

TRACXN TECHNOLOGIES PRIVATE LIMITED

SEVENTH ANNUAL REPORT

FINANCIAL YEAR 2018-2019

TRACXN TECHNOLOGIES PRIVATE LIMITED

CIN: U72200KA2012PTC065294

REGISTERED OFFICE

48, First Floor, DVG Road, Basavanagudi, Bengaluru, Karnataka India - 560004

CORPORATE OFFICE

5th Floor, Krimson Square Building, 31/9, Roopena Agrahara, Hosur Main Road, Bangalore
– 560 068

BOARD OF DIRECTORS

- | | | |
|--------------------------------|---|--------------------|
| 1. Ms. Neha Singh | - | Executive Director |
| 2. Mr. Abhishek Goyal | - | Executive Director |
| 3. Mr. Ravi Chandra Adusumalli | - | Nominee Director |
| 4. Mr. Vivek Kumar Mathur | - | Nominee Director |

TRACXN TECHNOLOGIES PRIVATE LIMITED

STATUTORY AUDITORS

M/s. Price Waterhouse & Co., Chartered Accountants LLP
(Registration Number 012754N/N500016),
Bangalore

BANKERS

1. HDFC Bank Limited
2. ICICI Bank
3. Kotak Bank

CORPORATE INFORMATION

Email id: compliance-officer@tracxn.com Telephone No.: +91 90360 90116

TRACXN TECHNOLOGIES PRIVATE LIMITED

BOARD'S REPORT

To the Members,

Your Directors are pleased to present the Seventh Annual Report and the Company's audited financial statement for the financial year ended March 31, 2019.

FINANCIAL SUMMARY/HIGHLIGHTS PERFORMANCE OF THE COMPANY

The Company's financial performance for the year under review along with previous year figures is given hereunder:

(Amount in Rs.)		
Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Net Sales /Income from Business Operations	33,18,71,436	27,82,12,960
Other Income	1,16,86,643	1,27,19,122
Total Income	34,35,58,079	29,09,32,082
Less: Total expenses excluding Depreciation	55,36,51,097	56,37,44,980
Less: Depreciation	65,36,714	59,06,685
Loss after depreciation and other expenses	(21,66,29,732)	(27,87,19,583)
Less: Tax Expenses/Tax Credit	-	-
Net Loss after Tax	(21,66,29,732)	(27,87,19,583)
Loss per share (Basic)	(195.63)	(251.70)

RESULTS OF OPERATIONS

During the financial year ended March 31, 2019 total revenue of the Company was Rs. 33,18,71,436 as against the revenue for the previous year which was Rs. 27,82,12,960. The Company has during the year under review has posted a net loss of Rs 21,66,29,732/- as against net loss of Rs. 27,87,19,583/- in the previous year.

DIVIDEND

The Board of Directors of the Company has not declared any dividend for the current financial year due to insufficient profits.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

TRACXN TECHNOLOGIES PRIVATE LIMITED

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure A and is attached to this Report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had 8 (Eight) Board meetings during the financial year under review.

Sl. No.	Date of Board Meeting	Board Strength	No of Directors present
1.	16 th May 2018	4	4
2.	16 th July 2018	4	4
3.	21 st September 2018	4	2
4.	22 nd October 2018	4	4
5.	27 th November 2018	4	2
6.	24 th January 2019	4	4
7.	14 th February 2019	4	2
8.	12 th March 2019	4	2

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

The Board is duly constituted with four directors. The Board currently consists of the following Directors:

1. Abhishek Goyal
2. Neha Singh
3. Ravi Chandra Adusumalli
4. Vivek Kumar Mathur

In view of the applicable provisions of the Companies Act, 2013, the Company is not mandatorily required to appoint any whole time KMPs.

TRACXN TECHNOLOGIES PRIVATE LIMITED

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

No frauds were reported by the auditors under sub-section 12 of Section 143 for the year under review.

STATUTORY AUDITORS

M/s. Price Waterhouse & Co., Chartered Accountants LLP, (Registration Number 012754N/N500016), were appointed as the Statutory Auditors of the Company at the Fourth Annual General Meeting, for a period of 5 years, to hold office till the conclusion of the Ninth Annual General Meeting of the Company.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks made by the Auditors in their report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans given, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There were no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

TRANSFER TO RESERVES

There was no transfer to General Reserve during the year under review.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

TRACXN TECHNOLOGIES PRIVATE LIMITED

There are no material changes and commitments affecting the financial position of the company occurred between the end of the financial year to which the financial statements relate on the date of this Report.

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

The Company has not actively engaged in the conservation of energy or absorption of technology. The Company is however aware of its responsibilities and has at every available opportunity, used and implemented such measures to enable energy conservation. There has been no technology absorption involved.

The total Foreign Exchange Inflow and Outflow during the year under review is as follows:

(in Rs.)

Particulars	2018-19	2017-18
Inflow	26,52,78,391	19,63,84,570
Outflow	4,16,816	41,53,655

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per the requirements under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC).

While maintaining the highest governance norms, the Company has appointed the following members of ICC as below;

A Presiding officer or Chairperson who is a woman employed at a senior level at workplace from amongst the employees.

TRACXN TECHNOLOGIES PRIVATE LIMITED

The Company has appointed an external independent person who has worked in this area and has the requisite experience in handling such matters as other members of ICC.

Not less than two members from amongst employees preferably are committed to the cause of women or who have had experience in social work or have legal knowledge.

During the year under review, there were no complaints received by the ICC. Further to build awareness in this area, the Company has been conducting necessary trainings in the organization on a continuous basis at all the levels of employee.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

CAPITAL AND DEBT STRUCTURE

(i) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

(ii) Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

(iii) Bonus Shares

No Bonus Shares were issued during the year under review.

