



INDEPENDENT AUDITORS' REPORT

To the Members of Vakrangee Finserve Limited,

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of Vakrangee Finserve Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the rules made thereunder including 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind



Head Office : Choice House, Shree Shakambhari Corporate Park,
Plot No. 156-58, J. B. Nagar, Andheri (East), Mumbai - 400 099.
Tel. : +91 22 6707 9444 - Fax : +91 22 6707 9959 - Email : info@skpatodia.in

Offices : New Delhi | Jaipur | Ahmedabad | Kolkata | Bengaluru | Raipur | Hyderabad | Patna | Bhopal | Ranchi | Chandigarh | Nagpur | Guwahati

AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 Ind AS financial statements.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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, 2017, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

7. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 7, 2016 and May 27, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations as at March 31, 2017 and accordingly there is no impact on its financial position which requires to be disclosed in its Ind AS financial statements;
 - (ii) The Company does not have long-term contracts, including derivative contracts, as at March 31, 2017;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (iv) The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company - Refer Note No. 29.

Place : Mumbai
Date : May 26, 2017

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


Arun Poddar
Partner

Membership No. : 134572



Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Vakrangee Finserve Limited on the financial statements as of and for the year ended March 31, 2017.

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Annexure A to Independent Auditors' Report

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Vakrangee Finserve Limited on the financial statements as of and for the year ended March 31, 2017.

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- ix. According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer and term loans. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid / provided any managerial remuneration during the year and accordingly the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act are not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and as per information and explanations provided to us by management all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the records of the Company examined by us and the information and explanation given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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


Arun Poddar
Partner

Mem. No. : 134572

Place: Mumbai
Date: May 26, 2017



Annexure B to Independent Auditors' Report

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Vakrangee Finserve Limited on the financial statements as of and for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Vakrangee Finserve Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls which were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.



Annexure B to Independent Auditors' Report

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Vakrangee Finserve Limited on the financial statements as of and for the year ended March 31, 2017.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial controls over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

Arun Poddar

Arun Poddar
Partner

Mem. No. : 134572

Place : Mumbai
Date : May 26, 2017



Vakrangee Finserve Limited

Balance Sheet as at March 31, 2017

(Amount in ₹ 000's)

Particulars	Note No.	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
I ASSETS							
1 Non - Current Assets							
Property, Plant and Equipment	5	10.83		4,341.33		9,436.09	
Financial Assets							
Other Financial assets	6	10,399.80		35,094.61		33,395.54	
Total Non-Current Assets			10,410.63		39,435.94		42,831.63
2 Current Assets							
Inventories	7	-		-		35.00	
Financial Assets							
(i) Trade Receivables	8	100,185.61		66,422.54		23,284.84	
(ii) Cash and cash equivalents	9	40,248.23		17,875.45		14,205.86	
(iii) Bank balance other than (ii) above	9	38,337.99		-		-	
(iv) Others financial assets	10	9,766.02		4,563.87		2,063.01	
Current Tax Assets (Net)	11	9,989.88		7,817.12		1,293.88	
Other Current Assets	12	18,709.46		6,819.52		2,713.05	
Total Current Assets			217,237.19		103,498.50		43,595.64
TOTAL			227,647.82		142,934.44		86,427.27
II EQUITY & LIABILITIES							
1 EQUITY							
Equity Share Capital	13	150,000.00		2,500.00		2,500.00	
Other Equity	14	5,891.62		(68,485.36)		(101,286.30)	
Total Equity			155,891.62		(65,985.36)		(98,786.30)
LIABILITIES							
2 Non-Current Liabilities							
Deferred Tax Liabilities (Net)	15	-		1,133.19		1,867.83	
Total Non-Current Liabilities				1,133.19		1,867.83	
3 Current liabilities							
Financial Liabilities							
(i) Borrowings	16	-		157,994.30		158,860.00	
(ii) Trade Payables	17	48,970.28		31,721.49		19,854.96	
(iii) Other Financial Liabilities	18	71.42		36.00		62.86	
Provisions	19	18,706.66		906.14		1,106.45	
Other Current Liabilities	20	4,007.84		17,128.68		3,461.47	
Total Current Liabilities			71,756.20		207,786.61		183,345.74
Total Liabilities (2 + 3)			71,756.20		208,919.80		185,213.57
TOTAL			227,647.82		142,934.44		86,427.27
Significant Accounting Policies	1-4						

The accompanying notes forms an integral part of the standalone financial statements

