

TRACXN TECHNOLOGIES LIMITED
(Formerly Known as “Tracxn Technologies Private Limited”)

TENTH ANNUAL REPORT

FINANCIAL YEAR 2021-2022

TRACXN TECHNOLOGIES LIMITED
(Formerly known as Tracxn Technologies Private Limited)
CIN: U72200KA2012PLC065294

REGISTERED OFFICE

No. L-248, 2nd Floor, 17th Cross, Sector 6, HSR Layout, Bengaluru, Karnataka – 560102

BOARD OF DIRECTORS

- | | | |
|--------------------------------|---|---------------------------------|
| 1. Ms. Neha Singh | - | Managing Director & Chairperson |
| 2. Mr. Abhishek Goyal | - | Executive Director |
| 3. Mr. Ravi Chandra Adusumalli | - | Non - Executive Director |
| 4. Mr. Vivek Kumar Mathur | - | Nominee Director |
| 5. Mr. Brij Bhushan | - | Independent Director |
| 6. Mr. Nishant Verman | - | Independent Director |
| 7. Ms. Payal Goel | - | Independent Director |
| 8. Mr. Rohit Jain | - | Independent Director |

STATUTORY AUDITORS

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

INTERNAL AUDITORS

Singhvi Dev & Unni LLP
(FRN: 003867S / LLPIN: AAP-3305),
Bangalore

TRACXN TECHNOLOGIES LIMITED
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BANKERS

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

CORPORATE INFORMATION

Email id: compliance-officer@tracxn.com

Telephone No.: +91 90360 90116

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited

(Registrar and Transfer Agent)

Address: C-101, 247 Park, LBS Marg, Vikhroli (West) -400083

Telephone: +91 22 49186101; Facsimile: +91 22 49186060.

Email: equityca@linkintime.co.in

TRACXN TECHNOLOGIES LIMITED
(Formerly Known as “Tracxn Technologies Private Limited”)

BOARD’S REPORT

To,
The Members
Tracxn Technologies Limited

Your Directors have pleasure in presenting their Tenth (10th) Annual Report on the business and operations of the Company for the Financial Year ended 31st March 2022.

1. FINANCIAL SUMMARY / HIGHLIGHTS

(Amount in INR ‘000)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Income from Business Operations	6,34,535.12	4,37,786.71
Other Income	10,963.48	10,233.50
Other Gains/(Losses) – Net	6,080.97	1,09,397.38
Total Income	6,51,579.57	5,57,417.59
Less: Total Expenses excluding depreciation	6,53,691.63	6,08,371.04
Less: Depreciation	1,456.72	2,523.15
Loss before exceptional items & tax	(3,568.78)	(53,476.60)
Less: Exceptional Items	44,907.93	0.00
Loss before tax	(48,476.71)	(53,476.60)
Less: Current Income Tax	0	0
Less: Deferred Tax	0	0
Net Loss after Tax	(48,476.71)	(53,476.60)
Loss per share (Basic)	(0.48)	(0.55)
Loss per share (Diluted)	(0.48)	(1.52)

2. PERFORMANCE OF THE COMPANY

During the financial year ended 31st March 2022, total income of the Company was INR (in ‘000) 6,51,579.57/- as against the total income for the previous year which was INR (in ‘000) 5,57,417.59/- During the year under review, the Company has posted a net loss of INR (in ‘000) 48,476.71/- as against net loss of INR (in ‘000) 53,476.60/- in the previous year.

3. DIVIDEND

In order to conserve the resources for the future business requirements of the Company, your Directors have decided not to recommend any dividend for the financial year ended 31st March 2022.

4. TRANSFERS TO RESERVES

The opening balance as on 1st April 2021 of Reserves & Surplus Account stood at INR (in ‘000) 2,13,271.42/-. After adjusting and appropriations, the closing balance as on 31st March 2022 of Reserves & Surplus Account stood at INR (in ‘000) 1,06,100.93/-. The Members are advised to refer the Note 10(c) as given in the financial statements which forms the part of the Annual Report.



TRACXN TECHNOLOGIES LIMITED

(Formerly Known as "Tracxn Technologies Private Limited")

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

6. 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

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

7. ANNUAL RETURN

The Annual Return of the Company as on 31st March 2022 is available on the website of the Company under the following link: <https://tracxn.com/investor-relations/financials>

8. CHANGE IN NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

9. SHARE CAPITAL AND DEBT STRUCTURE

During the year under review, the company has undertaken the following transactions which brought about changes in the Capital Structure of the Company:

(a) AUTHORIZED SHARE CAPITAL:

The members of the Company at their Extraordinary General Meeting held on 8th July 2021, approved the increase in the Authorised Share capital of the Company from Rs 1,20,00,000/- (Rupees One Crore Twenty Lakh only) divided into 15,00,000 (Fifteen Lakh) Equity Shares of Rs 1/- each, 3,18,000 (Three Lakh Eighteen Thousand) Series A Convertible Preference Shares of Rs 10/- each and 7,32,000 (Seven Lakh Thirty Two Thousand) Preference Shares of Rs 10/- each to Rs 12,00,00,000/- (Rupees Twelve Crore Only) only divided into 10,95,00,000 (Ten Crore Ninety Five Lakhs) Equity Shares of Re. 1/- each, 3,18,000 (Three Lakh Eighteen Thousand) Series A Convertible Preference Shares of Rs 10/- each and 7,32,000 (Seven Lakh Thirty Two Thousand) Preference Shares of Rs 10/- each.

(b) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL:

Conversion of Compulsorily Convertible Preference Shares (CCPS) of the Company into Equity Shares of the Company: The Board of Directors at their meetings held on 21st July 2021 and 10th December 2021 approved the Conversion of 7,44,137 and 41,164 Compulsorily Convertible Preference Shares (CCPS) respectively into the Equity Shares of the Company.



TRACXN TECHNOLOGIES LIMITED
(Formerly Known as "Tracxn Technologies Private Limited")

Issue of Bonus Shares: The Directors recommended the issue and allotment of 9,62,77,012 Shares as Bonus Shares to the Equity Shareholders in the ratio of 52:1, i.e., Fifty-Two fully paid-up Equity Shares of Rs 1/- each for every Equity Share held, at its meeting held on 21st July 2021. The Bonus issue was approved by the members at an Extraordinary General Meeting held on 23rd July 2021 and the bonus shares were allotted to the existing Equity Shareholders of the Company on 2nd August 2021. The Directors also recommended the issue and allotment of 21,40,528 Shares as Bonus Shares to the holders of Compulsorily Convertible Preference Shares (CCPS), to be allotted upon conversion of the CCPS into Equity Shares, in the ratio of 52:1, i.e., Fifty-Two fully paid-up Equity Shares of Rs 1/- each for every Equity Share held post conversion, at its meeting held on 21st July 2021. The Bonus issue was approved by the members at an Extraordinary General Meeting held on 23rd July 2021. The underlying 41,164 CCPS were converted into Equity Shares on 10th December 2021, and 21,40,528 Shares were consequently allotted as Bonus Shares such CCPS holders on 10th December 2021.

The Company's issued, subscribed paid up capital after conversion of all CCPS into Equity Shares issue of Bonus Shares stands at Rs 10,03,10,185/- (Rupees Ten Crore Three Lakhs Ten Thousand One Hundred and Eighty-Five Only) divided into 10,03,10,185 Equity Shares of Re. 1/-, which is the total issued and paid-up capital of the Company.

(c) BUY BACK OF SECURITIES

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

(d) SWEAT EQUITY

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

10. DETAILS OF EMPLOYEE STOCK OPTION:

During the year under review, the following Employee Stock Options Scheme(s) were implemented from time to time:

Particulars	Numbers*
Options outstanding at beginning of year (April 1, 2021)	8,176,045
Add:	
Options Granted during FY 2021-22	1,851,602
Sub-total 1	10,027,647
Less:	
Options Exercised during FY 2021-22	-
Options Forfeited during FY 2021-22	483,175
Options Lapsed during FY 2021-22	-
Sub-total 2	483,175
Total number of options in force at the end of FY 21-22 (Sub-total 1-2)	9,544,472
Options vested and exercisable at the end of FY 21-22	6,687,805
Total number of shares arising as a result of exercise of options	-
Money realized as a result of exercise of options	-

* Includes adjustment in the number of options due to bonus issue



TRACXN TECHNOLOGIES LIMITED
(Formerly Known as "Tracxn Technologies Private Limited")

Options Vested during the FY21-22:

An aggregate of 792,509 options vested in the respective grantees.

Variation of terms of Options: During the period under review, the Company made certain changes in its Employee Stock Option Policy 2016 ("ESOP 2016") vide resolution passed by the members in the meeting dated 30th November 2021 in order to align it with the updated applicable regulations rolled out by SEBI, i.e. the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021,

Further, there were certain other amendments made in the policy that revolve around modification in the definition of "fair market value", and addition of the definition of "fair value of the option".

Additionally, changes were made in the ceiling limit of maximum number of options to be granted to employee of the Company, of its Holding or its Subsidiary Company, Group Company, Associate Company (present or future) under ESOP 2016 in any financial year with inclusion of "surrender of options" clause in the Policy and a few miscellaneous changes of routine nature.

Exercise price: Re. 1

Employee wise details of options granted to:

(a) Key Managerial Personnel:

Emp ID	Name	Options Granted	Date of Option Grant	Date of Joining	Date of Exit	Department	Designation
6	Prashant Chandra	1,07,578*	13-May-2021 & 1-Mar-2022	01-Sept-2013	NA	Finance	Chief Financial Officer
2058	Megha Bohra	8,966	1-Mar-2022	16-Jul-2019	NA	Finance	Company Secretary and Compliance Officer

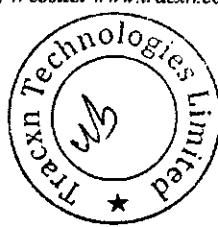
* Includes adjustment in the number of options due to bonus issue

(b) 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: NA

(c) 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

11. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiaries, Joint Ventures, or Associate Companies within the meaning of the Act.



TRACXN TECHNOLOGIES LIMITED
(Formerly Known as "Tracxn Technologies Private Limited")

12. CONVERSION OF THE COMPANY

The Company was originally incorporated and registered under the Companies Act, 1956 on 11th August 2012 as a Private Limited Company, Limited by Shares bearing Corporate Identification No. (CIN) U72200KA2012PTC065294 as certified by the Registrar of Companies, Bangalore.

Subsequently, pursuant to the consent of the Shareholders at the Extra-ordinary General Meeting held on 8th July 2021, the Company was converted from Private Limited Company into a Public Limited Company. The Registrar of Companies, Bangalore approved this conversion and change in name of the Company from "Tracxn Technologies Private Limited" to "Tracxn Technologies Limited" vide its certificate dated 28th July 2021 bearing the CIN: U72200KA2012PLC065294.

13. DETAILS OF FILING DRAFT RED HERRING PROSPECTUS WITH SECURITIES AND EXCHANGE BOARD OF INDIA

The Company filed a Draft Red Herring Prospectus for listing its Equity Shares on recognized Stock Exchanges, with the Securities and Exchange Board of India ("SEBI") on 12th August 2021. Subsequently, a revised version was filed with SEBI on 4th December 2021 in response to observations by SEBI.

14. DEPOSITS

During the Year under review, the Company has neither invited nor accepted any public deposits within the meaning of Section 73 & 74 of the Act read with Companies (Acceptance of Deposit) Rules, 2014.

15. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2022, the Board comprised of Eight (8) Directors which includes Two (2) Executive Directors, One (1) Non - Executive Director, One (1) Nominee Director and Four (4) Independent Directors. During the year under review, the Company has received Form DIR-8 from all Directors of the Company as required under the provisions of Section 164 (2) of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014.

The Board of Directors at its meeting held on 2nd August 2021 had approved the following:

I. Executive Directors

- (a) Appointment of Ms. Neha Singh (DIN 05331824) as a Managing Director and Chairperson of the Company for a period of Five (5) years w.e.f. 6th August 2021 which was subsequently approved by members at an Extra-ordinary General Meeting held on 6th August 2021.
- (b) Appointment of Mr. Abhishek Goyal (DIN 00423410) as an Executive Director and Vice Chairman of the Company for a period of Five (5) years w.e.f. 6th August 2021 which was subsequently approved by members at an Extra-ordinary General Meeting held on 6th August 2021.

II. Independent Directors



TRACXN TECHNOLOGIES LIMITED
(Formerly Known as "Tracxn Technologies Private Limited")

Appointment of Mr. Brij Bhushan (DIN 03624436), Mr. Nishant Verman (DIN 05128414), Ms. Payal Goel (DIN 09196284) and Mr. Rohit Jain (DIN 06876642) as Additional (Independent) Directors' (Category: Non-Executive Directors') for a term of 5 years effective from 6th August 2021 up to 5th August 2026, which was subsequently approved by members at an Extraordinary General Meeting held on 6th August 2021.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act along with Rule 6 (3) of Companies (Appointment and Qualification of Directors) Rules, 2014.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in finance, accountancy, economics, law etc. and they hold highest standards of integrity.

The Independent Directors of the Company were appointed on 6th August 2021 for period of five (5) years. As per Section 150 of Act read with Rule 6 (4) of the Companies (Appointment & Qualifications of Directors) Rules, 2014, the names of the Independent Directors have been included in the data bank.

III. Non-Executive Director

The Board of Directors in their meeting held on 21st July 2021, approved the change in the designation of Mr. Ravi Chandra Adusumalli (DIN: 00253613) from Nominee Director to Non-Independent Director w.e.f. 21st July 2021.

