

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Tracxn Technologies Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Tracxn Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 material accounting policy information 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, 2024, and total comprehensive income (comprising of profit 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.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of revenue recognition on sale of services

Note 15 (Revenue from operations) of the financial statements.

The Company's revenue principally comprises sale of services from Subscription revenue. Revenue from the sale of services is recognised 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'.



Price Waterhouse Chartered Accountants LLP, 5th Floor, 'Tower 'D'', The Millenia, 1 & 2 Murphy Road, Ulsoor
Bangalore - 560 008
T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

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)

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We have identified the recognition of revenue as a key audit matter specifically in terms of the risk of error in the timing and amount of revenue recognised. The subscriptions sold are generally non-cancellable. However, based on customary business practices followed by the Company, refunds are issued to customers on case-to-case basis on cancellation. The Company estimates the provision for such cancellations and recognises revenues net of such provision. Revenue recognition is determined to be an area involving significant risk in line with the requirements of Standards of Auditing and requires significant auditor attention.

Considering the above-mentioned factors, appropriateness of revenue recognition has been considered as a key audit matter.

How our audit addressed the key audit matter

Our key audit procedures around revenue recognition included, and not limited to, the following:

- Understood and evaluated the design and tested the operating effectiveness of key manual controls relating to revenue recognition;
- Read the Company's revenue recognition accounting policy and evaluated the appropriateness of the company's revenue recognition accounting policy with respect to principles of Ind AS 115 'Revenue from Contracts with Customers';
- Tested reconciliation items between sales register and general ledger;
- Tested sales transactions on a sample basis by examining the underlying documents which inter- alia included sales invoices and related terms and conditions to assess whether revenue was recognised appropriately;
- Evaluated the contract terms for selected samples of customer contract and recalculated the revenue including amount disclosed as deferred revenue to determine appropriateness of the revenue recognised;
- Tested the timing of recognition of revenue including performing cut-off procedures to determine whether revenue is recognised appropriately over a period of time based on satisfaction of performance obligation.;
- Tested reconciliation of deferred revenue to determine whether the revenue has been recognised in the appropriate financial period;
- Tested unusual journal entries if any posted under revenue general ledgers; and
- Evaluated the appropriateness and adequacy of disclosures made in the financial statements in respect of revenue recognition with the applicable accounting standards.

Based on the procedures performed above, we did not note any significant exceptions in the management's assessment of revenue recognition for sale of services.

Appropriateness of Assessment of recoverability of Deferred Tax Assets ("DTA") on tax losses

(Refer note 8 to the financial statements.)

The Company has recognised DTA of INR 2,048.88 lakhs on business losses carried forward from the earlier years in the income tax return to the extent it is recoverable based on the Company's projected probable taxable profits in the forthcoming years.



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DTA has been recognised on the basis of the Company's assessment of availability of future probably taxable profit to be able to utilise such tax losses. The recoverability of the DTA depends upon factors such as the projected probable taxable profits of business, the period considered for such projections, the rate at which those profits will be taxed, the period over which the tax losses will be available for recovery and the likely outcome of disputes pending with the tax authorities if any. The carrying amount of deferred tax assets is reviewed at the end of each reporting period.

The assessment of recoverability of DTA is considered a key audit matter as significant estimates and judgement are required by the Company's Management in the preparation of forecasts of future probable taxable profits based on the underlying business plans.

How our audit addressed the key audit matter

Our audit procedures, which involved applying materiality and sampling techniques, included the following:

- Evaluating the design and testing of the operating effectiveness of Company's controls relating to taxation and the assessment of carrying amount of DTA relating to unabsorbed tax losses.
- Evaluating whether the unabsorbed losses, on which deferred tax asset is recognised, has been assessed by the tax authorities and is available for utilisation in accordance with the provisions of Income- tax Act, 1961.
- Assessing the appropriateness of tax rate applied to the taxable profit forecasts.
- Reviewing the Company's accounting policy in respect of recognizing deferred tax asset on tax losses
- Assessing the reasonableness of the period of projections used in the deferred tax asset recoverability assessment.
- Obtaining the future taxable income projections prepared by the management and evaluating the judgements and assumptions made by the management in determining the projected future taxable income for reasonableness and performing sensitivity analysis on the key assumptions.
- Assessing the adequacy of disclosures made in the financial statements with regard to deferred taxes.

Based on the above procedures performed, our testing did not identify any significant exceptions with respect to the reasonableness of the assumptions and estimates used by the management in assessing the recoverability of DTA recognised in respect of tax losses as at year end.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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



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In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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.
9. As part of an audit in accordance with SAs, we exercise professional judgement 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.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. 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.
14. 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.