As per our report of even date

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration No: 112723W

Arun Poddar
Partner
Membership No. 134572

Place: Mumbai
Date: May 26, 2017



For & on behalf of the Board of Directors

Dinesh Nandwana
Director
DIN: 00062532

Dr. Nishikant Dayanagarkar
Director
DIN: 00062638

Place: Mumbai
Date: May 26, 2017

Vinod Jain
Chief Financial Officer

Jay Bhansali
Company Secretary



Valrangee Finserve Limited

Statement of Profit and Loss for the year ended March 31, 2017

(Amount in ₹ 000's)

Particulars	Note No.	For the year ended March 31, 2017		For the year ended March 31, 2016	
I Income					
Revenue from Operations	21	446,978.63		221,238.95	
Other Income	22	4,118.41		3,189.81	
Total Income			451,097.04		224,428.76
II Expenses					
Operating Expenses	23	348,152.57		184,456.94	
Changes in Inventories	24	-		35.00	
Finance Costs	25	20,327.61		1,347.69	
Depreciation and Amortization Expense	5	4,320.83		5,094.77	
Other Expenses	26	1,218.87		1,428.06	
Total Expenses			374,019.88		192,362.46
III Profit before tax			77,077.16		32,066.30
IV Tax Expense:					
(a) Current Tax		15,736.81		5,461.57	
(b) Deferred Tax		(1,133.19)		(734.64)	
(c) MAT Credit Entitlement		(11,903.44)		(5,461.57)	
			2,700.18		(734.64)
V Profit for the year			74,376.98		32,800.94
VI Other Comprehensive Income					
Items that will be reclassified subsequently to profit or loss		-		-	
Items that will not be reclassified subsequently to profit or loss		-		-	
			74,376.98		32,800.94
VII Total Comprehensive income for the period					
VIII No. of equity shares for computing EPS (in thousands)	27				
(1) Basic			2,292.47		250.00
(2) Diluted			2,292.47		250.00
IX Earnings Per Equity Share (Face Value ₹ 10/- Per Share):	27				
(1) Basic (₹)			32.44		131.20
(2) Diluted (₹)			32.44		131.20
Significant Accounting Policies	1-4				

The accompanying notes forms an integral part of the standalone financial statements

As per our report of even date

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration No: 112723W

Arun Poddar
Partner
Membership No. 134572

Place : Mumbai
Date : May 26, 2017

For & on behalf of the Board of Directors

Dinesh Nandwana
Director
DIN: 00062532

Dr. Nishikant Hayatnagarkar
Director
DIN: 00062638

Place : Mumbai
Date : May 26, 2017

Vinod Jain
Chief Financial Officer

Jay Bhansali
Company Secretary

Vakrangee Finserve Limited

Cash flow statement for the year ended March 31, 2017

(Amount in ₹ 000's)

S. No	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
I	Cash flow from operating activities		
	Profit before tax from continuing operations	77,077.16	32,066.30
	Profit before tax from discontinuing operations	-	-
	Profit before tax	77,077.16	32,066.30
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	4,320.83	5,094.77
	Gain on disposal of property, plant and equipment	(30.31)	-
	Finance costs	20,327.61	1,347.69
	Interest income	(4,088.10)	(3,189.81)
	Dividend income	-	-
	Operating profit before working capital changes	97,607.19	35,318.95
	Movements in assets and liabilities :		
	Decrease / (increase) in inventories	-	35.00
	Decrease / (increase) in trade receivables	(33,763.07)	(43,137.70)
	Decrease / (increase) in loans and other financial assets	(18,845.33)	(4,199.94)
	Decrease / (increase) in other current assets	(11,889.94)	(4,106.47)
	Increase / (decrease) in trade payables	17,248.78	11,866.54
	Increase / (decrease) in provisions	17,800.52	(200.31)
	Increase / (decrease) in other financial Liabilities	35.42	(26.86)
	Increase / (decrease) in other current liabilities	(13,120.83)	13,667.20
	Cash generated from operations	55,072.74	9,216.41
	Income taxes paid (net of refunds)	(6,006.13)	(6,523.24)
	Net cash flow from / (used in) operating activities (A)	49,066.61	2,693.17
II	Cash flow from investing activities		
	Purchase of property, plant and equipment	-	-
	Proceeds from sale of property, plant and equipment	39.98	-
	Interest received	4,088.10	3,189.81
	Dividends received	-	-
	Net cash flow from / (used in) investing activities (B)	4,128.08	3,189.81
III	Cash flow from financing activities		
	Proceeds from issue of shares	147,500.00	-
	Repayment of borrowings	(157,994.30)	(865.70)
	Interest paid	(20,327.61)	(1,347.69)
	Net cash flow from / (used in) financing activities (C)	(30,821.91)	(2,213.39)
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	22,372.78	3,669.59
	Cash and cash equivalents at the beginning of the year	17,875.45	14,205.86
	Cash and cash equivalents at the end of the year	40,248.23	17,875.45

