	Remuneration of employees who are not directors but receive remuneration in excess of the highest paid director	Ratio		
		Dinesh Nandwana	65.00	Pradeep Kumar	89.00	0.73		
		Dinesh Nandwana	65.00	Santosh Dash	89.12	0.73		
13	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms remuneration is as per the remuneration policy of the Company.						

Directors' Report

ANNEXURE TO THE DIRECTORS' REPORT

Annexure-3

A. Nomination and Remuneration Policy

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

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

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

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

Objective:
The objective of the policy is to ensure that

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

Role of the Committee:
The role of the NRC will be the following:

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

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

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

Directors' Report

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

TERM / TENURE

a) Managing Director/Whole-time Director:
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

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

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

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

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

REMOVAL The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

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

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:
   a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

   b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:
   a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

   b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

Directors' Report

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

d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied: i) The Services are rendered by such Director in his capacity as the professional; and ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

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

3) Remuneration to Key Managerial Personnel and Senior Management:

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

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

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

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

IMPLEMENTATION

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

B. APPOINTMENT POLICY

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

(A) Independent Directors:

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

(B) Key Managerial Personnel (KMP):

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

(C) Senior Executives:

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

Directors' Report

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-4

STATEMENT CONTAINING INFORMATION AS PER SECTION 135 READ WITH THE RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT.

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The objectives of Company's CSR Policy are to demonstrate commitment to the common good through responsible business practices and good governance and to set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models. The projects the company has undertaken / proposes to undertake is mainly in eradicating hunger, poverty and malnutrition, promoting preventive health care, promoting education including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecology balance, agro forestry, conservation of natural resources. Ecology balances, protection of natural heritage, art and culture, measures of the benefit of the armed forces, training to promote rural sports etc.
2.	The Composition of the CSR Committee	Mr. Dinesh Nandwana (Chairman) Mr. Ramesh Joshi (Member) Mr. Sunil Agarwal (Member)
3	Average net profit of the company for last three financial years (₹ in Lacs)	12525.96
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) (₹ in Lacs)	250.52
5.	Details of CSR spent during the financial year. (1) Total amount to be spent for the FY2015 (₹ in Lacs) (2) Amount unspent , if any;	 250.52 NIL

Manner in which the amount spent during the FY2015 is detailed below: (₹ in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	IIIT, Kota	Education Sector	Kota (Rajasthan)	320.00	320.00	320.00	Direct
2	Rajasthani Seva Sanstha, Bhayandar	Health Care	Thane (Maharashtra)	1.25	1.25	1.25	Direct

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

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

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

Sd/-
Dinesh Nandwana
Chairman of CSR Committee
(DIN:00062532)

Directors' Report

ANNEXURE TO DIRECTORS' REPORT

Annexure-5

Secretarial Audit Report

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

FOR THE FINANICAL YEAR ENDED MARCH 31, 2015

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

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

Based on my verification of the M/S VAKRANGEE LIMITED's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period April 1, 2014 to March 31, 2015 ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/S VAKRANGEE LIMITED ("the Company") as given in Annexure I, for the period April 1, 2014 to March 31, 2015 according to the provisions of:
   (i) The Companies Act, 2013 (the Act) and the Rules made thereunder for specified Sections notified and came into effect from September 12, 2013 and Sections and Rules notified and came into effect from April 1, 2014;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
   (iii) The Depositories Act, 1996 and Regulations & the Bye-laws, 1996 thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment.
   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
      i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
      iii. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
      iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
      v. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.
      vi. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

3. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
   i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued/ listed/propose to list its Dept Securities to any Stock Exchange during the Financial Year under review)

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

   iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not

Directors' Report

applicable as the Company has not brought back/ propose to Buy-back any of its securities during the Financial Year under review)

4. The Company has complied with following specific laws applicable to the Company
   i. Information Technology Act, 2000;
   ii. Telecom Regulatory Authority of India Act, 1997;
   iii. Payment And Settlement Systems Act, 2007;
   iv. Indian Telegraph Act, 1885;
   v. Prevention of Money Laundering Act, 2002.

5. I have relied on the Representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibly of the management. My examination was limited to the verification of procedure on test basis. The list of major head/groups of Acts, Laws and Regulations as generally applicable to the Company is given in Annexure II.

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

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

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956; (Not notified and hence not applicable to the Company during Audit period) and

   (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
Majority decision is carried through and recorded as part of the minutes.

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

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

Ordinary and Special Resolutions passed through Postal Ballot under Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014

1. Special Resolution under section 62(1)(b) and other Applicable provisions of Companies Act, 2013 and Employees Stock Option Scheme 2014 for issue of Securities upto 5% of the aggregate number of issued Equity Shares of the Company from time to time on the date(s) of the grant of such Securities to eligible employees of the Company and Subsidiary Company including Directors but Excluding promoters/ Independent Directors of the Company and Subsidiary Company. The result of this was declared on May 23, 2014.

2. Special Resolution under section 62(1)(c) and all other Applicable provisions of Companies Act, 2013, Listing Agreements and subject to provision of Chapter VIII of SEBI(Issue of Capital and Disclosures requirements) Regulations, 2009 and Foreign Exchange Management Act, 1999, the authority to the Board was granted to issue, offer and allot securities to Qualified Institutional Buyers not exceeding 15% of the then issued and subscribed capital of the Company. The result of this was declared on August 2, 2014.

Place: Mumbai
Date: September 1, 2015

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

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

Directors' Report

ANNEXURE - I

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

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

Directors' Report

ANNEXURE - II

Registered & Corporate Office:
Vakrangee House, Plot No. 66, Marol Co-Op.
Industrial Estate, M.V.Road,
Marol,Andheri(E),
Mumbai-400 059

List of applicable laws to the Company

1. The Shops & Establishment Act, 1948 and rules made thereunder;
2. Payment of Bonus Act, 1956 and the rules made thereunder;
3. Payment of Gratuity Act, 1972 and the rules made thereunder;
4. Payment of Wages Act, 1938 and the rules made thereunder;
5. The Minimum Wages Act, 1948 and the rules made thereunder;
6. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder;
7. Maternity Benefits Act, 1961 and the rules made thereunder;
8. Employees' Provident Fund Act, 1952 and Miscellaneous Provisions act 1952 and the rules made thereunder;
9. Employees State Insurance Act, 1948 and the rules made thereunder;
10. The Contract Labour Act, 1970 and the rules made thereunder;
11. The Employment Exchange Act, 1959 and the rules made thereunder;
12. Equal Remuneration Act, 1976;
13. Workmen's Compensation Act, 1923 and the rules made thereunder;
14. Bombay Stamp Act, 1958;
15. Bombay Labour Welfare fund Act, 1953 and the rules made thereunder;
16. Negotiable Instruments Act, 1881.
17. Professional Tax Act,1975.

Place: Mumbai
Date: September 1 ,2015

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

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

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

Our Secretarial Audit Report of Even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Place: Mumbai
Date: September 1, 2015

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

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

Directors' Report

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-6

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the Financial year ended March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	E-Governance	639	57.19
2	Vakrangee Kendra	639,651,663	42.82

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

Directors' Report

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

(i) Category wise shareholding

Category code	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)1	As a percentage of (A+B+C)	No of Shares	As a Percentage
(A)	Shareholding of Promoter and Promoter Group2							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	3	29865100	29865100	5.93	5.93	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	3	165311414	165311414	32.83	32.83	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	6	195176514	195176514	38.77	38.77	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	6	195176514	195176514	38.77	38.77	0	0.00
(B)	Public Shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions /Banks	8	38934480	38926480	7.73	7.73	0	0.00
(c)	Group Companies	0	0	0	0.00	0.00	0	0.00
(i)	Foreign Banks	0	0	0	0.00	0.00	0	0.00
(d)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(f)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Institutional Investors	53	16753348	16753348	3.33	3.33	0	0.00
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(i)	Trusts	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(1)	61	55687828	55679828	11.06	11.06	0	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	493	162337027	162275027	32.24	32.24	0	0.00
(b)	Individuals							
(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh	11055	19655056	17280056	3.90	3.90	0	0.00
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	65	56430707	56430707	11.21	11.21	0	0.00
(c)	Trusts	0	0	0	0.00	0.00	0	0.00
(d)	Any Other							
(i)	Clearing members	186	6739573	6739573	1.34	1.34	0	0.00

Directors' Report

Category code	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)1	As a percentage of (A+B+C)	No of Shares	As a Percentage
(ii)	Directors/Relatives	0	0	0	0.00	0.00	0	0.00
(iii)	Employee	0	0	0	0.00	0.00	0	0.00
(iv)	Foreign Nationals							
(a)	Non Residents Indians(NRI)	0	0	0	0.00	0.00	0	0.00
(b)	Non Residents Indians(REPAT)	155	7417804	7417804	1.47	1.47	0	0.00
(c)	Non Residents Indians(NON REPAT)							
(v)	Overseas Bodies Corporates	2	37731	37731	0.01	0.01	0	0.00
(vi)	Persons acting in Concert	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(2)	11956	252617898	250180898	50.17	50.17	0	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	12017	308305726	305860726	61.23	61.23	0	0.00
	TOTAL (A)+(B)	12023	503482240	501037240	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	12023	503482240	501037240	100.00	100.00	0	0.00

(ii) Shareholdingof Promoters

Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
Vakrangee Holdings Pvt Ltd	12,53,75,194	24.90	-	12,53,75,194	24.90	-	-
Vakrangee Capital Pvt Ltd	3,99,36,220	7.93	-	3,99,36,220	7.93	-	-
Dinesh Nandwana	2,97,67,100	5.92	-	2,97,67,100	5.92	-	-
Dinesh Nandwana HUF	98,000	0.02	-	98,000	0.02	-	-
Total	19,51,76,514	38.77	-	19,51,76,514	38.77	-	-

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

Shareholer's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
At the End of the year	-	-	-	-

Directors' Report

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

Sr. No.				Cumulative Shareholding during the year	Cumulative Shareholding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	ABHIRATI TRADING PVT LTD				
	At the beginning of the year	10000000	1.98	10000000	1.98
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	100000 (16/05/2014) -66268 (23/05/2014) -24712 (30/05/2014) -7300 (06/06/2014) -1720 (13/06/2014) 1 (31/12/2014)		1	0
	At the end of the year	10000001	1.98	10000001	1.98
2.	VINOD LAXMINARAYAN BOHRA				
	At the beginning of the year	6759828	1.34	6759828	1.34
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	13221 (04/04/2014) -1521 25/04/2014 (2040676) 02/05/2014 -53144 09/05/2014 25058 16/05/2014 -878 23/05/2014 2845 30/05/2014 9409 06/06/2014 2043820 30/06/2014 57141 18/07/2014 8784 25/07/2014 -22960 (01/08/2014)) 2042 22/08/2014 -24844 05/09/2014 312 12/09/2014 -258 19/09/2014 -973 17/10/2014 7813 24/10/2014 2892 31/10/2014 80982 07/11/2014 12018 14/11/2014 3351 21/11/2014 -5940 28/11/2014 -47500 05/12/2014 -3555 12/12/2014 -6807 19/12/2014 -2706 31/12/2014		(79666)	0.01

Directors' Report

Sr. No.				Cumulative Shareholding during the year	Cumulative Shareholding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		4997 02/01/2015 689 16/01/2015 2228 23/01/2015 -6642 30/01/2015 5372 06/02/2015 -3341 13/02/2015 215 19/02/2015 -215 27/02/2015 -1000 13/03/2015 -9803 20/03/2015 -128811 27/03/2015			
	At the end of the year	6680162	1.33	6680162	1.33
3.	**KAUTIK PROPERTIES PRIVATE LIMITED**				
	At the beginning of the year	4311349	0.86	4311349	0.86
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	897629 (4/04/2014) -8121 (11/04/2014) -42795 (09/05/2014) -157205 (16/05/2014) 450000 (23/05/2014) -574000 (30/05/2014) 163000 (06/06/2014) 150100 (13/06/2014) -944162 (30/06/2014) 400000 (04/07/2014) 1372400 (11/07/2014) 361210 (18/07/2014) 17000 (25/07/2014) 2000 (01/08/2014) 234447 (08/08/2014) -125000 (15/08/2014) -299918 (22/08/2014) 363032 (29/08/2014) 45981 (12/09/2014) -50229 (19/09/2014) -78058 (30/09/2014) -100000 (03/10/2014)		871018	0.17

Directors' Report

Sr. No.				Cumulative Shareholding during the year	Cumulative Shareholding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		18594 (10/10/2014) -248991 (17/10/2014) 2650 (24/10/2014) -40000 (31/10/2014) 22413 (14/11/2014) 250000 (21/11/2014) -150000 (28/11/2014) 340000 (05/12/2014) 94000 (19/12/2014) -508474 (31/12/2014) 402852 (02/01/2015) -554175 (09/01/2015) -196280 (16/01/2015) -677300 (23/01/2015) -300000 (30/01/2015) 200100 (06/02/2015) -90216 (13/02/2015) 79906 (20/02/2015) 79440 (27/02/2015) -824000 (06/03/2015) -422812 (13/03/2015) -9000 (20/03/2015) 1325000 (31/03/2015)			
	At the end of the year	5182367	1.03	5182367	1.03
4.	**ASHTVAKRA PROPERTIES PVT.LTD**				
	At the beginning of the year	10050000	1.99	10050000	1.99
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	-	-	-	-
	At the end of the year	10050000	1.99	10050000	1.99
5.	**LIFE INSURANCE CORPORATION OF INDIA**				
	At the beginning of the year	28335417	5.62	28335417	5.62
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	100000 (19/09/2014) 2400000 (30/09/2014) 1700000 (10/10/2014) 779542 (17/10/2014)		4979542	0.99
	At the end of the year	33314959	6.61	33314959	6.61

Directors' Report

Sr. No.				Cumulative Shareholding during the year	Cumulative Shareholding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	**BLUEPEARL TRADING COMPANY PVT LTD**				
	At the beginning of the year	33188500	6.58	33188500	6.58
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	-2000000 (04/07/2014) -1000000 (01/08/2014) -1000000 (08/08/2014) -500000 (17/10/2014) -1000000 (14/11/2014) -500000 (05/12/2014) -1000000 (31/12/2014)		-7000000	-1.39
	At the end of the year	26188500	5.19	26188500	5.19
7.	**HIGHPOINT TRADING COMPANY PVT LTD**				
	At the beginning of the year	20675664	4.10	20675664	4.10
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	-5000000 (09/05/2014) -900000 (04/07/2014) -1000000 (11/07/2014) 849675 (18/07/2014) 47000 (25/07/2014) 2000 (16/01/2015)		-1501325	-0.3
	At the end of the year	19174339	3.80	19174339	3.80
8.	**NEWTREE TRADING COMPANY PVT LTD**				
	At the beginning of the year	15636099	3.10	15636099	3.10
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	-4651163 (04/04/2014) -1899983 (04/07/2014) -300000 (25/07/2014) -200000 (15/08/2014) -200000 (12/09/2014) -200000 (10/10/2014) -200000 (17/10/2014) -400000 (24/10/2014) -200000 (23/12/2014) -650000 (31/12/2014) 594383 (06/02/2015) 1700000 (13/02/2015) 700000 (20/03/2015)		-10706763	-2.12
	At the end of the year	4929336	0.98	4929336	0.98

Directors' Report

Sr. No.				Cumulative Shareholding during the year	Cumulative Shareholding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	**ABHIRATI TRADING PRIVATE LIMITED**				
	At the beginning of the year	5397568	1.07	5397568	1.07
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	-100000 (16/05/2014) -200000 (23/05/2014) -200000 (30/05/2014) -500000 (13/06/2014) -300000 (11/07/2014) 433338 (21/11/2014) -1300000 (31/12/2014) 1000000 (13/02/2015) -500000 (27/02/2015) -200000 (20/03/2015) -2000 (31/03/2015)		-1868662	-0.37
	At the end of the year	3528906	0.70	3528906	0.70
10.	**SEAHORSE MERCANTILE COMPANY PRIVATE LIMITED**				
	At the beginning of the year	21371371	4.24	21371371	4.24
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	-600000 (30/06/2014) -1300000 (25/07/2014) -1000000 (08/08/2014) -56807 (17/10/2014) -400000 (14/11/2014) -300000 (21/11/2014) -600000 (28/11/2014) -228000 (27/02/2015) -1659000 (06/03/2015) -2000000 (20/03/2015) -3600000 (27/03/2015) -720000 (31/03/2015)		-12463807	-2.47
	At the end of the year	8907564	1.77	8907564	1.77

Directors' Report

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Ramesh Multanchand Joshi	NIL	NIL	NIL	NIL
2.	Dinesh Nandwana	2,97,67,100	5.92	2,97,67,100	5.92
3.	Nishikant Kishanrao Hayatnagarkar	37,144	0.01	37,144	0.01
4.	Sunil Agarwal	NIL	NIL	NIL	NIL
5.	Sujata Chattopadhyay*	NIL	NIL	NIL	NIL
6.	Babulalmeena	NIL	NIL	NIL	NIL
7.	Avinash Chandra Vyas	NIL	NIL	NIL	NIL
8.	Thangavelu Sitharthan	NIL	NIL	NIL	NIL
9.	Kunnel Prem*	NIL	NIL	NIL	NIL
10	Pradeep Kumar	NIL	NIL	NIL	NIL
11	Santosh Dash	NIL	NIL	NIL	NIL
12	Subhash Singhania	NIL	NIL	NIL	NIL
13	Darshi Shailesh Shah	6000	0.00	6000	0.00

* Mr. Kunnel Prem resigned from the directorship of the Company w.e.f April 4, 2014

V. INDEBTEDNESS

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

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	47,707.44	-	-	47,707.44
ii) Interest accrued and due	68.24	-	-	68.24
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**47,775.67**	**-**	**-**	**47,775.67**
Change in Indebtedness during the financial year				
Addition				
- Term Loans	7,093.19	-	-	7,093.19
- Vehicle Loans	-	-	-	-
- Working Capital Facilities	-	-	-	-
- Interest accrued and due	103.57	-	-	103.57
- Interest accrued but not due	-	-	-	-

Directors' Report

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Reduction - Term Loans - Vehicle Loans - Working Capital Facilities - Interest accrued but not due	 - - 670.22 -	 - - - -	 - - - -	 - - 670.22 -
Net Change	**6,526.53**	**-**	**-**	**6,526.53**
Indebtedness at the end of the financial year				
i) Principal Amount	54,130.40	-	-	54,130.40
ii) Interest accrued and due	171.81	-	-	171.81
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**54,302.21**	**-**	**-**	**54,302.21**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Dinesh Nandwana	Dr. Nishikant Kishanrao Hayatnagarkar	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income Tax Act (c) Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	 65.00 - -	 17.17 - -	 82.17 - -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission -as % of profit -others, specify	 - -	 - -	 - -
5.	Others, please specify	-	-	-
	Total (A)	**65.00**	**17.17**	**82.17**
	Ceiling as per the Act	3205.73		

Directors' Report

B. Remuneration to other Directors:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Mr. Ramesh Multanchand Joshi	Mr. Sunil Agarwal	Mrs. Sujata Chattopadhyay*	Mr. Babulal Meena	Mr. Avinash Chandra Vyas*	
	Fee for attending Board / Committee Meetings	1.60	-	-	1.80	0.60	4.00
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	1.60	-	-	1.80	0.60	4.00
2	Other Non-Executive Directors	Mr. Kunnel Prem*	Mr. T. Sitharthan*				
	Fee for attending Board / Committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	**1.60**	**-**	**-**	**1.80**	**0.60**	**4.00**
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-

** Notes*
Mr. Avinash Chandra Vyas appointed as an Additional Director w.e.f. November 14, 2014
Mrs. SujataChattopadhyay appointed as an Additional Director w.e.f. March 31, 2015
Mr. Kunnel Prem ceased to be the Nominee Director of the Company w.e.f April 4, 2014
Mr. T. Sitharthan appointed as a Nominee Director of the Company w.e.f. December 4, 2014

Directors' Report

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

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross Salary Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 Value of Perquisites u/s 17(2) Income Tax Act Profits in lieu of Salary under Section 17(3) Income Tax Act, 1961	 164.43 - -	 4.72 - -	 13.35 - -	 182.50
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission -as % of profit -others, specify	 - -	 - -	 - -	 - -
5.	Others, please specify	-	-	-	-
	Total	**164.43**	**4.72**	**13.35**	**182.50**

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

On behalf of the Board

Place: Mumbai
Date : September 1, 2015

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

Corporate Governance Report 2014-15

PHILOSOPHY OF THE COMPANY ON THE CODE OF CORPORATE GOVERNANCE

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

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

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

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

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

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

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

Your Company is committed to maintain the highest standards of Corporate Governance. Your directors adhere to the stipulations set out in the listing agreements with the Stock Exchanges. A report on Corporate Governance as stipulated under clause 49 of the listing agreements forms part of Annual Report.