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- (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, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the period April 01, 2023 to August 29, 2023 and except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (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.
- (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) 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".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2024.
 - 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, 2024.
 - 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 or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 35(xi)(A) to the financial statements];



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- (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) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account, of which one accounting software has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. Based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with respect to such software. With respect to a billing software (cloud based) maintained by a third party service provider and used for certain business process, where service organisation's auditor's report does not cover audit trail, we are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year and therefore the question of our commenting on whether the audit trail feature was tampered with does not arise.
15. 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
Firm Registration Number: 012754N/N500016
Chartered Accountants



Mohan Danivas S A
Partner
Membership Number: 209136

UDIN: 24209136BKFNEO8549
Place: Bengaluru
Date: May 20, 2024

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Annexure A to Independent Auditor's Report

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Tracxn Technologies Limited on the financial statements for the year ended March 31, 2024
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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 ("the Company") as of March 31, 2024 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 14(g) of the Independent Auditor's Report of even date to the members of Tracxn Technologies Limited on the financial statements for the year ended March 31, 2024
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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.

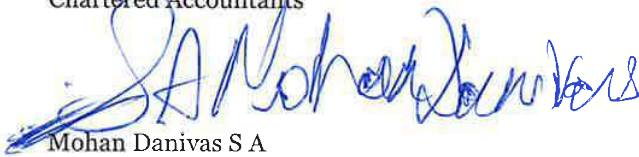
Inherent Limitations of Internal Financial Controls with reference to financial statements

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, 2024, 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.

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



Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 24209136BKFNEO8549

Place: Bengaluru
Date: May 20, 2024

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Tracxn Technologies Limited on the financial statements as of and for the year ended March 31, 2024
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In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- 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) The Company does not own any immovable properties (Refer Note 4 to the financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
 - (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. 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 the financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is 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.



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- 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 referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax (tax deducted at source), though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) The particulars of statutory dues referred to in sub clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Amount paid under protest (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	Rs. 22.71	Rs. 22.71*	FY 2013-14	Assessing Officer
Income Tax Act, 1961	Income Tax	Rs. 8.42	Rs. 8.42**	FY 2017-18	Assessing Officer
Income Tax Act, 1961	Income Tax	Rs. 5.51	Rs. 5.51**	FY 2021-22	Assessing Officer

* Includes Rs. 3.4 lakhs paid under protest and Rs. 19.31 lakhs adjusted from the refund receivable for the financial year ended March 31, 2018.

** Includes Rs. 13.93 lakhs adjusted from the refund receivable for the financial year ended March 31, 2013.

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 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) 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.



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- (c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (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. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (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. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) 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. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- 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, 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, 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 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 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.



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- xiv. (a) In our opinion, 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. In our opinion, 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.
- (b) The Company has not conducted non-banking financial 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 (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) 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 not incurred any cash losses in the financial year or 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 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 the 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.



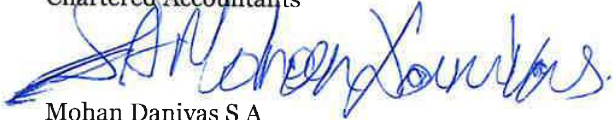
Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Tracxn Technologies Limited on the financial statements for the year ended March 31, 2024
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- 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
Firm Registration Number: 012754N/N500016
Chartered Accountants



Mohan Danivas S A
Partner
Membership Number 209136
UDIN: 24209136BKFNEO8549

Place: Bengaluru
Date: May 20, 2024

Tracxn Technologies Limited
CIN: L72200KA2012PLC065294
Balance Sheet

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

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	19.90	36.06
Intangible assets	5	-	-
Income tax assets (net)	7	547.40	297.92
Deferred tax asset	8	2,121.14	2,307.35
Total non-current assets		2,688.44	2,641.33
Current assets			
Financial assets			
i. Investments	6(a)	6,805.17	3,738.10
ii. Trade receivables	6(b)	833.98	976.87
iii. Cash and cash equivalents	6(c)	477.81	262.74
iv. Other financial assets	6(d)	423.34	2,068.00
Other current assets	9	79.67	42.51
Total current assets		8,619.97	7,088.22
Total assets		11,308.41	9,729.55
Equity and liabilities			
Equity			
Equity share capital	10(a)	1,035.41	1,003.10
Other equity			
Reserves and surplus	10(b)	6,053.37	4,965.66
Total equity		7,088.78	5,968.76
Liabilities			
Non-current liabilities			
Employee benefit obligations	12	338.45	278.73
Contract liabilities	13	40.60	25.98
Total non-current liabilities		379.05	304.71
Current liabilities			
Financial liabilities			
i. Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	11(a)	4.70	7.51
(b) Total outstanding dues other than (a) above	11(a)	54.27	83.00
ii. Other financial liabilities	11(b)	27.08	24.52
Employee benefit obligations	12	243.88	186.06
Contract liabilities	13	3,136.49	2,916.35
Other current liabilities	14	374.16	238.64
Total current liabilities		3,840.58	3,456.08
Total liabilities		4,219.63	3,760.79
Total equity and liabilities		11,308.41	9,729.55