The accompanying notes forms an integral part of the standalone financial statements

As per our report of even date

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration No: 112723W

Arun Poddar
Partner
Membership No. 134572

Place : Mumbai
Date : May 26, 2017

For & on behalf of the Board of Directors

Dinesh Nandwana
Director
DIN: 00062532

Dr. Nishikant Hayatnagar
Director
DIN: 00062638

Place : Mumbai
Date : May 26, 2017

Vinod Jain
Chief Financial Officer

Jay Bhausa
Company Secretary

Vakrangee Finserve Limited

Statement of changes in equity for the year ended March 31, 2017


(Amount in ₹ 000's)

Particulars	Equity Share Capital	Other Equity	Total equity attributable to equity holders of the Company
		Reserve and Surplus	
		Retained earnings	
As at April 01, 2015	2,500.00	(101,286.30)	(98,786.30)
Profit for the year	-	32,800.94	32,800.94
Other comprehensive income	-	-	-
Issue of equity shares	-	-	-
As at March 31, 2016	2,500.00	(68,485.36)	(65,985.36)
Profit for the year	-	74,376.98	74,376.98
Other comprehensive income	-	-	-
Issue of equity shares	147,500.00	-	147,500.00
As at March 31, 2017	150,000.00	5,891.62	155,891.62

The accompanying notes forms an integral part of the standalone financial statements

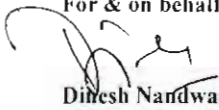
As per our report of even date

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration No: 112723W


Arun Poddar
Partner
Membership No. 134572


Place : Mumbai
Date : May 26, 2017

For & on behalf of the Board of Directors


Dinesh Nandwana
Director
DIN: 00062532


Dr. Nishikant Hayatnagar
Director
DIN: 00062638

Place : Mumbai
Date : May 26, 2017


Vinod Jain
Chief Financial Officer


Jay Bhansali
Company Secretary

Vakrangee Finserve Limited

Reconciliation of Equity as at 1st April, 2015 (Date of Transition to Ind AS)

(Amount in ₹ 000's)

Particulars	Indian GAAP	Adjustments	Indian AS
I ASSETS			
1 Non-Current Assets			
Property, Plant and Equipment	9,436.09	-	9,436.09
Financial Assets			
Other Financial Assets	33,395.54	-	33,395.54
Total Non-Current Assets	42,831.63		42,831.63
2 Current Assets			
Inventories	35.00	-	35.00
Financial Assets			
(i) Trade Receivables	23,284.84	-	23,284.84
(ii) Cash and Cash equivalents	14,205.86	-	14,205.86
(iii) Bank Balance other than (ii) above	-	-	-
(iv) Others Financial Assets	2,063.01	-	2,063.01
Current Tax Assets (Net)	1,293.88	-	1,293.88
Other Current Assets	2,713.05	-	2,713.05
Total Current Assets	43,595.64		43,595.64
Total Assets	86,427.27		86,427.27
II EQUITY & LIABILITIES			
1 EQUITY			
Equity Share Capital	2,500.00	-	2,500.00
Other Equity	(101,286.30)	-	(101,286.30)
Total Equity	(98,786.30)		(98,786.30)
LIABILITIES			
2 Non-Current Liabilities			
Deferred Tax Liabilities	1,867.83	-	1,867.83
Total Non-Current Liabilities	1,867.83		1,867.83
3 Current Liabilities			
Financial Liabilities			
(i) Borrowings	158,860.00	-	158,860.00
(ii) Trade Payables	19,854.96	-	19,854.96
(iii) Other Financial Liabilities	62.86	-	62.86
Provisions	1,106.45	-	1,106.45
Other Current Liabilities	3,461.47	-	3,461.47
Total Current Liabilities	183,345.74		183,345.74
Total Liabilities (2 + 3)	185,213.57		185,213.57
Total Equity & Liabilities	86,427.27		86,427.27



Vakrangee Finserve Limited

Reconciliation of Equity as at 31st March, 2016

(Amount in ₹ 000's)