Your Board of Directors present the Corporate Governance Report for the year 2014-15 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on March 31,2015.

BOARD OF DIRECTORS

Composition:

The Board comprised of 8 directors. The details of the Board of Directors as on March 31, 2015 are given below:

Name	Category	Designation	Date of appointment	No. of Outside Directorship held #	Chairmanship in Committees of Boards of other companies	Membership in Committees of Boards of other companies
Mr. Dinesh Nandwana	Promoter & Executive	Managing director	28/05/1990	5	NIL	NIL
Dr. Nishikant Hayatnagarkar	Executive	Whole-time director	27/08/1999	3	NIL	NIL
Mr. Sunil Agarwal	Non Executive, Independent	Director	28/06/2002	NIL	NIL	NIL
Mr. Ramesh M. Joshi	Non Executive, Independent	Director	20/10/2006	04	NIL	NIL
Mr. B. L. Meena	Non Executive, Independent	Director	25/10/2010	NIL	NIL	NIL
Mr.Thangavelu Sitharthan *	Non Executive	Nominee director	04/12/2014	NIL	NIL	NIL
Mr.Avinash Chandra Vyas	Non Executive, Independent	Additional director	14/11/2014	NIL	NIL	NIL
Mrs.Sujata Chattopadhyay	Non Executive, Independent	Additional director	31/03/2015	05	1	2
Mr. Kunnel Prem**	Non-Executive	Nominee Director	30/09/2013	NIL	NIL	NIL

**Mr. T. Sitharthan nominated on the board of the company by the Life Insurance Corporation of India being an equity investor.*
***Mr. Kunnel Prem, Nominee director of the Company resigned w.e.f. April 4, 2014.*
 # Excludes alternate directorship and directorship in Foreign Companies, Private Companies and Companies governed by Section 8 of the Companies Act, 2013

Corporate Governance Report 2014-15

The Chairman is the Executive Director and the number of Independent / Non-Executive Directors constitutes more than 50% of the Board at any point of time. All Independent, Non-Executive Directors comply with the legal requirements of being "independent".

According to Clause 49 of the Listing Agreement with the stock exchanges, an independent director means a person other than an officer or employee of the company or its subsidiaries or any other individual having a material pecuniary relationship or transactions with the company which, in the opinion of the Board of Directors would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

BOARD MEETINGS:

As per the Listing agreement, the Board of Directors must meet at least four times in a year, with a maximum time gap of four months between any two meetings.

During the last financial year, our Board met Eight times, on May 22, 2014, July 3, 2014, July 17, 2014, September 1, 2014, November 14, 2014, December 4, 2014, February 14, 2014 and March 31, 2015. All the Board meetings were held at the Company's registered office at Mumbai, India.

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

Details of Directors being re - appointed and appointed.
One of the existing Directors who retire by rotation is proposed to be re - appointed as Director at the ensuing Annual General Meeting.

BOARD COMMITTEES:

As of March 31, 2015 your Company had Seven Board Committees. These are:

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

AUDIT COMMITTEE

Terms of reference
The terms of reference of the Audit Committee inter-alia are as follows:

(i) internal audit control systems;
(ii) scope of audit;
(iii) review of financial statements;
(iv) compliance with internal audit control systems; and
(v) all such other functions as required to be performed under the requirements of corporate governance, Companies Act, 2013 and the Equity Listing Agreements.

Name of the Director	Number of meetings held	Number of meetings attended	Attended Last AGM	Shareholding in the Company as of March 31, 2015(no. of shares)
Mr. Dinesh Nandwana	8	8	Yes	29767100
Mr. Ramesh M Joshi	8	7	Yes	NIL
Dr. Nishikant Hayatnagarkar	8	6	Yes	37144
Mr. Sunil Agarwal	8	1	Yes	NIL
Mr. B. L. Meena	8	8	Yes	NIL
Mr. Thangavelu Sitharthan	8	0	N.A.	NIL
Mr. Avinash Chandra Vyas	8	3	N.A.	NIL
Mrs. Sujata Chattopadhyay	8	N.A.	N.A.	NIL
Mr. Kunnel Prem*	8	NIL	NIL	NIL

**Mr. Kunnel Prem, Nominee director of the Company resigned w.e.f. April 4, 2014*

Corporate Governance Report 2014-15

The terms of reference stipulated by the Board to the Audit Committee as mentioned above are, as contained under Clause 49 of the Listing Agreement.

Composition

The Audit Committee of our Company (the "Audit Committee") comprises of three members, of which two-third are Independent Directors. The chairman of the Audit Committee is an Independent Director. All the members of the Audit Committee are financially literate and at least one member has accounting or related financial management expertise. The Audit Committee was last re-constituted on September 30, 2013, and its current composition is as follows:

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

Meetings & Attendance during the year

There were four meetings of the Audit Committee viz. on May 22, 2014, July 17, 2014, November 14, 2014 and February 14, 2015 and following is the table showing attendance for the same.

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

Terms of Reference of the committee include:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

Meeting Date / Member Name	Description	22.05.2014	17.07.2014	14.11.2014	14.02.2015
Mr. B. L. Meena	Chairman	Attended	Attended	Attended	Attended
Mr. Ramesh Joshi	Member	Attended	Attended	Attended	Attended
Mr. Dinesh Nandwana	Member	Attended	Attended	Attended	Attended

NOMINATION AND REMUNERATION AND COMPENSATION COMMITTEE

As per the requirements of Clause 49 of the Listing Agreement, the Company had constituted a Nomination and Remuneration and Compensation Committee. The said committee was reconstituted on March 25, 2014 and subsequently, in compliance with the requirements of Section 178 of the Companies Act, 2013, it was renamed the Nomination and Remuneration and Compensation Committee on May 22, 2014 (the "Nomination and Remuneration and Compensation Committee"). Its current composition is as follows:

- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Corporate Governance Report 2014-15

Meetings & Attendance during the year

The Committee met five times during the Financial year 2014-15 on April 4, 2014, August 27, 2014, November 11, 2014, November 26, 2014 and March 27, 2015 and following is the table showing attendance for the same.

Meeting Date / Member Name	Description	22.4.2014	27.8.2014	14.11.2014	26.11.2014	27.3.2015
Mr. B. L. Meena	Chairman	Attended	Attended	Attended	Attended	Attended
Mr. Sunil Agarwal	Member	Attended	Attended	Attended	Attended	Attended
Mr. Ramesh Joshi	Member	Attended	Attended	Attended	Attended	Attended

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

Executive Directors are paid remuneration within the limits envisaged under Part II Schedule V of Companies Act 2013.

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

The details of remuneration paid to Executive Directors during the financial year 2014-2015 are as under:

Particulars	Mr. Dinesh Nandwana (Chairman & Managing Director)	Dr. Nishikant Hayatnagarkar (Whole Time Director)
Salary (₹)	65.00 Lacs	17.17 Lacs
Allowances and perquisites	NIL	NIL

Non-Executive Director:

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the requirement of Clause 49 of the Listing Agreement, the Company had, inter alia, for redressing shareholder and investor complaints, constituted a shareholders'/investors' grievance committee. The said committee was reconstituted on September 30, 2013 and subsequently, in compliance with the requirements of Section 178 of the Companies Act, 2013, it was renamed the Stakeholder Relationship Committee (the "Stakeholder Relationship Committee") on May 22, 2014. Its current composition is as follows:

The current composition of the Committee is as follows:

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

The Terms of Reference of the committee include:

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

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

Corporate Governance Report 2014-15

Ms. Darshi Shah, Company Secretary is the Compliance Officer for complying with the requirements of Companies Act, Securities Laws and Listing Agreements with the concerned Stock Exchanges.

COMPLAINTS:

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

The company had no transfers pending at the close of 31.03.2015.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As per the requirements of Clause 49 of the Listing Agreement and Section 135 of the Companies Act, 2013, the Company has, for formulating and recommending to the Board, a corporate social responsibility policy and monitoring the same, constituted a Corporate Social Responsibility Committee vide a Board resolution dated April 1, 2014 (the "CSR Committee").

The current composition on the committee is as follows:

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

All the members attended all the meetings of the Committee.

CORPORATE GOVERNANCE COMMITTEE:

As per Clause 49 of the Listing Agreement, the company is required to constitute a committee if the board of directors of the company known as Corporate Governance Committee to deal with the matters related to Corporate Governance and requirements as applicable to the company under the Corporate Governance and Listing Agreement requirements. The current composition on the committee is as follows:

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

All the members attended all the meetings of the Committee.

RESOURCE COMMITTEE

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

The current composition on the committee is as follows:

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

All the members attended all the meetings of the Committee.

RISK MANAGEMENT COMMIITTEE

The Board of Directors of the Company at its meeting held on March 31, 2015 constituted a Risk Management Committee of the Board comprising of Mr. Dinesh Nandwana as its Chairman and Mr. Santosh Dash and Mr. Avinash Vyas as its other Members.

MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on August 6, 2014 to review the performance of Non-Independent Directors, Chairman and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

Corporate Governance Report 2014-15

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees may report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All woman employees (permanent, contractual, temporary and trainee) are covered under this Policy. The following is a summary of Sexual Harassment complaints received and disposed off during the year:

a) No. of Complaints received: 1
b) No. of Complaints disposed off: 1

Annual General Meeting:

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

Date	Venue	Time	No. of Special Resolutions
September 30,2014	Victoria Suite,Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai-400 099	12.30 PM	4
September 10, 2013	Chancellor Suite, Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai-400 099	11.00 AM	3
July 31, 2012	Chancellor Suite, Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai-400 099	11.00 AM	NIL

Resolution passed through Postal Ballot:

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

Sr. No	Description
1.	Special Resolution u/s 62(1)(b) of the Companies Act, 2013, for issue of equity shares to the eligible employee of the Company and to the employees of its subsidiary Companies under the Employee Stock Option Scheme, 2014 of the Company.
2.	Special Resolution u/s 62(1)(c) of the Companies Act, 2013, for issue of Securities to the Qualified Institutional Buyers.

Dr. S. K. Jain Practicing Company Secretary, who was appointed as Scrutinizer for conducting the Postal Ballot process in fair and transparent manner submitted his Report to the Board of Directors of the Company on May 23, 2014 and August 2, 2014. Based on the said Reports, the Chairman of the Company declared Result of the Postal Ballot.

Procedure for Postal Ballot

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

Proposal for Postal Ballot

At present there is no proposal for Postal Ballot

DISCLOSURES

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

There is no material transaction with any related party, which may have potential conflict with the interest of the company at large.

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

Corporate Governance Report 2014-15

MEANS OF COMMUNICATION:

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

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

The next Annual General Meeting of the company will be held on Tuesday, September 29, 2015 at 11:00 a.m. at Chancellor Suite, Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai - 400 099.

Financial Calendar for 2015-16

Tentative Schedule	Likely Board Meeting Schedule
Financial reporting for the quarter ending June 30, 2015	On or before August 14, 2015
Financial reporting for half year ended September 30, 2015	On or before November 14, 2015
Financial reporting for the quarter ending December 31, 2015	On or before February 14, 2016
Financial reporting for the year ended March 31, 2016	On or before May 30, 2016
Annual General Meeting for the year ending March 31, 2016	On or before September 30, 2016

Book Closure;

The Company's Register of Members and Share transfer books shall remain closed from Friday, September 25, 2015 to Tuesday, September 29, 2015 (both days inclusive).

Dividend payment;

i. **Payment date:**
Dividend, when declared at the AGM, will be paid before October 29, 2015.

ii. **Payment Entitlement:**
Dividend will be paid to those members whose name would appear;

a. For shares in demat form: As beneficial owner as at the end of the business hours on September 24, 2015 as per the list to be provided by the Depositories to the Company.

b. For shares in physical form: As a member in the Register of Member of the Company as on September 24, 2015.

Listing on Stock Exchanges:
Your company's securities are listed on the following stock exchanges.

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

Listing fees for the year 2014-15 have been paid to the Indian Stock Exchanges.

Stock Code

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

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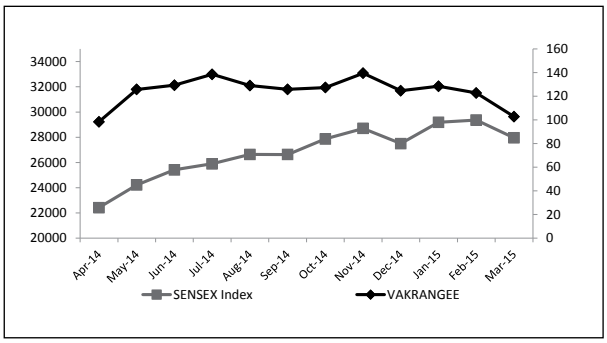
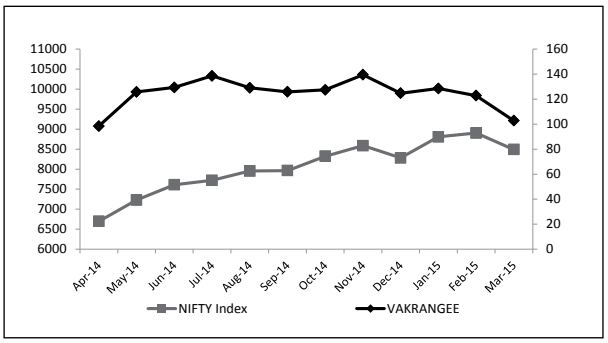
Stock Market Data relating to Equity Shares listed in India:

Month (2013-15)	Price on BSE during each month (in ₹)		Volume traded	Price on NSE during each month (in ₹)		Volume traded
	High	Low		High	Low	
April	101.45	93.75	469754867	101.90	94.50	4519120
May	125.3	96.75	1043152996	126.25	96.75	8185486
June	138.95	124.7	900210780	138.7	114.9	9005060
July	145.6	124	1473463526	146.5	124	13546119
August	139.7	123.4	873456240	145	123.20	11050352
September	132.9	121.55	1199592659	133	121.20	18069059
October	131	122.4	776555466	131.70	122.10	8865280
November	144.95	122	820812258	145	122.20	7144657
December	154	107.85	1281992277	148.95	107.45	13293125
January	132.4	123	754130908	138	122.15	9046509
February	134.15	119.1	742674474	134	119.45	9178903
March	125.4	94.1	1151451887	125.60	94.25	15434121

Stock Performance of Vakrangee Limited v/s. Sensex Index



Stock Performance of Vakrangee Limited v/s. Nifty Index



Registrar and Share Transfer Agent:

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

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

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Distribution of shareholding: - Face Value ₹ 1/- per Share
As on March 31, 2015

Category (No. of Shares)	No. of shareholders	% of shareholders	No. of shares	% total equity
0-5000	7169	59.6274	1060215	0.2103
5001-10000	1185	9.8561	1024042	0.2031
10001-20000	1566	13.0250	2867085	0.5687
20001-30000	286	2.3788	758145	0.1504
30001-40000	524	4.3583	2038290	0.4043
40001-50000	161	1.3391	772669	0.1533
50001-100000	466	3.8759	3590483	0.7122
100001-to above	666	5.5394	491371311	97.4639
Total	**12023**		**503482240**	**99.8661**

Category of Shareholders:

	Category	March 31, 2015		March 31, 2014	
		No. of shares held	% of Holding	No. of shares held	% of Holding
(A)	**Shareholding of Promoter and Promoter Group**				
(a)	Individuals/ Hindu Undivided Family	29865100	5.93	29865100	5.93
(b)	Bodies Corporate	165311414	32.83	165311414	32.83
	Total(A)	**195176514**	**38.77**	**195176514**	**38.77**
(B)	**Public Shareholding**				
B1	**Institutions**				
(a)	Financial Institutions / Banks	38934480	7.73	29373021	5.83
(b)	Foreign Institutional Investors	16753348	3.33	8598828	1.71
	Sub-Total (B)(1)	**55687828**	**11.06**	**37971849**	**7.54**
B 2	**Non-institutions**				
(a)	Bodies Corporate	162337027	32.24	172136723	34.19
b(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh	19655056	3.90	20199619	4.01
b(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	56430707	11.21	65702418	13.05
(c)	Clearing members	6739573	1.34	6190204	1.23
(d)	Non Residents Indians(NRI)	7417804	1.47	6104913	1.21
(e)	Overseas Bodies Corporates	37731	0.01	0	0
	Sub-Total (B)(2)	**252617898**	**50.17**	**270333877**	**53.69**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**308305726**	**61.23**	**308305726**	**61.23**
	GRAND TOTAL (A)+(B)	**503482240**	**100**	**503482240**	**100**

Corporate Governance Report 2014-15

Dematerialization of shares and liquidity:

Over 99.51% of outstanding equity has been dematerialized upto March 31, 2015.