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: 20 May 2024

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

Neha Singh
 Managing Director
 DIN: 05331824

Abhishek Goyal
 Director
 DIN: 00423410

Prashant Chandra
 Chief Financial Officer

Surbh Pasari
 Company Secretary
 M. No. F11215

Place: Bengaluru
 Date: 20 May 2024

Place: Bengaluru
 Date: 20 May 2024

Tracxn Technologies Limited
CIN: L72200KA2012PLC065294

Statement of Profit and Loss

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

Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	15	8,277.05	7,810.57
Other income	16 (a)	30.93	131.08
Other gains - net	16 (b)	395.69	176.44
Total income		8,703.67	8,118.09
Expenses			
Employee benefits expense	17	6,925.84	6,698.47
Depreciation and amortization expense	18	17.01	19.03
Other expenses	19	892.53	854.93
Total expenses		7,835.38	7,572.43
Profit before exceptional items and tax		868.29	545.66
Exceptional items - IPO expenses	20	-	(449.08)
Profit before tax		868.29	994.74
Income tax expense/(credit):			
- Current tax	21	17.68	11.55
- Deferred tax	21	200.47	(2,325.72)
Profit for the year		650.14	3,308.91
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Gain/ (loss) on remeasurement of post employment benefit obligations	12	(56.66)	73.00
- Income tax relating to above		14.26	(18.37)
Other comprehensive income for the year, net of tax		(42.40)	54.63
Total comprehensive income for the year		607.74	3,363.54
Earnings per equity share [nominal value per share: INR 1 (2023: INR 1)]			
Basic earnings per share	30	0.61	3.30
Diluted earnings per share		0.61	2.99

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

Mohan Danivas S A
Mohan Danivas S A

Partner
 Membership Number: 209136
 Place: Bengaluru
 Date: 20 May 2024

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

Neha Singh
Neha Singh
 Managing Director
 DIN: 05331874

Abhishek Goyal
Abhishek Goyal
 Director
 DIN: 00423410

Prashant Chandra
Prashant Chandra
 Chief Financial Officer

Surabhi Pasari
Surabhi Pasari
 Company Secretary
 M. No. F11215

Place: Bengaluru
 Date: 20 May 2024

Place: Bengaluru
 Date: 20 May 2024

Tracxn Technologies Limited

CIN: L72200KA2012PLC065294

Statement of Cash Flows

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

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Cash flow from operating activities:			
Net profit before income tax		868.29	994.74
Adjustment for:			
Depreciation expense	18	17.01	19.03
Net (gain)/ loss on disposal of Property, plant and equipment	16(b)	0.22	(0.48)
Net gains on sale of investments	16(b)	(41.42)	(97.44)
Net fair value gains on financial assets measured at fair value through profit or loss	16(b)	(363.76)	(47.76)
Interest on income tax refund	16(a)	-	(27.96)
Interest income from bank deposits measured at amortised cost	16(a)	(28.83)	(102.47)
Employee stock option expense	17	476.64	541.11
Bad debts written off	19	21.98	74.61
(Reversal)/allowance for expected credit loss (net)	19	6.28	(43.46)
Unrealised exchange difference (net)		2.09	(6.86)
Operating profit before working capital changes		958.50	1,303.07
Adjustment for:			
(Increase)/ decrease in trade receivables		117.31	(289.45)
(Increase)/ decrease in other financial assets		(48.93)	(157.79)
(Increase)/ decrease in other assets		(37.17)	(7.39)
Increase / (decrease) in trade payables		(31.55)	24.04
Increase / (decrease) in contract liabilities		234.76	387.63
Increase / (decrease) in employee benefit obligations		60.87	34.70
Increase / (decrease) in other financial liabilities		2.55	5.90
Increase / (decrease) in other liabilities		135.52	44.20
Cash generation from operations		1,391.86	1,344.91
Income taxes paid (net of refunds received, including interest thereon)		(267.17)	171.10
Net cash flow from/ (used in) operating activities		1,124.69	1,516.01
Cash flow from investing activities:			
Payments for purchase of property, plant and equipment		(4.00)	(31.24)
Proceeds from sale of property, plant and equipment		2.93	3.34
Funds redeemed / (Invested) in bank deposits (net)		1,693.59	300.40
Proceeds from sale of investments		5,911.00	7,293.58
Payments for purchase of investments in mutual funds		(8,573.00)	(9,246.00)
Interest received		28.83	102.47
Net cash inflow / (outflow) from investing activities		(940.65)	(1,577.45)
Cash flow from financing activities:			
Application money received for exercise of stock options		35.64	-
Net cash inflow / (outflow) from financing activities		35.64	-
Net increase/ (decrease) in cash and cash equivalents		219.68	(61.44)
Cash and cash equivalents as at beginning of the year	7(c)	262.74	318.68
Effects of exchange rate changes on cash and cash equivalents		(4.61)	5.50
Cash and cash equivalents as at end of the year	7(c)	477.81	262.74
Cash and cash equivalents comprise of [refer note 7(c)]:			
Cash on hand		0.01	0.01
Balances with payment gateway accounts		5.87	-
Balance with banks			
In current accounts		342.37	143.03
In exchange earners foreign currency (EEFC) accounts		129.56	119.70
Total		477.81	262.74