Particulars	Indian GAAP		Adjustments	Indian AS	
I ASSETS					
1 Non - Current Assets					
Property, Plant and Equipment	4,341.33		-	4,341.33	
Financial Assets					
Other Financial assets	35,094.61		-	35,094.61	
Total Non-current Assets		39,435.94			39,435.94
2 Current Assets					
Inventories	-		-	-	
Financial Assets					
(i) Trade Receivables	66,422.54		-	66,422.54	
(ii) Cash and Cash equivalents	17,875.45		-	17,875.45	
(iii) Bank Balance other than (ii) above	-		-	-	
(iv) Others Financial Assets	4,563.87		-	4,563.87	
Current Tax Assets (Net)	7,817.12		-	7,817.12	
Other Current Assets	6,819.52		-	6,819.52	
Total Current Assets		103,498.50			103,498.50
Total Assets		142,934.44			142,934.44
II EQUITY & LIABILITIES					
1 EQUITY					
Equity Share Capital	2,500.00		-	2,500.00	
Other Equity	(68,485.36)		-	(68,485.36)	
Total Equity		(65,985.36)			(65,985.36)
LIABILITIES					
2 Non-Current Liabilities					
Deferred Tax Liabilities	1,133.19		-	1,133.19	
Total Non-Current Liabilities		1,133.19			1,133.19
3 Current Liabilities					
Financial Liabilities					
(i) Borrowings	157,994.30		-	157,994.30	
(ii) Trade Payables	31,721.49		-	31,721.49	
(iii) Other Financial Liabilities	36.00		-	36.00	
Provisions	906.14		-	906.14	
Other Current Liabilities	17,128.68		-	17,128.68	
Total Current Liabilities		207,786.61			207,786.62
Total Liabilities (2 + 3)		208,919.80			208,919.81
Total Equity & Liabilities		142,934.44			142,934.44



Vakrangee Finserve Limited

Reconciliation of Profit or Loss as at 31st March, 2016

(Amount in ₹ 000's)

	Particulars	Indian GAAP		Adjustments	Indian AS	
I	Income					
	Revenue from Operations	221,238.95		-	221,238.95	
	Other Income	3,189.81		-	3,189.81	
	Total Income		224,428.76			224,428.76
II	Expenses					
	Operating Expenses	184,456.94		-	184,456.94	
	Changes in Inventories	35.00		-	35.00	
	Finance Costs	1,347.69		-	1,347.69	
	Depreciation and Amortization Expense	5,094.77		-	5,094.77	
	Other Expenses	1,428.06		-	1,428.06	
	Total Expenses		192,362.46			192,362.46
III	Profit before tax		32,066.30			32,066.30
IV	Tax Expense:					
	(a) Current Tax	5,461.57		-	5,461.57	
	(b) Deferred Tax	(734.64)		-	(734.64)	
	(c) MAT Credit Entitlement	(5,461.57)		-	(5,461.57)	
			(734.64)			(734.64)
V	Profit for the year		32,800.94			32,800.94
VI	Other Comprehensive Income					
	Items that will be reclassified subsequently to profit or loss	-			-	
	Items that will not be reclassified subsequently to profit or loss	-	-		-	-
VII	Total Comprehensive Income for the period		32,800.94			32,800.94



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

Note 1 - Corporate Information

Vakrangee Finserve Limited (hereinafter referred to as “the Company”) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at ‘Vakrangee House’, Plot No. 66, Marol Co-op. Indl. Estate, Off. M. V. Road, Marol, Andheri (East), Mumbai, Maharashtra, India. The Company is a wholly owned subsidiary of Vakrangee Limited, whose shares are listed on two stock exchanges in India- the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

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

The financial statements were authorized for issue by the Company’s Board of Directors on May 26, 2017.

Note 2 - Significant Accounting Policies

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

A. Basis of preparation

i. Statement of compliance

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

These financial statements for the period ended March 31, 2017 are the first financial statements of the Company prepared in accordance with Ind AS. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the Generally Accepted Accounting Principles (hereinafter referred to as ‘previous GAAP’) used for its statutory reporting requirement in India. Refer Note 4 for an explanation of how the transition from the previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows. The Company has adopted the Ind AS standards in accordance with Ind AS 101 *First time adoption of Indian Accounting Standards*.

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



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

Current versus non-current classification

ii. Basis of measurement

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

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and
- share based payments

B. Summary of significant accounting policies

a. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

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



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

c. Foreign Currencies

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

Transaction and balances

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

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

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

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

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

b. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of services

The Company recognizes revenue on accrual basis 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



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

services rendered. Revenue is recognized when no significant uncertainty exists as to its realization or collection.