(iv) Details of Employee Stock Options

The disclosure shall include the following details of all the Employee Stock Options Scheme(s) implemented from time to time:

- (a) options granted; 19,802
- (b) options vested; 19,585
- (c) options exercised; NIL
- (d) the total number of shares arising as a result of exercise of options; NIL
- (e) options lapsed; 6,858
- (f) the exercise price; Re. 1
- (g) variation in terms of options; NA
- (h) money realized by exercise of options; - NA
- (i) total number of options in force; - 1,26,919
- (j) employee wise details of options granted to:

TRACXN TECHNOLOGIES PRIVATE LIMITED

- (i) Key Managerial Personnel; NA
(ii) any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during that year;

Emp ID	Name	Options Granted	Date of Option Grant	Date of Joinee	Date of Exit	Department	Designation
191	Adarsh Sasi	1,327	11-Apr-18	01-Sep-15	14-Aug-19	Product	Associate Vice President - Product
526	Sailesh Ganesh	1,177	23-Nov-18	06-Jun-16	--	Business	Vice President - Business
787	Amit Agarwal	78	13-Apr-18	14-Mar-17	--	Business	Vice President - Analyst
787	Amit Agarwal	784	28-Nov-18	14-Mar-17	--	Business	Vice President - Analyst
787	Amit Agarwal	1,177	18-Mar-19	14-Mar-17	--	Business	Vice President - Analyst

#Emp ID 1314 and 1377 also received a grant of options amounting to five percent but they have left in less than a year and hence Options forfeited

- (iii) identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital, excluding outstanding warrants and conversions, of the company at the time of grant.: NA

SECRETARIAL STANDARDS

The Directors state that the applicable Secretarial Standards issued by the Institute of Company Secretaries of India have been duly complied with.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

TRACXN TECHNOLOGIES PRIVATE LIMITED

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement: -

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and

ACKNOWLEDGEMENTS


Your Directors place on record their sincere thanks to employees, bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors
Tracxn Technologies Private Limited

Date: 27th September 2019

Place: Bangalore




Abhishek Goyal
Director
DIN:00423410


Neha Singh
Director
DIN: 05331824

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2019

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: - **U72200KA2012PTC065294**
- ii) Registration Date: **11-Aug-2012**
- iii) Name of the Company: **TRACXN TECHNOLOGIES PRIVATE LIMITED**
- iv) Category / Sub-Category of the Company: **Company Limited by Shares**
- v) Address of the Registered office and contact details: **48, First Floor, DVG Road, Basavanagudi Bangalore Karnataka 560004 India**
- vi) Whether listed company Yes / No: **No**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: **NA**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Data Processing, Hosting and related activities	63111	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
NA					

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	---	9,63,856	9,63,856	87.04%	---	9,63,856	9,63,856	87.04%	--
b) Central Govt	---	---	---	---	---	---	---	---	---
c) State Govt	---	---	---	---	---	---	---	---	---
d) Bodies Corporates	---	---	---	---	---	---	---	---	---
e) Banks/FI	---	---	---	---	---	---	---	---	---
f) Any Other	---	---	---	---	---	---	---	---	---
Sub-total (A) (1):-	---	9,63,856	9,63,856	87.04%	---	9,63,856	9,63,856	87.04%	--
(2) Foreign									
a) NRIs - Individuals	---	---	---	---	---	---	---	---	---
b) Other - Individual	---	---	---	---	---	---	---	---	---
c) Bodies Corporates	---	---	---	---	---	---	---	---	---
d) Banks / FI	---	---	---	---	---	---	---	---	---
e) Any Other	---	---	---	---	---	---	---	---	---
Sub-total (A) (2):-	---	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A) = (A)(1) +(A)(2)	---	9,63,856	9,63,856	87.04%	---	9,63,856	9,63,856	87.04%	--

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	---	---	---	---	---	---	---	---	---
b) Banks/FI	---	---	---	---	---	---	---	---	---
c) Central Govt	---	---	---	---	---	---	---	---	---
d) State Govt(s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIIs	---	---	---	---	---	---	---	---	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
Sub-total (B)(1):-	---	---	---	---	---	---	---	---	---
2. Non-Institutions									
a) Bodies Corporates									
i) Indian	---	---	---	---	---	---	---	---	---
ii) Overseas	---	100	100	0.01%	---	100	100	0.01%	---
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	---	1,43,388	1,43,388	12.95%	---	1,43,388	1,43,388	12.95%	---

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	---	---	---	---	---	---	---	---	---
c) Others (specify)	---	---	---	---	---	---	---	---	---
Sub-total (B)(2):-	---	1,43,488	1,43,488	12.96%	---	1,43,488	1,43,488	12.96%	---
Total Public Shareholding (B) = (B)(1) + (B)(2)	---	1,43,488	1,43,488	12.96%	---	1,43,488	1,43,488	12.96%	---
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	---	11,07,344	11,07,344	100.00%	---	11,07,344	11,07,344	100.00%	---

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	
1	Abhishek Goyal	4,81,928	43.52%	---	4,81,928	43.52%	---	---
2	Neha Singh	4,81,928	43.52%	---	4,81,928	43.52%	---	---
	Total	9,63,856	87.04%	---	9,63,856	87.04%	---	---

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

Sl. No.		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				
	1. Abhishek Goyal	4,81,928	43.52%	4,81,928	43.52%
	2. Neha Singh	4,81,928	43.52%	4,81,928	43.52%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	---	---	---	---
	At the End of the year				
	1. Abhishek Goyal	4,81,928	43.52%	4,81,928	43.52%
	2. Neha Singh	4,81,928	43.52%	4,81,928	43.52%

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

Sl. No.		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
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
1.	Prashant Chandra	36,144	3.26%	36,144	3.26%
2.	Sachin Bansal	23,832	2.15%	23,832	2.15%
3.	Binny Bansal	23,832	2.15%	23,832	2.15%
4.	Mukul Singhal	11,916	1.08%	11,916	1.08%
5.	Bindu Gupta	23,832	2.15%	23,832	2.15%
6.	Sahil Barua	11,916	1.08%	11,916	1.08%
7.	Deepak Singh	11,916	1.08%	11,916	1.08%
8.	Saif Partners India V Limited	100	0.01%	100	0.01%
9.	Nita Goyal	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g.				

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	allotment/ transfer/ bonus/sweat equity etc): 14.02.2019 Transfer from Bindu Gupta to Nita Goyal	23,832	2.15%	23,832	2.15%
	At the End of the year (or on the date of separation, if separated during the year)				
1.	Prashant Chandra	36,144	3.26%	36,144	3.26%
2.	Sachin Bansal	23,832	2.15%	23,832	2.15%
3.	Binny Bansal	23,832	2.15%	23,832	2.15%
4.	Mukul Singhal	11,916	1.08%	11,916	1.08%
5.	Bindu Gupta	0	0	0	0
6.	Sahil Barua	11,916	1.08%	11,916	1.08%
7.	Deepak Singh	11,916	1.08%	11,916	1.08%
8.	Saif Partners India V Limited	100	0.01%	100	0.01%
9.	Nita Goyal	23,832	2.15%	23,832	2.15%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 1. Abhishek Goyal 2. Neha Singh	4,81,928 4,81,928	43.52% 43.52%	4,81,928 4,81,928	43.52% 43.52%
	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 1. Abhishek Goyal 2. Neha Singh	4,81,928 4,81,928	43.52% 43.52%	4,81,928 4,81,928	43.52% 43.52%