The address of correspondence:

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

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

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

Vakrangee Ltd's Code of Conduct:

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

Vakrangee Ltd's Code of Insider Trading:

Vakrangee Ltd has Code of Conduct for Prevention of Insider Trading ('VL Code') in the shares of the Company and same is available on the Company's corporate website.

Auditors' Certificate on Corporate Governance

To the members of **Vakrangee Limited,**

We have examined the Compliance of the conditions of Corporate Governance procedures implemented by Vakrangee Limited, for the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanation given to us, and the representations made by the Directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

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

Arun Poddar
Partner
Mem. No. : 134572

Place : Mumbai
Date : September 1, 2015

CEO / CFO Certificate

To the Board of Directors of Vakrangee Limited

Dear Sirs,

Sub: CEO / CFO Certificate
(Issued in accordance with provisions of Clause 49 of the Listing Agreement)

I have reviewed the financial statements, read with cash flow statement of Vakrangee Limited for the year ended March 31, 2015 and that to the best of my knowledge and belief, I state that;

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

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

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

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

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

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

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

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

Yours sincerely,

Dinesh Nandwana
Managing Director & CEO
Vakrangee Limited

Place: Mumbai
Date: August 28, 2015

Independent Auditor's Report

To the Members of Vakrangee Limited,
(Formerly known as Vakrangee Softwares Limited)

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Vakrangee Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

8. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

Independent Auditor's Report

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the accompanying standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No.21 to the financial statements;

(ii) The Company has long-term contracts other than derivative contracts as at March 31,2015 for which there were no material foreseeable losses;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, during the year ended March 31, 2015.

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

Arun Poddar
Partner
Mem. No. : 134572

Place: Mumbai
Date: May 30, 2015

Annexure to Auditor's Report

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

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

ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. (a) The Company has granted unsecured loan, to two companiescovered in the register maintained under Section 189 of the Companies Act. The company has not granted any secured / unsecuredloans to firms or other parties covered in the register maintainedunder Section 189 of the Companies Act

(b) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated,and are also regular in payment of interest as applicable.

(c) In respect of the aforesaid loans, in the cases where the overdue amount is more than Rupees One Lakh, in our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section(1) of section 148 of the Companies Act.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, and duty of excise or value added tax or cess which have not been deposited on account of any dispute.

(c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder during the year.

viii. The Company has no accumulated lossesas at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.

ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.

xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across anyinstance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

Arun Poddar
Partner
Mem. No. : 134572

Place: Mumbai
Date: May 30, 2015

Balance Sheet
as at March 31, 2015

(₹ in Lacs)

Particulars			Note No.	As at March 31, 2015		As at March 31, 2014	
I	**Equity & Liabilities**						
	1.	**Shareholders' funds**					
	(a)	Share Capital	2	5,034.82		5,034.82	
	(b)	Reserves and Surplus	3	93,118.10		65,245.86	
	(c)	Money received against Share Warrant	4	25,000.00		10,215.05	
					123,152.92		**80,495.73**
	2.	**Share application money pending allotment**			**-**		**-**
	3.	**Non - Current Liabilities**					
	(a)	Long -Term Borrowings	5	3,740.60		8,621.02	
	(b)	Deferred Tax Liabilities (Net)	6	4,234.40		7,092.57	
	(c)	Other Long - Term Liabilities	7	157.17		332.06	
					8,132.17		**16,045.64**
	4.	**Current Liabilities**					
	(a)	Short - Term Borrowings	8	29,968.80		30,639.02	
	(b)	Trade Payables	9	21,079.56		25,196.99	
	(c)	Other Current Liabilities	10	7,755.88		9,661.57	
	(d)	Short - Term Provisions	11	13,654.35		10,759.44	
					72,458.59		**76,257.02**
	TOTAL				**203,743.68**		**172,798.39**
II	**Assets**						
	1.	**Non - Current Assets**					
	(a)	Fixed Assets	12				
		(i) Tangible Assets		27,190.44		43,498.02	
		(ii) Intangible Assets		-		-	
		(iii) Capital Work-in-Progress		1,009.11		4,811.34	
	(b)	Non - Current Investments	13	281.00		376.00	
	(c)	Long - Term Loans and Advances	14	480.48		5,530.70	
	(d)	Other Non - Current Assets	15	214.51		565.78	
					29,175.54		**54,781.84**
	2.	**Current Assets**					
	(a)	Inventories	16	13,352.59		13,060.51	
	(b)	Trade Receivables	17	122,164.09		79,195.65	
	(c)	Cash and Cash equivalents	18	3,677.83		2,921.37	
	(d)	Short - Term Loans and Advances	19	4,209.91		3,639.92	
	(e)	Other Current Assets	20	31,163.73		19,199.10	
					174,568.14		**118,016.55**
	TOTAL				**203,743.68**		**172,798.39**
	Significant Accounting Policies		**1**				

As per our report of even date

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

Arun Poddar
Partner
Mem. No. 134572

Place : Mumbai
Date : May 30, 2015

For & on behalf of the Board

Dinesh Nandwana
Chairman & Managing Director
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Darshi Shah
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2015

(₹ in Lacs)

	Particulars	Note No.	For the year ended March 31, 2015		For the year ended March 31, 2014	
I	Revenue from Operations	23	277,537.20		196,539.18	
II	Other Income	24	956.31		924.03	
III	**Total Revenue (I + II)**			**278,493.51**		**197,463.21**
IV	**Expenses**					
	Operating Expenses	25	201,908.15		135,602.27	
	Changes in Inventories	26	(65.29)		1,162.89	
	Employee Benefits Expenses	27	1,957.41		2,621.70	
	Finance Costs	28	7,491.91		7,787.54	
	Depreciation and Amortization Expense	12	16,434.59		18,031.84	
	Other Expenses	29	1,956.30		1,660.87	
	Total Expenses			**229,683.07**		**166,867.11**
V	**Profit before Exceptional and Extraordinary Items and Tax (III-IV)**			**48,810.44**		**30,596.10**
VI	Exceptional Items			-		-
VII	**Profit before Extraordinary Items and Tax (V-VI)**			**48,810.44**		**30,596.10**
VIII	Extraordinary Items			-		-
IX	**Profit Before Tax (VII-VIII)**			**48,810.44**		**30,596.10**
X	**Tax Expense:**					
	(a) Current Tax		18,248.01		12,294.81	
	(b) Deferred Tax		(1,495.66)		(1,177.48)	
	(c) Tax of Earlier Year		0.79		81.99	
	(d) MAT Credit Entitlement		-		(503.25)	
				16,753.14		**10,696.07**
XI	**Profit for the Period from Continuing Operations (IX - X)**			**32,057.30**		**19,900.03**
XII	Profit/(Loss) for the Period from Discontinuing Operations			**-**		**-**
XIII	Tax Expense of Discontinuing Operations			**-**		**-**
XIV	**Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)**			**-**		**-**
XV	**Profit for the Period (XI + XIV)**			**32,057.30**		**19,900.03**
XVI	**No. of equity shares for computing EPS**					
	(1) Basic			503,482,240		502,979,292
	(2) Diluted			531,103,578		509,232,604
XVII	**Earnings Per Equity Share (Face Value ₹ 1/- Per Share):**	30				
	(1) Basic (₹)			6.37		3.96
	(2) Diluted (₹)			6.04		3.91
	Significant Accounting Policies	1				

As per our report of even date

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

Arun Poddar
Partner
Mem. No. 134572

Place : Mumbai
Date : May 30, 2015

For & on behalf of the Board

Dinesh Nandwana
Chairman & Managing Director
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Darshi Shah
Company Secretary

Cash Flow Statement
for the year ended March 31, 2015

(₹ in Lacs)

Sr. No.	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
I	**Cash flow from operating activities**		
	Profit before tax from continuing operations	48,810.45	30,596.10
	Profit before tax from discontinuing operations	-	-
	Profit before tax	**48,810.45**	**30,596.10**
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation/amortization on continuing operation	16,434.59	18,031.84
	Depreciation/amortization on discontinuing operation	-	-
	Loss/(profit) on sale of fixed assets	(18.41)	2.88
	Employee stock compensation expense	9.12	227.70
	Net gain on sale of non-current investments	(66.24)	(0.33)
	Interest expense	6,767.19	7,178.35
	Interest income	(670.41)	(554.53)
	Dividend income	-	(0.97)
	Operating Profit before working capital changes	**71266.29**	**55481.04**
	Movements in working capital :		
	Increase / (decrease) in trade payables	(4,117.43)	7,717.83
	Increase / (decrease) in short-term provisions	(1,204.53)	6,309.34
	Increase / (decrease) in other current liabilities	(1,905.69)	(2,567.65)
	Increase / (decrease) in other long-term liabilities	(174.89)	(451.67)
	Decrease / (increase) in trade receivables	(42,968.44)	(13,058.70)
	Decrease / (increase) in inventories	(292.08)	(11,074.69)
	Decrease / (increase) in long-term loans and advances	5,050.22	(5,038.12)
	Decrease / (increase) in short-term loans and advances	(569.99)	(247.34)
	Decrease / (increase) in other current assets	(11,964.63)	(4,148.73)
	Decrease / (increase) in other non-current assets	3 51.27	105.02
	Cash generated from /(used in) operations	**13,470.12**	**33,026.33**
	Direct taxes paid (net of refunds)	(14,187.11)	(9,724.61)
	Net cash flow from / used in operating activities (A)	**(716.99)**	**23,301.73**
II	**Cash flow from investing activities**		
	Purchase of fixed assets, including intangible assets, CWIP and capital advances	(436.11)	(24,514.48)
	Proceeds from sale of fixed assets	121.17	7.63
	Proceeds of non-current investments	236.24	841.63
	Purchase of non-current investments	(75.00)	(50.00)
	Interest received	670.41	554.53
	Dividends received	-	0.97
	Net cash flow from/(used in) investing activities (B)	**516.71**	**(23,159.72)**

(₹ in Lacs)

Sr. No.	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
III	**Cash flow from financing activities**		
	Proceeds from issuance of share capital	-	9.83
	Proceeds from Warrant & Share Application Money	14,784.95	10,215.05
	Proceeds from securities premium on issuance of share capital	-	62.90
	Proceeds from long-term borrowings	(4,880.42)	(5,947.52)
	Proceeds from short-term borrowings	(670.22)	3,684.04
	Interest paid	(6,767.19)	(7,178.35)
	Dividends paid on equity shares	(1,258.71)	(1,005.93)
	Tax on equity dividend paid	(251.67)	(182.93)
	Net cash flow from/(used in) in financing activities (C)	**956.74**	**(342.91)**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	756.46	(200.91)
	Cash and cash equivalents at the beginning of the year	2,921.37	3,122.28
	Cash and cash equivalents at the end of the year	**3,677.83**	**2,921.37**
	Components of cash and cash equivalents		
	Cash on hand	5.47	4.11
	Cheques/ drafts on hand	-	-
	With banks - on current account	534.01	241.01
	on deposit account	3,104.53	2,648.63
	unpaid dividend accounts*	33.82	27.62
	Total cash and cash equivalents (Note 18)	**3,677.83**	**2,921.37**

The Company can utilise these balances only toward settlement of the respective unpaid dividend.

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

For & on behalf of the Board

Arun Poddar
Partner
Mem. No. 134572

Dinesh Nandwana
Chairman & Managing Director
DIN : 00062532

Darshi Shah
Company Secretary

Place : Mumbai
Date : May 30, 2015

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Notes to Financial Statements
as on March 31, 2015

Note 1 - Significant Accounting Policies

Vakrangee Limited ("the Company") is a public company domiciled in India and incorporated in May 1990 under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. During the previous year, the Company has changed its name from "Vakrangee Softwares Limited" to "Vakrangee Limited" w.e.f. October 1, 2013 and has received the fresh certificate of incorporation from the Registrar of Companies to this effect.

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

A. Basis of Accounting

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

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

B. Use of Estimates

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

C. Recognition of Income

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered.

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

i. Insurance Claim

ii. Dividend Income, if any.

D. Fixed Assets and Intangible Assets

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

Notes to Financial Statements
as on March 31, 2015

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

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

E. Impairment of Fixed Assets

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

F. Depreciation / Amortisation

i. Till the end of previous financial year i.e. upto March 31, 2014, depreciation / amortisation was provided on the Straight Line Method (SLM) unless otherwise mentioned, pro-rata to the period of use of assets and is based on management's estimate of useful lives of the fixed assets or at rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher:

Description of Asset	Rate of Depreciation
Building	1.63%
Computers including Computer Peripherals & Software	16.21%
Office Equipments	4.75%
Furniture & Fixture	6.33%
Motor Car	9.50%
Plant & Machinery	4.75%
Project Assets*	25.00% – 33.33%
Leased Project Assets*	33.33%

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

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

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

Notes to Financial Statements
as on March 31, 2015

iii. As per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013, the carrying amount of the existing assets as on April 1, 2014 :
- will be depreciated over the remaining useful life of the asset as per this Schedule
- in cases where the remaining useful life of an asset is nil, the residual value has been transferred to the retained earnings.

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

G. Investments

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

H. Valuation of inventories

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

I. Lease

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

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

J. Miscellaneous Expenditure

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

K. Foreign Currency Transactions

i) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.

ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Profit and Loss Account.

iii) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Profit and Loss Account.

L. Treatment of Contingent Liabilities

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

M. Accounting for Taxation of Income

Current taxes

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

Notes to Financial Statements
as on March 31, 2015

Deferred taxes

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

N. Retirement benefits of the Employee:

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

- **Gratuity**

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

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

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

- **Compensated Absences**

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

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

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

As per our report of even date attached.

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

For & on behalf of the Board

Arun Poddar
Partner
Mem. No. 134572

Dinesh Nandwana
Chairman & Managing Director
DIN : 00062532

Darshi Shah
Company Secretary

Place : Mumbai
Date : May 30, 2015

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Notes to Financial Statements
as on March 31, 2015

Note 2 - Share Capital

(₹ in Lacs)

(a)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised :		
75,00,00,000 (Previous Year 75,00,00,000) Equity Shares of ₹ 1/- each	7,500.00	7,500.00
TOTAL	**7,500.00**	**7,500.00**
Issued, Subscribed and Paid-up :		
50,34,82,240 (Previous Year 50,34,82,240) Equity Shares of ₹ 1/- each fully paid up	5,034.82	5,034.82
TOTAL	**5,034.82**	**5,034.82**

(b) **Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.**

i) The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended 31st March 2015, the amount of per share dividend recognised as distributions to Equity Shareholders is ₹ 0.25 per share of ₹ 1/- each. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

Particulars	As at March 31, 2015	As at March 31, 2014
No. of shares at the beginning of the year	503,482,240	502,499,320
Add: Issue of Shares during the year		
Conversion of ESOPs	-	982,920
Conversion of Share Warrants	-	-
	-	982,920
No. of shares at the end of the year	**503,482,240**	**503,482,240**

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

Particulars	As at March 31, 2015	As at March 31, 2014
- 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	250,239,790	250,239,790
- No. of shares bought back	-	-

The company has issued total 6,158,940 shares during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP scheme.

(e) **Details of Promoters' holding more than 5% shares in the company**

No. of Shares held by	As at March 31, 2015		As at March 31, 2014	
	Nos.	%	Nos.	%
Vakrangee Holdings Private Limited	125,375,194	24.90	125,375,194	24.90
Dinesh Nandwana	29,767,100	5.91	29,767,100	5.91
Vakrangee Capital Private Limited	39,936,220	7.93	39,936,220	7.93

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

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

Therefore, all the Grants issued upto previous year, i.e. Grant 1 to Grant 6, & the prices at which the options (after effecting modification, if any) to be exercised as follows:

Grant No. & Date of Grant	Option Granted	
	No. of options (Equity shares of Face Value ₹ 1/- each)	Exercise Price (₹)
Grant 1 on July 31, 2009	5,414,000	3.10
Grant 2 on December 30, 2009	412,000	3.39
Grant 3 on May 18, 2010	3,124,000	7.33
Grant 4 on November 24, 2010	1,735,000	7.50
Grant 5 on August 12, 2011	1,297,000	7.50
Grant 6A on July 20, 2012	1,190,000	20.00
Grant 6B on July 20, 2012	2,000,000	10.00

On 26th November, 2014, the company granted 10,69,100 options ("Grant 7") in the "ESOP Scheme 2014", convertible into equity shares of ₹ 1/- each exercisable at ₹ 64.70 respectively.

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

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

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

The stock compensation cost is computed under the intrinsic value method and amortized on a straight line basis over the total vesting period of four years & six years accordingly. For the year ended March 31, 2015, the company has recorded stock compensation expense of ₹ 9.12 Lacs (net) (Previous year ₹ 227.70 Lacs). During the year, the Company has reversed the deferred employee compensation expenses amounting ₹ 247.61 Lacs (Previous Year ₹ 79.32 Lacs) towards 55,42,900 options lapsed out of various Grants.

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

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The activity in the ESOP Scheme during the year ended March 2015 is set out as below :

Particulars	As at March 31, 2015	As at March 31, 2014
The ESOP Scheme		
Options outstanding, beginning of the period	7,920,060	9,995,980
Add : Granted	1,069,100	-
Less: Exercised	-	982,920
Less: Lapsed	5,542,900	1,093,000
Options outstanding, end of the period	**3,446,260**	**7,920,060**

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

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

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

The Company has issued 250.00 lacs fully convertible warrants to M/s. Vakrangee Capital Private Limited at value of ₹ 100/- per warrant in the previous year. The warrants issued are convertible into equal no. of equity shares having face value of ₹ 1/- with premium of ₹ 99/- per share. An amount equivalent to 40.56% of the total consideration i.e. ₹ 101.40 Cr was received before the issuance of the warrants. The balance amount towards the warrant application money ₹ 0.75 Cr was received in previous year and an amount of ₹ 147.85 Cr has been received during the year. The warrants shall be convertible any time from the date of allotment but before the expiry of 18 months from the date of allotment.