IV. Retirement By Rotation

Pursuant to Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), Mr. Abhishek Goyal (DIN: 00423410), Director will retire by rotation as Director at the 10th Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends the re-appointment of Mr. Abhishek Goyal (DIN: 00423410) as Director of the Company.

As stipulated under Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), brief resume of the Directors proposed to be re-appointed is given in the Notice forming part of this Annual Report.

V. Key Managerial Personnel:

In addition to the above, the following appointments of Key Managerial Personnel were made in FY 2021-22:

- (a) The Board of Directors in their meeting held on 25th June 2021, approved the appointment of Ms. Megha Bohra (M. No. A39158) as a Company Secretary of the Company w.e.f. 25th June 2021 and the Board of Directors in their meeting held on 2nd August 2021, approved the appointment of Ms. Megha Bohra (M. No. A39158) as a Compliance Officer of the Company w.e.f. 2nd August 2021.



TRACXN TECHNOLOGIES LIMITED
(Formerly Known as "Tracxn Technologies Private Limited")

- (b) The Board of Directors in their meeting held on 2nd August 2021, approved the appointment of Mr. Prashant Chandra, as a Chief Financial Officer of the Company w.e.f. 2nd August 2021.

In accordance with the provisions of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Neha Singh, Managing Director and Chairperson, Mr. Abhishek Goyal, Executive Director and Vice Chairman, Mr. Prashant Chandra, Chief Financial Officer and Ms. Megha Bohra, Company Secretary & Compliance Officer are the Designated Key Managerial Personnel ("KMP") of the Company.

Further, the following appointments of Managerial Personnel other than KMP were made in FY 2021-22:

- (a) The Board of Directors in their meeting held on 2nd August 2021, approved the appointment of Mr. Amit Agarwal, as a Chief Operating Officer of the Company w.e.f. 2nd August 2021.
- (b) The Board of Directors in their meeting held on 2nd August 2021, approved the appointment of Mr. Neeraj Chopra, as a Chief Technology Officer of the Company w.e.f. 2nd August 2021.
- (c) The Board of Directors in their meeting held on 2nd August 2021, approved the appointment of Mr. Bhaskar Sharma, as a Chief Product Officer of the Company w.e.f. 2nd August 2021.

16. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Act, 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 have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- (c) The directors have 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 have prepared the annual accounts on a going concern basis.
- (e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company conducted eleven (11) Board meetings during the financial year under review.



TRACXN TECHNOLOGIES LIMITED
(Formerly Known as “Tracxn Technologies Private Limited”)

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	25 th June 2021	4	3
2.	7 th July 2021	4	3
3.	21 st July 2021	4	3
4.	2 nd August 2021	4	3
5.	5 th August 2021	4	3
6.	6 th August 2021	8	4
7.	12 th August 2021	8	7
8.	30 th November 2021	8	5
9.	2 nd December 2021	8	4
10.	10 th December 2021	8	4
11.	17 th March 2022	8	5

18. COMPOSITION OF COMMITTEES AND NUMBER OF COMMITTEE MEETINGS

I. Audit Committee

The Audit Committee was constituted on 6th August 2021, with the following members:

Sl. No.	Name of Directors	Designation
1.	Mr. Rohit Jain	Chairperson (Independent Director)
2.	Mr. Nishant Verman	Member (Independent Director)
3.	Ms. Neha Singh	Member (Managing Director)

Subsequently, the Audit Committee was reconstituted on 17th March 2022 and currently comprises of the following members:

Sl. No.	Name of Directors	Designation
1.	Mr. Rohit Jain	Chairperson (Independent Director)
2.	Mr. Brij Bhushan	Member (Independent Director)
3.	Ms. Payal Goel	Member (Independent Director)
4.	Ms. Neha Singh	Member (Managing Director)

During the year under review, two (2) Audit Committee meetings were conducted. The details are given below:

Sl. No	Date of Committee Meeting	Total number of members in Committee	No. of members present
1.	2 nd December 2021	3	3
2.	24 th February 2022	3	3



TRACXN TECHNOLOGIES LIMITED
(Formerly Known as “Tracxn Technologies Private Limited”)

II. Nomination And Remuneration Committee

The Nomination and Remuneration Committee was constituted on 6th August 2021 and comprises of the following members:

Sl. No.	Name of Directors	Designation
1.	Ms. Payal Goel	Chairperson (Independent Director)
2.	Mr. Brij Bhushan	Member (Independent Director)
3.	Mr. Nishant Verman	Member (Independent Director)

During the financial year under review, the Company had one (1) Nomination and Remuneration Committee meetings. The details are given below:

Sl. No	Date of Committee Meeting	Total number of members in Committee	No. of members present
1.	28 th February 2022	3	3

III. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted on 6th August 2021 and comprises of the following members:

Sl. No.	Name of Directors	Designation
1.	Mr. Brij Bhushan	Chairperson (Independent Director)
2.	Ms. Neha Singh	Member (Managing Director)
3.	Mr. Rohit Jain	Member (Independent Director)

The Company had one (1) Stakeholders' Relationship Committee Meeting during the financial year under review. The details are given below:

Sl. No	Date of Committee Meeting	Total number of members in Committee	No. of members present
1.	31 st March 2022	3	3

IV. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on 6th August 2021 and comprises of the following members:

Sl. No.	Name of Directors	Designation
1.	Ms. Neha Singh	Chairperson (Managing Director)
2.	Mr. Abhishek Goyal	Member (Executive Director)
3.	Ms. Payal Goel	Member (Independent Director)

Further, the Corporate Social Responsibility Committee was reconstituted on 17th March 2022 and comprises of the following members:



TRACXN TECHNOLOGIES LIMITED
(Formerly Known as “Tracxn Technologies Private Limited”)

Sl. No.	Name of Directors	Designation
1.	Ms. Neha Singh	Chairperson (Managing Director)
2.	Mr. Abhishek Goyal	Member (Executive Director)
3.	Mr. Nishant Verman	Member (Independent Director)

Since, the Company does not have any profits in any of the preceding three financial years (FY 2020-21, FY 2019-20, and FY 2018-19), no CSR activities are required to be conducted. Therefore, no meeting of the Corporate Social Responsibility Committee in FY 2021-22 was conducted.

V. Risk Management Committee

The Risk Management Committee was constituted on 6th August 2021 and comprises of the following members:

Sl. No.	Name of Directors	Designation
1.	Ms. Neha Singh	Chairperson (Managing Director)
2.	Mr. Prashant Chandra	Member (Chief Financial Officer)
3.	Mr. Amit Agarwal	Member (Chief Operating Officer)

No meetings of the Risk Management Committee in FY 2021-22 was conducted.

VI. Initial Public Offer (“IPO”) Committee

The IPO Committee was constituted on 2nd August 2021 and comprises of the following members:

Sl. No.	Name of Directors	Designation
1.	Ms. Neha Singh	Chairperson (Managing Director)
2.	Mr. Abhishek Goyal	Member (Executive Director)
3.	Mr. Vivek Kumar Mathur	Member (Nominee Director)

No meetings of the IPO Committee in FY 2021-22 was conducted.

VII. Employee Stock Option Plan (“ESOP”) Administration Committee

The ESOP Administration Committee comprises of the following members:

Sl. No.	Name of Directors	Designation
1.	Ms. Neha Singh	Chairperson (Managing Director)
2.	Mr. Abhishek Goyal	Member (Executive Director)
3.	Mr. Prashant Chandra	Member (Chief Financial Officer)
4.	Mr. Amit Agarwal	Member (Chief Operating Officer)

The Company had fifteen (15) meetings of ESOP Administration Committee during the financial year under review. The details of the same along with attendance of the members are given below:



TRACXN TECHNOLOGIES LIMITED
(Formerly Known as “Tracxn Technologies Private Limited”)

Sl. No	Date of Committee Meeting	Total number of members in Committee	No. of members present
1.	1st April 2021	4	4
2.	19 th April 2021	4	4
3.	11 th May 2021	4	4
4.	13 th May 2021	4	4
5.	28 th May 2021	4	4
6.	11 th June 2021	4	4
7.	22 nd June 2021	4	4
8.	6 th July 2021	4	4
9.	16 th July 2021	4	4
10.	14 th September 2021	4	4
11.	1 st October 2021	4	4
12.	12 th October 2021	4	4
13.	28 th October 2021	4	4
14.	29 th October 2021	4	4
15.	11 th November 2021	4	4

19. FORMAL ANNUAL EVALUATION

The Nomination and Remuneration Committee of the Company has laid down the criteria for performance evaluation of the Board and individual directors including the Independent Directors and Chairperson covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its committees, Board Culture, execution and performance of specific duties, obligations and governance. It includes circulation of evaluation forms separately for evaluation of the Board, its Committees, Independent Directors / Non-Executive Directors / Executive Directors and the Chairman of your Company. The independent directors reviewed the evaluation forms for the performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors, and had no significant comments on the same.

The Board reviewed and analyzed the responses to the evaluation forms and accordingly completed the Board evaluation process for the financial year on 28th June 2022 and expressed their satisfaction with the evaluation process.

20. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act to report concerns about unethical behavior.

The policy is to provide a mechanism, which ensures adequate safeguards to employees and Directors from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statement and reports, and so on. The employees of the Company have the right/ option to report their concern/ grievance to the Chairperson of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.



TRACXN TECHNOLOGIES LIMITED

(Formerly Known as "Tracxn Technologies Private Limited")

Under the Whistle Blower Policy, confidentiality of those reporting violation(s) is protected and they shall not be subject to any discriminatory practices. This policy is uploaded on the Company's website at <https://tracxn.com/investor-relations/corporate-governance/policies>.

21. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

Pursuant to the provisions of Section 178 of the Act read with the Rules made thereunder and on the recommendation of the Nomination & Remuneration Committee, the Company has in place, a Nomination & Remuneration Policy. The said policy is available on the website of the Company at <https://tracxn.com/investor-relations/policies/Nomination-and-Remuneration-Policy.pdf>

22. DISCLOSURES WITH RESPECT TO EMPLOYEES AND REMUNERATION

Provisions pertaining to remuneration and other details as required under Section 197 (12) of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

23. 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 Act during the year under review and hence the said provisions are not applicable.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the Contracts or Arrangements entered into by the company with its related parties during the financial year were in accordance with the Provisions of the Act. The details of Related Party Transactions as per the applicable Accounting Standards are appearing in the notes to Financial Statements.

Further all the Related Party Transactions entered by the Company during the period under review were in the Ordinary course of business and on arm's length basis. Hence the prescribed details of Related Party Transactions in Form AOC -2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable.

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

Pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as follows:

(A) CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy:

The Company lays great emphasis on savings in the cost of energy consumption. Therefore, achieving reduction in per unit consumption of energy is an ongoing exercise in the Company. The Company does not have any internal generation of power (captive,



TRACXN TECHNOLOGIES LIMITED

(Formerly Known as "Tracxn Technologies Private Limited")

surplus or otherwise). Further, the Company leases its offices on a fully managed service model. Therefore, the cost of energy consumption is not calculated separately.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

Presently, the Company does not have any alternate sources of energy for internal generation of power (captive, surplus or otherwise).

(iii) Capital investment on energy conservation equipment:

The Company has not made any capital investment on energy conservation equipment/s.

(B) TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

(i) The efforts made towards technology absorption:

The Company is always in pursuit of finding ways and means to improve the performance, quality and cost effectiveness of its services. The technology used by the Company is updated as a matter of continuous exercise.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

As the Company is in service industry, there is no question of product improvement, product development or import substitution. Moreover, the Company has not derived any material benefits in cost reduction against technology absorption.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The Company has not imported any technology during the last three years reckoned from the beginning of the financial year.

(iv) The expenditure incurred on Research and Development:

The Company does not have a separate independent research and development activity. As such, no material amount of expenditure was incurred on research and development activity of the Company.

(C) FOREIGN EXCHANGE EARNINGS / OUTGO

During the financial year under review, the total Foreign Exchange Inflow and Outflow during the year under review is as follows:

(in INR '000)

Particulars	2021-22	2020-21
Inflow	4,47,033.59	3,08,554.93
Outflow	2,617.53	12,627.18

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

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TRACXN TECHNOLOGIES LIMITED
(Formerly Known as "Tracxn Technologies Private Limited")

27. STATUTORY AUDITORS

In compliance with the Companies (Audit and Auditors) Rules, 2014, M/s. Price Waterhouse Chartered Accountants LLP, (Registration Number 012754N/N500016) ("PWC"), were appointed as the Statutory Auditors of the Company at the Fourth Annual General Meeting held on 30th September 2016 for a period of 5 years, to hold office till the conclusion of the Ninth Annual General Meeting of the Company.

The Board of Directors of the Company at their meeting held on 5th August 2021 proposed, subject to approval of the shareholders the re-appointment of PWC as Statutory Auditors of the Company to hold office for their second term of 5 (Five) years i.e., from the conclusion of the Ninth AGM till the conclusion of AGM for financial year 2025-26.

The Company has received a certificate from the Statutory Auditors confirming their eligibility and willingness for their appointment pursuant to Sections 139(1), 141(2) and 141(3) of the Act read with Companies (Audit and Auditors) Rules, 2014. During the year under review,

- (a) the Auditors' Report does not contain any reservation, qualification, disclaimer or adverse remarks.
- (b) the Statutory Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143(12) of the Act.

28. INTERNAL AUDITORS

The Company at its Board meeting held on 17th March 2022, appointed M/s. Singhvi Dev & Unni LLP, Chartered Accountants, having Firm Registration Number S200358, as the Internal Auditors of the Company for the Financial Year 2021-22 and Financial Year 2022-23, pursuant to the provisions of the Section 138 of the Act.

29. SECRETARIAL AUDITOR

As per Section 204 (1) of the Act read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, certain class of Companies need to conduct Secretarial Audit. The above-mentioned provisions are not applicable on the Company.

30. SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India i.e., SS-1 and SS-2 with respect to Board Meetings and General Meetings respectively.

31. COMPLIANCE UNDER THE SEXUAL HARASSMENT OF WOMEN AT 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 the ICC as below:



TRACXN TECHNOLOGIES LIMITED
(Formerly Known as "Tracxn Technologies Private Limited")

Ms. Megha Bohra – Presiding Officer
Ms. Pooja Ravindra Rao – Member
Mr. Amit Agarwal – Member
Mr. Vaneet Goyal – Member
Ms. Binu Verma - External Member

Further, during the year under review, following is the summary of the complaints received by the ICC pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Pending at the beginning of the year	Received during the year	Disposed of during the year	Unresolved at the end of the year
NIL	NIL	NIL	NIL

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 employees.

32. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The Company has not developed or implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company for the year under review.

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

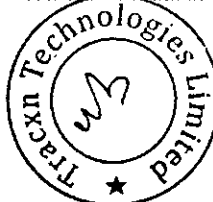
The Board of Directors at their meeting held on 12th August 2021 approved and adopted the Risk Management Policy to evaluate the internal and external risk specifically faced by the listed entity in particular including financial, operational, sectoral cyber security risks or any risk as may be determined by the Committee. This Policy also ensure appropriate measures and processes through which this risk can be minimize and can be identified at the Company has formed Risk Management policy as per Section 134 (3) (n) of Act which helps in identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

34. DETAILS IN RESPECT OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place, adequate systems of Internal Control to ensure compliance with policies and procedures. It is being constantly assessed and strengthened with new/revised standard operating procedures and tighter Information Technology controls. Internal Audit of the Company is regularly carried out. The Audit Reports of Internal Auditors along with their recommendations and implementation contained therein are regularly reviewed by the management and the Audit Committee.

35. DETAILS OF APPLICATION MADE OR ANY PROCEEDING IS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 ("IBC") DURING THE YEAR WITH ITS STATUS AS AT THE END OF FINANCIAL YEAR

During the year under review and as at 31st March, 2022, no application was made or any proceedings were pending under the Insolvency and Bankruptcy Code, 2016.



TRACXN TECHNOLOGIES LIMITED
(Formerly Known as "Tracxn Technologies Private Limited")

36. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOANS FROM BANK OR FINANCIAL INSTITUTIONS

During the year under review, no such one-time settlement was done in respect of any loan taken by the Company from Banks/Financial Institutions.


37. MAINTENANCE OF COST RECORDS UNDER SECTION 148(1) OF THE COMPANIES ACT, 2013

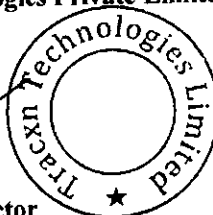
The provisions of section 148 (1) of the Act are not applicable on our Company and consequently, the Company is not required to maintain cost records.

38. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to 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 gratefully acknowledge the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors
**Tracxn Technologies Limited (formerly known as
Tracxn Technologies Private Limited)**


Neha Singh
Managing Director
DIN: 05331824




Abhishek Goyal
Director
DIN: 00423410

Place: Bengaluru
Date: 17th August 2022

Place: Bengaluru
Date: 17th August 2022

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited)

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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, 2022, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity 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.

Emphasis of Matter

4. We draw your attention to Note 34 to the financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lockdown and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.



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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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 Limited (formerly Tracxn Technologies Private Limited)
Report on Audit of the Financial Statements
Page 2 of 5

Other Information

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

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

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.

Responsibilities of management and those charged with governance for the financial statements

6. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. 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

8. 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.



Price Waterhouse Chartered Accountants LLP

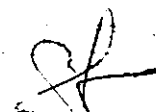
INDEPENDENT AUDITOR'S REPORT

To the Members of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited)
Report on Audit of the Financial Statements
Page 3 of 5

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- 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.
 - Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management'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.
 - 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.
10. 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

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows 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.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited)

Report on Audit of the Financial Statements

Page 4 of 5

- (e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
 - ii. The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2022.
 - 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, 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 35(xi)(A) to the financial statements];
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 35(xi)(B) to the financial statements]; and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.



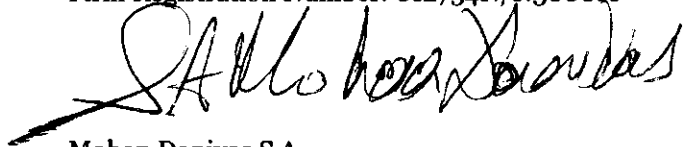
Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited)
Report on Audit of the Financial Statements
Page 5 of 5

13. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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



Mohan Danivas S A
Partner

Membership Number: 209136
UDIN: 22209136APEKOT1678

Place: Bengaluru
Date: August 17, 2022

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited) on the financial statements as of and for the year ended March 31, 2022

Page 1 of 2

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

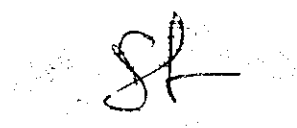
1. We have audited the internal financial controls with reference to financial statements of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited) on the financial statements as of and for the year ended March 31, 2022

Page 2 of 2

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

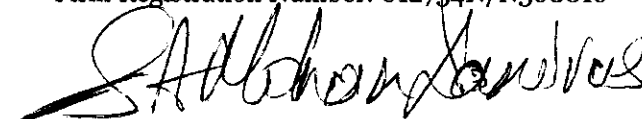
7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. Also refer paragraph 4 of our main audit report.

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants

Firm Registration Number: 012754N/N500016



Mohan Danivas S A

Partner

Membership Number: 209136

UDIN: 22209136APEKOT1678

Place: Bengaluru

Date: August 17, 2022

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited) on the financial statements as of and for the year ended March 31, 2022

Page 1 of 4

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment 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) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 5 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) 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 Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited) on the financial statements as of and for the year ended March 31, 2022

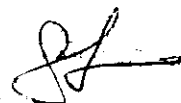
Page 2 of 4

- 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 though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, tax deducted at source under income tax, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 28 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and services tax, provident fund, employees' state insurance, tax deducted at source which have not been deposited on account of any dispute. The particulars of income tax as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in thousands)	Amount paid under protest* (Rs. in thousands)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	Rs. 2,270.74	Rs. 2,270.74	2013-14	Assessing Officer

* Includes Rs. 340.12 paid under protest and Rs. 1,930.62 adjusted from the refund receivable for the financial year ended March 31, 2018.

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Therefore, the provisions of clause 3(ix)(e) and 3(ix) (f) of the Order are not applicable to the Company.




Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited) on the financial statements as of and for the year ended March 31, 2022

Page 3 of 4

- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) 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, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) 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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is 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 reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv.(a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi.(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

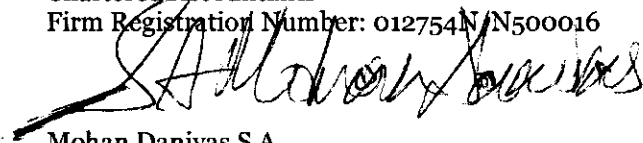
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tracxn Technologies Limited (formerly Tracxn Technologies Private Limited) on the financial statements as of and for the year ended March 31, 2022

Page 4 of 4

- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs.10,731.75 thousands in the financial year and of Rs.130,436.64 thousands in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 31 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants

Firm Registration Number: 012754N/N500016



Mohan Danivas S A

Partner

Membership Number: 209136

UDIN:22209136APEKOT1678

Place: Bengaluru

Date: August 17, 2022

Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

BALANCE SHEET

(All amount in INR thousands, except share and per share data, unless otherwise stated)

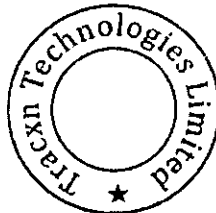
Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,671.21	2,674.62
Intangible assets	6	-	-
Current tax assets (net)	8	45,261.61	25,662.17
Other non-current assets	9	-	104.44
Total non-current assets		47,932.82	28,441.23
Current assets			
Financial assets			
i. Investments	7(a)	164,049.98	167,568.19
ii. Trade receivables	7(b)	71,721.83	56,853.94
iii. Cash and cash equivalents	7(c)	31,868.05	18,007.68
iv. Other financial assets	7(d)	221,060.77	211,521.77
Other current assets	9	3,511.99	2,194.66
Total current assets		492,212.62	456,146.24
Total assets		540,145.44	484,587.47
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10(a)	100,310.18	1,107.34
Instruments entirely equity in nature	10(b)	-	7,853.01
Other equity			
Reserves and surplus	10(c)	106,100.93	213,271.42
Total equity		206,411.11	222,231.77
LIABILITIES			
Non-current liabilities			
Contract liabilities	13	1,112.23	940.21
Employee benefit obligations	12	34,159.29	27,851.91
Total non-current liabilities		35,271.52	28,792.12
Current liabilities			
Financial liabilities			
i. Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	11(a)	38.69	99.67
(b) Total outstanding dues other than (a) above	11(a)	6,609.19	14,057.05
ii. Other financial liabilities	11(b)	1,861.64	1,420.54
Contract liabilities	13	254,357.96	194,112.12
Employee benefit obligations	12	16,150.81	12,979.82
Other current liabilities	14	19,444.52	10,894.38
Total current liabilities		298,462.81	233,563.58
Total liabilities		333,734.33	262,355.70
Total equity and liabilities		540,145.44	484,587.47

The above Balance Sheet should be read in conjunction with the accompanying notes.

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

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

Mohan Danivas S A
Partner
Membership Number: 209136
Place: Bengaluru
Date: 17 August 2022



For and on behalf of the Board of Directors of

Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

Neha Singh
Managing Director
DIN: 05331824

Prashant Chandra
Chief Financial Officer

Place: Bengaluru
Date: 17 August 2022

Abhishek Goyal
Director
DIN: 00423410

Megha Bohra
Company Secretary
M. No. A39158

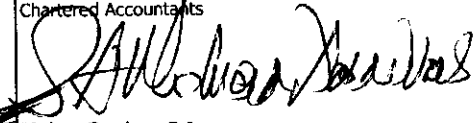


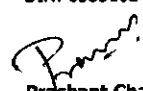
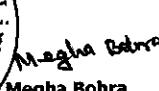
Place: Bengaluru
Date: 17 August 2022

Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

STATEMENT OF PROFIT AND LOSS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	15	634,535.12	437,786.71
Other income	16 (a)	10,963.48	10,233.50
Other gains/(losses) - net	16 (b)	6,080.97	109,397.38
Total income		651,579.57	557,417.59
Expenses			
Employee benefit expense	17	585,710.25	538,130.90
Depreciation expense	18	1,456.72	2,523.15
Other expenses	19	67,981.38	70,240.14
Total expenses		655,148.35	610,894.19
(Loss) before tax and exceptional items		(3,568.78)	(53,476.60)
Exceptional Items - IPO Expenses	20	44,907.93	-
(Loss) before tax		(48,476.71)	(53,476.60)
Income tax expense:			
- Current tax	21	-	-
- Deferred Tax	21	-	-
(Loss) for the year		(48,476.71)	(53,476.60)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Gain/ (loss) on remeasurement of post employment benefit obligations	12	(44.00)	11,949.47
- Income tax relating to above		-	-
Other comprehensive (loss)/ income for the year, net of tax		(44.00)	11,949.47
Total comprehensive (loss) for the year		(48,520.71)	(41,527.13)
Earnings per equity share [nominal value per share: INR 1 (2021: INR 1)]	30		
Basic earnings per share		(0.48)	(0.55)
Diluted earnings per share		(0.48)	(1.52)
The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.			
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 Chartered Accountants		For and on behalf of the Board of Directors of Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)	
 Mohan Danivas S A Partner Membership Number: 209136 Place: Bengaluru Date: 17 August 2022		 Neha Singh Managing Director DIN: 05331824  Abhishek Goyal Director DIN: 00423410  Prashant Chandra Chief Financial Officer Place: Bengaluru Date: 17 August 2022  Megha Bohra Company Secretary M. No. A39158 Place: Bengaluru Date: 17 August 2022	

Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)
CIN: U72200KA2012PLC065294
STATEMENT OF CASH FLOWS
 (All amount in INR thousands, except share and per share data, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Cash Flow from Operating Activities:			
Net (loss) before Income Tax		(48,476.71)	(53,476.60)
Adjustment for:			
Depreciation expense	18	1,456.72	2,523.15
Net (gain)/ loss on disposal of Property, plant and equipment	16(b)	169.35	442.04
Net gains on sale of investments	16(b)	(4,560.69)	(5,493.70)
Net fair value gains on financial assets measured at fair value through profit or loss	16(b)	(914.10)	(849.99)
Fair value (gain)/ loss on CCPS measured at fair value through profit or loss	16(b)	-	(104,634.48)
Interest on income tax refund	16(a)	-	(265.22)
Interest income from bank deposits measured at amortised cost	16(a)	(10,576.28)	(9,889.07)
Employee stock option expense	17	32,700.05	27,276.29
Impairment loss/ (reversal) on financial assets	19	4,042.56	(833.09)
Unrealised Exchange Difference (net)		459.73	(441.92)
Operating loss before working capital changes		(25,699.37)	(145,642.59)
Adjustment for:			
(Increase)/ decrease in trade receivables		(19,216.59)	(10,787.59)
(Increase)/ decrease in other financial assets		(20.34)	7,524.56
(Increase)/ decrease in other assets		(1,212.90)	948.37
Increase / (decrease) in trade payables		(7,508.84)	9,590.71
Increase / (decrease) in contract liabilities		60,417.86	70,418.53
Increase / (decrease) in employee benefit obligations		9,434.38	10,487.76
Increase / (decrease) in other financial liabilities		441.11	280.61
Increase / (decrease) in other liabilities		8,550.14	(984.12)
Cash generation from Operations		25,185.45	(58,163.76)
Income taxes paid (net of refunds received, including interest thereon)		(19,599.44)	(2,433.02)
Net Cash Flow from/ (used in) Operating Activities		5,586.01	(60,596.78)
Cash Flow from Investing Activities:			
Payments for purchase of property, plant and equipment		(1,622.66)	-
Proceeds from sale of property, plant and equipment		-	102.58
Funds invested in bank deposits		(9,518.66)	(199,000.32)
Proceeds from sale of investments		664,193.00	787,427.63
Payments for purchase of investments in mutual funds		(655,200.00)	(533,962.07)
Interest received		10,576.28	-
Net cash inflow / (outflow) from investing activities		8,427.96	54,567.82
Cash Flow from Financing Activities:			
Proceeds from issue of CCPS		-	1,873.77
Net cash inflow from financing activities		-	1,873.77
Net Increase/(Decrease) in Cash and Cash Equivalents		14,013.97	(4,155.19)
Cash and Cash Equivalents as at beginning of the year	7(c)	18,007.68	22,955.92
Effects of exchange rate changes on cash and cash equivalents		(153.60)	(793.05)
Cash and Cash Equivalents as at end of the year	7(c)	31,868.05	18,007.68
Non-cash financing activities			
- Modification of CCPS	10(b)(iii)	-	1,588,909.35
Cash and cash equivalents comprise of [Refer note 7(c)]:			
Cash on Hand		19.75	9.91
Balance with banks			
In current accounts		16,773.75	5,001.17
In Exchange Earners foreign Currency (EEFC) accounts		15,074.55	12,996.60
Total		31,868.05	18,007.68

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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

For **Price Waterhouse Chartered Accountants LLP**
 Firm Registration Number: 012754N/NS00016
 Chartered Accountants

Mohan Danivas S A
 Partner
 Membership Number: 209136
 Place: Bengaluru
 Date: 17 August 2022

For and on behalf of the Board of Directors
Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

Neha Singh
 Managing Director
 DIN: 05331844

Abhishek Goyal
 Director
 DIN: 00423410

Pashant Chandra
 Chief Financial Officer

Megha Bohra
 Company Secretary
 M. No. A39158

Place: Bengaluru
 Date: 17 August 2022

Place: Bengaluru
 Date: 17 August 2022

Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

STATEMENT OF CHANGES IN EQUITY

(All amount in INR thousands, except share and per share data, unless otherwise stated)

A. Equity share capital:

Particulars	Notes	Amount
As at 1 April 2020		1,107.34
Changes in equity share capital		-
As at 31 March 2021		1,107.34
Changes during the period due to conversion of CCPS into Equity	10(a)	785.30
Bonus shares issued during the year	10(a)	98,417.54
As at 31 March 2022		100,310.18

B. Instruments entirely equity in nature**Compulsorily Convertible Cumulative Preference Share Capital:**

Particulars	Notes	Amount
As at 1 April 2020		918.71
Changes during the year on account of modification of CCPS	10(b)	6,934.30
As at 31 March 2021		7,853.01
Changes during the year due to conversion of CCPS into Equity	10(a)	(7,853.01)
As at 31 March 2022		-

C. Other equity

Particulars	Securities premium	Employee stock option reserve	Retained earnings	Total other equity
As at 1 April 2020	114,163.66	190,653.29	(1,659,269.74)	(1,354,452.79)
(Loss) for the year	-	-	(53,476.60)	(53,476.60)
Other comprehensive income	-	-	11,949.47	11,949.47
Total comprehensive (loss) for the year	-	-	(41,527.13)	(41,527.13)
Employee stock option expense for the year	-	27,276.29	-	27,276.29
Changes during the year on account of modification of CCPS [refer note 10(b)(v)]	1,008,735.38	-	573,239.67	1,581,975.05
Balance as at 31 March 2021	1,122,899.04	217,929.58	(1,127,557.20)	213,271.42
(Loss) for the year	-	-	(48,476.71)	(48,476.71)
Other comprehensive income	-	-	(44.00)	(44.00)
Total comprehensive (loss) for the year	-	-	(48,520.71)	(48,520.71)
Employee stock option expense for the year	-	32,700.05	-	32,700.05
Changes due to conversion of CCPS into Equity [refer note 10(a)(ix)]	7,067.71	-	-	7,067.71
Reserves used in issue of Bonus shares [refer note 10(a)(ix)]	(98,417.54)	-	-	(98,417.54)
Balance as at 31 March 2022	1,031,549.21	250,629.63	(1,176,077.91)	106,100.93

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Statement of Changes in Equity referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants


Mohan Danivas S A

Partner

Membership Number: 209136

Place: Bengaluru

Date: 17 August 2022

For and on behalf of the Board of Directors of
Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

Neha Singh

Managing Director

DIN: 05331824


Prashant Chandra
Chief Financial Officer

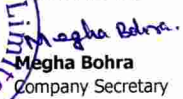
Place: Bengaluru

Date: 17 August 2022


Abhishek Goyal

Director

DIN: 00423410


Megha Bohra
Company Secretary
M. No. A39158

Place: Bengaluru

Date: 17 August 2022

1 General information

Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited) (the "Company") was incorporated as a private limited Company on 11 August 2012 under the provisions of the Companies Act 1956. The Company converted from a Private Limited Company to a Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 7 July 2021 and consequently the name of the Company has been changed to "Tracxn Technologies Limited" pursuant to a fresh certificate of incorporation dated 28 July 2021 issued by the Registrar of Companies.

The Company offers Tracxn 'Platform' on a 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 Basis of preparation and Significant Accounting Policies

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

2.1 Basis of preparation

i) Compliance with Indian Accounting Standards (Ind AS)

The financial statements comply in all material aspects with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting standards) Rules, 2015, as amended] and other related provisions of the Act.

ii) Historical cost convention

The Financial Statements have been prepared on a historical cost basis, except for the following:

- (a) certain financial assets and liabilities that are measured at fair value; and
- (b) Employee share based payments

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Board of directors of the Company assesses the financial performance and position of the Company and make strategic decisions. Accordingly, the Board has been identified as the chief operating decision maker. Refer note 26 for segment information presented.

2.3 Foreign currency translation

i) Functional and presentation currency

Items included in The Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Financial Statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

Foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

2.4 Revenue from contract with customers

i) Sale of services

The Company receives subscription revenue from rendering of services through its platform. Revenue from contracts with customers is recognized when services are rendered to the customer at an amount that reflects the consideration entitled in exchange for those services. The Company recognizes subscription revenues over time wherein the customer simultaneously receives and consumes the benefits provided by the Company. The progress is measured using the output method which measures revenue by comparing 'time elapsed' to the 'total subscription period'.

Revenue is recognised, net of goods and services tax, when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. In few cases, the Company provides refunds against revenue received from certain customers. The Company estimates the refund liability on the basis of their past experience and future expectation, as that is the amount of consideration for which the entity does not expect to be entitled.

The invoicing for the services is done upfront irrespective of the duration of the subscription with a general credit term of 10-30 days, which is consistent with market practice. The Company does not adjust the transaction prices for any time value of money as the transfer of the promised services to the customer and payment by the customer does not generally exceed one year.



ii) **Contract liabilities**

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract. Contract Liabilities are disclosed in Note 13.

2.5 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in The Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, if any, only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.6 Leases

As a lessee:

Leases are recognised as a Right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in substance fixed payments), less any incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the company's incremental borrowing rate, which is the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

If a readily observable amortising loan rate is available to the Company (through recent financing or market data) which has a similar payment profile to the lease, then the Company uses that rate as the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease payments that represent payments based on actual utilisation of common facilities of the leased asset are recognised in the Statement of Profit and Loss as and when they are incurred.

Right-of-use assets are measured at cost comprising the following:

- the amount of initial measurement of lease liability
- any lease payments made on or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the Statement of Profit and Loss. Short-term leases are leases with a term of 12 months or less. The lease contracts also include non-lease components which are charged to the Statement of Profit and Loss as and when incurred.



2.7 Financial Instruments

A) Initial recognition and measurement

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value on initial recognition.

B) Subsequent measurement

i) Financial assets carried at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in the statement of profit and loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of profit and loss. Impairment losses are presented in the statement of profit and loss. Financial assets at amortised cost comprises of trade receivables, security deposits, cash and cash equivalents and other financial assets.

a) Trade receivables:

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less impairment loss, if any.

b) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.7 Financial Instruments (continued)

c) Other financial assets:

On initial recognition, Other financial assets are measured at fair value, and subsequently, measured at the amortised cost, less impairment if any. Loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

ii) Financial assets at fair value through profit or loss

The Company holds certain investments in mutual funds which are subsequently measured at fair value through profit or loss.

iii) Financial liabilities measured at amortised costs

Financial liabilities are subsequently carried at amortised cost using the effective interest method. The Company's financial liabilities consist of trade payables and Other financial liabilities.

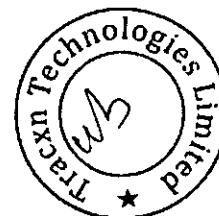
Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within the credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C) Financial liabilities measured at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition as at Fair Value Through Profit or Loss (FVTPL).

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains or losses attributable to changes in own credit risk are recognised in other comprehensive income (OCI). These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. Financial liabilities measured at fair value through profit or loss consist of Compulsorily convertible cumulative preference shares. [Also refer note 10(b)(v)]



Compulsorily convertible cumulative preference shares

The Company has assessed the debt/equity classification for compulsorily convertible cumulative preference shares (CCPS) based on the requirements in Ind AS 32. Based on the terms and conditions of issue of certain CCPS, the investors have an option to put the CCPS back to the Company for cash through a buy back in the event the Company is unable to provide an exit to the CCPS holders through a Qualified IPO or a strategic sale. As the failure to complete a qualified public offering is outside the control of the Company, it meets the definition of a contingent settlement event under IND AS 32, resulting in such CCPS being classified as a financial liability. Further, the holders' option to convert CCPS into equity shares is subject to variation due to the anti-dilution clause. Accordingly, the conversion option is to be classified as an embedded derivative and should be separated from the host debt. The Company has taken the option to classify the entire CCPS at fair value through profit or loss instead of accounting for the host debt and the embedded derivative separately. The dividends on these CCPS are recognised as finance expenses in the statement of profit and loss.

D) Derecognition

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

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

E) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

F) Impairment

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised, is recognised as an impairment gain or loss in the statement of profit and loss.

G) Interest income

Interest income is recognised using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

2.8 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful life and residual value:

Depreciation is calculated using the written down value method to allocate their cost, net of their residual values, over their estimated useful life as follows:

Management estimate of useful life

Computer equipments: 3 years

Office equipments: 1-5 years

Useful life as per Schedule II

Computer equipments: 3 years

Office equipments: 5 years

The assets' residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within other gains/ (losses).



2.9 Intangible Assets

Software:

Operating software is capitalised along with the related fixed assets. Costs associated with maintaining the software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Amortisation methods and periods:

The Company amortizes software with a finite useful life using the straight line method over three years and the useful life is reviewed at end of each reporting period, and adjusted if appropriate. The amortisation method and the estimated useful life of intangible assets are reviewed at each reporting period.

2.1 Impairment of assets

Assessment is done whenever there is an event or change in circumstances as to where there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, 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 asset, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and 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. 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. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.1 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. In case of long term provisions, they are disclosed by discounting at the rate used to determine the present value, which is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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 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.

2.1 Fair value measurement

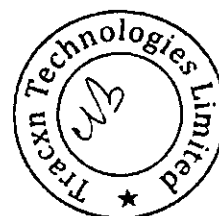
Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. All assets and liabilities for which fair value is measured or disclosed in The Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

2.1 Employee benefits

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the Balance Sheet.



NOTES TO FINANCIAL STATEMENTS

ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss. Past service costs are recognised immediately in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post employment obligations:

The Company operates the following post-employment schemes:

a) Defined benefit plans (gratuity)

The Company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity (Amendment) Act, 2018. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

b) Defined contribution plan such as provident fund and employees state insurance

The Company pays provident fund contributions to publicly administered provident funds and employees state insurance funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and recognised as employee benefit expense when they are due.

iv) Bonus plans

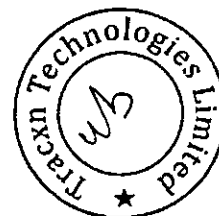
The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v) Share-based payments

The fair value of options granted under the Tracxn Employee Stock Option Plan 2016" is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.



2.1 Earnings 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.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date these mandatorily convertible instruments are classified as equity.

2.2 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The transaction costs incurred with respect to the proposed IPO of the Company is recognised as an asset to the extent considered recoverable from the selling shareholders. Remaining costs attributable to listing of existing shares is recognised in profit or loss.

2.2 Dividends

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

2.2 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands as permitted by Schedule III of Companies Act, 2013, unless otherwise stated. Amounts mentioned as "0.00" in the financial statements denote amounts rounded off, being less than INR 500.

3 Critical estimates and judgements

The preparation of these financial statements requires the use of accounting estimates which could differ from the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3 Significant estimates:-

i) Defined benefit plans and compensated absences:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases attrition rates and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Further details about gratuity obligations are given in Note 12.

3 Critical judgement:

i) Recognition and measurement of deferred tax:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has not recognised the deferred tax asset in the absence of being able to reasonably estimate the extent of future taxable profits against which to utilise these assets. Further details about Deferred tax assets are given in Note 21.