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

The amount recognised as revenue in its Statement of Profit and Loss is exclusive of Service Tax and Value Added Taxes (VAT), and is net of discounts.

Interest Income

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

Dividend Income

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

Insurance claims

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

c. Property, Plant and Equipment

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

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

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



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

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

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

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

Description of Asset	Rate of Depreciation
Computers and Printers, including Computer Peripherals	33.33%
Office Equipments	20.00%
Furniture & Fixtures	10.00%
Motor Vehicles	12.50%
Plant & Machinery	6.67%
Project Assets (comprising of Computers and Printers, including Computer Peripherals, Furniture and Fixtures and Office Equipments)	25.00% – 33.33%

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

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

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



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the Previous GAAP as the deemed cost of the property, plant and equipment.

d. Taxation

Current taxes

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

Deferred taxes

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

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

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

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



e. Fair Value measurement

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

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

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

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

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

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

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

f. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

g. Financial Instruments

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

Financial Assets

a) Initial recognition and measurement

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

b) Subsequent measurement

Debt Instruments at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. Fair value movements are



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment gains or losses and foreign exchange gains and losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

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

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

Equity instruments

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

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

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

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

c) De-recognition

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

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

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

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



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Notes to financial statements for the year ended March 31, 2017

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

d) Impairment of financial assets

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

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

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

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

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

Financial Liabilities

a) Initial recognition and measurement

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

b) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

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

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

Loans and borrowings

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

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

Financial guarantee contracts

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

c) Derecognition

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

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h. Inventories

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

i. Borrowing Costs

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

j. Equity Instruments

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

Dividends

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

k. Provisions

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

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

l. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

m. Earnings Per Share

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

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

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

n. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Note 3 - Critical Accounting Judgements and Estimates

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

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

▪ Fair value measurement of financial instruments

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



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

Note 4 - First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended on March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 these financial statements (the Company date of transition).

In preparing its opening Ind AS balance sheet and in presenting the comparative information for the year ended March 31, 2016, the Company has adjusted the amounts reported previously in the financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). For the purpose of transition from the Indian GAAP to Ind AS, the Company has applied Ind AS 101 - First Time Adoption of Indian Accounting Standards.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company financial position, financial performance and cash flows is set out in the following tables and notes

Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been described in below.

I. Exemptions and exceptions availed on first time adoption of Ind AS 101

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS

- **Ind AS optional exemptions**

- i. **Deemed Cost**

As per Ind AS 101 permits, a first time adopter to elect to continue with the carrying values for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used Investment properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, Investment properties and intangible assets at their previous GAAP carrying value.

- **Ind AS mandatory exceptions**

- i. **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVTOCI
- Impairment of financial assets based on expected credit loss model.

ii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Accordingly, the Company has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition.

II. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	₹ in 000's	
	March 31, 2016	April 1, 2015
Total Equity (shareholders' funds) as per Previous GAAP	(68,485.37)	(101,286.31)
Adjustments	-	-
Tax effects of adjustments	-	-
Total adjustments to equity	-	-
Total Equity as per Ind AS	(68,485.37)	(101,286.31)

Reconciliations of total comprehensive income for the year ended March 31, 2016

Particulars	₹ in 000's	
	March 31, 2016	
Profit after tax as per previous GAAP	32,800.94	
Adjustments	-	
Tax effects of adjustments	-	
Total adjustments	-	
Profit after tax as per Ind AS	32,800.94	
Other comprehensive income	-	
Total comprehensive income as per Ind AS	32,800.94	



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

₹ in 000's

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	1,2	3,987.99	(1,294.82)	2,693.17
Net cash flow from investing activities	1,2	3,189.81	-	3,189.81
Net cash flow from financing activities	1,2	(2,077.74)	(135.65)	(2,213.39)
Net increase/(decrease) in cash and cash equivalents	1,2	5,100.06	(1,430.47)	3,669.59
Cash and cash equivalents as at 1 April 2015	1,2,9	14,205.86	-	14,205.86
Cash and cash equivalents as at 31 March 2016	1,2,9	19,305.92	(1,430.47)	17,875.45



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

Note 5 - Property, Plant and Equipment

(Amount in ₹ 000's)

Description	Computer and Peripharals
Cost or Valuation	
At 1st April, 2015	20,379.07
Additions	-
Disposals	-
At 31st March, 2016	20,379.07
Additions	-
Disposals	68.50
At 31st March, 2017	20,310.57
Depreciation and Impairment	
At 1st April, 2015	10,942.98
Depreciation Charged for the year	5,094.77
Disposals	-
At 31st March, 2016	16,037.74
Depreciation Charged for the year	4,320.83
Disposals	58.84
At 31st March, 2017	20,299.74
Net Book Value	
At 31st March, 2017	10.83
At 31st March, 2016	4,341.33
At 1st April, 2015	9,436.09

- (b) For Property, plant & equipment existing on April 1, 2015 i.e. its date of transition to Ind AS, the company has used India GAAP carrying value as deemed costs.