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Abhishek Goyal	Neha Singh	-
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, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Rs. 50,55,000	Rs. 50,55,000	Rs. 1,01,10,000
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0
5.	Others, please specify	0	0	0
	Total (A)	Rs. 50,55,000	Rs. 50,55,000	Rs. 1,01,10,000
	Ceiling as per the Act	NA	NA	NA

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
		NIL	NIL
	3. Independent Directors		
	<ul style="list-style-type: none"> Fee for attending board committee meetings Commission Others, please specify 		
	Total (1)		
	4. Other Non-Executive Directors		
	<ul style="list-style-type: none"> Fee for attending board committee meetings Commission Others, please specify 		
	Total (2)		
	Total (B) = (1 + 2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
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, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Date: 27th September 2019
Place: Bangalore

For and on behalf of the Board of Directors
Tracxn Technologies Private Limited



Abhishek Goyal
Director
DIN:00423410



Neha Singh
Director
DIN: 05331824

Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Members of Tracxn Technologies Private Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Tracxn Technologies Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss and its cash flows for the year then ended.

Basis for opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tracxn Technologies Private Limited
Report on audit of the Financial Statements
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Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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. 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, 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.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tracxn Technologies Private Limited
Report on audit of the Financial Statements
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- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the 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, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) Clause (i) of section 143(3) of the Act is not applicable pursuant to notification G.S.R 583(E) dated 13 June 2017.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tracxn Technologies Private Limited
Report on audit of the Financial Statements
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- 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 has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note 18 to the financial statements;
 - ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Mohan Dasika
Partner

Membership Number: 202674
UDIN: 1920267AAAABH4500

Bengaluru
September 27, 2019

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of Tracxn Technologies Private Limited on the financial statements as of and for the year ended March 31, 2019.

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

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 10 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the Order are not applicable to the Company.
- v. The Company 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 specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company.
- 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 generally regular in depositing undisputed statutory dues in respect of provident fund and taxes deducted at source, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, goods and services tax, as applicable, with the appropriate authorities.

Also refer note 18(c) to the financial statements regarding management's assessment on certain matters relating to provident fund.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of Tracxn Technologies Private Limited on the financial statements as of and for the year ended March 31, 2019.

Page 2 of 3

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (INR)	Amount paid under protest (INR)	Period to which the amount relates to (Financial Year)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2,270,742	340,118	2013-14	Income Tax Appellate Tribunal

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the 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 provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- 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. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of Tracxn Technologies Private Limited on the financial statements as of and for the year ended March 31, 2019.

Page 3 of 3

- 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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Mohan Dasika
Partner

Membership Number: 202674
UDIN: 1920267AAAABH4500

Bengaluru
September 27, 2019

Tracxn Technologies Private Limited
Balance Sheet as at March 31, 2019

(All amount in INR unless otherwise stated)

		As at	
	Note	March 31, 2019	March 31, 2018
Equity and Liabilities			
Shareholders' funds			
Share capital	3	8,245,294	8,245,294
Reserve and surplus	4	243,996,448	426,353,607
Non-current liabilities			
Other long term liabilities	5	864,215	305,067
Long term provisions	6	17,698,349	10,994,056
Current liabilities			
Trade payables	7		27,923
Total outstanding dues of micro and small enterprises; and		39,874	
Total outstanding dues of creditors other than micro and small enterprises		3,561,098	3,624,660
Other current liabilities	8	107,680,434	72,481,198
Short term provisions	9	1,084,360	1,095,157
Total		383,170,072	523,126,962
Assets			
Non-current assets			
Property, plant and equipment			
Tangible assets	10	11,239,787	7,515,010
Intangible assets	11		
Long term loans and advances	12	32,334,119	27,007,388
Current assets			
Investments	13	268,170,010	432,343,055
Trade receivables	14	37,797,933	32,407,649
Cash and bank balances	15	24,990,337	17,814,486
Short term loans and advances	16	2,025,707	823,864
Other current assets	17	6,612,179	5,215,510
Total		383,170,072	523,126,962

The accompanying notes are an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016


Mohan Dasika

Partner

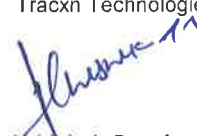
Membership Number: 202674

Place: Bengaluru

Date: September 27, 2019

For and on behalf of the Board of Directors

Tracxn Technologies Private Limited


Abhishek Goyal

Director

DIN: 00423410

Place: Bengaluru

Date: September 27, 2019


Neha Singh

Director

DIN: 05331824

Place: Bengaluru

Date: September 27, 2019



Tracxn Technologies Private Limited
Profit and Loss Statement for the year ended March 31, 2019

(All amount in INR unless otherwise stated)

	Note	Year ended	
		March 31, 2019	March 31, 2018
Revenue			
Revenue from operations	20	331,871,436	278,212,960
Other Income	21	11,686,643	12,719,122
Total		343,558,079	290,932,082
Expenses			
Employee benefits expenses	22	477,936,099	506,374,590
Depreciation & amortisation expenses	10	6,536,714	5,906,685
Other operating expenses	23	75,714,998	57,370,390
Total		560,187,811	569,651,665
Loss before tax		(216,629,732)	(278,719,583)
Tax Expense:			
Current tax		-	-
Deferred tax		-	-
Loss for the year		(216,629,732)	(278,719,583)
Loss per share: [Nominal value per share: INR 1 (March 31, 2018: INR 1 each)]			
Basic	26	(195.63)	(251.70)

The accompanying notes are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016



Mohan Dasika
Partner
Membership Number: 202674

Place: Bengaluru
Date: September 27, 2019

For and on behalf of the Board of Directors
Tracxn Technologies Private Limited



Abhishek Goyal
Director
DIN: 00423410

Place: Bengaluru
Date: September 27, 2019



Neha Singh
Director
DIN: 05331824

Place: Bengaluru
Date: September 27, 2019



Tracxn Technologies Private Limited
Cash Flow Statement for the year ended on March 31, 2019

(All amount in INR unless otherwise stated)