4 New and amended standards and Reclassifications consequent to amendments to Schedule III

i) New and amended standards adopted by the Company:

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

The standards and amendments mentioned above did not have any significant impact on the amounts recognised in prior years and does not have significant impact in the amounts recognised in the current year.

ii) New amendments issued but not effective:

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

iii) Reclassifications consequent to amendments to Schedule III:

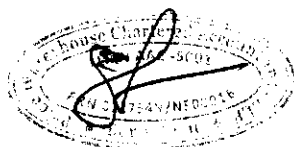
The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Company has changed the classification/presentation of security deposits, in the current year.

Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)	31 March 2021 (as previously reported)	Increase/ (Decrease)	31 March 2021 (as restated)
Loans (current)	3,360.00	(3,360.00)	-
Other financial assets (current)	208,161.77	3,360.00	211,521.77



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

5 Property, plant and equipment

Particulars	Gross block			Depreciation				Net Block	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	For the year	Disposals	As at 31 March 2022	As at 31 March 2022
Computer equipments	28,022.57	1,601.08	3,386.74	26,236.91	25,401.85	1,432.90	3,217.40	23,617.36	2,619.55
Office equipments	310.24	21.58	-	331.82	256.34	23.82	-	280.16	51.66
Carrying amount	28,332.81	1,622.66	3,386.74	26,568.73	25,658.19	1,456.72	3,217.40	23,897.52	2,671.21

Particulars	Gross block				Depreciation			Net Block	
	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	For the year	Disposals	As at 31 March 2021	As at 31 March 2021
Computer equipments	32,584.44	-	4,561.87	28,022.57	27,035.67	2,474.23	4,108.04	25,401.85	2,620.72
Office equipments	509.02	-	198.78	310.24	315.41	48.92	107.99	256.34	53.90
Carrying amount	33,093.46	-	4,760.65	28,332.81	27,351.08	2,523.15	4,216.03	25,658.19	2,674.62

Note: The Company does not own any immovable property in the current year or in the previous year.




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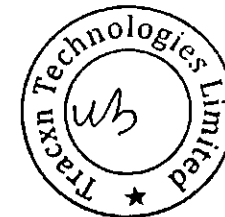
NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

6 Intangible assets

Particulars	Gross block			As at		Amortisation		Net Block	
	As at 1 April 2021	Additions	Disposals	31 March 2022	1 April 2021	For the year	Disposals	As at 31 March 2022	As at 31 March 2022
Tracxn software platform	2,646.02	-	-	2,646.02	2,646.02	-	-	2,646.02	-
Carrying amount	2,646.02	-	-	2,646.02	2,647.02	-	-	2,646.02	-

Particulars	Gross block			As at		Amortisation		Net Block	
	As at 1 April 2020	Additions	Disposals	31 March 2021	1 April 2020	For the year	Disposals	As at 31 March 2021	As at 31 March 2021
Tracxn software platform	2,646.02	-	-	2,646.02	2,646.02	-	-	2,646.02	-
Carrying amount	2,646.02	-	-	2,646.02	2,646.02	-	-	2,646.02	-



NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

7 Financial assets

7(a) Current investments

Particulars	31 March 2022	31 March 2021
<i>Investment in Mutual Funds at fair value through profit and loss (Quoted)</i>		
HDFC Liquid Funds Growth Units 24,169 (2021: 17,750)	100,344.61	71,313.89
ICICI Prudential Liquid Funds Growth Units 203,438 (2021: 317,626)	63,705.37	96,254.30
Total current investments	164,049.98	167,568.19
Aggregate amount of quoted investments and market value thereof	164,049.98	167,568.19
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

7(b) Trade receivables

Particulars	31 March 2022	31 March 2021
Trade receivables from contract with customers – billed	77,253.33	59,159.20
Trade receivables from contract with customers – unbilled [^]	854.47	38.14
Less: Loss allowance	(6,385.96)	(2,343.40)
Total trade receivables	71,721.83	56,853.94
Current portion	71,721.83	56,853.94
Non- current portion	-	-

[^]The receivable is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

Particulars	31 March 2022	31 March 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	78,107.80	59,197.34
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	78,107.80	59,197.34
Loss allowance	(6,385.96)	(2,343.40)
Total trade receivables	71,721.83	56,853.94

Trade Receivables, excluding loss allowance, ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment*							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables – considered good	854.47	37,475.00	35,642.36	1,904.75	2,231.22	-	-	78,107.80
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	854.47	37,475.00	35,642.36	1,904.75	2,231.22	-	-	78,107.80



NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

7(b) Trade receivables (contd.)

Trade Receivables, excluding loss allowance, ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment*						Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	
(i) Undisputed Trade Receivables – considered good	38.14	28,470.87	28,344.93	1,666.37	236.00	441.03	59,197.34
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	38.14	28,470.87	28,344.93	1,666.37	236.00	441.03	59,197.34

7(c) Cash and cash equivalents

Particulars	31 March 2022	31 March 2021
Balances with bank:		
- in current accounts	16,773.75	5,001.17
- in Exchange Earners foreign Currency (EEFC) accounts	15,074.55	12,996.60
Cash on hand	19.75	9.91
Total cash and cash equivalents	31,868.05	18,007.68

7(d) Other financial assets

Particulars	31 March 2022		31 March 2021	
	Current	Non-current	Current	Non-current
(Unsecured, considered good, unless otherwise stated)				
Bank deposits*	217,666.05	-	208,147.39	-
Security Deposits	3,360.00	-	3,360.00	-
Other receivables	34.72	-	14.38	-
Total other financial assets	221,060.77	-	211,521.77	-

* Bank deposits (current) represents deposits with original maturity more than 12 months but realisable within the next 12 months.

8 Current tax assets (net)

Particulars	31 March 2022	31 March 2021
Advance tax [net of provision for tax INR Nil (31 March 2021: Nil)]*	45,261.61	25,662.17
Total current tax assets (net)	45,261.61	25,662.17

*Includes amounts paid under protest INR 340.12 (2021: INR 340.12)

9 Other assets

Particulars	31 March 2022		31 March 2021	
	Current	Non-current	Current	Non-current
Prepaid expenses	2,309.51	-	1,208.72	104.44
Balance in prepaid corporate cards	477.45	-	712.20	-
Advance to Vendors	725.03	-	273.74	-
Total other assets	3,511.99	-	2,194.66	104.44



NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

10 Share capital and other equity

10(a) Equity share capital

i) Authorised equity share capital

As at 1 April 2020	1,500,000	1,500.00
Changes during the year	-	-
As at 31 March 2021	1,500,000	1,500.00
Changes during the year	108,000,000	108,000.00
As at 31 March 2022	109,500,000	109,500.00

ii) Movements in equity share capital

Issued, subscribed and paid-up:

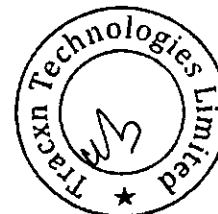
As at 1 April 2020	1,107,344	1,107.34
Changes during the year	-	-
As at 31 March 2021	1,107,344	1,107.34
Changes during the period due to conversion of CCPS into Equity	785,301	785.30
Bonus shares issued during the year	98,417,540	98,417.54
As at 31 March 2022	100,310,185	100,310.18

iii) Rights, preferences and restrictions attached to shares:

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.

iv) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Number of equity shares :				
Neha Singh	25,542,184	25.46	481,928	43.52
Abhishek Goyal	25,542,184	25.46	481,928	43.52
Elevation Capital V Limited (formerly SAIF Partners India V Limited)	21,961,769	21.89	-	-



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

10(a) Equity share capital (contd.)v) *Promoters' Shareholdings***As at 31 March 2022**

Promoter Name	No of Shares	Percentage of total shares (Equity)	Percentage of change during the year (Equity)
Neha Singh	25,542,184	25.46%	(18.06%)
Abhishek Goyal	25,542,184	25.46%	(18.06%)
Total	51,084,368	50.93%	(36.11%)

As at 31 March 2021

Promoter Name	No of Shares	Percentage of total shares (Equity)	Percentage of change during the year (Equity)
Neha Singh	481,928	43.52%	0.00%
Abhishek Goyal	481,928	43.52%	0.00%
Total	963,856	87.04%	0.00%

vi) **Shares reserved for issue under options and contracts:**

Refer Note 25 for details of shares to be issued under the Employee Stock Option Plan. Refer note 10(b)(iv) for CCPS issued.

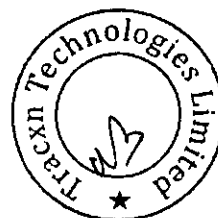
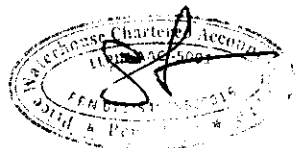
vii) **Aggregate number of bonus shares issued, shares bought back and share issued for consideration other than cash during the year of five years immediately preceding the reporting date i.e. 31 March 2022 :**

(a) The Company has issued 98,417,540 equity shares as bonus shares during the year ended 31 March 2022 (31 March 2021: Nil shares).

(b) The Company has not issued any shares pursuant to contract(s) without payment being received in cash and has not bought back shares during the period of five years immediately preceding the reporting date.

viii) **Consequent to the approval of the shareholders of the Company in their meeting held on 08 July 2021, the Company has increased its authorised share capital of equity shares from 1,500,000 shares to 109,500,000 shares of Re.1 each during the year ended 31 March 2022.**ix) **The Board of Directors of the Company at their meeting held on 21 July 2021 approved conversion of 744,137 CCPS having face value of INR 10 each into 744,137 equity shares having face value of INR 1 each and proposed capitalisation of securities premium on account of issuance of bonus shares in the ratio 52:1 per fully paid equity share having face value of INR 1 per share. The shareholders in their meeting dated 23 July 2021 have approved the issuance of such bonus shares.**

Further to this, the Board of Directors of the Company at their meeting held on 10 December 2021 approved conversion of 41,164 CCPS having face value of INR 10 each into 41,164 equity shares having face value of INR 1 each and issue of bonus shares. The issue of bonus shares in the ratio 52:1 per fully paid equity share having face value of INR 1 per share to these CCPS shareholders upon conversion to equity shares was approved in the board meeting held on 21 July 2021 and shareholders meeting held on 23 July 2021.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

10(b) Instruments entirely equity in nature

Preference share capital

i) Authorised Preference share capital

As at April 1, 2020	1,050,000	10,500.00
Changes during the year	-	-
As at 31 March 2021	1,050,000	10,500.00
Changes during the year	-	-
As at 31 March 2022	1,050,000	10,500.00

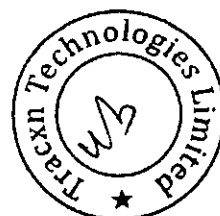
ii) Movements in Preference share capital

Issued, subscribed and paid-up:

As at April 1, 2020	91,871	918.71
Changes during the year on account of modification of CCPS [Refer note 10(b)(v)]	693,430	6,934.30
As at 31 March 2021	785,301	7,853.01
Changes during the year due to conversion of CCPS into Equity [Refer note 10(a)(ix)]	(785,301)	(7,853.01)
As at 31 March 2022	-	-

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

Series A CCPS:			
Elevation Capital V Limited (formerly SAIF Partners India V Limited)	-	317,262	100
Ordinary (Series A1) CCPS:			
Trustee, Kolluri Living Trust	-	5,055	100
Series A2 CCPS:			
Ratan N Tata	-	11,168	15
Trustees, 3ONE4 Capital Trust	-	11,168	15
Trustees, NRJN Family Trust	-	11,168	15
VH Capital	-	11,168	15
Beenext1 PTE Ltd (formerly Beenext Pte. Ltd)	-	8,376	11
Anand & Venky, LLC	-	5,584	7
Rathnagirish Mathrubootham	-	5,584	7
Series A3 CCPS:			
WGG International Ltd	-	11,991	100
Series A4 CCPS:			
Seabright II Limited	-	76,304	33
Elevation Capital V Limited (formerly SAIF Partners India V Limited)	-	76,304	33
Accel India (IV) Mauritius Ltd	-	38,152	17
SCI Investment V	-	28,614	13
Series B1 CCPS:			
Seabright II Limited	-	4,016	5
Elevation Capital V Limited (formerly SAIF Partners India V Limited)	-	20,707	27
Accel India (IV) Mauritius Ltd	-	37,650	50
SCI Investment V	-	12,550	17
Series B2 CCPS:			
KB Global Platform Fund	-	70,872	99



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

10(b) Instruments entirely equity in nature (contd.)

iv) Rights, preferences and restrictions attached to shares:

Series A Compulsorily Convertible Cumulative 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, B1 and B2 CCPS, and in priority to equity shares and Series A1, A2 and A3 CCPS. Refer note 10(b)(v) for modification to the terms of the CCPS.

Ordinary (Series A1) CCPS: The ordinary (Series A1) 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, B1 and B2 CCPS and in priority to equity shares.

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, B1 and B2 CCPS (ii) pari passu with the holders of Series A3 CCPS and (iii) in priority to equity shares and Series A1 CCPS.

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, B1 and B2 CCPS (ii) pari passu with the holders of Series A2 CCPS and (iii) in priority to equity shares and Series A1 CCPS.

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, B1 and B2 CCPS, and in priority to equity shares, Series A1, A2 and A3 CCPS. Refer note 10(b)(v) for modification to the terms of the CCPS.

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, A4 and B2 CCPS and in priority to equity shares, Series A1, A2 and A3 CCPS. Refer note 10(b)(v) for modification to the terms of the CCPS.

Series B2 CCPS: The Series B2 compulsorily convertible cumulative preference shares of INR 10 each were issued at a premium of INR 2,945.48 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, A4 and Series B1 CCPS and in priority to equity shares, Series A1, A2 and A3 CCPS. Refer note 10(b)(v) for modification to the terms of the CCPS.