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

**Note 6 - Others Financial Assets
(Non-Current)**

(Amount in ₹ 000's)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposits with bank			
- with maturity period of more than 12 months *	10,399.80	35,090.11	33,391.04
Other Deposits	-	4.50	4.50
TOTAL	10,399.80	35,094.61	33,395.54
* Amount held as margin money or security against borrowings, guarantee, other commitments	10,399.80	35,090.11	33,391.04

Note 7 - Inventories

(Amount in ₹ 000's)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Stock in trade	-	-	35.00
TOTAL	-	-	35.00

**Note 8 - Trade Receivables
(Current)**

(Amount in ₹ 000's)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(Unsecured)			
Considered Good	100,185.61	66,422.54	23,284.84
Less: Allowance for credit Losses	-	-	-
TOTAL	100,185.61	66,422.54	23,284.84

Note 9 - Cash & Cash Equivalents

(Amount in ₹ 000's)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Balances with Banks :			
- Current Accounts	39,834.86	17,842.68	14,145.32
(ii) Cash-in-hand	413.37	32.77	60.54
TOTAL	40,248.23	17,875.45	14,205.86

(B) Other Bank Balances

(i) Fixed Deposit	38,337.99	-	-
- with maturity period of more than 3 months but less than 12 months *	-	-	-
TOTAL	38,337.99	-	-

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

**Note 10 - Other Financial Assets
(Current)**

(Amount in ₹ 000's)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance for Outlets	6,610.85	800.00	-
Advances to Business Correspondents / Agents	1,155.17	1,763.87	63.01
Security Deposit	2,000.00	2,000.00	2,000.00
TOTAL	9,766.02	4,563.87	2,063.01

Note 11 - Current Tax Assets (Net)

(Amount in ₹ 000's)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Income Tax (net of provision for taxation)	9,989.88	7,817.12	1,293.88
TOTAL	9,989.88	7,817.12	1,293.88

Note 12 - Other Current Assets

(Amount in ₹ 000's)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
- Prepaid expenses	118.40	101.44	113.10
- MAT Credit Entitlement	18,591.06	6,693.08	1,287.35
Balances with statutory / revenue authorities:			
- Sales Tax	-	25.00	1,137.77
- CENVAT Credit receivable	-	-	174.83
TOTAL	18,709.46	6,819.52	2,713.05



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

Note 13 - Equity Share Capital

Equity share capital

(i) Authorised share capital (Amount in ₹ 000's)

Particulars	Number of shares (in thousands)	Amount
As at April 01, 2015	10,000.00	100,000.00
Increase during the year	-	-
As at March 31, 2016	10,000.00	100,000.00
Increase during the year	10,000.00	100,000.00
As at March 31, 2017	20,000.00	200,000.00

(ii) Paid up Equity share capital (Amount in ₹ 000's)

Particulars	Number of shares (in thousands)	Amount
As at April 01, 2015	250.00	2,500.00
Issued during the year	-	-
As at March 31, 2016	250.00	2,500.00
Issued during the year	14,750.00	147,500.00
As at March 31, 2017	15,000.00	150,000.00

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares (in thousands)	% Holding	Number of shares (in thousands)	% Holding	Number of shares (in thousands)	% Holding
Vakrangee Limited	15,000.00	100.00%	250.00	100.00%	250.00	100.00%

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

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. New equity shares issued shall be ranked paripassu to the existing equity shares.