Note 3 - Reserves & Surplus

(₹ in Lacs)

	Particulars	As at March 31, 2015		As at March 31, 2014	
(i)	**Securities Premium Account**				
	As per last Balance Sheet	16,997.11		16,894.33	
	Add: On shares issued during the year	-		62.90	
	Add : Transferred from Shares Options outstanding account	-		39.88	
	Less: Capitalised on issue of shares	-		-	
	Less: Share issue expenses	-		-	
			16,997.11		16,997.11
(ii)	**a) Shares Options Outstanding Account**				
	As per last Balance Sheet	959.41		1,078.62	
	Add : On further grant of options	691.71		-	
	Less: Reversal due to lapsation of options	(402.71)		(79.32)	
	Less: Transferred to Securities Premium Account	-		(39.88)	
			1,248.41		959.42

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as on March 31, 2015

b) Deferred Employee Compensation Expense				
As per last Balance Sheet	(389.36)		(696.39)	
Add : On further grant of options	(691.71)		-	
Less : Amortised during the year	411.82		307.02	
		(669.25)		(389.37)
(iii) General Reserve				
As per last Balance Sheet	4,585.95		2,595.95	
Add: Transferred from Profit and Loss Account	3,205.73		1,990.00	
Less: Transferred to Profit and Loss Account	-		-	
		7,791.68		4,585.95
(iv) Surplus in the Profit & Loss Account				
As per last Balance Sheet	43,092.76		26,656.44	
Add: Profit for the year	32,057.30		19,900.03	
Amount available for appropriations	75,150.06		46,556.47	
Appropriations:				
Add: Transferred from reserves	-		-	
Less : Amounts transferred from block of Fixed Assets (net of taxes) (Refer Note I below)	(2,646.06)		-	
Less: Transferred to general reserve	(3,205.73)		(1,990.00)	
Proposed dividend	(1,258.71)		(1,258.71)	
Corporate Dividend Tax	(251.67)		(213.92)	
Short Provision for Dividend of previous year	-		(0.93)	
Short Provision for Dividend Tax Payable of previous year	(37.75)		(0.16)	
	(7,399.91)	67,750.15	(3,463.72)	43,092.75
TOTAL		**93,118.10**		**65,245.86**

Note I : With the applicability of Companies Act, 2013 with effect from April 1, 2014, and as per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013, the carrying amount of the existing assets as on April 1, 2014 where the remaining useful life of an asset is nil, the residual value has been transferred to the retained earnings. The block-wise break up of the amounts transferred are as follows :

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

The tax impact amounting to ₹ 13,62,51,290/- on the above amounts has been reduced from the amounts transferred from block of fixed assets.

Note 4- Money Received against Share Warrant (₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Warrant Application money	25,000.00	10,215.05
TOTAL	**25,000.00**	10,215.05

Notes to Financial Statements
as on March 31, 2015

Note :
The Company has issued 250.00 lacs fully convertible warrants to M/s. Vakrangee Capital Private Limited at ₹ 100/- per warrant in the previous year. The warrants issued are convertible into equal no. of equity shares having face value of ₹ 1/- with premium of ₹ 99/- per share. Amount payable at time of issue is 40.56% i.e. ₹ 101.40 Cr, and rest at the time of conversion of warrants, conversion can happen anytime from the date of allotment but before the expiry of 18 months from the date of allotment. Convertible warrants are subject to lock-in-period of three years from date of allotment of the equity shares or such reduced period as may be permitted under the SEBI Issue of Capital & Disclosure Requirements (ICDR) Regulations, 2009 as amended time to time.

Note 5 - Long-Term Borrowings

(₹ in Lacs)

(a)	Particulars		As at March 31, 2015		As at March 31, 2014
	(A) Secured Loans				
	(i) Term Loans				
	- From Banks	3,740.60		7,402.66	
	- From Others	-	3,740.60	1,200.00	8,602.66
	(ii) Long-term maturities of finance lease obligations		-		18.36
	(iii) Deposits		-		-
	(A)		3,740.60		**8,621.02**
	(B) Unsecured Loans				
	(i) Term Loans				
	- From Bank	-		-	
	- From Others	-	-	-	-
	(iii) Deposits		-		-
	(B)		-		-
	TOTAL (A + B)		**3,740.60**		**8,621.02**

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

i) Term Loan from Banks :

1. The Company has entered into a Common Loan Agreement amounting to ₹ 225.00 Crores sanctioned by nationalised and private banks.

   The initial interest rate in respect of all the lenders shall be 13% p.a. payable with monthly rests irrespective of the individual interest rates mentioned in respective lenders' sanction letters, subject to further change in Base Rate till date of documentation. The highest rate of interest of any lender shall be applicable and payable by the Company to all the lenders. The interest spread reset shall be done every 2 years from the date of first disbursement. The loan is to be repaid in 14 unequal quarterly installments commencing after moratorium period of six months from the date of first disbursement / LC opening. First installment shall be due at the end of six months, thereby total tenor of the loan to be 45 months.

2. The Company has taken a term loan of ₹ 25.00 Crores during the previous year. Present rate of interest is 12.45% p.a. The loan is to be repaid in 16 quarterly installments of ₹ 1.56 Crore starting from availability-cum-moratorium period of 15 months from the date of first disbursement, thereby total tenor of the loan will be 63 months.

3. The Company has taken a term loan in the form of External Commercial Borrowings (ECBs) of USD 10 Million. The borrowings are made at an interest rate equal to the sum of LIBOR and the Margin as specified in the Term Loan Facility Agreement. The payment of interest to be made quarterly. Present rate of interest is 3.561% p.a. The loan is to be repaid in 12 quarterly installments starting from June 30, 2014, with first 11 installments in equal amounts & the amount of the last i.e. twelfth installment being the balance of principal pending for repayment, thereby total tenor of the loan to be five years.

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"The Company has entered into a Cross Currency & Interest Rate Swap facility for hedging of the ECB repayments (principal and interest). By way of this swap facility, the rate of interest has been fixed at 9.62% p.a. for complete tenor of the term loan. The spot reference rate for repayment of the said loan has been fixed at ₹ 56.08 for 1 USD.

The bank has sanctioned Loan Equivalent Value (LEV) of ₹ 6.493 Cr under currency swap facility. Negative Mark-to-Market threshold limit for margin call has been fixed at ₹ 5.00 Cr.
In case, the net payables exceed the exposure, the Bank has the right to call for additional deposit margin forthwith to maintain the exposure within the threshold limit. The Company shall deposit cash collateral as per Bank's instructions, if negative MTM exceeds ₹ 5.00 Cr.

ii) Term Loan from NBFC, carries an interest rate equal to the sum of Reference Benchmark rate and the Interest spread as specified in the Loan agreement. Present rate of interest is 13% p.a. The interest payment to be made monthly. Principal repayment shall be in monthly equal installments for 36 months from the date of drawdown.

iii) Obligation under finance lease are repayable in 36 monthly equal installments. These obligations carry an interest rate of 14.00% p.a.

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

i) Term Loans from Banks (₹ 225.00 Cr under consortium) :

1. First pari-passu charge on entire UID kits purchased out of the term loan.
2. Second parri-passu charge on current assets of the Company.
3. Second parri-passu charge on moveable assets of the Company.
4. Second parri-passu charge through mortgage on the office premises of the Company, situated at Marol Co-Operative Industrial Society & Hind Saurashtra Industries Co-Operative Society Limited, Marol, Andheri (East), Mumbai.
5. Second pari passu charge on the assets financed through ECB facility.
6. Lien on Fixed Deposit amounting to ₹ 3.50 Crores held with the Banks.
7. Personal Guarantee of Mr. Dinesh Nandwana, Chairman & Managing Director of the Company.

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

1. First pari-passu charge by way of hypothecation on micro ATM, Financial Inclusion (FI) kits and assets purchased out of the said rupee term loan.
2. Second pari-passu charge on all the present and future current assets of the Company.
3. First charge on the designated bank account through which all the revenues and receivables of all the FI centres will be routed.
4. First charge on the Debt Service Reserve account (DSRA) and any other bank account of the company with respect to proposed FI project.
5. Second pari-passu charge on the movable fixed assets of the company (present & future), except micro ATMs and other FI kits.
6. Second parri-passu charge through mortgage on the office premises of the Company, situated at Marol Co-Operative Industrial Society & Hind Saurashtra Industries Co-Operative Society Limited, Marol, Andheri (East), Mumbai.
7. Second pari-passu charge on office premise of Vakrangee Technologies Limited, situated at Marol Co-Operative Industrial Society, Marol, Andheri (East), Mumbai.
8. Second pari-passu charge on property situated at Deer Park, New Delhi.
9. Personal Guarantee of Mr. Dinesh Nandwana, Chairman & Managing Director of the Company & Corporate Guarantee of Vakrangee Technologies Limited.

iii) Term Loans from Banks - External Commercial Borrowings (ECB) :

1. First charge on all moveable and immoveable fixed assets financed out of the term loan, with a minimum asset cover ratio of 1.33 times.

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2. Second parri-passu charge on all assets of the Company excluding those financed through this term loan.
3. Second pari passu charge on the UID kits procured from existing term loans availed from banks.
4. Personal Guarantee of Mr. Dinesh Nandwana, Chairman & Managing Director of the Company.

iv) Term Loans from NBFC :

1. First pari-passu charge on all present and future moveable fixed assets of the Company excluding, UID kits financed by existing term from banks & assets financed from ECB facility.
2. First pari passu charge on all the immovable properties of the company acquired after March 31, 2011
3. First parri-passu charge through mortgage on the office premises of the Company, situated at Marol Co-Operative Industrial Society & Hind Saurashtra Industries Co-Operative Society Limited, Marol, Andheri (East), Mumbai & on the office premises of the Company situated at Chandigarh.
4. Second pari-passu charge on all present and future current assets.
5. Second pari-passu charge on UID kits financed by existing term loans.
6. Second pari passu charge on the assets financed through ECB facility.
7. Personal Guarantee of Mr. Dinesh Nandwana, Chairman & Managing Director of the Company.

v) Finance Lease facility :
Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

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

All the term loans amounting to ₹ 3,740.60 lakhs (P. Y. ₹ 8,602.66 lakhs) guaranteed by Mr. Dinesh Nandwana, Chairman and Managing Director of the Company.

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

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

Note 6 - Deferred Tax Liabilities (Net)

(₹ in Lacs)

Particulars		As at March 31, 2015		As at March 31, 2014
Liabilities				
(i) On account of difference in depreciation on Fixed Assets	4,249.79		7,106.00	
(ii) Provision for Leave Encashment	-			
(ii) Timing differences on Tax Provisions	-		-	
(A)		4,249.79		7,106.00
Assets				
(i) Provision for Leave Encashment	15.39		13.43	
(ii) Loss on sale of FA	-			
(ii) Timing differences on Tax Provisions	-		-	
(B)		15.39		13.43
TOTAL (A - B)		**4,234.40**		**7,092.57**

Note : The tax impact of ₹ 13,62,51,290/- on the amount of ₹ 40,08,56,988/- transferred from the block of fixed assets to retained earnings (Refer Note 3), as per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013, has been net off from the amounts so transferred to the retained earnings, and has been reduced from the opening deferred tax liablities.

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Note 7 - Other Long-Term Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade payables	157.17	332.05
Others :	-	-
TOTAL	**157.17**	**332.05**

Note 8 - Short-Term Borrowings

(₹ in Lacs)

(a)	Particulars	As at March 31, 2015	As at March 31, 2014
	(A) Secured Loans		
	(i) Loans repayable on demand		
	- From Banks	29,968.80	30,639.02
	(ii) Loans & Advances from Related Parties	-	-
	(iii) Inter Corporate Deposits	-	-
	(A)	29,968.80	30,639.02
	(B) Unsecured Loans		
	(i) Loans & Advances from Related Parties	-	-
	(ii) Inter Corporate Deposits	-	-
	(iii) Other Loans & Advances	-	-
	(B)	-	-
	TOTAL (A + B)	**29,968.80**	**30,639.02**

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

a) Loans repayable on demand from Banks :

The Company had entered into a Security Trustee Agreement for availing the working capital facilities under the consortium banking arrangement, aggregating to ₹ 525.00 Crores & the limit has been enahced from December 26, 2013 to ₹ 650.00 Crores.

These facilities are secured against the following charge on various assets of the Company :

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

b) Loans and advances from Related Parties

For details, refer Note 36.

Notes to Financial Statements
as on March 31, 2015

(c) **Details of the aggregate of each loan guaranteed by directors or others, each head-wise.**
All the loans repayable on demand from banks amounting to ₹ 29,968.80 lacs (P. Y. ₹ 30,639.02 lacs) guaranteed by Mr. Dinesh Nandwana, Chairman and Managing Director of the Company.

(d) **Details of continuing default in the repayment of loans and interest, specifying the period and amount separately in each case.**
There has been no default in the repayment of loans or interest thereon as on date.

Note 9 - Trade Payables

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current payables (including acceptances) outstanding for less than 12 months	21,079.56	25,196.99
TOTAL	**21,079.56**	**25,196.99**

Note 10 - Other Current Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term debts	6,287.61	8,242.99
Current maturities of finance lease obligations	18.35	204.41
Interest accrued and due on borrowings	171.81	68.24
Unpaid Dividend	33.82	27.62
Other Payables		
PF, ESIC & LWF Payable	62.29	6.75
Service Tax Payable	45.55	57.45
Sales Tax Payable	4.02	-
TDS Payable	153.43	321.64
Staff Emoluments Payable	369.98	492.37
Security Deposit	-	3.95
Advance from customers	320.53	33.53
Other Liabilities	288.49	202.62
TOTAL	**7,755.88**	**9,661.57**

Note 11 - Short-Term Provisions

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for Expenses for Goods & services	6,697.71	7,980.42
Provisions for Employees' benefits	117.85	39.52
Provision for Wealth Tax	0.01	0.16
Provision for Taxation (net of taxes paid)	5,328.41	1,266.71
Provision for Proposed Dividend	1,258.70	1,258.71
Provision for Tax on Proposed Dividend	251.67	213.92
TOTAL	**13,654.35**	**10,759.44**

Notes to Financial Statements
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Note 12 - Fixed Assets

(₹ in Lacs)

Description	Gross Block					Depreciation Block					Net Block			
	Beginning of Current Period	Additions	Acquisitions through Business Combinations	Deductions/ Adjustments	End of Current Period	Upto Beginning of Current Period	For the Period	Transfer to Retained Earnings	Deductions/ Adjustments	Upto End of Current Period	Before Impairment	Impairment	End of Current Period	End of Previous Period
(i) Tangible Assets														
Buildings	991.82	45.21	-	-	1,037.02	116.20	16.47	-	-	132.67	-	-	904.36	875.62
Plant and Machinery	755.53	243.23	-	-	998.76	263.97	61.78	-	-	325.76	-	-	673.00	491.56
Furnitures and Fixtures	595.62	0.87	-	-	596.48	383.85	36.18	82.91	-	502.94	-	-	93.54	211.77
Vehicles	60.48	-	-	8.45	52.04	14.08	8.49	-	2.05	20.52	-	-	31.52	46.40
Office Equipments	576.43	3.71	-	-	580.13	310.43	21.37	222.70	-	554.50	-	-	25.63	266.00
Computers and Printers	32,509.72	25.97	-	-	32,535.69	28,758.37	27.81	3,702.96	-	32,489.13	-	-	46.56	3,751.35
Project Assets														
- Computers and Printers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	57,786.90	3,916.83	-	161.67	61,542.06	22,652.63	14,613.18	-	65.31	37,200.50	-	-	24,341.56	35,134.27
- Leased	596.64	-	-	-	596.64	384.10	198.86	-	-	582.96	-	-	13.68	212.54
- Office Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	907.69	2.27	-	-	909.97	528.69	230.61	-	-	759.30	-	-	150.67	379.00
- Leased	19.25	-	-	-	19.25	12.39	6.42	-	-	18.81	-	-	0.44	6.86
- Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	4,822.51	0.25	-	-	4,822.76	2,708.15	1,205.68	-	-	3,913.83	-	-	908.93	2,114.36
- Leased	23.26	-	-	-	23.26	14.97	7.75	-	-	22.72	-	-	0.53	8.29
TOTAL	**99,645.85**	**4,238.34**	**-**	**170.12**	**103,714.07**	**56,147.83**	**16,434.59**	**4,008.57**	**67.35**	**76,523.63**	**-**	**-**	**27,190.44**	**43,498.02**
"(ii) Intangible Assets (Other than Internally Generated)"	-	-	-	-	-	-	-		-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**
"(iii) Capital Work-In-Progress (excluding Capital Advances)"	4,811.34	-	-	3,802.23	1,009.11	-	-	-	-	-	-	-	1,009.11	4,811.34
TOTAL	**4,811.34**	**-**	**-**	**3,802.23**	**1,009.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,009.11**	**4,811.34**
GRAND TOTAL	**104,457.19**	**4,238.34**	**-**	**3,972.35**	**104,723.18**	**56,147.83**	**16,434.59**	**4,008.57**	**67.35**	**76,523.63**	**-**	**-**	**28,199.55**	**48,309.36**
PREVIOUS YEAR	**79,979.56**	**24,514.48**	**-**	**36.86**	**104,457.19**	**38,142.36**	**18,031.84**	**-**	**26.36**	**56,147.83**	**-**	**-**	**48,309.36**	**-**

(b) Details of Capital Work-in-Progress

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

(c) Detailed note on Fixed Assets taken on Lease

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

Notes to Financial Statements
as on March 31, 2015

Note 13 - Non-Current Investments

(₹ in Lacs)