	Year ended	
	March 31, 2019	March 31, 2018
(A) Cash Flow from Operating Activities:		
Net Profit / (loss) before tax	(216,629,732)	(278,719,583)
Adjustment for:		
Depreciation expense	6,536,714	5,906,685
Fixed assets written off	50,169	-
Gain on disposal of investments	(10,790,207)	(11,123,103)
Provision for bad debts	1,375,300	-
Interest on advance tax	(509,460)	-
Interest on bank deposits	-	(1,327,075)
Provision for employee stock option plan	34,272,573	98,606,125
Unrealised loss/(gain) on foreign exchange	(1,084,453)	545,503
Operating profit before working capital changes	(186,779,096)	(186,111,448)
Adjustment for:		
(Increase)/Decrease in Long term loans and advances	(1,258,456)	1,285,225
(Increase)/Decrease in Trade receivable	(5,681,127)	6,705,171
(Increase)/Decrease in Short term loans and advances	(1,201,843)	555,708
(Increase)/Decrease in Other current assets	(1,396,669)	(1,550,030)
Increase/(Decrease) in Trade payable	(51,611)	(3,070,049)
Increase/(Decrease) in Short term provisions	(10,797)	122,252
Increase/(Decrease) in Other current liabilities	35,199,236	34,924,172
Increase/(Decrease) in Other long term provisions	6,704,293	2,542,801
Increase/(Decrease) in Other long term liabilities	559,148	(286,000)
Cash generation from Operations	(153,916,922)	(144,882,198)
Direct taxes paid (net of refunds)	(3,558,815)	(8,291,134)
Net Cash used in Operating Activities	(157,475,737)	(153,173,332)
(B) Cash Flow from Investing Activities:		
Proceeds from sale of investments	526,663,248	462,286,276
Purchase of investments	(351,700,000)	(499,800,000)
Purchase of tangible assets	(10,311,660)	(5,052,405)
Interest received on bank deposits	-	1,327,075
Net Cash generated from/(used in) investing activities	164,651,588	(41,239,054)
(C) Cash Flow from Financing Activities:		
Proceeds from issue of Equity Shares	-	193,152,174
Net Cash from/(used in) financing activities	-	193,152,174
Net Increase/(Decrease) in Cash and Cash Equivalents	7,175,851	(1,260,212)
Cash and Cash Equivalents as at beginning of the period (Refer note 15)	17,814,486	19,074,698
Cash and Cash Equivalents as at end of the period (Refer note no 15)	24,990,337	17,814,486
Cash and cash equivalents comprise of:		
Cash on Hand	14,105	512
Balance with banks		
In Current account	24,976,232	17,813,974
Total	24,990,337	17,814,486

The above Cash Flow Statement has been prepared under the 'indirect method' in consonance with the requirements of Accounting Standard (AS) 3 on Cash Flow Statements.

The accompanying notes are an integral part of these financial statements.

This is the Statement of Cash Flow referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Mohan Dasika
Partner
Membership Number: 202674

For and on behalf of the Board of Directors
Tracxn Technologies Private Limited

Abhishek Goyal
Director
DIN: 00423410

Neha Singh
Director
DIN: 05331824



Place: Bengaluru
Date: September 27, 2019

Place: Bengaluru
Date: September 27, 2019

Place: Bengaluru
Date: September 27, 2019

1 General Information:

Tracxn Technologies Private Limited (the "Company") is a private limited Company incorporated on August 11, 2012 under the provisions of the Companies Act 1956. The Company offers Tracxn 'Platform' on monthly subscription basis to global customer base; that helps Venture Capital, Private Equity Investors and Corporate Development teams to find startups across highly investable sectors by tracking and curating data of millions of startups.

2 Summary of significant accounting policies

i) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of 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.

ii) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Revisions to accounting estimates is recognized prospectively in the current and future periods.

iii) Tangible assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of tangible assets comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of tangible asset are recognised in the carrying amount of the asset if the recognition criteria are met.

Items of tangible asset that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements under the head 'Other current assets'.

An item of tangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Profit and Loss statement.

Depreciation

Depreciation is provided on written down value method over the estimated useful lives of the assets, based on technical evaluation done by management which are in line with useful lives specified in schedule II of Companies Act, 2013. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The useful life, residual life and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives of tangible assets are as follows :

Asset	Useful life as per per Schedule II	Management estimate of useful life (years)
Computers	3	3
Office equipment	1-5	1-5

iv) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization. Intangible assets are amortised on written down value method over their estimated useful life of three years. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.



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v) **Impairment of assets**

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

vi) **Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.

vii) **Foreign currency transactions**

Initial recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

viii) **Revenue recognition**

Revenue from subscription services are recognized proportionately over the subscription period in accordance with the customer contracts and are recognised net of goods and services tax.

Revenue in excess/ short of billings on customer contracts is recorded as unearned/ unbilled revenue, as the case may be.

ix) **Other Income**

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from Investments: Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the carrying value of the investment.

x) **Employee benefits**

Defined contribution plan:

Provident fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Defined benefit plan:

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.



Signature



Other employee benefits:

Compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination benefits: Termination benefits are recognised in the Statement of Profit and Loss as and when incurred.

xi) Employee share-based payments

Equity settled stock options granted under "Tracxn Employee Stock Option Plan 2016" are accounted for as per the accounting treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of fair value of the underlying share immediately prior to date of grant over its exercise price and is recognised as employee compensation expense in the Statement of Profit and Loss, with a credit to employee stock option outstanding account. The employee compensation expense is charged on straight line basis over the vesting period of the option.

xii) Current and deferred tax

Tax expense for the period, comprising of current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a virtual/ reasonable certainty, as applicable that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, deferred tax assets are recognised to the extent that there is virtual certainty supported by convincing evidence that they can be realised future taxable profits. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

xiii) Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

xiv) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

xv) Earnings/ (Loss) per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

xvi) As a lessee:

Operating leases

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.



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Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

	As at	
	March 31, 2019	March 31, 2018
3 Share capital		
Authorised		
1,500,000 (March 31, 2018: 1,500,000) Equity Shares of INR 1 each	1,500,000	1,500,000
750,000 (March 31, 2018: 750,000) Preference Shares of INR 10 each	7,500,000	7,500,000
	9,000,000	9,000,000
Issued, Subscribed and Paid-up:		
1,107,344 (March 31, 2018: 1,107,344) Equity Shares of INR 1 each	1,107,344	1,107,344
317,262 (March 31, 2018: 317,262) 0.001% Series A Compulsorily Convertible Preference Shares of INR 10 each	3,172,620	3,172,620
5,055 (March 31, 2018: 5,055) 0.001% Series A1 Compulsorily Convertible Preference Shares of INR 10 each	50,550	50,550
74,825 (March 31, 2018: 74,825) 0.001% Series A2 Compulsorily Convertible Preference Shares of INR 10 each	748,250	748,250
11,991 (March 31, 2018: 11,991) 0.001% Series A3 Compulsorily Convertible Preference Shares of INR 10 each	119,910	119,910
228,911 (March 31, 2018: 228,911) 0.001% Series A4 Compulsorily Convertible Preference Shares of INR 10 each	2,289,110	2,289,110
75,751 (March 31, 2018: 75,751) 0.001% Series B1 Compulsorily Convertible Preference Shares of INR 10 each	757,510	757,510
	8,245,294	8,245,294