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

Note 14 - Other Equity

(Amount in ₹ 000's)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Surplus in Statement of Profit & Loss	5,891.62	(68,485.36)	(101,286.30)
Total	5,891.62	(68,485.36)	(101,286.30)

(v) Surplus in Statement of Profit & Loss (Amount in ₹ 000's)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening balance	(68,485.36)	(101,286.30)
Add:- Profit for the year	74,376.98	32,800.94
Closing balance	5,891.62	(68,485.36)



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

Note 15 - Deferred Tax Liabilities (Net)

(Amount in ₹ 000's)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Liabilities			
(i) On account of difference in depreciation on Fixed Assets	(112.00)	1,133.19	1,867.83
(ii) Timing differences on Tax Provisions	-	-	-
(A)	(112.00)	1,133.19	1,867.83
Assets			
(i) Timing differences on Tax Provisions	-	-	-
(B)	-	-	-
TOTAL (A - B)	(112.00)	1,133.19	1,867.83
Add : Impact on deferred tax asset carrying value*	112.00	-	-
Balance Carried to Balance Sheet	-	1,133.19	1,867.83

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

Note 16 - Borrowings

(Amount in ₹ 000's)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured Loans			
Loan from Holding Company	-	157,994.30	158,860.00
TOTAL	-	157,994.30	158,860.00

Note 17 - Trade Payables

(Amount in ₹ 000's)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payables*	48,970.28	31,721.49	19,854.96
TOTAL	48,970.28	31,721.49	19,854.96

*Includes dues to micro, small and medium enterprises
(Also refer Note 31)

Note 18 - Other Financial Liabilities

(Amount in ₹ 000's)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Audit Fees Payable	71.42	36.00	40.94
Expenses Payable	-	-	21.92
TOTAL	71.42	36.00	62.86

Note 19 - Provisions

(Amount in ₹ 000's)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Expenses	18,706.66	906.14	1,106.45
TOTAL	18,706.66	906.14	1,106.45

Note 20 - Other Current Liabilities

(Amount in ₹ 000's)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Withholding taxes and others	4,007.84	17,128.68	3,461.47
TOTAL	4,007.84	17,128.68	3,461.47



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

Note 21 - Revenue from Operations

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from Sale of Services		
- Information Technology-enabled Services (ITeS)	446,978.63	221,238.95
TOTAL	446,978.63	221,238.95

Note:- The amount of revenues above are exclusive of indirect taxes (service tax, sales tax, etc.).

Note 22 - Other Income

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest Income on		
- Bank Deposits	3,618.16	3,189.81
- Interest on IT Refund	469.94	-
	4,088.10	3,189.81
(b) Net gain on disposal of Property plant and equipment	30.31	-
TOTAL	4,118.41	3,189.81

Note 23 - Operating Expenses

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Commission Expenses	347,533.42	183,737.83
Communication Costs	619.15	719.11
TOTAL	348,152.57	184,456.94

Note 24 - Changes in Inventories

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) At the beginning of the year		
(i) Stock in trade	-	35.00
Less : (b) At the end of the year		
(i) Stock in trade	-	-
TOTAL	-	35.00

Note 25 - Finance Costs

(Amount in ₹ 000's)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Expenses		
- Banks	-	-
- Others	20,152.06	1,328.24
Bank Charges & Commission	175.55	19.45
TOTAL	20,327.61	1,347.69



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

Note 26 - Other Expenses

(Amount in ₹ 000's)		
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Telephone & Postage Expenses	2.05	211.96
Conveyance & Travelling Expenses	1.98	906.36
Rates & Taxes	29.70	54.77
Sundry Balances written off	0.72	-
Service Tax Expense	-	106.86
Legal & Professional Fees - Other than payments to Auditor		
- Legal & Professional Fees	10.00	15.36
- Filing Stamp Duty and Franking Charges	1,084.89	41.10
- Registration charges	-	0.91
Payments to Auditors		
- Audit fees	65.80	25.00
- Tax audit fees	15.00	15.00
- For Other Services	-	3.99
Office & General Expenses	8.73	46.75
TOTAL	1,218.87	1,428.06

Note 27 - Earnings Per Equity Share

(Amount in ₹ 000's)		
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Net profit after tax attributable to equity shareholders for Basic EPS	74,376.98	32,800.94
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	74,376.98	32,800.94
(b) Weighted average no. of equity shares (in thousands) outstanding during the year		
For Basic EPS	2,292.47	250.00
For Diluted EPS	2,292.47	250.00
(c) Basic EPS (₹)	32.44	131.20
Diluted EPS (₹)	32.44	131.20
Face Value per Equity Share (₹)	10.00	10.00
(d) Reconciliation between no. of shares used for calculating basic and diluted EPS		
No. of shares (in thousands) used for calculating Basic EPS	2,292.47	250.00
Add: Potential equity shares	-	-
No. of shares (in thousands) used for calculating Diluted EPS	2,292.47	250.00