	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	**Trade Investments**		
	(i) Investment in Equity Instruments		
	Unquoted Investments		
	- In Subsidiary Companies		
	96,000 Equity Shares of Vakrangee e-Solutions Inc., Philippines of Peso 100/- each fully paid up (Previous Year 96,000)	96.00	96.00
	2,50,000 Equity Shares of Vakrangee Finserve Ltd. of ₹ 10/- each fully paid up (Previous Year 2,50,000)	25.00	25.00
	(A)	**121.00**	**121.00**
	- Others		
	2,500 Equity Shares of CSC e-Governance Services India Ltd. of ₹ 1000/- each fully paid up (Previous Year Nil)	25.00	-
	(B)	**25.00**	**-**
	(ii) Investment in Mutual Funds		
	Nil units of Axis Hybrid Fund Series - I of ₹ 10/- each fully paid up (Previous Year 12,00,000)	-	120.00
	24.9375 units of Aditya Birla Real Estate Fund - I of ₹ 1,00,000/- each partly paid up ₹ 60,000/- per unit (Previous Year ₹ 60,000/- per unit, 24.9375 units)	15.00	15.00
	Nil units of Union KBC Capital Protection Oriented Fund - Series 7 of ₹ 10/- each fully paid up (Previous Year 2,50,000)	-	25.00
	Nil units of Union KBC Trigger Fund Series 1 - Regular Plan of ₹ 10/- each fully paid up (Previous Year 99,990)	-	10.00
	99,990 units of Union KBC Asset Allocation Fund - Moderate of ₹ 10/- each fully paid up (Previous Year 99,990)	10.00	10.00
	2,99,990 units of Union KBC Capital Protection Oriented Fund - Series 1 of ₹ 10/- each fully paid up (Previous Year 2,99,990)	30.00	30.00
	2,00,000 units of Union KBC Capital Protection Oriented Fund - Series 2 of ₹ 10/- each fully paid up (Previous Year 2,00,000)	20.00	20.00
	1,00,000 units of Union KBC Capital Protection Oriented Fund - Series 5 of ₹ 10/- each fully paid up (Previous Year 1,00,000)	10.00	10.00
	4,99,990 units of Union KBC Trigger Fund Series 2 - Regular Plan of ₹ 10/- each fully paid up (Previous Year Nil)	50.00	-
	Nil units of Union KBC Equity Fund - Growth of ₹ 10/- each fully paid up (Previous Year 1,50,000)	-	15.00
	(C)	**135.00**	**255.00**
	TOTAL (A + B + C)	**281.00**	**376.00**

(₹ in Lacs)

	Particulars	As at March 31, 2015	As at March 31, 2014
(b)	Aggregate value of:		
	Quoted investments - Mutual Funds (Market Value : ₹156.19 lakhs, P.Y. ₹ 301.30 lakhs)	135.00	255.00
	Unquoted investments	146.00	121.00
		281.00	**376.00**

Notes to Financial Statements
as on March 31, 2015

Note 14 - Long-Term Loans & Advances

(₹ in Lacs)

(a) Particulars	As at March 31, 2015		As at March 31, 2014	
(i) Capital Advances				
(Unsecured, considered good)				
Advance against property	458.52		499.52	
Advance against capital goods	-	458.52	5,005.00	5,504.52
(ii) Security Deposits				
(Unsecured, considered good)				
Security Deposit		21.96		26.18
(iii) Loans & Advances to Related Parties				
(Unsecured, considered good)				
Dues from subsidiaries	-		-	
Dues from associate companies	-		-	
Dues from companies in which the company's managing director is a director	-	-	-	-
(iv) Other Loans and Advances				
(Unsecured, considered good)				
MAT Credit Entitlement	-		-	
Balances with statutory / revenue authorities:				
- Income Tax (net of provision for taxation)	-		-	
- Sales Tax	-	-	-	-
TOTAL		**480.48**		**5,530.70**

(b) Details of Loans and Advances to Related Parties

For Details refer Note 36.

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

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/director	-	-
TOTAL	-	**-**

Note 15 - Other Non-Current Assets

(₹ in Lacs)

Particulars	As at March 31, 2015		As at March 31, 2014	
(i) Long Term Trade Receivables				
- Unsecured, considered good	138.36		135.48	
- Doubtful	-		-	
Less: Provision for Doubtful Debts	44.50		44.50	
		93.86		90.98
(ii) Others				
- Non-Current Bank Balances (Note No. 18)	119.23		474.56	
- Prepaid Expenses	1.42		0.24	
		120.65		474.80
TOTAL		**214.51**		**565.78**

Notes to Financial Statements
as on March 31, 2015

Note 16 - Inventories

(₹ in Lacs)

(a)

Particulars	As at March 31, 2015	As at March 31, 2014
(i) Raw Material	12,505.03	12,293.42
(ii) Work in Progress	161.83	53.59
(iii) Finished Goods	465.36	508.31
(iv) Consumables	209.02	199.05
(v) Stores & Spares	11.35	6.14
TOTAL	**13,352.59**	**13,060.51**

(b) Basis of valuation of Inventories

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

Note 17 - Trade Receivables

(₹ in Lacs)

(a)

Particulars		As at March 31, 2015		As at March 31, 2014
(i) Due for a period exceeding six months				
- Unsecured, considered good	14,930.14		4,999.72	
- Doubtful	-		-	-
Less: Provision for Doubtful Debts	-	-	-	-
		14,930.14		4,999.72
(ii) Others				
- Unsecured, considered good	107,233.95		74,195.93	
- Doubtful	-		-	
Less: Provision for Doubtful Debts	-	-	-	-
		107,233.95		74,195.93
TOTAL		**122,164.09**		**79,195.65**

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

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/director	-	-
TOTAL	-	**-**

Notes to Financial Statements
as on March 31, 2015

Note 18 - Cash & Cash equivalents

(₹ in Lacs)

(a)	Particulars		As at March 31, 2015		As at March 31, 2014	
	(A) Cash & Cash Equivalents					
	(i)	Balances with Banks :				
		- Current Accounts	534.02		241.01	
	(ii)	Cash-in-hand	5.47		4.11	
	(iii)	Cheques & Drafts in-hand	-		-	
				539.49		245.12
	(B) Other Bank Balances					
	(i)	Earmarked balances	33.82		27.62	
	(ii)	Amount held as margin money or security against borrowings, guarantee, other commitments	3,213.01		3,123.19	
	(iii)	Deposits with Banks :				
		- with original maturity period of more than 3 months but less than 12 months	10.75		-	
		- with original maturity period of more than 12 months	-		-	
				3,257.58		3,150.81
				3,797.07		**3,395.93**
	Less : Non-Current Other Bank Balances, disclosed under Other Non-Current Assets (Note No. 15)					
	(i)	Amount held as margin money or security against borrowings, guarantee, other commitments	119.22		474.56	
	(ii)	Deposits with Banks :				
		- with original maturity period more than 12 months	-		-	
				119.22		474.56
	TOTAL			**3,677.83**		**2,921.37**

Notes to Financial Statements
as on March 31, 2015

Note 19 - Short-Term Loans and Advances

(₹ in Lacs)

(a)	Particulars	As at March 31, 2015		As at March 31, 2014	
	(i) Security Deposits				
	(Unsecured, considered good)				
	Security Deposit		1,135.69		1,135.69
	(ii) Loans and Advances to Related Parties				
	(Unsecured, considered good)	-		-	
	Dues from subsidiaries	2,913.76		2,433.26	
	Dues from associate companies	-		-	
	Dues from companies in which the company's managing director is a director	-		-	
			2,913.76		2,433.26
	(iii) Other Loans and Advances				
	(Unsecured, considered good)				
	Loans to others	-		-	
	Earnest Money Deposit	130.35		48.35	
	Balances with statutory / revenue authorities :				
	- Sales Tax	15.71		15.58	
	- Income Tax (net of provision for taxation)	1.31		1.31	
	- CENVAT Credit receivable	13.09		5.73	
			160.46		70.97
	TOTAL		**4,209.91**		**3,639.92**

(b) Details of Loans and Advances to Related Parties
For details, refer Note 36.

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

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/director	-	-
TOTAL	**-**	**-**

Notes to Financial Statements
as on March 31, 2015

Note 20 - Other Current Assets

(₹ in Lacs)

(a)	Particulars	As at March 31, 2015		As at March 31, 2014	
	(i) Interest accrued on investments and deposits				
	Interest Accrued on FDRs	-		-	
			-		-
	(ii) Other advances receivable in cash or kind or for value to be received				
	Staff Loans	18.59		30.38	
	Advances for Expenses	4.27		78.06	
	Advances for Purchases	30,366.41		18,055.96	
	Other Receivables	575.44		914.67	
	Prepaid Expenses	199.02		120.03	
			31,163.73		19,199.10
	(iii) Other Assets				
	Share Application Money				
	- In Subsidiary Companies	-		-	
	- In Other Body Corporates	-		-	
			-		-
	TOTAL		**31,163.73**		**19,199.10**

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

(₹ in Lacs)

	Particulars	As at March 31, 2015		As at March 31, 2014	
	(A) Contingent Liabilities				
(i)	Claims against the company not acknowledged as debts	27.23		-	
(ii)	Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts	1,779.60		2,130.44	
(iii)	Other contingent liabilities	-		-	
	(A)		1,806.83		2,130.44
	(B) Commitments				
(i)	Estimated amount of contracts remaining to be executed on capital account not provided for	25.00		25.00	
(ii)	Uncalled liabilities on share and other investments partly paid up	10.00		10.00	
(iii)	Others commitments	-		-	
	(B)		35.00		35.00
	TOTAL (A + B)		**1,841.83**		**2,165.44**

Note :

1. The amount of liabilities, which may occur on levying of penalty and/or charges by clients for delays in execution of contracts within the time prescribed in the agreement, is unascertained.

Notes to Financial Statements
as on March 31, 2015

Note 22 - Dividends

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

The Board of Directors of the Company recommended dividend of ₹ 0.25 per share on fully paid up equity share of ₹ 1/- each for the financial year ended 31st March, 2015, subject to members approval in the ensuing Annual General Meeting.

Note 23 - Revenue from Operations

(₹ in Lacs)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
(a) Income from e-governance activities		277,334.15		193,775.75
(b) Sale of Products				
- Computer consumables & peripherals	22.25		750.80	
- Others	-		-	
		22.25		750.80
(c) Sale of Services				
- Information Technology-enabled Services (ITeS)	171.83		2,003.31	
- Others	8.51		8.44	
		180.34		2,011.75
(d) Other Operating Revenues				
- Commission	-		-	
- Scrap Sale	0.46		0.88	
		0.46		0.88
TOTAL		**277,537.20**		**196,539.18**

Note 24 - Other Income

(₹ in Lacs)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
(i) Interest Income on				
- Bank Deposits	264.03		208.62	
- Others	406.38		345.91	
- Income Tax Refund	-	670.41	-	554.53
(ii) Dividend Income on				
- Investment in Subsidiaries	-		-	
- Investment in Other Long-Term Instruments	-	-	0.97	0.97
(iii) Net gain/ (Loss) on sale of Fixed Assets		18.41		-
(iv) Net gain on sale of Investments		66.24		0.33
(v) Gain on Foreign Exchange Fluctuation (net)		197.58		337.80
(vi) Other Non-Operating Income (net of expenses directly attributable to such income)				
- Rent Received	1.50		1.50	
- Sundry Balances written back	0.15		-	
- Miscellaneous Income	2.02	3.67	28.90	30.40
TOTAL		**956.31**		**924.03**

Notes to Financial Statements
as on March 31, 2015

Note 25 - Operating Expenses

(₹ in Lacs)

Particulars		For the year ended March 31, 2015		For the year ended March 31, 2014
Cost for Sales				
- Opening Stock	12,498.61		261.04	
- Add : Purchases during the year	200,185.40		141,572.30	
	212,684.01		141,833.34	
- Less : Closing Stock	12,725.40		12,498.61	
		199,958.61		129,334.73
Lease Rent		-		3,382.91
Procurement of Manpower		219.75		1,799.34
Project Expenses		1,139.09		553.71
Image Processing Expenses		121.80		65.84
Commission Expenses		189.14		125.88
Printing Charges		15.77		61.69
Communication Costs		169.99		204.63
Conveyance & Travelling Expenses		33.21		14.34
Transportation, Octroi and Loading / Unloading Charges		16.02		7.82
Rent, Rates and Taxes		44.76		51.38
TOTAL		**201,908.15**		**135,602.27**

Note 26 - Changes in Inventories

(₹ in Lacs)

Particulars		For the year ended March 31, 2015		For the year ended March 31, 2014
(a) At the beginning of the period				
(i) Finished Goods	508.31		216.28	
(ii) Work-in-Progress	53.59		1,508.50	
		561.90		1,724.78
Less : (b) At the end of the period				
(i) Finished Goods	465.36		508.31	
(ii) Work-in-Progress	161.83		53.58	
		627.19		561.89
TOTAL		**(65.29)**		**1,162.89**

Note 27 - Employee Benefits Expenses

(₹ in Lacs)

(a)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(i) Salaries & Wages	1,802.47	2,320.72
(ii) Contribution to Provident & Other Funds	99.85	26.28
(iii) Employee Compensation Expenses	9.12	227.70
(iv) Staff Welfare Expenses	45.97	47.00
TOTAL	**1,957.41**	**2,621.70**

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

For details, refer Note No. 37.

Notes to Financial Statements
as on March 31, 2015

Note 28 - Finance Costs

(₹ in Lacs)

Particulars		For the year ended March 31, 2015		For the year ended March 31, 2014
Interest Expenses				
- Banks	6,631.65		6,445.25	
- Others	135.54	6,767.19	733.10	7,178.35
Bank Charges & Commission		724.71		609.19
TOTAL		**7,491.90**		**7,787.54**

Note 29 - Other Expenses

(₹ in Lacs)

Particulars		For the year ended March 31, 2015		For the year ended March 31, 2014
Repairs & Maintenance :				
- Building	39.75		2.17	
- Vehicle	1.85		3.43	
- Others	29.07	70.67	27.91	33.51
Loss on Sale of Fixed Assets (net)		-		2.87
Advertisement and Publicity Expenses		191.33		268.82
Business Promotion Expenses		78.46		65.72
Sponsorship Fees		46.34		48.91
Commission & Brokerage		0.98		1.65
Rates & Taxes		62.82		11.02
Insurance		24.18		14.84
Electricity Expenses		36.17		36.85
Printing and Stationery		25.71		17.87
Communication Costs		96.74		105.60
Fees & Subscriptions		26.59		29.11
Listing, Registrar & Share Issue/Transfer Expenses		27.60		5.95
Directors' Remuneration		82.14		86.05
Directors' Sitting Fees		3.87		2.80
Legal & Professional Fees - Other than payments to Auditor :		-		-
- Consultancy Charges	176.91		162.36	
- Legal & Professional Fees	471.15		467.79	
- Filing Stamp Duty and Franking Charges	23.69		101.75	
- Registration charges	0.01	671.76	0.01	731.91
Payments to Auditors :				
- Audit fees	14.04		12.50	
- Tax Audit fees	2.81		2.50	
- For Other Services	3.31		3.00	
- For Reimbursement of Expenses	-	20.16	-	18.00
Conveyance & Travelling		86.63		53.24
Vehicle Expenses		6.65		6.61
CSR Expenditure		321.25		-
Office & General Expenses		35.71		53.47
Donation		32.00		-
Provision for Doubtful Debts		-		44.50
Miscellaneous Expenses		8.55		10.59
Sundry Balances written off		-		10.98
Total		**1,956.30**		**1,660.87**

Notes to Financial Statements
as on March 31, 2015

Note 30 - Earnings Per Equity Share

(₹ in Lacs)

	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(a)	**Net profit after tax attributable to equity shareholders for**		
	Basic EPS	32,057.30	19,900.03
	Add/Less: Adjustment relating to potential equity shares	-	-
	Net profit after tax attributable to equity shareholders for	32,057.30	19,900.03
	Diluted EPS		
(b)	**Weighted average no. of equity shares outstanding during the year**		
	For Basic EPS	503,482,240	502,979,292
	For Diluted EPS	531,103,578	509,232,604
(c)	**Face Value per Equity Share (₹)**	1.00	1.00
	Basic EPS	6.37	3.96
	Diluted EPS	6.04	3.91
(d)	**Reconciliation between no. of shares used for calculating basic and diluted EPS**		
	No. of shares used for calculating Basic EPS	503,482,240	502,979,292
	Add: Potential equity shares	27,621,338	6,253,312
	No. of shares used for calculating Diluted EPS	531,103,578	509,232,604

Note 31 - Prior Period Items

(₹ in Lacs)

	Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
(a)	**Prior Period Expenses**				
	Purchases	26.97		5.95	
	Repiar & Maintenance	2.91		0.03	
	Professional Fees	0.84		4.36	
	Salary & Wages	1.00		-	
	Rent	-		0.50	
	Rates & Taxes	-		0.38	
	Society Charges	-		0.81	
	TOTAL		**31.72**		**12.03**
(b)	**Prior Period Incomes**				
	Salary & Wages	-		45.68	
	Other Income	0.02		-	
	TOTAL		**0.02**		**45.68**

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

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

Notes to Financial Statements
as on March 31, 2015

Note 33 - Earnings & Expenditure in Foreign Currency

(a) Earnings in Foreign Currency

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
FOB Value of Exports	-	1,407.20
Interest on loan to subsidiary	395.47	318.29
TOTAL	**395.47**	**1,725.49**

(b) Expenditure in Foreign Currency

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Travelling Expenses	20.33	0.93
Interest on ECB	191.48	218.24
Professional and Consultation Fees	119.09	-
TOTAL	**330.90**	**219.17**

Note 34 - CIF Value of Imports

(₹ in Lacs)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
In respect of :		
(i) Raw Materials	-	-
(ii) Components and Spare parts	-	-
(iii) Capital Goods	-	-
TOTAL	-	-

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

(i) Details of loans to subsidiaries

(₹ in Lacs)

Name of Subsidiaries	2014-2015		2013-2014	
	Amount	Max. Amount	Amount	Max. Amount
Vakrangee e-Solutions Inc. (Purpose of loan is to provide financial assisstance to the subsidiary company)	2,913.76	2,913.76	2,416.76	2,416.76
Vakrangee Finserve Limited (Purpose of loan is to provide financial assisstance to the subsidiary company)	-	38.92	16.50	248.91

(ii) Details of Investment in Subsidiaries

(₹ in Lacs)

Name of Subsidiaries	No. of Shares as at year-end	% of shareholding
Vakrangee e-Solutions Inc.	96,000	100.00%
Vakrangee Finserve Limited	250,000	100.00%