a) Reconciliation of number of shares

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance at the beginning of the year	1,107,344	1,107,344	1,107,344	1,107,344
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	1,107,344	1,107,344	1,107,344	1,107,344
Series A Compulsorily Convertible Preference Shares:				
Balance at the beginning of the year	317,262	3,172,620	317,262	3,172,620
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	317,262	3,172,620	317,262	3,172,620
Series A1 Compulsorily Convertible Preference Shares:				
Balance at the beginning of the year	5,055	50,550	5,055	50,550
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	5,055	50,550	5,055	50,550
Series A2 Compulsorily Convertible Preference Shares:				
Balance at the beginning of the year	74,825	748,250	74,825	748,250
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	74,825	748,250	74,825	748,250
Series A3 Compulsorily Convertible Preference Shares:				
Balance at the beginning of the year	11,991	119,910	11,991	119,910
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	11,991	119,910	11,991	119,910
Series A4 Compulsorily Convertible Preference Shares:				
Balance at the beginning of the year	228,911	2,289,110	228,911	2,289,110
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	228,911	2,289,110	228,911	2,289,110
Series B1 Compulsorily Convertible Preference Shares:				
Balance at the beginning of the year	75,751	757,510	75,751	757,510
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	75,751	757,510	75,751	757,510



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Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

b) Rights, preferences and restrictions attached to shares

i) Equity Shares:

The Company has one class of equity shares having par value of INR 1 per share. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

ii) Series A Compulsorily Convertible Preference Shares: ("CCPS")

The fully paid Series A compulsorily convertible cumulative preference shares of INR 10 each were issued at a premium of INR 668.25 each and are convertible into Equity Shares in the ratio 1:1 subject to adjustments as mentioned in the shareholders agreement, any time before expiry of nineteen years from the date of issue of the same; or in connection with a Initial Public Offering (IPO), prior to the filing of a prospectus by the Company with the competent authority or such later date as may be permitted under Law. The cumulative preference dividend shall be payable at 0.001% p.a. The dividend shall be payable, in the event the Board declares any dividend for the relevant year, and shall be paid pari passu with the holders of Series A4 CCPS and B1 CCPS, and in priority to Equity Shares and Series A1, A2 and A3 CCPS.

iii) Series A1 CCPS:

The ordinary compulsorily convertible cumulative preference shares of INR 10 each were issued at a premium of INR 440.05 each and are convertible into Equity Shares in the ratio 1:1 subject to adjustments as mentioned in the shareholders agreement, any time before expiry of nineteen years from the date of issue of the same; or in connection with a IPO, prior to the filing of a prospectus by the Company with the competent authority or such later date as may be permitted under Law. The cumulative preference dividend shall be payable at 0.001% p.a. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant year, and shall be paid subsequent to the preference of the holders of Series A, A2, A3, A4 and B1 CCPS and in priority to Equity Shares.

iv) Series A2 CCPS:

The Series A2 compulsorily convertible cumulative preference shares of INR 10 each were issued at a premium of INR 1,154 each and are convertible into Equity Shares in the ratio 1:1 subject to adjustments as mentioned in the shareholders agreement, any time before expiry of nineteen years from the date of issue of the same; or in connection with a IPO, prior to the filing of a prospectus by the Company with the competent authority or such later date as may be permitted under Law. The cumulative preference dividend shall be payable at 0.001% p.a. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant year, and shall be paid (i) after payment of dividend to holders of Series A, A4 and B1 CCPS (ii) pari passu with the holders of Series A3 CCPS and (iii) in priority to Equity Shares and Series A1 CCPS.

v) Series A3 CCPS:

The Series A3 compulsorily convertible cumulative preference shares of INR 10 each were issued at a premium of INR 1,386.93 each and are convertible into Equity Shares in the ratio 1:1 subject to adjustments as mentioned in the shareholders agreement, any time before expiry of nineteen years from the date of issue of the same; or in connection with a IPO, prior to the filing of a prospectus by the Company with the competent authority or such later date as may be permitted under Law. The cumulative preference dividend shall be payable at 0.001% p.a. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant year, and shall be paid (i) after payment of dividend to holders of Series A, A4 and B1 CCPS (ii) pari passu with the holders of Series A2 CCPS and (iii) in priority to Equity Shares and Series A1 CCPS.

vi) Series A4 CCPS:

The Series A4 compulsorily convertible cumulative preference shares of INR 10 each were issued at a premium of INR 1,719.93 each and are convertible into Equity Shares in the ratio 1:1 subject to adjustments as mentioned in the shareholders agreement, any time before expiry of nineteen years from the date of issue of the same; or in connection with a IPO, prior to the filing of a prospectus by the Company with the competent authority or such later date as may be permitted under Law. The cumulative preference dividend shall be payable at 0.001% p.a. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant year, and shall be paid pari passu with the holders of Series A and Series B1 CCPS, and in priority to Equity Shares, Series A1, A2 and A3 CCPS.

vii) Series B1 CCPS:

The Series B1 compulsorily convertible cumulative preference shares of INR 10 each were issued at a premium of INR 2,539.83 each and are convertible into Equity Shares in the ratio 1:1 subject to adjustments as mentioned in the shareholders agreement, any time before expiry of nineteen years from the date of issue of the same; or in connection with a IPO, prior to the filing of a prospectus by the Company with the competent authority or such later date as may be permitted under Law. The cumulative preference dividend shall be payable at 0.001% p.a. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant year, and shall be paid pari passu with the holders of Series A and Series A4 CCPS and in priority to Equity Shares, Series A1, A2 and A3 CCPS.

viii) In an event of liquidation, the settlement terms detailing order of preference to shareholders is detailed in the shareholder's agreement.