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

The terms and conditions of the Series A, Series A4, Series B1 and Series B2 CCPS included buy back rights which would get triggered if certain conditions as per the shareholders agreements are not met. Hence, such CCPS were accounted as other financial liabilities on transition to Ind AS from 1 April 2019. The terms and conditions of the Series A1, Series A2, Series A3 CCPS does not include any buy back rights. Accordingly, all such preference shares issued are classified as instruments entirely equity in nature from the date of issue of such CCPS.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

10(b) Instruments entirely equity in nature (contd.)

- (v) Pursuant to waiver cum amendment agreement dated 30 March 2021 to the shareholders agreement dated 10 December 2020, Series A, Series A4, Series B1 and Series B2 CCPS holders have waived off their buyback right consequent to which such CCPS have been classified as instruments entirely equity in nature with effect from 30 March 2021.

Consequently, such CCPS in their entirety met the definition of an equity instrument as per Ind AS 32 with effect from 30 March 2021. As a result of this, the entire financial liabilities pertaining to such CCPS as at 30 March 2021 have been classified as preference share capital, Security premium and Retained earnings accordingly, after adjusting for fair market value gain of INR 104,634.48 for the period 01 April 2020 to 30 March 2021. [Also refer Notes 10(c) and 16(b)]. Such presentation as at 31 March 2021 is in accordance with Ind AS and Companies Act, 2013.

10(c) Reserves and surplus

Particulars	31 March 2022	31 March 2021
Securities Premium Account	1,031,549.21	1,122,899.04
Employee stock option reserve	250,629.63	217,929.58
Retained earnings	(1,176,077.91)	(1,127,557.20)
Total reserves and surplus	106,100.93	213,271.42

(i) Securities Premium Account

Particulars	31 March 2022	31 March 2021
Opening balance	1,122,899.04	114,163.66
Less: Reserves used in issue of Bonus shares [refer note 10(a)(ix)]	(98,417.54)	-
Changes during the year on account of modification of CCPS [refer note 10(b)(v)]	7,067.71	1,008,735.38
Closing balance	1,031,549.21	1,122,899.04

(ii) Employee stock option reserve

Particulars	31 March 2022	31 March 2021
Opening balance	217,929.58	190,653.29
Employee stock option expense for the year	32,700.05	27,276.29
Closing balance	250,629.63	217,929.58

(iii) Retained earnings

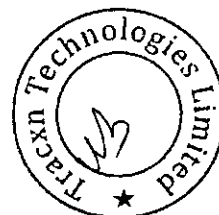
Particulars	31 March 2022	31 March 2021
Opening balance	(1,127,557.20)	(1,659,269.74)
Net (loss) for the year	(48,476.71)	(53,476.60)
Add: Changes during the year on account of modification of CCPS [refer note 10(b)(v)]	-	573,239.67
Items of other comprehensive income / (loss) recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(44.00)	11,949.47
Closing balance	(1,176,077.91)	(1,127,557.20)

Nature and purpose of reserves:**Securities Premium Account**

Securities premium is used to record the premium received on issue of equity shares and CCPS that meets the definition of equity. The reserve is utilised in accordance with the provisions of the Act.

Employee stock option reserve

The reserve is used to recognise the grant date fair value of options issued to employees under Tracxn Employee Stock Option Plan 2016.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

11 Financial liabilities

11(a) Trade payables

Particulars	31 March 2022	31 March 2021
Trade payables: Micro and Small Enterprises (MSME) [Refer note 33]	38.69	99.67
Trade payables: others	6,609.19	14,057.05
Total trade payables	6,647.88	14,156.72

Trade Payables ageing schedule as at 31 March 2022

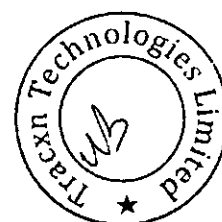
Particulars	Unbilled	Not Due	Outstanding for following periods from the due date of payment				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	-	38.69	-	-	-	38.69
Others	5,089.15	-	1,520.04	-	-	-	6,609.19
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	5,089.15	-	1,558.73	-	-	-	6,647.88

Trade Payables ageing schedule as at 31 March 2021

Particulars	Unbilled	Not Due	Outstanding for following periods from the due date of payment				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	22.10	-	72.43	-	5.15	-	99.67
Others	13,482.65	-	466.40	-	108.00	-	14,057.05
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	13,504.75	-	538.83	-	113.15	-	14,156.72

11(b) Other financial liabilities

Particulars	31 March 2022		31 March 2021	
	Current	Non-current	Current	Non-current
Employees Benefits Payable	1,861.64	-	1,420.54	-
Total other financial liabilities	1,861.64	-	1,420.54	-



NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

12 Employee benefit obligations

Particulars	31 March 2022		31 March 2021	
	Current	Non-current	Current	Non-current
Compensated absences [Refer note (i) below]	12,781.73	-	10,889.79	-
Gratuity [Refer note (ii) below]	3,369.08	34,159.29	2,090.03	27,851.91
Total employee benefit obligations	16,150.81	34,159.29	12,979.82	27,851.91

i) *Compensated absences*

The leave obligations cover the Company's liability for paid leaves. The entire amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

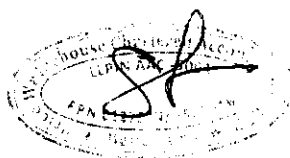
Particulars	31 March 2022	31 March 2021
Leave obligations not expected to be settled within the next 12 months	10,864.47	9,256.32

ii) *Post-employment obligations*a) *Gratuity*

The Company provides for gratuity for employees in India as per the Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Final liability is actuarially valued and recognised in the books as at the end of each year by the Company. The gratuity plan of the Company is not funded.

Particulars	31 March 2022	31 March 2021
A) Present value of defined benefit obligation		
Obligations at the beginning of the year	29,941.93	32,705.14
Current service cost	8,401.31	8,397.55
Interest cost	2,042.04	2,207.60
Benefits paid	(2,900.91)	(1,418.89)
Remeasurement (gains)/ losses		
- arising from changes in demographic assumptions.	22.50	(11,026.67)
- arising from changes in financial assumptions.	-	(342.59)
- arising from changes in experience adjustments.	21.50	(580.21)
Obligations at the end of the year	37,528.37	29,941.93
B) Net (asset)/ liability:		
Present value of defined benefit obligation	37,528.37	29,941.93
Fair value of plan assets	-	-
Net (asset)/obligation	37,528.37	29,941.93



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

12 Employee benefit obligations (contd)

Particulars	31 March 2022	31 March 2021
C) Expenses recognised in Statement of Profit and Loss		
Current service cost	8,401.31	8,397.55
Interest cost	2,042.04	2,207.60
Total amount recognised in the Statement of Profit and Loss	10,443.35	10,605.15
D) Amounts recognised in Other Comprehensive Income		
(Gains)/losses arising from changes in		
- demographic assumptions	22.50	(11,026.67)
- financial assumptions	-	(342.59)
- experience adjustments	21.50	(580.21)
Total amount recognised in Other Comprehensive Income	44.00	(11,949.47)
Total amount recognised in Statement of Total Comprehensive Income (C+D)	10,487.35	(1,344.32)
E) Actuarial assumptions		
Discount rate per annum (Key)	6.81%	6.82%
Salary escalation rate (Key)	14.00%	14.00%
Withdrawal rate (Key)	18.00%	18.00%
Mortality rate (Non-key)	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
F) Expected contribution in next year	-	-
G) Reconciliation of amounts in Balance Sheet		
Net defined benefit liability/ (asset) at the beginning of the year	29,941.93	32,705.14
Defined benefit cost included in statement of profit and loss	10,443.35	10,605.15
Total remeasurements included in other comprehensive income	44.00	(11,949.47)
Benefits paid	(2,900.91)	(1,418.89)
Net defined benefit liability (asset) at the end of the year	37,528.37	29,941.93

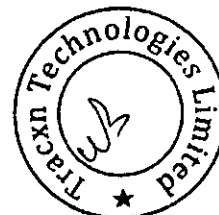
Risk Exposure

Through its defined benefit plan, the Company is exposed to a number of risks. The most significant risks are:

(i) **Interest rate risk** : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(ii) **Salary inflation risk** : Higher than expected increases in salary will increase the defined benefit obligation.

(iii) **Demographic risk** : This is the risk of variability of results due to factors like mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and attrition rate.



NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

12 Employee benefit obligations (contd)

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is as under:

Changes in assumption	Change in DBO	Impact on defined benefit obligation (DBO)	
		Gratuity	
		31 March 2022	31 March 2021
		%	%
Discount rate			
a. Increase by 0.5%	Decrease by	(1,093.53)	(938.09)
b. Decrease by 0.5%	Increase by	1,160.33	996.98
Withdrawal rate			
a. Increase by 1%	Decrease by	(854.17)	(855.77)
b. Decrease by 1%	Increase by	924.88	927.55
Salary escalation rate			
a. Increase by 1%	Increase by	1,733.32	1,566.14
b. Decrease by 1%	Decrease by	(1,652.03)	(1,492.07)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

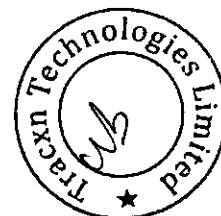
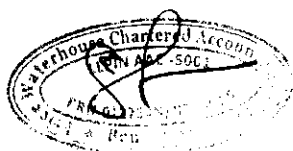
Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 7 years (2021: 8 years). The expected benefit payments are as follows:

Particulars	Gratuity	
	31 March 2022	31 March 2021
Expected future cash flows [Undiscounted]		
Year 1	3,369.08	2,090.03
Year 2	3,761.43	2,683.07
Year 3	4,289.90	3,077.07
Year 4	4,492.61	3,490.75
Year 5	4,412.31	3,601.82
5 years and above	42,249.21	36,850.63

b) Defined Contribution Schemes

Contributions are made to recognized government provident funds and Employee State Insurance Scheme in India for employees at a specified percentage of basic salary as per the regulations. The contributions payable to these plans by the Company are administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company recognised INR 15,313.70 (2021: INR 14,959.98) for Provident fund contributions and INR 1,441.92 (2021: INR 1,678.91) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

13 Contract liabilities

Particulars	31 March 2022		31 March 2021	
	Current	Non-current	Current	Non-current
Deferred revenue	253,886.29	1,112.23	193,585.24	940.21
Advance from customers	471.67	-	526.88	-
Total Contract Liabilities	254,357.96	1,112.23	194,112.12	940.21

Notes:

i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

a) Revenue recognised that was included in contract liabilities balance as at the beginning of the year.

Particulars	31 March 2022	31 March 2021
Sale of Services	194,112.12	124,633.80

b) There was no revenue recognised from performance obligations satisfied in previous year.

c) The movement in contract liability (deferred revenue and Advances received from customers) is as follows:

	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Balance as at the beginning of the year	194,525.45	526.88	123,892.46	741.34
Less: Revenue accrued during the year	(193,585.24)	(526.88)	(123,892.46)	(741.34)
Add: Invoicing in excess of earned revenue during the year	254,058.31	-	194,525.45	-
Add: Advances received during the year	-	471.67	-	526.88
Balance as at the end of the year	254,998.52	471.67	194,525.45	526.88

d) As at 31 March 2022, the aggregate amount of the transaction price allocated to the remaining performance obligations is INR 255,470.19 (2021: INR 195,052.33). Out of this, the Company expects to recognize revenue of INR 254,357.96 (2021: INR 194,112.22) within the next one year and the remaining in the year after that.

14 Other liabilities

Particulars	31 March 2022		31 March 2021	
	Current	Non-current	Current	Non-current
Statutory Dues	8,943.78	-	8,708.22	-
Ex-gratia Employee Benefits	7,570.00	-	-	-
Refund Liabilities [refer note (i) below]	2,930.74	-	2,186.16	-
Total other liabilities	19,444.52	-	10,894.38	-

Note

- i) Where a customer has a right to terminate a contract within a given period, the Company recognises a refund liability for the amount of consideration received/ receivable for which the Company does not expect to be entitled. This liability is estimated by the management as at year end based on past trends.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)**CIN: U72200KA2012PLC065294****NOTES TO FINANCIAL STATEMENTS***(All amount in INR thousands, except share and per share data, unless otherwise stated)***15 Revenue from operations**

The Company derives its revenue from the sale of subscription services.