Notes to Financial Statements
as on March 31, 2015

Note 36 - Related Party Details

(a) Key Management Personnel

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

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

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

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

Name of Subsidiaries	Country of incorporation	Holding as at	
		March 31,2015	March 31,2014
Vakrangee e-Solutions Inc.	Phillipines	100.00%	100.00%
Vakrangee Finserve Ltd.	India	100.00%	100.00%

Related Party Transactions

- In relation to (a) (₹ in Lacs)

Nature of Transactions	For the year ended March 31, 2015	For the year ended March 31, 2014
Director Remuneration	82.14	86.05
ESOP Perquisites	-	-
Directors' Sitting Fees	3.87	2.80
Employee Benefits Expenses	4.90	-
Balance outstanding as on 31 March	NIL	NIL

- In relation to (b) (₹ in Lacs)

Nature of Transactions	For the year ended March 31, 2015	For the year ended March 31, 2014
Reimbursement of Expenses	14.15	17.45
Salary Paid	5.10	5.12
Realisation from Debtors	72.13	425.00
Warrant Application Money Received	14,784.95	-
Sale of investments	-	1.30
Loans Granted	-	120.00
Loans received back	-	120.00
Balance Outstanding as on 31 March:		
Sundry Debtors	-	72.13
Warrant Application Money Received	25,000.00	-

Notes to Financial Statements
as on March 31, 2015

- In relation to (c)

(₹ in Lacs)

Nature of Transactions	For the year ended March 31, 2015	For the year ended March 31, 2014
Sales	-	1,407.20
Purchases	-	222.87
Share Application Money Paid	-	454.00
Share Application Money Received Back	-	454.00
Investments sold	-	815.00
Loans granted	205.64	247.27
Interest received on loan granted	398.26	335.66
Loan Received back	123.40	267.41
Balance Outstanding as on 31 March:		
Sundry Debtors (including foreign exchange fluctuation as at year end)	2,501.20	2,403.99
Short - Term Loans and Advances	2,913.76	2,433.26

Note 37 - Gratuity & Leave encashment

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

a) Gratuity

Actuarial assumptions:

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age
Discount rate	8% per annum	8% per annum
Salary Escalation	5%	5%

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

Amount recognized in the Profit and Loss account

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
PV of Past Service Benefit	104.59	54.24
Current Service Cost	35.13	20.09
Actuarial (gains)/losses for the period	76.56	18.27
Obligation at the end of the year.	178.83	91.77

b) Leave encashment

Actuarial assumptions:

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Period	From 1st April, 2014 to 31st March, 2015	From 1st April, 2013 to 31st March, 2014
Discount rate	8.00% per annum	9.00% per annum
Salary growth rate	5.00% per annum	5.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	-	-
Withdrawal rate (per annum)	2.00 % per annum (18 - 60 years)	2.00 % per annum (18 - 60 years)

Notes to Financial Statements
as on March 31, 2015

Amount recognized in the Profit and Loss account

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current Liability	1.78	1.46
Non current liability	43.50	38.06
Total	**45.28**	**39.52**

Note 38 - Segment Reporting

The Company's activities predominantly revolve around providing the e-governance related activites of Mission Mode Projects covered under "National e-Governance Plan" (NeGP). Considering the nature of Company's business and operations, there is only one reportable segment (business and / or geographical) in accordance with the requirements of the Accounting Standard 17 – "Segment Reporting" notified in the Companies (Accounting Standards) Rules 2006. However, on the basis of delivery modes, the Company's business operations has been classified into two business segments, viz. e-Governance Projects and Vakrangee Kendra, for the year.

Revenue and identifiable operating expenses in relation to these segments are categorised based on items that are individually identifiable to those segments. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably to utilise the resources optimally. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as 'unallocated' and adjusted against the total income of the Company. Fixed assets or liabilities contracted have not been identified to any of the segments as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

(₹ in Lacs)

Particulars	e-Governance Projects	Vakrangee Kendra	Total
Revenue from Operations	158,700.00	118,837.20	**277,537.20**
Segmental Results (Profit before Depreciation, Interest and Tax)	35,848.51	35,932.12	**71,780.63**
Less :			
Depreciation			**16,434.59**
Finance Costs			**7,491.91**
Unallocable expenses (net of unallocable income)			**(956.31)**
Profit before exceptional and extra-ordinary item			**48,810.45**
Less : Exceptional and extra-ordinary item			**-**
Profit Before Tax			**48,810.45**
Less : Tax Expense			**16,753.14**
Profit After Tax			**32,057.30**

Notes to Financial Statements
as on March 31, 2015

Note 39 - Leases
I. Operating Leases
The Company has taken Computer Equipments & other Fixed Assets on finance lease. Future minimum lease payments & present value of minimum lease payments towards the finance lease are as below :

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
i) Minimum lease payments		
Not later than one year	18.57	222.81
Later than one year and not later than five years	-	18.57
Total	18.57	241.38
ii) Present value of minimum lease payments		
Not later than one year	18.35	204.42
Later than one year and not later than five years	-	18.35
	18.35	222.77
Add : Future finance charges	0.21	18.61
Total	18.56	241.38

Note 40 - Amounts due to Micro, Small and Medium Enterprises:
The Company has not received any intimation from the suppliers under the The Micro, Small & Medium Enterprises Development Act 2006 and therefore disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Note 41 - Previous year figures
The figures of the previous year have been re-arranged, re-grouped and re- classified wherever necessary.

Independent Auditor's Report

To the Members of **Vakrangee Limited,**
(Formerly known as Vakrangee Softwares Limited)

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements of Vakrangee Limited, the parent (hereinafter referred to as 'the Holding Company') and its wholly owned subsidiaries (collectively referred to as 'the 'Group'), which comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"), which we have signed under reference to this report.

Management's Responsibility for the ConsolidatedFinancial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing proceduresto obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the accompanying consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

8. We did not audit the financial statements / financial information of one subsidiary, whose financial statements reflect total assets of Rs. 5,524.26 lakhs as at March 31, 2015, total revenues of Rs. Nil and net cash flows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect

Independent Auditor's Report

of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information are not material to the Group.

9. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Holding Company and subsidiary company incorporated in India, as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143(3) of the Act, 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    (d) In our opinion, the accompanying consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014;

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act; and

    (f) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29 to the consolidated financial statements;

    (ii) The Group has long-term contracts other than derivative contracts as at March 31,2015 for which there were no material foreseeable losses;

    (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2015 and there were no amounts which were required to be transferred by the subsidiary company.

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

Arun Poddar
Partner
Mem. No. : 134572

Place : Mumbai
Date : May 30, 2015

Annexure to Independent Auditors' Report

i. (a) The Group is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

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

ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Group and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Group is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Group has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Group.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Group and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Group, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

v. The Group has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.

vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Group.

vii. (a) According to the information and explanations given to us and the records of the Group examined by us, in our opinion, the Group is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Group examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, and duty of excise or value added tax or cess which have not been deposited on account of any dispute.

(c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder during the year.

viii. The Group has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.

ix. According to the records of the Group examined by us and the information and explanation given to us, the Group has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date. The Group has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end.

x. In our opinion, and according to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Group.

xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

xii. During the course of our examination of the books and records of the Group, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Group, noticed or reported during the year, nor we have been informed of any such case by the Management.

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

Arun Poddar
Partner
Mem. No. : 134572

Place : Mumbai
Date : May 30, 2015

Consolidated Balance Sheet
as at March 31, 2015

(₹ in Lacs)

Particulars	Note No.		As at March 31, 2015		As at March 31, 2014
I Equity & Liabilities					
1. Shareholders' funds					
(a) Share Capital	2	5,034.82		5,034.82	
(b) Reserves and Surplus	3	90,698.88		62,699.65	
(c) Money received against share warrants	4	25,000.00		10,215.05	
			120,733.70		**77,949.52**
2. Share application money pending allotment			**-**		**-**
3. Minority Interest			**-**		**-**
4. Non - Current Liabilities					
(a) Long -Term Borrowings	5	3,740.60		8,621.02	
(b) Deferred Tax Liabilities (Net)	6	4,253.08		7,115.92	
(c) Other Long - Term Liabilities	7	157.17		332.05	
			8,150.85		**16,068.99**
5. Current Liabilities					
(a) Short - Term Borrowings	8	31,557.40		32,162.62	
(b) Trade Payables	9	21,313.21		25,243.15	
(c) Other Current Liabilities	10	8,303.07		10,265.59	
(d) Short - Term Provisions	11	13,665.41		10,772.04	
			74,839.09		**78,443.40**
TOTAL			**203,723.64**		**172,461.91**
II Assets					
1. Non - Current Assets					
(a) Fixed Assets	12				
(i) Tangible Assets		27,283.07		43,641.68	
(ii) Intangible Assets		-		-	
(iii) Capital Work-in-Progress		1,009.11		4,811.34	
(b) Non - Current Investments	13	160.00		255.00	
(c) Long - Term Loans and Advances	14	493.35		5,530.70	
(d) Other Non - Current Assets	15	548.42		899.17	
			29,493.96		**55,137.89**
2. Current Assets					
(a) Inventories	16	16,936.27		16,248.53	
(b) Trade Receivables	17	119,932.40		76,829.83	
(c) Cash and Cash equivalents	18	3,820.48		2,934.29	
(d) Short - Term Loans and Advances	19	1,579.34		1,490.04	
(e) Other Current Assets	20	31,165.49		19,201.49	
			173,433.98		**116,704.18**
3. Foreign Currency Translation Reserve			**795.70**		**619.84**
TOTAL			**203,723.64**		**172,461.91**
Significant Accounting Policies	1				

As per our report of even date

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

Arun Poddar
Partner
Mem. No. 134572

Place : Mumbai
Date : May 30, 2015

For & on behalf of the Board

Dinesh Nandwana
Chairman & Managing Director
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Darshi Shah
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2015

(₹ in Lacs)

	Particulars	Note No.	For the year ended March 31, 2015		For the year ended March 31, 2014	
I	Revenue from Operations	21	278,047.93		195,190.17	
II	Other Income	22	591.18		616.08	
III	**Total Revenue (I + II)**			**278,639.11**		**195,806.25**
IV	**Expenses**					
	Operating Expenses	23	202,264.03		135,498.24	
	Changes in Inventories	24	(460.95)		1,365.80	
	Employee Benefits Expenses	25	1,959.23		3,141.18	
	Finance Costs	26	7,494.76		7,789.43	
	Depreciation and Amortization Expense	12	16,485.61		18,087.28	
	Other Expenses	27	1,963.67		1,725.04	
	Total Expense			**229,706.35**		**167,606.97**
V	**Profit before Exceptional and Extraordinary Items and Tax (III-IV)**			**48,932.76**		**28,199.28**
VI	Exceptional Items			-		-
VII	**Profit before Extraordinary Items and Tax (V-VI)**			**48,932.76**		**28,199.28**
VIII	Extraordinary Items					-
IX	**Profit Before Tax (VII-VIII)**			**48,932.76**		**28,199.28**
X	**Tax Expense:**					
	(a) Current Tax		18,260.89		12,294.81	
	(b) Deferred Tax		(1,500.33)		(1,172.32)	
	(c) Tax of Earlier Year		0.78		81.99	
	(d) MAT Credit Entitlement		(12.87)		(503.25)	
				16,748.47		**10,701.23**
XI	**Profit for the Period from Continuing Operations (IX-X)**			**32,184.29**		**17,498.05**
XII	Profit/(Loss) for the Period from Discontinuing Operations			-		-
XIII	Tax Expense of Discontinuing Operations			-		-
XIV	**Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)**			**-**		**-**
XV	**Minorty Interest**			**-**		**(6.20)**
XVI	**Profit for the Period (XI + XIV-XV)**			**32,184.29**		**17,504.25**
XVI	**No. of equity shares for computing EPS**					
	(1) Basic			**503,482,240**		**502,979,292**
	(2) Diluted			**531,103,578**		**509,232,604**
XVII	**Earnings Per Equity Share (Face Value ₹ 1/- Per Share):**	30				
	(1) Basic (₹)			6.39		3.48
	(2) Diluted (₹)			6.06		3.44

As per our report of even date

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

Arun Poddar
Partner
Mem. No. 134572

Place : Mumbai
Date : May 30, 2015

For & on behalf of the Board

Dinesh Nandwana
Chairman & Managing Director
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Darshi Shah
Company Secretary

Consolidated Cash Flow Statement

for the year ended 31 March 2015

(₹ in Lacs)

Sr. No.	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
I	**Cash flow from operating activities**		
	Profit before tax from continuing operations	48,932.76	28,199.28
	Profit before tax from discontinuing operations	-	-
	Profit before tax	**48,932.76**	**28,199.28**
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation/ amortization on continuing operation	16,485.61	18,087.28
	Depreciation/ amortization on discontinuing operation	-	-
	Loss/(profit) on sale of fixed assets	(18.41)	2.88
	Employee stock compensation expense	9.12	227.70
	Net gain on sale of non-current investments	(66.24)	(0.33)
	Net gain on disposal of Subsidiary	-	27.95
	Interest expense	6,768.73	7,180.24
	Interest income	(305.28)	(246.45)
	Dividend income	-	(0.97)
	Operating profit before working capital changes	**71,806.29**	**53,477.58**
	Movements in working capital :		
	Increase / (decrease) in trade payables	(3,929.94)	7,695.57
	Increase / (decrease) in short-term provisions	(1,206.07)	6,320.89
	Increase / (decrease) in other current liabilities	(1,962.51)	(2,547.24)
	Increase / (decrease) in other long-term liabilities	(174.89)	(451.67)
	Decrease / (increase) in trade receivables	(43,102.57)	(11,556.12)
	Decrease / (increase) in inventories	(687.74)	(10,871.77)
	Decrease / (increase) in long-term loans and advances	5,050.22	(5,038.12)
	Decrease / (increase) in short-term loans and advances	(69.77)	329.72
	Decrease / (increase) in other current assets	(11,964.00)	(4,947.76)
	Decrease / (increase) in other non-current assets	350.75	80.43
	Cash generated from /(used in) operations	**14,109.77**	**32,491.51**
	Direct taxes paid (net of refunds)	(14,219.51)	(9,746.19)
	Net cash flow from / used in operating activities (A)	**(109.73)**	**22,745.32**
II	**Cash flow from investing activities**		
	Purchase of fixed assets, including intangible assets, CWIP and capital advances	(436.11)	(22,838.88)
	Proceeds from sale of fixed assets	121.17	7.63
	Decrease in liability of minority interests	-	(285.02)
	Proceeds on disposal of Subsidiary	-	815.00
	Proceeds of non-current investments	236.24	26.63
	Purchase of non-current investments	(75.00)	(50.00)
	Interest received	305.28	246.45
	Dividends received	-	0.97
	Foreign Currency Translation Reserve	(175.86)	(534.49)
	Net cash flow from/(used in) investing activities (B)	**(24.29)**	**(22,611.71)**

(₹ in Lacs)

Sr. No.	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
III	**Cash flow from financing activities**		
	Proceeds from issuance of share capital	-	9.83
	Proceeds from Warrant & Share Application Money	14,784.95	10,215.05
	Proceeds from securities premium on issuance of share capital	-	62.90
	Proceeds from long-term borrowings	(4,880.42)	(5,947.52)
	Proceeds from short-term borrowings	(605.22)	3,640.79
	Interest paid	(6,768.73)	(7,180.24)
	Dividends paid on equity shares	(1,258.71)	(1,005.93)
	Tax on equity dividend paid	(251.67)	(182.93)
	Net cash flow from/(used in) in financing activities (C)	**1,020.20**	**(388.05)**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	886.19	(254.44)
	Cash and cash equivalents at the beginning of the year	2,934.29	3,188.74
	Cash and cash equivalents at the end of the year	**3,820.48**	**2,934.30**
	Components of cash and cash equivalents		
	Cash on hand	6.64	5.40
	Cheques/ drafts on hand	-	-
	With banks - on current account	675.49	252.65
	on deposit account	3,104.53	2,648.63
	unpaid dividend accounts*	33.82	27.62
	Total cash and cash equivalents (Note 18)	**3,820.48**	**2,934.30**

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

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

Arun Poddar
Partner
Mem. No. 134572

Place : Mumbai
Date : May 30, 2015

For & on behalf of the Board

Dinesh Nandwana
Chairman & Managing Director
DIN : 00062532

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Darshi Shah
Company Secretary

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 1 - Significant Accounting Policies

A. Basis of Consolidation:

The Consolidated financial results comprise of the results of Vakrangee Limited (hereinafter referred to as "the Company" and its subsidiaries, Vakrangee e-Solutions Inc., Philippines and Vakrangee Finserve Limited which are consolidated in accordance with Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI).

The Financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statements as goodwill. When the cost to the parent of its investment in subsidiaries is less than the parent's portion of equity, the difference is recognized in the financial statements as capital reserve.

B. Basis of Accounting

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

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

C. Use of Estimates

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

D. Recognition of Income

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered.

Notes to Consolidated Financial Statements
as on March 31, 2015

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

i. Insurance Claim
ii. Dividend Income, if any.

E. Fixed Assets and Intangible Assets

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

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

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

F. Impairment of Fixed Assets

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

G. Depreciation / Amortisation

i. Till the end of previous financial year i.e. upto March 31, 2014, depreciation / amortisation was provided on the Straight Line Method (SLM) unless otherwise mentioned, pro-rata to the period of use of assets and is based on management's estimate of useful lives of the fixed assets or at rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher:

Description of Asset	Rate of Depreciation
Building	1.63%
Computers including Computer Peripherals & Software	16.21%
Office Equipments	4.75%
Furniture & Fixture	6.33%
Motor Car	9.50%
Plant & Machinery	4.75%
Project Assets	25.00% – 33.33%
Leased Project Assets	33.33%

ii. With the applicability of Companies Act, 2013 with effect from April 1, 2014, depreciation / amortisation is provided on the Straight Line Method (SLM) unless otherwise mentioned, pro-rata to the period of use of assets and is based on management's

Notes to Consolidated Financial Statements
as on March 31, 2015

estimate of useful lives of the fixed assets or the useful lives as specified in Part C of Schedule II to the Companies Act, 2013, and accordingly the deprecation rates have been taken as follows :

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

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

iii. As per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013, the carrying amount of the existing assets as on April 1, 2014 :
- will be depreciated over the remaining useful life of the asset as per this Schedule
- in cases where the remaining useful life of an asset is nil, the residual value has been transferred to the retained earnings.