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Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Percentage (%)	Number of shares	Percentage (%)
Equity Shares:				
Abhishek Goyal	4,81,928	44%	4,81,928	44%
Neha Singh	4,81,928	44%	4,81,928	44%
Series A CCPS				
SAIF Partners India V Ltd	3,17,262	100%	3,17,262	100%
Series A1 CCPS				
Trustees, Kolluri Living Trust	5,055	100%	5,055	100%
Series A2 CCPS				
Ratan N Tata	11,168	15%	11,168	15%
Trustees, 3ONE4 Capital Trust	11,168	15%	11,168	15%
Trustees, NRJN Family Trust	11,168	15%	11,168	15%
VH Capital	11,168	15%	11,168	15%
Beenext PTE LTD	8,376	11%	8,376	11%
Anand & Venky, LLC	5,584	7%	5,584	7%
Rathnagiri mathrubootham	5,584	7%	5,584	7%
Series A3 CCPS				
WGG International Ltd	11,991	100%	11,991	100%
Series A4 CCPS				
Seabright II limited	76,304	33%	76,304	33%
SAIF Partners India V Ltd	76,304	33%	76,304	33%
Accel India IV (Mauritius) Ltd	38,152	17%	38,152	17%
SCI Investment V	28,614	13%	28,614	13%
Series B1 CCPS				
SAIF Partners India V Ltd	20,707	27%	20,707	27%
Seabright II limited	4,016	5%	4,016	5%
Accel India IV (Mauritius) Ltd	37,650	50%	37,650	50%
SCI Investment V	12,550	17%	12,550	17%

d) Shares reserved for issue under options

Refer Note 22(c) for details of shares to be issued under the Employee Stock Option Plan.

e) For the period of five years immediately preceding the Balance Sheet date, there have been no:

- (i) share allotted as fully paid-up pursuant to a contract without payment being received in cash;
- (ii) shares allotted as fully paid-up by way of bonus shares; and
- (iii) shares bought back by the Company.

4 Reserves and surplus

Securities Premium

Balance as at the beginning of the year

912,279,553 719,884,889

Add: Premium on issue of CCPS during the year

- 192,394,664

Balance as at the end of the year

912,279,553 912,279,553

Employee stock options outstanding

Balance as at the beginning of the year

121,228,175 22,622,050

Add: Compensation expense for options granted during the year

34,272,573 98,606,125

Balance as at the end of the year

155,500,748 121,228,175

Deficit in Statement of Profit and Loss

Balance as at the beginning of the year

(607,154,121) (328,434,538)

Add: Loss for the year

(216,629,732) (278,719,583)

Balance as at the end of the year

(823,783,853) (607,154,121)

Total

243,996,448 426,353,607



Abhishek Goyal



Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

	As at	
	March 31, 2019	March 31, 2018
5 Other long-term liabilities		
Deferred Rent	864,215	305,067
Total	864,215	305,067

6 Long-term provisions

Provision for employee benefits:		
Gratuity [Refer Note 22(b)]	12,516,333	7,294,419
Compensated absences	5,182,016	3,699,637
Total	17,698,349	10,994,056

7 Trade payables

Total outstanding dues of micro and small enterprises	39,874	27,923
Total outstanding dues of creditors other than micro and small enterprises	3,561,098	3,624,660
Total	3,600,972	3,652,583

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows :

	As at	
	March 31, 2019	March 31, 2018
(a) (i) The principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	39,874	27,923
(ii) Interest due, thereon remaining unpaid on year end	-	3,210
(b) The amount of interest paid by the buyer under the terms of Section 16 of the MSMED Act, along with the amount of payment made to the suppliers beyond the appointed day during each accounting year.		
(i) Delayed payments of principal amount beyond the appointed date during the entire accounting year	-	22,150
(ii) Interest actually paid under Section 16 of the Act, during the entire accounting year	3,210	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	3,210
(d) The amount of interest accrued and remaining unpaid as at year end		
(i) Total interest accrued during the year	-	13
(ii) Total interest remaining unpaid, out of the above as at year end	-	3,210
(e) The amount of further interest due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act	-	3,197

8 Other current liabilities

Advance from Customers	1,410,950	470,894
Employee Benefits Payables	1,077,138	1,361,242
Unearned revenue	94,497,532	63,810,662
Statutory Dues (refer Note 30)	10,694,814	6,234,590
Interest payable to MSME	-	3,210
Deferred rent	-	600,600
Total	107,680,434	72,481,198

9 Short Term Provisions

Provision for employee benefits		
Gratuity [Refer Note 22(b)]	144,052	98,554
Compensated absences	940,308	996,603
Total	1,084,360	1,095,157



Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

10 Tangible assets

Particulars	Gross Block			Accumulated Depreciation			Net Block
	April 1, 2018	Additions	Disposals	March 31, 2019	April 1, 2018	For the year	March 31, 2019
Own assets:							
Computers	22,876,220	10,089,100	380,878	32,584,442	15,411,442	6,420,291	21,496,749
Office equipment	153,644	222,560	19,160	357,044	103,412	116,423	204,950
Total	23,029,864	10,311,660	400,038	32,941,486	15,514,854	6,536,714	21,701,699

Particulars	Gross Block			Accumulated Depreciation			Net Block
	April 1, 2017	Additions	Disposals	March 31, 2018	April 1, 2017	For the year	March 31, 2018
Own assets:							
Computers	17,911,984	4,964,236	-	22,876,220	9,566,487	5,844,955	15,411,442
Office equipment	65,475	88,169	-	153,644	41,682	61,730	103,412
Total (A)	17,977,459	5,052,405	-	23,029,864	9,608,169	5,906,685	15,514,854

11 Intangible assets

Particulars	Gross Block			Accumulated Amortisation			Net Block
	April 1, 2018	Additions	Disposals	March 31, 2019	April 1, 2018	For the year	March 31, 2019
Own assets (Acquired):							
Tracxn software platform	2,646,023	-	-	2,646,023	2,646,023	-	2,646,023
Total	2,646,023	-	-	2,646,023	2,646,023	-	2,646,023

Particulars	Gross Block			Accumulated Amortisation			Net Block
	April 1, 2017	Additions	Disposals	March 31, 2018	April 1, 2017	For the year	March 31, 2018
Own assets (Acquired):							
Tracxn software platform	2,646,023	-	-	2,646,023	2,646,023	-	2,646,023
Total (B)	2,646,023	-	-	2,646,023	2,646,023	-	2,646,023



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Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