Particulars	31 March 2022	31 March 2021
Sale of services:		
Income from sale of subscription services	634,535.12	437,786.71
Total revenue from operations	634,535.12	437,786.71

Notes:**a) Disaggregation of revenue from contract with customers**

The Company is solely into the business of providing subscription services to customers and hence there is no further disaggregation of services.

b) Reconciliation of Revenue recognised with the Contract Price

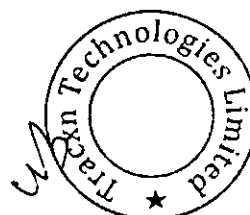
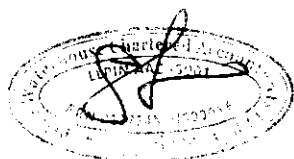
Particulars	31 March 2022	31 March 2021
Contract Price	695,752.77	510,391.40
Adjusted for:		
Contract liabilities	(60,473.07)	(70,418.53)
Refund liabilities	(744.58)	(2,186.16)
Closing balance	634,535.12	437,786.71

16 Other income and other gains/(losses)**(a) Other income**

Particulars	31 March 2022	31 March 2021
Interest income from bank deposits measured at amortised cost	10,576.28	9,889.07
Interest on income tax refund	-	265.22
Miscellaneous income	387.20	79.21
Total other income	10,963.48	10,233.50

(b) Other gains/(losses)

Particulars	31 March 2022	31 March 2021
Net (loss) on disposal of Property, plant and equipment	(169.35)	(442.04)
Net gains on sale of investments	4,560.69	5,493.70
Net fair value gains on financial assets measured at fair value through profit or loss	914.10	849.99
Fair value gain/ (loss) on CCPS measured at fair value through profit or loss	-	104,634.48
Foreign exchange gain/(loss) (net)	775.53	(1,138.75)
Total other gains/(losses) - net	6,080.97	109,397.38



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

17 Employee benefits expense

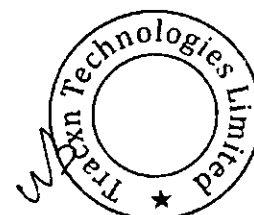
Particulars	31 March 2022	31 March 2021
Salaries, Wages & Bonus	522,041.00	481,405.71
Contribution to Provident and other funds [Refer note 12(b)]	16,755.62	16,638.89
Employee stock option expense	32,700.05	27,276.29
Gratuity Expenses [Refer note 12(a)]	10,443.35	10,605.15
Staff welfare expenses	3,770.23	2,204.86
Total employee benefits expense	585,710.25	538,130.90

18 Depreciation expense

Particulars	31 March 2022	31 March 2021
Depreciation on Property, Plant and Equipment	1,456.72	2,523.15
Total depreciation expense	1,456.72	2,523.15

19 Other expenses

Particulars	31 March 2022	31 March 2021
Software Expenses	3,024.73	2,696.15
Rent for Building	12,110.00	22,877.16
Repair and Maintenance Charges - Computer	386.85	109.27
Repair and Maintenance Charges - Other	531.65	1,522.97
Bank and Payment Gateway Charges	3,144.05	2,327.78
Legal and Professional Fee	4,948.60	13,341.84
Printing and Stationery Expenses	625.95	183.42
Travelling expenses	201.70	0.00
Director sitting fees	1,425.00	-
Director commission	2,612.92	-
Rates and Taxes	364.69	2,387.93
Power and fuel	-	569.71
Communication Expenses	55.24	350.36
Payment to auditors [Refer note below]	1,800.00	1,250.00
Web Hosting and Domain Charges	31,622.16	22,850.92
Impairment loss/ (reversal) on financial assets (refer note 23)	4,042.56	(833.09)
Miscellaneous Expenses	1,085.28	605.72
Total other expenses	67,981.38	70,240.14



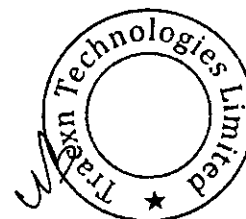
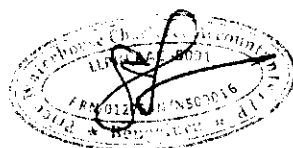
Note: Details of payment to auditors

Particulars	31 March 2022	31 March 2021
Payment to auditors		
As auditor:		
Audit fee	1,700.00	1,200.00
Tax audit fee	100.00	50.00
Other audit services relating to IPO (refer note 20)	8,400.00	-
Total payments to auditors	10,200.00	1,250.00

20 Exceptional Items

Particulars	31 March 2022	31 March 2021
IPO Expenses	44,907.93	-
Total IPO Expenses	44,907.93	-

The transaction costs incurred with respect to the proposed IPO of the Company is recognised as an expense. Upon successful completion of IPO, certain IPO related expenses will be recovered from the selling shareholders.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)**CIN: U72200KA2012PLC065294****NOTES TO FINANCIAL STATEMENTS***(All amount in INR thousands, except share and per share data, unless otherwise stated)***21 Income Taxes****A. Deferred tax asset recognition**

Deferred tax assets, have not been recognised in the absence of being able to reasonably estimate the extent of future taxable profits against which to utilise these assets. However this position will be reassessed at every year end and the deferred tax asset will be accounted for, when appropriate.

The amount of deferred tax asset not recognised has been arrived as follows:

Particulars	31 March 2022	31 March 2021
Carry forward business losses as per income tax	230,007.28	201,443.19
Unabsorbed depreciation as per income tax	8,110.14	8,151.52
Other temporary differences	17,206.66	11,891.84
Less: Deferred tax liabilities	(237.67)	(268.44)
Deferred tax assets (net)	255,086.41	221,218.11

a) Unabsorbed depreciation does not have any expiry period.

b) Carry forward business losses have an expiry ranging from 1 to 8 years as at the reporting date, refer below.

c) Tax rate considered for arriving at the above amounts is 26% (2021: 26%)

B. Reconciliation of tax expense and accounting profit multiplied by India's tax rate

Particulars	31 March 2022	31 March 2021
Loss before income tax expense	(48,476.71)	(53,476.60)
Tax at the Indian tax rate of 26% (2021: 26%)	(12,603.94)	(13,903.92)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Fair value adjustment on CCPS	-	(27,204.97)
IPO expenses	11,676.06	-
Employee stock option expense	-	7,091.84
Other items	(2,426.64)	162.76
Tax losses for which no deferred income tax was recognised	-	22,746.52
Tax impact of items recognised in other comprehensive income	(11.44)	3,106.86
Impact of indexation not considered in deferred tax	-	(4,664.24)
Previously unrecognised tax losses now recouped to reduce current tax expense	(2,158.49)	-
Deferred tax assets not recognised on other temporary differences	5,524.45	12,665.14
Income tax expense	-	-

Carry forward business losses in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

Financial year	31 March 2022	31 March 2021
Within four years	459,061.92	198,849.82
Beyond four years, upto 8 years	425,581.46	575,931.66

C. Current tax:

There is no liability arising on account of current tax during the year ended 31 March 2022 and 31 March 2021.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

22 Fair value measurements**A. Financial instruments by category**

Particulars	Level	As at 31 March 2022		As at 31 March 2021	
		Amortised cost	FVTPL	Amortised cost	FVTPL
Financial assets					
Investments	1	-	164,049.98	-	167,568.19
Trade receivables	3	71,721.83	-	56,853.94	-
Cash and cash equivalents		31,868.05	-	18,007.68	-
Other financial assets	3	221,060.77	-	211,521.77	-
Total financial assets		324,650.65	164,049.98	286,383.39	167,568.19
Financial liabilities					
Trade payables	3	6,647.88	-	14,156.72	-
Other financial liabilities	3	1,861.64	-	1,420.54	-
Total financial		8,509.52	-	15,577.26	-

There are no financial instruments which are measured at FVOCI

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into 3 levels/hierarchy prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

During the year, there were no financial instruments which are measured at Level 2 category.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in

There are no transfers between the levels during the year.

C. Valuation techniques:

Specific valuation techniques used to value financial instruments include:

- the use of published NAV's for mutual funds.
- the fair value of other financial liabilities (CCPS) is determined using Black Scholes option pricing model. (No CCPS balance as at 31 March 2022 and 31 March 2021)

D. Valuation process:

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

E. Fair value of financial assets and liabilities measured at amortised cost:

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other financial assets and other financial liabilities are considered to be the same as their fair values due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)**CIN: U72200KA2012PLC065294****NOTES TO FINANCIAL STATEMENTS***(All amount in INR thousands, except share and per share data, unless otherwise stated)***23 Financial risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's risk management is carried out by the management in accordance with the policies and objectives of the Company under the supervision of the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assessed for impact on the financial performance. Information on risks and the response strategy is escalated in a timely manner to facilitate timely decision making. Risk response strategy is formulated for key risks by Management. The below table broadly summarizes the sources of financial risk to which the entity is exposed to and how the entity manages the risk.

Financial risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Ageing analysis Credit ratings	Periodic review of customer credit limits; review of aging for trade receivables
Liquidity risk	Trade payables, other financial liabilities and other liabilities	Rolling cash flow forecasts.	Continuous monitoring and fund management to ensure timely payment of dues
Market risk - foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in Indian rupee	Sensitivity analysis	Increased focus on a) advance export billing b) localization to minimize risk
Market risk - security prices	Investments in mutual funds	Sensitivity analysis	Portfolio diversification and review of portfolio

A. Credit risk

Credit risk is a risk where the counterparty will not meet its obligations under a financial instrument leading to a financial loss. Credit risk arises from cash and cash equivalents, trade receivables, other financial assets, investments in mutual funds and other financial assets measured at amortised cost.

(i) Credit risk management

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies. Investments primarily include investment in debt based mutual funds whose portfolios have instruments with high credit rating. The board of directors periodically review the investment portfolio of the Company.

Other financial assets includes refundable security deposits made on premises taken on lease. Management has evaluated and concluded that the impact of credit losses on these deposits is not likely to be material.

Credit risk with respect to trade receivable is managed by the Company through setting up credit limit and periodical review of credit worthiness of major customers. The Company has historically not faced significant challenges in collecting money from its customers and thus the credit exposure is assessed to be low.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)**CIN: U72200KA2012PLC065294****NOTES TO FINANCIAL STATEMENTS***(All amount in INR thousands, except share and per share data, unless otherwise stated)***23 Financial risk management (contd)****Expected credit loss for trade receivables under simplified approach:**

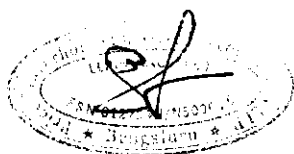
The Company applies the simplified approach to provide for expected credit loss prescribed by Ind AS 109, which permits the use of lifetime expected loss provision for all the trade receivables. Determination of the amount of expected credit losses includes consideration of forward looking information. The loss allowance is determined as follows:

Particulars	Less than 6 months	More than 6 months	Total
As at 31 March 2022			
Gross carrying amount	70,867.36	6,385.96	77,253.33
Expected credit loss - measured at life-time expected credit loss	(708.67)	(5,677.29)	(6,385.96)
Carrying amount of trade receivables	70,158.69	708.67	70,867.36

Particulars	Less than 6 months	More than 6 months	Total
As at 31 March 2021			
Gross carrying amount	56,853.94	2,343.40	59,197.34
Expected credit loss - measured at life-time expected credit loss	(568.54)	(1,774.86)	(2,343.40)
Carrying amount of trade receivables	56,285.40	568.54	56,853.94

Reconciliation of loss allowance provision

Particulars	31 March 2022	31 March 2021
Opening provision for loss allowance	2,343.40	3,264.99
Add: Additional provision/ (reversals) - net	4,042.56	(833.09)
Less: Utilisation	-	(88.50)
Closing provision	6,385.96	2,343.40



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

23 Financial risk management (contd)

B. Liquidity risk

Liquidity risk is a risk where an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying business, Company's treasury maintains flexibility in funding by maintaining availability of required funds.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2022

	Loss			
Non-derivatives				
Trade payables	6,647.88	-	-	6,647.88
Other financial liabilities	1,861.64	-	-	1,861.64
Total liabilities	8,509.52	-	-	8,509.52

31 March 2021

Non-derivatives				
Trade payables	14,156.72	-	-	14,156.72
Other financial liabilities	1,420.54	-	-	1,420.54
Total liabilities	15,577.26	-	-	15,577.26

C. Market Risk

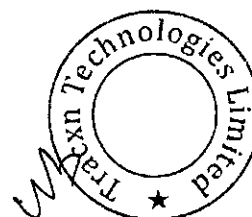
Market risk is a risk where the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price.

(i) Foreign currency risk

The company is exposed to foreign exchange currency risk arising from foreign currency transactions primarily with respect to US\$ which are not hedged. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through sensitivity analysis of probable movement in exchange rate as at the reporting period.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR as follows:

	Amount in INR	
	31 March 2022	31 March 2021
Financial assets		
<u>USD</u>		
Trade receivables	56,980.03	38,085.87
Bank balance in EEFC accounts	15,074.55	12,996.60
<u>EUR</u>		
Trade receivables	-	789.53
Total financial assets	72,054.58	51,872.00
Financial liabilities		
<u>USD</u>		
Trade payables	-	10,767.75
Total financial liabilities	-	10,767.75
Net exposure to exchange risk	72,054.58	41,104.25



23 Financial risk management (contd)

Sensitivity

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact is shown below. This analysis assumes that all other variables remain constant and ignores any impact of forecast sales and purchases.

USD Sensitivity		
INR/USD - Increase by 1%*	720.55	403.15
INR/USD - decrease by 1%*	(720.55)	(403.15)
EUR Sensitivity		
INR/EUR - Increase by 1%*	-	7.90
INR/EUR - decrease by 1%*	-	(7.90)

* Holding all other variables constant

(ii) Price risk

a) Exposure

The Company's exposure to price risk arises from investments held by the Company and classified in the Balance Sheet at fair value through profit or loss. To manage its price risk arising from investments in debt mutual funds, the Company diversifies its portfolio.

b) Sensitivity

The table below summarizes the impact of increase/decrease of the index on the company's equity and profit for the year. The analysis is based on the assumption that the NAV had increased by 5% or decreased by 5% with all other variables held constant.

NAV- increase 5% (2021: 5%)*	8,202.50	8,378.41
NAV- decrease 5% (2021: 5%)*	(8,202.50)	(8,378.41)

* Holding all other variables constant

24 Capital management

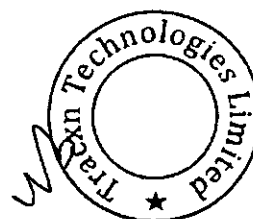
a) Risk management

The Company's objectives when managing capital are to:

- (i) Safeguard their ability to continue as a going concern, so that they can provide returns to shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce cost of capital.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions and future business prospects.