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

(Amount in ₹ 000's)		
Particulars	As at March 31, 2017	As at March 31, 2016
i) Company has provided Bank Guarantee to various parties which is not acknowledged in books of accounts	45,030.00	31,030.00
	45,030.00	31,030.00

Note 29 - Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:



Vakrangee Finserve Limited

Notes to financial statements for the year ended March 31, 2017

(Amount in ₹ 000's)		
Particulars	SBNs*	Other denomination notes
Closing cash in hand as on November 8, 2016	300.00	2.93
(+) Permitted receipts	-	800.00
(-) Permitted payments	-	411.74
(-) Amount deposited in Banks	300.00	15.00
Closing cash in hand as on December 30, 2016	-	376.20

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

Note 30 - Related Party Transactions

a) Key Management Personnel

Dinesh Nandwana	Director
Dr. Nishikant Hayatnagarkar	Director
Nitinkumar Sharma	Director
Jay Bhansali	Company Secretary (w.e.f. February 02, 2017)
Vinod Jain	Chief Financial Officer (w.e.f. March 29, 2017)

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

- NJD Capital Private Limited (formerly known as Vakrangee Capital Private Limited)

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

- Vakrangee Limited

Transactions during the year

- In relation to (b)

(Amount in ₹ 000's)		
Nature of Transaction	For the year ended March 31, 2017	For the year ended March 31, 2016
Loans received	-	-
Interest Charged	-	345.79
Loan Repaid	-	159,205.79
Balance Outstanding as on March 31 :		
Current Liabilities: Short term Borrowings	-	-

- In relation to (c)

(Amount in ₹ 000's)		
Nature of Transaction	For the year ended March 31, 2017	For the year ended March 31, 2016
Loans received	1,674.59	205,349.69
Interest Charged	19,988.01	297.29
Loan Repaid	179,656.91	47,652.68
Equity Share Capital issued	147,500.00	-
Balance as on March 31 :		
Current Liabilities: Short term Borrowings	-	157,994.30
Equity share capital	150,000.00	2,500.00

Note 31 - 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



Notes to financial statements for the year ended March 31, 2017

Note 32 - Financial Risk Management

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

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

Note 33 - Income Taxes

(a) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below.

Particulars	(Amount in ₹ 000's)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before income taxes	77,077.16	32,066.30
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	26,676.41	11,098.15
Effect of non-deductible expenses	28.36	872.81
Absorption of unabsorbed brought forward losses and depreciation	(24,004.59)	(12,705.60)
Income Tax expense	2,700.18	(734.64)

(b) The following table provides the details of income tax liabilities and income tax assets as of March 31, 2017, March 31, 2016 and April 1, 2015.

Particulars	(Amount in ₹ 000's)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Income Tax Liabilities	-	-	-
Income Tax Assets	9,989.88	7,817.12	1,293.88
Net current income tax liabilities / (assets) at the end	(9,989.88)	(7,817.13)	(1,293.89)

The gross movement in the current income tax liability / (asset) for the year ended March 31, 2017 and March 31, 2016 is as follows:

Particulars	(Amount in ₹ 000's)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Net current income tax liability / (asset) at the beginning	(7,817.13)	(1,293.89)
Income Tax paid	(6,006.13)	(6,523.24)
Current Income Tax expense	3,833.37	-
Net current income tax liability / (asset) at the end	(9,989.89)	(7,817.13)

(c) The gross movement in the deferred income tax account for the three months and year ended March 31, 2017 and March 31, 2016, are as follows:

Particulars	(Amount in ₹ 000's)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Net deferred income tax liability at the beginning	1,133.19	1,867.83
Movements relating to temporary differences	(1,133.19)	(734.64)
Temporary differences on other comprehensive income	-	-
Net deferred income tax liability at the end	(0.00)	1,133.19

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

Note 34 - Previous year / period figures

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The Company has adopted Ind AS on April 1, 2016 with the transition date as April 1, 2015, and adoption was carried out in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. The previous period's figures have been regrouped or rearranged wherever necessary.

As per our report of even date attached

For S. K. Patodia & Associates
Chartered Accountants
Firm Registration No: 112723W

Arun Poddar
Partner
Membership No. 134572

Place : Mumbai
Date : May 26, 2017

For & on behalf of the Board of Directors

Dinesh Nandwani
Director
DIN: 00062532

Dr. Nishikant Bhaynagar
Director
DIN: 00062638

Place : Mumbai
Date : May 26, 2017

Vinod Jain
Chief Financial Officer

Jay Bhansali
Company Secretary