	As at	
	March 31, 2019	March 31, 2018
12 Long-term loans and advances		
Unsecured, considered good:		
Security Deposits	8,500,000	6,600,000
Prepaid Expenses	223,397	355,481
Advance Tax [net of provision INR NIL (March 31, 2018: INR NIL)] (refer Note below)	23,610,722	20,051,907
Total	32,334,119	27,007,388
Note: Includes amounts paid under protest INR 340,118 (March 31, 2018: INR 340,118)		
13 Current investments		
At cost and fair value, whichever is less:		
Mutual Funds (quoted):		
AXIS Liquid Fund Growth [7,546 units (2018: 31,366 Units)]	15,557,953	59,531,155
HDFC Short Term Opportunities Fund - Growth Direct [7,493,228 units (2018: 7,493,228 units)]	128,000,000	128,000,000
ICICI Prudential Flexible Income Growth [428,596 units (2018: 484,973 units)]	124,612,057	124,612,057
ICICI Prudential Liquid Growth [Nil (2018: 394,760 units)]	-	100,000,000
Kotak Floater - Short-Term -Reg - Growth [Nil (2018: 7,114 units)]	-	20,199,843
Total	268,170,010	432,343,055
Aggregate amount of quoted investments at fair value	<u>325,423,970</u>	<u>469,347,151</u>
14 Trade receivables		
Unsecured, considered good		
- Outstanding for a period exceeding 6 months from the date they are due for payment	-	3,638,507
- Others	37,797,933	28,769,142
Unsecured, considered doubtful		
- Outstanding for a period exceeding 6 months from the date they are due for payment	819,900	-
- Others	555,400	-
Less: Provision for doubtful debts	(1,375,300)	-
Total	37,797,933	32,407,649
15 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	14,105	512
Bank Balances		
- In current accounts [Note (i) below]	24,976,232	17,813,974
	<u>24,990,337</u>	<u>17,814,486</u>

Notes:

(i) Includes INR 12,750,959 (March 31, 2018: INR 4,088,371) in Exchange Earners Foreign Currency accounts.



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Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

		As at	
		March 31, 2019	March 31, 2018
16 Short-term loans and advances			
Unsecured, considered good:			
Advance to Vendors		454,421	-
Prepayments		1,471,827	763,506
Balance with Government Authorities		99,459	60,358
Total		2,025,707	823,864
17 Other current assets			
Unsecured, considered good			
Unbilled revenue		4,062,458	3,334,284
Non Trade Receivables		2,549,721	1,881,226
Total		6,612,179	5,215,510
18 Contingent liabilities			
Claims against the Company not acknowledged as debts			
(a) Income tax matters [relating to addition of income under section 56(2)(viib), Refer Note (b) below]		2,906,550	2,270,742

Notes:

(b) The Company had issued equity shares in the financial year ended March 31, 2014 to certain individuals at a premium for which the Assessing officer had added income in the hands of the Company amounting to INR 8,903,367 under Section 56(2)(viib) of the Income Tax Act, 1961. During the year ended March 31, 2019, the appeal made by the Company with the Commissioner of Income Tax (Appeals) had been dismissed. Subsequent to the year end the Company has filed an appeal with the Income Tax Appellate Tribunal (ITAT) which has been admitted by the ITAT. The Company is of the view that there are good merits based on the recent notifications from the Government of India, and therefore the Company has more than likely chance of succeeding in this matter at the appropriate forum. The amounts disclosed above is including interest amounting to INR 635,808 (2018: INR NIL) against which INR 340,118 (March 31, 2018: INR 340,118) has been paid under protest.

(c) The Company has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No.C I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

19 Capital and other commitments



		As at	
		March 31, 2019	March 31, 2018

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Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

	Year ended	
	March 31, 2019	March 31, 2018
20 Revenue from operations		
Income from subscription services [including prior period income of INR 3,273,738 (2018: INR 3,110,135)]	331,871,436	278,212,960
Total	331,871,436	278,212,960
21 Other income		
Interest income		
- Bank deposits	-	1,327,075
- Income Tax refund	509,460	-
Gain on sale of investments, net	10,790,207	11,123,103
Bad Debts Recovery	197,000	-
Provision no longer required written back	-	268,944
Foreign exchange gain (net)	189,976	-
Total	11,686,643	12,719,122
22 Employee benefits expense		
Salaries, Wages and Bonus	422,834,432	391,962,675
Contribution to Provident and other funds [refer Note (a) below]	13,802,711	11,842,058
Gratuity [refer Note (b) below]	5,267,412	2,585,590
Expense on employee stock option scheme [refer Note (c) below]	34,272,573	98,606,125
Staff welfare expenses	1,758,971	1,378,142
Total	477,936,099	506,374,590
(a) Defined Contribution Plan		
Amount recognised in the Statement of Profit and Loss		
Provident fund	11,026,760	9,567,503
Employee State Insurance	2,775,951	2,274,555
	13,802,711	11,842,058
(b) Defined Benefit Plan		

Gratuity: Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The gratuity liability is unfunded.

	Year ended	
	March 31, 2019	March 31, 2018
Principal actuarial assumption		
Discount rate	7.77%	7.60%
Salary escalation rate	7.00%	7.00%
Retirement age	60	58

Notes:

- The estimates of future salary increases considered in actuarial valuation takes into account, inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.
- The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet for the estimated term of the obligations.



Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

(c) Employee Stock Option Plan

Tracxn Employee Stock Option Plan 2016 ("ESOP 2016" or "the Plan"): The Board vide its resolution dated October 3, 2016 approved ESOP 2016 for granting Employee Stock Options in the form of Equity Shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company. The eligible employees for the purpose of ESOP 2016 will be determined by the Board of Directors. Pursuant to the Extraordinary General Meeting held on October 5, 2016, the Board of Directors have been authorized to introduce, offer, issue and allot options to eligible employees of the Company under the ESOP 2016. The maximum number of shares under this Plan shall not exceed 186,855 shares. These Options are exercisable at face value and shall vest in 4 years from the date of grant of such Options. The vested Options can be exercised only upon happening of a Liquidity event as defined in the Tracxn ESOP 2016.

"Liquidity Event" shall mean any one or more of the following subject to the approval of the Board:

- (i) Listing, whereby the Shares of the Company get listed on any recognized Stock Exchange;
- (ii) Strategic Sale within the meaning of the ESOP 2016; and
- (iii) Any other event, which the Board may designate as a Liquidity Event for the purposes of the ESOP 2016.

ESOP 2016	March 31, 2019	March 31, 2018
Date of Grant	Various Dates	Various Dates
Number of Options granted	19,802	13,616
Exercise price per option	INR 1	INR 1
Weighted average remaining contractual life	8.34 years	8.86 years
Outstanding at the beginning of the year	113,975	107,846
Granted during the year	19,802	13,616
Forfeited during the year	(6,858)	(7,487)
Exercised during the year	-	-
Outstanding at the end of the year	126,919	113,975
Exercisable at the end of the year	89,389	68,362

Weighted average exercise price: Since all the options were granted at an exercise price of INR per option, the weighted average exercise price per option is the same.