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

H. Investments

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

I. Valuation of inventories

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

J. Lease

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

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

K. Miscellaneous Expenditure

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

L. Foreign Currency Transactions

i) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.

ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Profit and Loss Account.

iii) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Profit and Loss Account.

Notes to Consolidated Financial Statements
as on March 31, 2015

M. Treatment of Contingent Liabilities

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

N. Accounting for Taxation of Income

Current taxes

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

Deferred taxes

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

O. Retirement benefits of the Employee:

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

- **Gratuity**
  In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Company's gratuity benefit scheme is a defined benefit plan. The company's obligation in respect of the gratuity plan is provided by for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Company recognises actuarial gains and losses immediately in the profit and loss account.
- **Provident fund, State Insurance, Labour Welfare Fund, Professional Tax**
  These are the defined contribution plans in which the Company pays pre-defined amounts to separate funds. The Company's contributions to these funds are reported as an expense during the period in which the employees perform services that the payment covers.
- **Compensated Absences**
  The employees of the Company are entitled to compensate absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement at retirement or termination of employment for the unutilized accrued compensated absence. The company follows the cash basis of accounting for recording the obligation of leave encashment. In other words, the company records an obligation for compensated absences in the period in which it has been encashed by the employees.
- **Employee Stock Option Plan (ESOP)**
  In respect of employee's stock options, the excess of market price on the date of grant over the exercise price is recognised as deferred employee compensation expense amortised over vesting period.

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

For & on behalf of the Board

Arun Poddar
Partner
Mem. No. 134572

Dinesh Nandwana
Chairman & Managing Director
DIN : 00062532

Darshi Shah
Company Secretary

Place : Mumbai
Date : May 30, 2015

Dr. Nishikant Hayatnagarkar
Director
DIN : 00062638

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 2 - Share Capital

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised :		
75,00,00,000 (Previous Year 75,00,00,000) Equity Shares of ₹ 1/- each	7,500.00	7,500.00
TOTAL	**7,500.00**	**7,500.00**
Issued, Subscribed and Paid-up :		
50,34,82,240 (Previous Year 50,34,82,240) Equity Shares of ₹1/- each fully paid up	5,034.82	5,034.82
TOTAL	**5,034.82**	**5,034.82**

Note 3 - Reserves & Surplus

(₹ in Lacs)

Particulars		As at March 31, 2015		As at March 31, 2014
(i)	**Securities Premium Account**			
	As per last Balance Sheet	16,997.11	16,894.33	
	Add: On shares issued during the year	-	62.90	
	Add : Transferred from Shares Options outstanding account	-	39.88	
	Less: Capitalised on issue of shares	-	-	
	Less: Share issue expenses	-	-	
		16,997.11		16,997.11
(ii)	**Shares Options Outstanding Account**			
	As per last Balance Sheet	959.41	1,078.62	
	Add : On further grant of options	691.71	-	
	Less: Reversal due to lapsation of options	(402.71)	(79.32)	
	Less: Transferred to Securities Premium Account	-	(39.88)	
		1,248.41		959.42
	b) Deferred Employee Compensation Expense			
	As per last Balance Sheet	(389.36)	(696.39)	
	Add : On further grant of options	(691.71)	-	
	Less : Amortised during the year	411.83	307.02	
		(669.24)		(389.37)
(iii)	**General Reserve**			
	As per last Balance Sheet	4,585.95	2,595.95	
	Add: Transferred from Profit and Loss Account	3,205.73	1,990.00	
	Less: Transferred to Profit and Loss Account	-	-	
		7,791.68		4,585.95
(iv)	**Surplus in the Profit & Loss Account**			
	As per last Balance Sheet	40,546.54	26,484.24	
	Add: Profit for the year	32,184.29	17,504.25	
	Amount available for appropriations	72,730.83	43,988.49	
	Appropriations:			
	Add: Transferred from reserves	-	-	
	Add: Profit on disposal of investment in subsidiary	-	21.76	
	Less : Amounts transferred from block of Fixed Assets (net of taxes) (Refer Note I below)	(2,646.06)	-	
	Less: Transferred to general reserve	(3,205.73)	(1,990.00)	
	Proposed dividend	(1,258.70)	(1,258.71)	
	Corporate Dividend Tax	(251.67)	(213.92)	
	Short Provision for Dividend of previous year	-	(0.93)	
	Short Provision for Dividend Tax Payable	(37.75)	(0.16)	
		65,330.92		40,546.54
		(7,399.91)	(3,441.95)	
	TOTAL	**90,698.88**		**62,699.65**

Notes to Consolidated Financial Statements
as on March 31, 2015

Note :
Note I : With the applicability of Companies Act, 2013 with effect from April 1, 2014, and as per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013, the carrying amount of the existing assets as on April 1, 2014 where the remaining useful life of an asset is nil, the residual value has been transferred to the retained earnings. The block-wise break up of the amounts transferred are as follows :

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

The tax impact amounting to ₹ 13,62,51,290/- on the above amounts has been reduced from the amounts transferred from block of fixed assets.

Note 4- Money Received against Share Warrant

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Warrant Application money	25,000.00	10,215.05
TOTAL	**25,000.00**	**10,215.05**

Note :
The Company has issued 250.00 lacs fully convertible warrants to M/s. Vakrangee Capital Private Limited at ₹ 100/- per warrant in the previous year. The warrants issued are convertible into equal no. of equity shares having face value of ₹ 1/- with premium of ₹ 99/- per share. Amount payable at time of issue is 40.56% i.e. ₹ 101.40 Cr, and rest at the time of conversion of warrants, conversion can happen anytime from the date of allotment but before the expiry of 18 months from the date of allotment. Convertible warrants are subject to lock-in-period of three years from date of allotment of the equity shares or such reduced period as may be permitted under the SEBI Issue of Capital & Disclosure Requirements (ICDR) Regulations, 2009 as amended time to time.

Note 5 - Long-Term Borrowings

(₹ in Lacs)

(a)	Particulars	As at March 31, 2015		As at March 31, 2014	
	(A) Secured Loans				
	(i) Term Loans				
	- From Banks	3,740.60		7,402.66	
	- From Others	-	3,740.60	1,200.00	8,602.66
	(ii) Long-term maturities of finance lease obligations		-		18.36
	(iii) Deposits		-		-
	(A)		**3,740.60**		**8,621.02**
	(B) Unsecured Loans				
	(i) Term Loans				
	- From Bank	-		-	
	- From Others	-	-	-	-
	(iii) Deposits		-		-
	(B)		-		-
	TOTAL (A + B)		**3,740.60**		**8,621.02**

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 6 - Deferred Tax Liabilities (Net)

(₹ in Lacs)

(a)	Particulars	As at March 31, 2015		As at March 31, 2014	
	Liabilities				
	(i) On account of difference in depreciation on Fixed Assets	4,271.89		7,133.25	
	(ii) Timing differences on Tax Provisions	-		-	
	(A)		4,271.89		7,133.25
	Assets				
	(i) Provision for Leave Encashment	18.81		17.33	
	(ii) Timing differences on Tax Provisions	-		-	
	(B)		18.81		17.33
	TOTAL (A - B)		**4,253.08**		**7,115.92**

Note 7 - Other Long-Term Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade payables	157.17	332.05
Others :	-	-
TOTAL	**157.17**	**332.05**

Note 8 - Short-Term Borrowings

(₹ in Lacs)

(a)	Particulars	As at March 31, 2015	As at March 31, 2014
	(A) Secured Loans		
	(i) Loans repayable on demand		
	- From Banks	29,968.80	30,639.02
	(ii) Loans & Advances from Related Parties	-	-
	(iii) Inter Corporate Deposits	-	-
	(A)	29,968.80	30,639.02
	(B) Unsecured Loans		
	(i) Loans & Advances from Related Parties	1,588.60	1,523.60
	(ii) Inter Corporate Deposits	-	-
	(iii) Other Loans & Advances	-	-
	(B)	1,588.60	1,523.60
	TOTAL (A + B)	**31,557.40**	**32,162.62**

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 9 - Trade Payables

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current payables (including acceptances) outstanding for less than 12 months	21,313.21	25,243.15
TOTAL	**21,313.21**	**25,243.15**

Note 10 - Other Current Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term debts	6,287.61	8,242.99
Current maturities of finance lease obligations	18.35	204.41
Interest accrued and due on borrowings	171.81	68.24
Unpaid Dividend	33.82	27.62
Other Payables	-	
PF, ESIC & LWF Payable	62.29	8.50
Service Tax Payable	45.55	58.27
Sales Tax Payable	4.02	11.13
TDS Payable	188.05	323.66
Staff Emoluments Payable	369.97	589.16
Security Deposit	-	3.95
Advance from customers	320.53	-
Other Liabilities	801.07	727.66
TOTAL	**8,303.07**	**10,265.59**

Note 11 - Short-Term Provisions

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for Expenses for Goods & services	6,708.77	7,980.42
Provisions for Employees' benefits	117.85	52.12
Provision for Wealth Tax	0.01	0.16
Provision for Taxation (net of taxes paid)	5,328.40	1,266.71
Provision for Proposed Dividend	1,258.71	1,258.71
Provision for Tax on Proposed Dividend	251.67	213.92
TOTAL	**13,665.41**	**10,772.04**

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 12 - Fixed Assets

(₹ in Lacs)

Description	Gross Block					Depreciation Block					Net Block			
	Beginning of Current Period	Additions	Acquisitions through Business Combinations	Deductions/ Adjustments	End of Current Period	Upto Beginning of Current Period	For the Period	Transfer to retained Earnings	Deductions/ Adjustments	Upto End of Current Period	Before Impairment	Impairment	End of Current Period	End of Previous Period
(i) Tangible Assets														
Buildings	991.82	45.21	-	-	1,037.02	116.20	16.47	-	-	132.67	-	-	904.36	875.62
Plant and Machinery	755.53	243.23	-	-	998.76	263.97	61.78	-	-	325.76	-	-	673.00	491.56
Furnitures and Fixtures	605.46	0.87	-	-	606.32	387.38	36.18	82.91	-	506.46	-	-	99.86	218.08
Vehicles	61.20	-	-	8.45	52.75	14.17	8.49	-	2.05	20.61	-	-	32.14	47.03
Office Equipments	576.43	3.71	-	-	580.13	311.77	21.37	222.70	-	555.85	-	-	24.29	264.65
Computers and Printers	32,518.86	25.97	-	-	32,544.83	28,770.34	27.88	3,702.96	-	32,501.19	-	-	43.65	3,748.51
Project Assets														
- Computers and Printers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	57,990.69	3,916.83	-	161.67	61,745.85	22,715.51	14,664.12	-	65.31	37,314.33	-	-	24,431.52	35,275.18
- Leased	596.64	-	-	-	596.64	384.10	198.86	-	-	582.96	-	-	13.68	212.54
- Office Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	907.69	2.27	-	-	909.97	528.69	230.61	-	-	759.30	-	-	150.67	379.01
- Leased	19.25	-	-	-	19.25	12.39	6.42	-	-	18.81	-	-	0.44	6.86
- Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Owned	4,822.51	0.25	-	-	4,822.76	2,708.15	1,205.68	-	-	3,913.83	-	-	908.93	2,114.36
- Leased	23.26	-	-	-	23.26	14.97	7.75	-	-	22.72	-	-	0.53	8.29
TOTAL	**99,869.34**	**4,238.34**	**-**	**170.12**	**103,937.56**	**56,227.66**	**16,485.61**	**4,008.57**	**67.36**	**76,654.49**	**-**	**-**	**27,283.07**	**43,641.68**
"(ii) Intangible Assets (Other than Internally Generated)"	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
"(iii) Capital Work-In-Progress (excluding Capital Advances)"	**4,811.34**	**-**	**-**	**3,802.23**	**1,009.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,009.11**	**4,811.34**
TOTAL	**4,811.34**	**-**	**-**	**3,802.23**	**1,009.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,009.11**	**4,811.34**
GRAND TOTAL	**104,680.68**	**4,238.34**	**-**	**3,972.35**	**104,946.67**	**56,227.66**	**16,485.61**	**4,008.57**	**67.35**	**76,654.49**	**-**	**-**	**28,292.19**	**48,453.02**
PREVIOUS YEAR	81,878.65	24,515.86	-	1,713.83	104,680.68	38,166.74	18,087.28	-	26.36	56,227.66	-	-	48,453.02	-

(b) Details of Capital Work-in-Progress

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

(c) Detailed note on Fixed Assets taken on Lease

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

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 13 - Non-Current Investments

(₹ in Lacs)

	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	**Trade Investments**		
	(i) Investment in Equity Instruments		
	Unquoted Investments		
	- In Others		
	2500 Equity Shares of CSC e-Governance Services India Ltd. of ₹ 1000/- each fully paid up (Previous Year Nil)	25.00	-
	(A)	25.00	-
	(ii) Investment in Mutual Funds		
	Nil units of Axis Hybrid Fund Series - I of ₹ 10/- each fully paid up (Previous Year 12,00,000)	-	120.00
	24.9375 units of Aditya Birla Real Estate Fund- I of ₹ 1,00,000/- each partly paid up ₹ 60,000/- per unit (Previous Year ₹ 60,000/- per unit, 24.9375 units)	15.00	15.00
	Nil units of Union KBC Capital Protection Oriented Fund - Series 7 of ₹ 10/- each fully paid up (Previous Year 2,50,000)	-	25.00
	Nil units of Union KBC Trigger Fund Series 1 - Regular Plan of ₹ 10/- each fully paid up (Previous Year 99,990)	-	10.00
	99,990 units of Union KBC Asset Allocation Fund - Moderate of ₹ 10/- each fully paid up (Previous Year 99,990)	10.00	10.00
	2,99,990 units of Union KBC Capital Protection Oriented Fund - Series 1 of ₹ 10/- each fully paid up (Previous Year 2,99,990)	30.00	30.00
	2,00,000 units of Union KBC Capital Protection Oriented Fund - Series 2 of ₹ 10/- each fully paid up (Previous Year 2,00,000)	20.00	20.00
	1,00,000 units of Union KBC Capital Protection Oriented Fund - Series 5 of ₹ 10/- each fully paid up (Previous Year 1,00,000)	10.00	10.00
	4,99,990 units of Union KBC Trigger Fund Series 2 - Regular Plan of ₹ 10/- each fully paid up (Previous Year Nil)	50.00	-
	Nil units of Union KBC Equity Fund - Growth of ₹ 10/- each fully paid up (Previous Year 1,50,000)	-	15.00
	(B)	**135.00**	**255.00**
	Total (A+B)	**160.00**	**255.00**

Notes to Consolidated Financial Statements
as on March 31, 2015

(₹ in Lacs)

(b)	Particulars	As at March 31, 2015	As at March 31, 2014
	Aggregate value of:		
	Quoted investments - Mutual Funds (Market Value : ₹156.19 lakhs, P.Y. ₹ 301.30 lakhs)	135.00	255.00
	Unquoted investments	25.00	-
		160.00	**255.00**

Note 14 - Long-Term Loans & Advances

(₹ in Lacs)

(a)	Particulars	As at March 31, 2015		As at March 31, 2014	
	(i) Capital Advances				
	(Unsecured, considered good)				
	Advance against property	458.52		499.52	
	Advance against capital goods	-	458.52	5,005.00	5,504.52
	(ii) Security Deposits				
	(Unsecured, considered good)				
	Security Deposit		21.96		26.18
	(iii) Other Loans and Advances				
	(Unsecured, considered good)				
	MAT Credit Entitlement	12.87		-	
	Balances with statutory / revenue authorities :	-			
	- Income Tax (net of provision for taxation)	-		-	
	- Sales Tax	-	12.87	-	-
	TOTAL		**493.35**		**5,530.70**

Note 15 - Other Non-Current Assets

(₹ in Lacs)

Particulars	As at March 31, 2015		As at March 31, 2014	
(i) Long Term Trade Recievables				
- Unsecured, considered good	138.36		135.49	
- Doubtful	-		-	
Less: Provision for Doubtful Debts	(44.50)		(44.50)	
(ii) Others		93.86		90.99
- Non-Current Bank Balances (Note No. 18)	453.14		807.94	
- Prepaid Expenses	1.42		0.24	
		454.56		808.18
TOTAL		**548.42**		**899.17**

Note 16 - Inventories

(₹ in Lacs)

(a)	Particulars	As at March 31, 2015	As at March 31, 2014
	(i) Raw Material	12,505.03	12,293.42
	(ii) Work in Progress	3,745.17	3,241.26
	(iii) Finished Goods	465.70	508.66
	(iv) Consumables	209.02	199.05
	(v) Stores & Spares	11.35	6.14
	TOTAL	**16,936.27**	**16,248.53**

(b) Basis of valuation of Inventories

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

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 17 - Trade Receivables

(₹ in Lacs)

(a)	Particulars	As at March 31, 2015		As at March 31, 2014	
	(i) Due for a period exceeding six months				
	- Unsecured, considered good		12,465.60		2,595.73
	- Doubtful	-		-	
	Less: Provision for Doubtful Debts	-	-	-	-
	(ii) Others				
	- Unsecured, considered good		107,466.80		74,234.10
	- Doubtful	-		-	
	Less: Provision for Doubtful Debts	-	-	-	-
	TOTAL		**119,932.40**		**76,829.83**

Note 18 - Cash & Cash equivalents

(₹ in Lacs)

(a)	Particulars	As at March 31, 2015		As at March 31, 2014	
	(A) Cash & Cash Equivalents				
	(i) Balances with Banks :				
	- Current Accounts	675.49		252.64	
	(ii) Cash-in-hand	6.64		5.40	
	(iii) Cheques & Drafts in-hand	-		-	
			682.13		258.04
	(B) Other Bank Balances				
	(i) Earmarked balances	33.82		27.62	
	(ii) Amount held as margin money or security against borrowings, guarantee, other commitments	3,546.92		3,456.57	
	(iii) Deposits with Banks :				
	- with original maturity period of more than 3 months but less than 12 months	10.75		-	
	- with original maturity period of more than 12 months	-		-	
			3,591.49		3,484.19
			4,273.62		**3,742.23**
	Less: Non-Current Other Bank Balances, disclosed under Other Non-Current Assets (Note No. 15)				
	(i) Amount held as margin money or security against borrowings, guarantee, other commitments	453.14		807.94	
	(ii) Deposits with Banks :				
	- with original maturity period more than 12 months	-		-	
			453.14		807.94
	TOTAL		**3,820.48**		**2,934.29**