The Company does not have access to any borrowings and undrawn facilities. However, the Company has sufficient cash and investments to meet their liquidity requirements.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)**CIN: U72200KA2012PLC065294****NOTES TO FINANCIAL STATEMENTS***(All amount in INR thousands, except share and per share data, unless otherwise stated)***25 Employee stock option expense**

Tracxn Employee Stock Option Plan 2016 ("ESOP 2016" or "the Plan"): The Board vide its resolution dated 3 October 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 5 October 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 1,21,52,582 shares. These Options shall vest not less than one year and not more than 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 Plan and are exercisable at face value.

"Liquidity Event" shall mean anyone 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.

Set out below is a summary of options granted under the plan:

Particulars	31 March 2022		31 March 2021	
	Number	Average exercise price per share option (INR)	Number	Average exercise price per share option (INR)
Opening balance	154,265	1	136,553	1
Impact of bonus issue#	8,021,780	1	-	-
Granted during the year	1,851,602	1	32,491	1
Forfeited during the year	(483,175)	1	(14,779)	1
Exercised during the year	-	1	-	1
Closing balance	9,544,472		154,265	
Vested and exercisable*	6,687,805		111,232	

Adjusted to give the impact of bonus issue. Refer note 10(a)(ix)

* Options are exercisable upon happening of a liquidity event as defined in ESOP 2016 scheme.

The weighted average remaining contractual life for options outstanding at the end of the period is 7.18 years (2021: 7.49 years).

The weighted average fair value of options granted as at grant date during the year ended 31 March 2022 was INR 45.11 per option (after adjusting the impact of bonus issue) (2021: INR 1,851.94). The fair value at grant date is independently determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The model inputs for options granted during the year ended 31 March 2022 included:

Assumptions	31 March 2022	31 March 2021
Expected term (in years)	10 years	10 years
Expected forfeiture rate	10%	10%
Risk-free interest rate	6.84%	6.20%
Expected volatility	42.90%	42.90%
Dividend yield	0%	0%

Employee stock option expense

Particulars	31 March 2022	31 March 2021
Employee stock option expense	32,700.05	27,276.29
Total employee stock option expense	32,700.05	27,276.29



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)**CIN: U72200KA2012PLC065294****NOTES TO FINANCIAL STATEMENTS***(All amount in INR thousands, except share and per share data, unless otherwise stated)***26 Segment reporting****a) Description of segments and principal activities**

The Company is involved in the rendering of software subscription services to its customers. This subscription is given by way of access to the Tracxn Platform that hosts data that can be used by the customers. The Board of Directors review the operations of the Company as a whole as one single segment. Accordingly there are no separate reportable segments.

(b) Geographical information

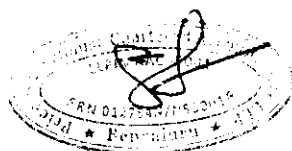
The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Particulars	Segment revenue	
	31 March 2022	31 March 2021
Geographical segment *		
India	187,501.53	129,231.77
United States of America	168,914.63	116,730.08
Other countries	278,118.96	191,824.86
Total	634,535.12	437,786.71

* There are no non-current assets which are outside India and hence no separate disclosures given.

(c) Information about major customers

There is no single customer who contributes more than 10% of the total revenue of the Company.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

27 Related party transactions

A. Names of related parties and nature of relationship:

Description of relationship	Names of related parties
a) Key Management personnel (KMP)	
Whole Time Directors	Neha Singh (also appointed as Managing Director from 2 August 2021) Abhishek Goyal
Non-Executive Directors	Vivek Kumar Mathur Ravi Chandra Adusumali
Independent Directors	Brij Bhushan (from 6 August 2021) Payal Goel (from 6 August 2021) Nishant Verman (from 6 August 2021) Rohit Jain (from 6 August 2021)
Chief Financial Officer (CFO)	Prashant Chandra (from 2 August 2021)
b) Entity having significant influence over the Company	Elevation Capital V Limited (formerly SAIF Partners India V Limited)

B. Transactions with related parties (refer notes below)

Particulars	31 March 2022	31 March 2021
Short-term employee benefits		
- Neha Singh	7,435.79	6,339.23
- Abhishek Goyal	609.90	4,839.23
- Prashant Chandra	4,923.26	-
Post-employment benefits		
- Neha Singh	446.58	293.24
- Abhishek Goyal	50.28	(1,242.68)
- Prashant Chandra	365.86	-
Employee stock option expense		
- Prashant Chandra	297.13	-

Notes:-

The above excludes :

- expenses incurred in the ordinary course of business through prepaid corporate credit cards issued to whole time directors
- issue of bonus shares.[Refer note 10(a)(ix)]

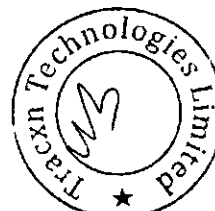
C. Transactions with Independent Directors (refer note below)

Particulars	31 March 2022		31 March 2021	
	Sitting Fee	Fixed Remunerations	Sitting Fee	Fixed Remunerations
Brij Bhushan	575.00	653.23	-	-
Payal Goel	250.00	653.23	-	-
Nishant Verman	200.00	653.23	-	-
Rohit Jain	400.00	653.23	-	-

Note: Independent directors were appointed during the year ended March 31, 2022 and hence there are no transactions for the previous year.

D. Transactions with Entity having significant influence over the Company

- Modifications made to Shareholders agreement on 30 March 2021, consequent to which certain CCPS were classified to Equity and issue of equity shares on conversion of CCPS. Also refer note 10(b)(v).
- Issue of bonus shares.[Refer note 10(a)(ix)]



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

28 Contingent liabilities

The Company has the following contingent liabilities:

Particulars	31 March 2022	31 March 2021
Claims against the company not acknowledged as debt		
Income tax matters (Refer Note (a) below)	3,179.04	3,179.04
Total contingent liabilities	3,179.04	3,179.04

- a) The Company had issued equity shares in the financial year 2013-14 to certain individuals at a premium for which the Assessing officer had added income in the hands of the Company amounting to INR 8,903.37 under Section 56(2)(vii b) of the Income Tax Act, 1961. During the year ended 31 March 2020, the Company has filed an appeal with the Income Tax Appellate Tribunal (ITAT), where the ITAT vide its order dated 23 October 2020 has ruled in the favour of the Company. Pending receipt of revised assessment order from the department, the Company continues to disclose the disputed amount as contingent liability. The amounts disclosed above is including interest. Demand amount is adjusted against refund for the financial year 2017-18 vide order dated 18 September 2019.
- b) 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 1/1(33)2019/Vivekananda Vidya Mandir/284) dated 20 March 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.
- c) 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.

29 Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is INR Nil (2021: INR)

30 Earnings per share (EPS):

- a) The earnings per share has been calculated based on the following:

Particulars	31 March 2022	31 March 2021
Basic (loss) per share (In INR)	(0.48)	(0.55)
Diluted (loss) per share (In INR) [refer note (ii) below]	(0.48)	(1.52)

- b) Reconciliation between number of shares for basic and diluted EPS:

Particulars	31 March 2022	31 March 2021
Weighted average equity shares outstanding [refer note (i) below]	100,310,185	58,689,232
Weighted average CCPS convertible into equity [refer note (i) below]	-	38,790,795
Total weighted average number of shares outstanding considered for basic E	100,310,185	97,480,027
Adjustments for calculation of diluted earnings per share:		
Employee stock options [refer note (i) below]	10,467,573	5,923,085
CCPS [refer notes below]	-	689,208
Total Weighted average number of shares outstanding considered for diluted EPS [refer notes below]	110,777,758	104,092,320

- c) Reconciliations of earnings used in calculating earnings per share :

Particulars	31 March 2022	31 March 2021
(Loss) after tax attributable to equity holders of the Company	(48,476.71)	(53,476.60)
Less: Fair value gain/ (loss) on CCPS measured at FVTPL	-	104,634.48
(Loss) attributable to the equity holders of the Company used in calculating diluted earnings per share	(48,476.71)	(158,111.08)

Notes:-

(i) The earnings per share reflects the impact of bonus shares issuance in the ratio of 52:1 [refer note 10(a)(ix)].

(ii) There are potential equity shares as on 31 March 2022 in the form of stock options granted to employees. As these are anti dilutive, they are ignored in the calculation of diluted earning/(loss) per share and accordingly the diluted earning/(loss) per share is the same as basic earnings/(loss) per share for the year ended 31 March 2022.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

Notes to financial statements

(All amount in INR thousands, except share and per share data, unless otherwise stated)

31 Ratios

The following are analytical ratios for the year ended 31 March 2022 and 31 March 2021.

Particulars	Numerator	Denominator	31 March 2022	31 March 2021	Variance	Reasons for variance in excess of 25%
Current Ratio	Total current assets	Total current liabilities	1.65	1.95	(15.56%)	Not applicable
Debt-equity ratio	Total Debt	Total equity	NA	NA	NA	Not applicable
Debt service coverage ratio	Earnings available for debt service	Debt service	NA	NA	NA	Not applicable
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	(0.24)	(0.19)	25.80%	Variance due to reduction in shareholders equity in the current year on account of loss pertaining to earlier years.
Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	9.87	8.68	13.69%	Not applicable
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	10.85	7.50	44.64%	Variance due to higher trade payables and lower expenses during the year ended 31 March 2021
Net capital turnover ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	3.28	1.97	66.51%	Variance due to increase in revenue from operations for the year ended 31 March 2022.
Net profit ratio	Net Profits after taxes	Revenue from operations	(0.08)	(0.09)	(19.39%)	Not applicable
Return on Capital employed	Earnings before interest and tax	Capital Employed #	(0.28)	(0.20)	36.71%	Variance due to increase in loss for the year and reduction in capital employed for the year ended 31 March 2022.
Return on Investment	Earning before interest and taxes	Average Total Assets	(0.09)	(0.09)	4.82%	Not applicable

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)**CIN: U72200KA2012PLC065294****NOTES TO FINANCIAL STATEMENTS***(All amount in INR thousands, except share and per share data, unless otherwise stated)***32 Leases**

The Company has taken certain office premises on lease. Rental contracts are typically made for 1 to 3 years, but may have extension options as described in note iii below. The notice period for such leases is 2-3 months where either party can terminate the lease without any significant penalty or loss. Accordingly, the Company has elected to take short-term exemption for leases based on management assessment.

i) Amounts recognised in the Statement of Profit and Loss

Particulars	Note	31 March 2022	31 March 2021
Expenses relating to short-term leases (included in other expenses)	19	12,110.00	22,877.16

ii) Total cash outflow for leases for the year ended 31 March 2022 was INR 12,110.00 (2021: INR 22,877.16)

iii) Extension and termination options are included in property lease agreements. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Extension and termination options held are exercisable by both the Company and the lessor. Extension options have not been included in the lease term as exercising this option is currently not reasonably certain.

33 Dues to micro and small enterprises

Sr No	Particulars	31 March 2022	31 March 2021
(i)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	38.69	99.67
(ii)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(iii)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(iv)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(v)	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(vii)	Further interest remaining due and payable for earlier years	-	-

34 Impact of Covid

Management has carried out the impact assessment of the COVID-19 pandemic on the operations of the Company and believes that there is minimum disruption to the operations of the Company. As at the year end, the management has assessed the recoverability of the carrying values of property, plant and equipment, trade receivables, investments, other assets and carrying value of liabilities and believes that no adjustments are required to be made in respect of such assets and liabilities as at 31 March 2022. Management has also assessed the liquidity position of the Company for next 12 months and basis that assessment believes that the Company will be able to meet all its financial obligations with the existing cash and bank balances and the projections of future cash inflows.

As explained above, management has considered all possible impacts of known events arising from COVID-19 pandemic in the preparation of these financial statements and therefore, believes that the current pandemic is not likely to have a material impact on the operations and financial position of the Company. The Company will continue to closely monitor any material changes to future economic conditions.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

35 Additional regulatory information

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) Valuation of PP&E, intangible asset and investment property

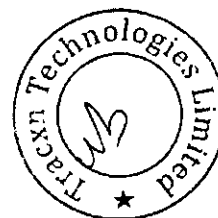
The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year

(ix) Core investment companies (CIC)

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(x) Compliance with number of layers of companies

The Company has not made any investments and hence compliance with respect to number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017 is not applicable.



Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

CIN: U72200KA2012PLC065294

NOTES TO FINANCIAL STATEMENTS

(All amount in INR thousands, except share and per share data, unless otherwise stated)

(xi) Utilisation of borrowed funds and share premium

(A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

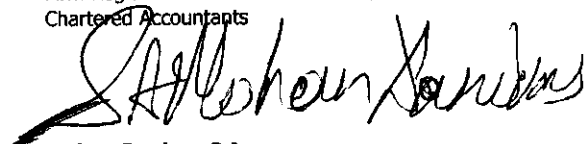
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

36 These financial statements for the year are approved for issue by Company's Board of Directors on August 17, 2022

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants



Mohan Danivas S A

Partner

Membership Number:

Place: Bengaluru

Date: 17 August 2022

For and on behalf of the Board of Directors of

Tracxn Technologies Limited (formerly known as Tracxn Technologies Private Limited)

Neha Singh

Managing Director

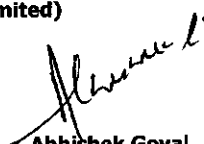
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Abhishek Goyal

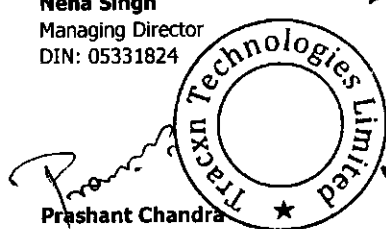
Director

DIN: 00423410



Prashant Chandra
Chief Financial Officer

Place: Bengaluru
Date: 17 August 2022



Megha Bohra
Company Secretary
M. No. A39158

Place: Bengaluru
Date: 17 August 2022