The Company has adopted the intrinsic value method as permitted by the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted. The value of the underlying Shares has been determined by an independent valuer.

The Company's loss for the year and loss per share would have been as follows, had the compensation cost for employees' stock options been recognized based on the fair value at the date of grant in accordance with the Black-Scholes model:

	March 31, 2019	March 31, 2018
Loss for the year	(216,629,732)	(278,719,583)
Add: Increase in employee compensation cost based on Fair value	(911,919)	(1,263,447)
Loss for the year as per Fair value method	(217,541,651)	(279,983,030)
Loss per Share		
Basic		
Number of shares	1,107,344	1,107,344
Basic loss per share as reported (refer Note 26)	(195.63)	(251.70)
Proforma Basic loss per share	(196.45)	(252.84)

The following assumptions were used for calculation of fair value of grants:

	March 31, 2019	March 31, 2018
Risk-free interest rate (%)	8.02%	6.16%
Expected life of options (years)	6.42	6.25
Expected volatility (%)	61.19%	61.19%
Dividend yield	0.00%	0.00%

Effect of ESOP 2016 on the Balance Sheet and Statement of Profit and Loss:

	March 31, 2019	March 31, 2018
Expense arising from employee share-based payment plan	34,272,573	98,606,125
Employee stock options outstanding	155,500,748	121,228,175



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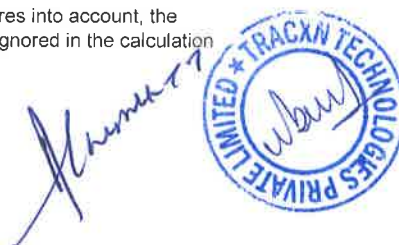
Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

	Year ended	
	March 31, 2019	March 31, 2018
23 Other expenses		
Power & Fuel	3,507,016	3,321,723
Rent (refer Note 29)	34,835,296	26,161,600
Repairs and maintenance:		
- Computers	538,340	418,056
- Others	4,601,551	2,847,947
Web Hosting & Domain Charges	14,287,719	11,040,651
Rates and taxes (refer Note 30)	2,593,068	82,750
Travelling Expenses	3,061,240	1,209,225
Payment to Auditors:		
As Auditors:		
Audit Fee	700,000	650,000
Tax Audit fee	50,000	50,000
Legal & Professional Fee	4,556,044	4,698,842
Communication Expenses	1,442,958	1,419,276
Printing & Stationery Expenses	329,196	87,876
Foreign exchange loss (net)	-	1,670,412
Fixed assets written off	50,169	-
Information technology and software expenses	1,483,826	1,424,333
Provision for Bad Debts	1,375,300	-
Miscellaneous Expenses	2,303,275	2,287,699
Total	75,714,998	57,370,390
24 Expenditure in foreign currency		
Web hosting and domain charges	416,816	4,153,655
Total	416,816	4,153,655
25 Earnings in foreign currency		
Income from subscription services	265,278,391	196,384,570
Total	265,278,391	196,384,570
26 Loss per share		
Loss for the year	(216,629,732)	(278,719,583)
Weighted average number of shares outstanding (Number)	1,107,344	1,107,344
Loss per share - Basic	(195.63)	(251.70)

Note:

Since diluted loss per share decreases when taking the convertible preference shares into account, the convertible preference shares are anti-dilutive in nature and therefore, it has been ignored in the calculation of diluted loss per share.



Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

27 Related party disclosure

(a) Names of related parties and nature of relationship:

Persons having control

Key Management Personnel (KMP):

Abhishek Goyal, Director
Neha Singh, Director

Non -Executive Nominee Directors*

Vivek Kumar Mathur
Ravi Chandra Adusumalli

*No transactions have taken place during the current and previous year.

(b) Summary of transactions and balances are as follows:

	Key Management Personnel	
	March 31, 2019	March 31, 2018
Remuneration paid (refer Note below)		
Abhishek Goyal	5,055,000	4,180,000
Neha Singh	5,055,000	4,180,000

Note:

Remuneration paid to KMP includes perquisites evaluated as per Income Tax Rules and excludes provision for/ contribution to group gratuity and compensated absences which are based on actuarial valuation done on an overall Company basis are excluded in the disclosure above.

- 28 The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under Section 133 of the Companies Act, 2013. Accordingly, the Company has complied with all the Accounting Standards applicable to a Small and Medium Sized Company.

29 Operating lease:

The Company has taken office premises on operating leases for a period ranging from 11 months to 48 months which are generally cancellable at the option of the lessor or lessee after issuing prior notice.

	March 31, 2019	March 31, 2018
Lease rentals recognised in the Statement of Profit and Loss during the year.	34,835,296	26,161,600

There are no future commitments under non- cancellable leases.

- 30 Subsequent to the year ended March 31, 2019, an audit has been conducted by The Commissioner of Central Taxes, in which dues pertaining to service tax aggregating to INR 1,617,693 (INR 2,593,068 including interest and penalty) for the period April 1, 2014 to June 30, 2017 have been identified by the Commissioner of Central Taxes.
The Company has accrued for such dues as at March 31, 2019 and expects to remit the same in due course.



Tracxn Technologies Private Limited
Notes to the financial statements

(All amount in INR unless otherwise stated)

31 Unhedged foreign currency exposure

The foreign currency exposure outstanding and unhedged as at the year end are as follows:


	March 31, 2019		March 31, 2018	
	Amount in Foreign	Amount in INR	Amount in Foreign Currency	Amount in INR
Receivables				
EURO	5,685	441,738	3,400	274,115
USD	432,332	29,904,966	398,934	25,948,303
Unbilled Revenue				
USD	23,119	1,599,171	42,829	2,785,783
EEFC bank balance				
USD	184,339	12,750,959	62,855	4,088,371

Note: The Company has not entered into any foreign currency contract to hedge risk associated with foreign currency fluctuations.

32 Previous year figures

Previous year's figures have been reclassified to conform to the current year's classification.

For Price Waterhouse Chartered Accountants LLP
 Firm registration number: 012754N/N500016


Mohan Dasika
 Partner
 Membership Number: 202674

Place: Bengaluru
 Date: September 27, 2019

For and on behalf of the Board of Directors
 Tracxn Technologies Private Limited


Abhishek Goyal
 Director
 DIN: 00423410

Place: Bengaluru
 Date: September 27, 2019


Neha Singh
 Director
 DIN: 05331824

Place: Bengaluru
 Date: September 27, 2019