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 19 - Short-Term Loans and Advances

(₹ in Lacs)

Particulars	As at March 31, 2015		As at March 31, 2014	
(i) Security Deposits				
(Unsecured, considered good)				
Security Deposit		1,135.69		1,135.69
(ii) Loans and Advances to Related Parties				
(Unsecured, considered good)				
Dues from subsidiaries	-		-	
Dues from associate companies	-		-	
Dues from companies in which the company's managing director is a director	-		-	
		-		-
(ii) Other Loans and Advances				
(Unsecured, considered good)				
Loans to others	-		-	
Earnest Money Deposit	150.35		68.35	
Other Deposit	0.04		0.05	
Balances with statutory / revenue authorities :	-			
- Sales Tax	28.03		27.85	
- Income Tax (net of provision for taxation)	250.39		230.86	
- CENVAT Credit receivable	14.84		27.24	
		443.65		354.35
TOTAL		**1,579.34**		**1,490.04**

Note 20 - Other Current Assets

(₹ in Lacs)

Particulars	As at March 31, 2015		As at March 31, 2014	
(i) Interest accrued on investments and deposits				
Interest Accrued on FDRs	-		-	
		-		-
(ii) Other advances receivable in cash or kind or for value to be received				
Staff Loans	18.59		30.95	
Advances for Expenses	4.90		78.74	
Advances for Purchases	30,366.41		18,055.96	
Other Receivables	575.44		914.67	
Prepaid Expenses	200.15		121.17	
		31,165.49		19,201.49
(iii) Other Assets				
Share Application Money				
- In Other Body Corporates	-		-	
TOTAL		**31,165.49**		**19,201.49**

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 21 - Revenue from Operations

(₹ in Lacs)

Particulars		For the year ended March 31, 2015		For the year ended March 31, 2014
(a) Income from e-governance activities		277,334.15		193,775.75
(b) Sale of Products				
- Computer consumables & peripherals	22.25		750.80	
- Others	-		-	
		22.25		750.80
(c) Sale of Services				
- Information Technology-enabled Services (ITeS)	679.34		652.14	
- Others	8.80		10.60	
		688.14		662.74
(d) Other Operating Revenues				
- Commission	2.94		-	
- Scrap Sale	0.45		0.88	
		3.39		0.88
TOTAL		**278,047.93**		**195,190.17**

Note 22 - Other Income

(₹ in Lacs)

Particulars		For the year ended March 31, 2015		For the year ended March 31, 2014
(i) Interest Income on				
- Bank Deposits	289.58		235.94	
- Others	15.70	305.28	10.52	246.45
(ii) Dividend Income on				
- Investment in Other Long-Term Instruments	-	-	0.97	0.97
(iii) Net gain/loss on sale of Fixed Assets		18.41		-
(iv) Net gain on sale of Investments		66.24		0.33
(v) Gain on Foreign Exchange Fluctuation (net)		197.58		337.80
(vi) Other Non-Operating Income (net of expenses directly attributable to such income)				
- Rent Received	1.50		1.50	
- Sundry Balances written back	0.15		-	
- Miscellaneous Income	2.02	3.67	29.03	30.53
TOTAL		**591.18**		**616.08**

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 23 - Operating Expenses

(₹ in Lacs)

Particulars		For the year ended March 31, 2015		For the year ended March 31, 2014
Cost for Sales				
- Opening Stock	12,498.61		261.04	
- Add : Purchases during the year	200,185.52		141,350.04	
	212,684.13		141,611.08	
- Less : Closing Stock	12,725.40		12,498.61	
		199,958.73		129,112.47
Lease Rent		-		3,382.91
Procurement of Manpower		219.75		1,799.34
Project Expenses		1,139.08		553.71
Image Processing Expenses		121.80		65.84
Printing Charges		15.77		71.13
Communication Costs		175.92		213.71
Conveyance & Travelling Expenses		34.13		71.08
Transportation, Octroi and Loading / Unloading Charges		16.36		21.90
Rent, Rates and Taxes		45.30		52.14
Refurbishment Charges		-		125.88
Commission Expenses		537.19		28.13
TOTAL		**202,264.04**		**135,498.24**

Note 24 - Changes in Inventories

(₹ in Lacs)

Particulars		For the year ended March 31, 2015		For the year ended March 31, 2014
(a) At the beginning of the period				
(i) Finished Goods	508.66		438.84	
(ii) Work-in-Progress	3,241.26		4,676.88	
		3,749.92		5,115.72
Less : (b) At the end of the period				
(i) Finished Goods	465.71		508.66	
(ii) Work-in-Progress	3,745.17		3,241.26	
		4,210.88		3,749.92
TOTAL		**(460.95)**		**1,365.80**

Note 25 - Employee Benefits Expenses

(₹ in Lacs)

Particulars		For the year ended March 31, 2015		For the year ended March 31, 2014
(i) Salaries & Wages	1,803.96		2,820.11	
(ii) Contribution to Provident & Other Funds	99.92		41.76	
(iii) Employee Compensation Expenses	9.11		227.70	
(iv) Staff Welfare Expenses	46.24		51.61	
TOTAL		**1,959.23**		**3,141.18**

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 26 - Finance Costs

(₹ in Lacs)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Interest Expenses				
- Banks	6,631.65		6,446.25	
- Others	137.08	6,768.73	733.99	7,180.24
Bank Charges & Commission		726.03		609.19
TOTAL		**7,494.76**		**7,789.43**

Note 27 - Other Expenses

(₹ in Lacs)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Repairs & Maintenance :				
- Building	39.75		2.17	
- Vehicle	1.85		3.43	
- Others	29.07	70.67	28.16	33.76
Loss on Foreign Exchange Fluctuation (net)		-		2.88
Advertisement and Publicity Expenses		191.33		269.02
Business Promotion Expenses		78.46		67.35
Sponsorship Fees		46.34		48.91
Commission & Brokerage		0.98		1.65
Rates & Taxes		62.82		11.02
Insurance		24.18		14.84
Electricity Expenses		36.17		37.07
Printing and Stationery		25.71		18.32
Communication Costs		100.10		117.03
Fees & Subscriptions		26.60		29.34
Listing, Registrar & Share Issue/Transfer Expenses		27.60		5.95
Directors' Remuneration		82.14		86.05
Directors' Sitting Fees		3.87		2.80
Legal & Professional Fees - Other than payments to Auditor :				
- Consultancy Charges	177.03		162.36	
- Legal & Professional Fees	471.87		470.30	
- Filing Stamp Duty and Franking Charges	24.08		114.08	
- Registration charges	0.02	673.00	0.01	746.76
Payments to Auditors :				
- Audit fees	14.33		12.78	
- Tax Audit fees	2.98		2.50	
- For Other Services	3.81		3.00	
- For Reimbursement of Expenses	-	21.12	-	18.28
Conveyance & Travelling		88.30		71.02
Vehicle Expenses		6.65		6.61
Corporate Social Responsibility Expenditure		321.25		-
Office & General Expenses		35.84		66.54
Donation		32.00		-
Provision for Doubtful Debts		-		44.50
Miscellaneous Expenses		8.55		14.37
Sundry Balances written off		-		10.98
TOTAL		**1,963.67**		**1,725.04**

Notes to Consolidated Financial Statements
as on March 31, 2015

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

Name of the Company	Date of becoming subsidiary	Country of Incorporation	% voting power held	
			As at 31st March, 2015	As at 31st March, 2014
Vakrangee e-Solutions Inc.	08-May-09	Philippines	100.00	100.00
Vakrangee Finserve Limited	07-Sep-11	India	100.00	100.00

The audited financial statements of the Company and its subsidiaries are drawn for the twelve-month period ending on 31st March, 2015, except for the subsidiary Company, M/s Vakrangee e-Solutions Inc., Philippines, whose audited accounts are for the period from 1st January, 2014 to 31st December, 2014. For the purpose of consolidation, unaudited financial statements for the period from 1st April, 2014 to 31st March, 2015 have been considered so as to incorporate adjustments for the effect of transactions or other events that occurred between 1st January, 2015 to 31st March, 2015.

Note 29 - Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in Lacs)

Particulars	As at March 31, 2015		As at March 31, 2014	
(A) Contingent Liabilities				
(i) Claims against the company not acknowledged as debts	27.23		-	
(ii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts	2,089.90		2,130.44	
(iii) Other contingent liabilities (Refer Note 1 below)	-		-	
(A)		2,117.13		2,130.44
(B) Commitments				
(i) Estimated amount of contracts remaining to be executed on capital account not provided for	25.00		25.00	
(ii) Uncalled liabilities on share and other investments partly paid up	10.00		10.00	
(iii) Others commitments	-		-	
(B)	-	35.00	-	35.00
TOTAL (A + B)		**2,152.13**		**2,165.44**

Note :
1. The amount of liabilities, which may occur on levying of penalty and/or charges by clients for delays in execution of contracts within the time prescribed in the agreement, is unascertained.

Note 30 - Segment Reporting

The Company's activities predominantly revolve around providing the e-governance related activites of Mission Mode Projects covered under "National e-Governance Plan" (NeGP). Considering the nature of Company's business and operations, there is only one reportable segment (business and / or geographical) in accordance with the requirements of the Accounting Standard 17 – "Segment Reporting" notified in the Companies (Accounting Standards) Rules 2006. However, on the basis of delivery modes, the Company's business operations has been classified into two business segments, viz. e-Governance Projects and Vakrangee Kendra, for the year.

Revenue and identifiable operating expenses in relation to these segments are categorised based on items that are individually identifiable to those segments. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably to utilise the resources optimally. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as 'unallocated' and adjusted against the total income of the Company. Fixed assets or liabilities contracted have not been identified to any of the segments as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

Notes to Consolidated Financial Statements
as on March 31, 2015

(₹ in Lacs)

Particulars	e-Governance Projects	Vakrangee Kendra	Total
Revenue from Operations	158,699.99	119,347.94	**278,047.93**
	-	-	
Segmental Results (Profit before Depreciation, Interest and Tax)	35,848.51	36,077.90	**71,926.41**
Less :			
Depreciation			**16,485.54**
Finance Costs			**7,497.55**
Unallocable expenses (net of unallocable income)			**(989.44)**
			-
Profit before exceptional and extra-ordinary item			**48,932.76**
Less : Exceptional and extra-ordinary item			**-**
Profit Before Tax			**48,932.76**
Less : Tax Expense			**16,748.47**
Profit After Tax			**32,184.29**

Note 31 - Earnings Per Equity Share

(₹ in Lacs)

	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(a)	**Net profit after tax attributable to equity shareholders for**		
	Basic EPS	32,184.29	17,504.25
	Add/Less: Adjustment relating to potential equity shares	-	-
	Net profit after tax attributable to equity shareholders for	32,184.29	17,504.25
	Diluted EPS		
(b)	**Weighted average no. of equity shares outstanding during the year**		
	For Basic EPS	503,482,240	502,979,292
	For Diluted EPS	531,103,578	509,232,604
(c)	**Face Value per Equity Share (₹)**	1.00	1.00
	Basic EPS	6.39	3.48
	Diluted EPS	6.06	3.44
(d)	**Reconciliation between no. of shares used for calculating basic and diluted EPS**		
	No. of shares used for calculating Basic EPS	503,482,240	502,979,292
	Add: Potential equity shares	27,621,338	6,253,312
	No. of shares used for calculating Diluted EPS	531,103,578	509,232,604

Notes to Consolidated Financial Statements
as on March 31, 2015

Note 32 - Prior Period Items

(₹ in Lacs)

	Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
(a)	**Prior Period Expenses**				
	Purchases	26.97		5.95	
	Professional Fees	0.84		4.36	
	Salary & Wages	1.00		0.47	
	Rent	-		0.50	
	Rates & Taxes	-		0.38	
	Repiar & Maintenance	2.91		0.03	
	Society Charges	-		0.81	
	TOTAL		**31.72**		**12.50**
(b)	**Prior Period Incomes**				
	Salary & Wages	0.13		45.68	
	Other Income	0.02		-	
	TOTAL		**0.15**		**45.68**

Note 33 - Related Party Details

(a) Key Management Personnel

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

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

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

Related Party Transactions

- In relation to (a)

(₹ in Lacs)

Nature of Transactions	For the year ended March 31, 2015	For the year ended March 31, 2014
Director Remuneration	82.14	86.05
ESOP Perquisites	-	-
Directors' Sitting Fees	3.87	2.80
Rent received	4.90	-
Balance outstanding as on 31 March	NIL	NIL

Notes to Consolidated Financial Statements
as on March 31, 2015

- In relation to (b)

(₹ in Lacs)

Nature of Transactions	For the year ended March 31, 2015	For the year ended March 31, 2014
Reimbursement of Expenses	14.15	17.45
Salary Paid	5.10	5.12
Realisation from Debtors	72.13	425.00
Warrant Application Money Received	14,784.95	-
Sale of investments	-	1.30
Loans Granted	-	120.00
Loans received back	-	120.00
Loans Taken	79.00	666.50
Loans Repaid	14.00	709.75
Balance Outstanding as on 31 March:	-	-
Sundry Debtors	-	72.13
Short Term Borrowings	1,588.60	1,523.60
Warrant Application Money Received	25,000.00	-

Note 33 - Gratuity & Leave encashment

The Company has provided for Gratuity and leave encashment,

a) Gratuity

Actuarial assumptions:

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age
Discount rate	8% per annum	8% per annum
Salary Escalation	5%	5%

The estimates of future salary increase, considered in actuarial

Amount recognized in the Profit and Loss account

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
PV of Past Service Benefit	104.59	54.24
Current Service Cost	35.13	20.09
Actuarial (gains)/losses for the period	76.56	18.27
Obligation at the end of the year.	178.83	91.77

b) Leave encashment

Actuarial assumptions:

Particulars	As at March 31, 2015	As at March 31, 2014
Period	From 1st April, 2014 to 31st March, 2015	From 1st April, 2013 to 31st March, 2014
Discount rate	8.00% per annum	8.25% per annum
Salary growth rate	5.00% per annum	5.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	-	-
Withdrawal rate (per annum)	2.00 % per annum (18 - 60 years)	2.00 % per annum (18 - 60 years)

Notes to Consolidated Financial Statements
as on March 31, 2015

Amount recognized in the Profit and Loss account

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current Liability	1.78	1.96
Non current liability	43.50	50.16
Total	45.29	**52.12**

Note 35 - leases

II. Finance Leases

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

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
i) Minimum lease payments		
Not later than one year	18.57	222.81
Later than one year and not later than five years	-	18.57
Total	**18.57**	**241.38**
ii) Present value of minimum lease payments		
Not later than one year	18.35	204.42
Later than one year and not later than five years	-	18.35
	18.35	222.77
Add : Future finance charges	0.21	18.61
Total	**18.57**	**241.38**

Note 36 - Previous year figures

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

Notes

Notes

VAKRANGEE LIMITED

(Erstwhile Vakrangee Softwares Limited)
"Vakrangee House", Plot No. 66, Marol Co-op Industrial Estate,
Off. M. V. Road, Andheri (E), Mumbai – 400 059
CIN : L65990MH1990PLC056669
Phone: 022 28503412 Fax No. 022 28502017 Email ID: info@vakrangee.in

ATTENDANCE SLIP

I hereby record my presence at the Twenty Fifth Annual General Meeting of the Company, to be held on Tuesday, September 29, 2015 at 11.00 AM at Chancellor Suite, Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai 400 099.

Name & Address of the Member _____

_____

_____

Registered Folio /Client ID _____

DPID_____

No. of Shares _____

Name of the Proxy _____

Name of the Member or Proxy or Representative present _____

Signature of the Member or Proxy or representative present _____

Note: A member or his/her duly appointed Proxy wishing to attend the Meeting, must complete this Attendance Slip and hand it over at the entrance.

VAKRANGEE LIMITED

(Erstwhile Vakrangee Softwares Limited)
"Vakrangee House", Plot No. 66, Marol Co-op Industrial Estate,
Off. M. V. Road, Andheri (E), Mumbai – 400 059
CIN : L65990MH1990PLC056669
Phone: 022 28503412 Fax No. 022 28502017 Email ID: info@vakrangee.in

PROXY FORM

Name of the member(s): .....

Registered Address: .....

..... E-mail ID: .....

Folio No. / Client Id: ..... DP ID: .....

I/We, being the member(s) of ..... shares of the Vakrangee Limited, hereby appoint.

1. Name :..... Address : .....
   Email Id : ..... Signature: .....or failing him,
2. Name : ..... Address : .....
   Email Id : ..... Signature : .....or failing him,
3. Name : ..... Address : .....
   Email Id : ..... Signature :.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company, to be held on Tuesday, September 29, 2015 at 11.00 AM at Chancellor Suite, Hotel Hilton, Mumbai, Sahar Airport Road, Andheri (East), Mumbai 400 099 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	For	Against
		I/We assent to the resolution	I/We dissent from the resolution.
ORDINARY BUSINESSES			
1	Adoption of Financial Statements for FY ended March 31, 2015		
2	Declaration of Dividend for FY ended March 31, 2015		
3	Appointment of Mr. Dinesh Nandwana as Director		
4	Appointment of M/s. S. K. Patodia & Associates as Statutory Auditor		

P.T.O.

Item No.	Resolutions	For	Against
		I/We assent to the resolution	I/We dissent from the resolution.
SPECIAL BUSINESSES			
5	Appointment of Mr. Avinash Vyas as an Independent Director		
6	Appointment of Mrs. Sujata Chattopadhyay as an Independent Director		
7	Re-appointment of Dr Nishikant Hayatnagarkar as Whole-Time Director		

Signed this ..... day of ..... 2015.

Signature of Shareholder: .....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, at "Vakrangee House", Plot No. 66, Marol Co-op Industrial Estate, Off. M. V. Road, Andheri (E), Mumbai – 400 059, Maharashtra not less than FORTY EIGHT HOURS before the commencement of the meeting.

Vakrangee

सशक्त परिवर्तन

Vakrangee

सशक्त परिवर्तन

Vakrangee Limited

www.vakrangee.in

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