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/N500016

Chartered Accountants

Mohan Danivas S A

Partner

Membership Number: 209136

Place: Bengaluru

Date: 20 May 2024

For and on behalf of the Board of Directors

Tracxn Technologies Limited**Neha Singh**

Managing Director

DIN: 05331824

Prashant Chandra

Chief Financial Officer

Abhishek Goyal

Director

DIN: 00423410

Surabhi Pasari

Company Secretary

M. No. F11215

Place: Bengaluru

Date: 20 May 2024

Place: Bengaluru

Date: 20 May 2024

Tracxn Technologies Limited
CIN: L72200KA2012PLC065294
Statement of Changes In Equity

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

A. Equity share capital:					
Particulars	Notes	Amount			
As at 1 April 2022		1,003.10			
Changes during the year	10(a)	-			
As at 31 March 2023		1,003.10			
Changes during the year	10(a)	32.31			
As at 31 March 2024		1,035.41			
B. Other equity					
Particulars	Securities premium	Employee stock option reserve	Retained earnings	Share application money	Total other equity
As at 01 April 2022	10,315.49	2,506.30	(11,760.78)	-	1,061.01
Profit for the year	-	-	3,308.91	-	3,308.91
Other comprehensive Income	-	-	54.63	-	54.63
Total comprehensive Income for the year	-	-	3,363.54	-	3,363.54
Employee stock option expense for the year	-	541.11	-	-	541.11
Balance as at 31 March 2023	10,315.49	3,047.41	(8,397.24)	-	4,965.66
Profit for the year	-	-	650.14	-	650.14
Other comprehensive Income	-	-	(42.40)	-	(42.40)
Total comprehensive Income for the year	-	-	607.74	-	607.74
Employee stock option expense for the year	-	476.64	-	-	476.64
Application money received for exercise of stock options	-	-	-	35.64	35.64
Changes during the year consequent to exercise of stock options	1,115.65	(1,115.65)	-	(32.31)	(32.31)
Balance as at 31 March 2024	11,431.14	2,408.40	(7,789.50)	3.33	6,053.37

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.

<p>For Price Waterhouse Chartered Accountants LLP Firm Registration Number: 01275/IN/N500016 Chartered Accountants</p> <p><i>Mohan Danivas S A</i></p> <p>Mohan Danivas S A Partner Membership Number: 209136 Place: Bengaluru Date: 20 May 2024</p>	<p>For and on behalf of the Board of Directors of Tracxn Technologies Limited</p> <p><i>Neha Singh</i></p> <p>Neha Singh Managing Director DIN: 05331824</p> <p><i>Prashant Chandra</i></p> <p>Prashant Chandra Chief Financial Officer</p> <p>Place: Bengaluru Date: 20 May 2024</p>	<p><i>Abhishek Goyal</i></p> <p>Abhishek Goyal Director DIN: 00423410</p> <p><i>Surabhi Pasari</i></p> <p>Surabhi Pasari Company Secretary M. No. F11215</p> <p>Place: Bengaluru Date: 20 May 2024</p>
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Tracxn Technologies Limited
CIN: L72200KA2012PLC065294

Notes to Financial Statements as of and for the Year Ended March 31, 2024

1 General information

Tracxn Technologies 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 a market intelligence platform 'Tracxn' on a subscription basis to global customer base; to provide comprehensive private company data for deal sourcing, M&A opportunities, deal diligence, private market analysis and tracking emerging themes.

2 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

iii) New and amended standards adopted

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amended certain accounting standards, (see below) and are effective 1 April 2023:

- (i) Disclosure of accounting policies - amendments to Ind AS 1
- (ii) Definition of accounting estimates - amendments to Ind AS 8
- (iii) Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

iv) New and amended standards issued but not yet effective

MCA notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards as applicable to the Company.

v) Operating cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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.

The areas involving critical estimates and judgments are:

- i) Defined benefit obligations - Refer Note 12
- ii) Recognition and measurement of deferred tax - Refer Note 8
- iii) Impairment of trade receivables - Refer Note 23A



Tracxn Technologies Limited
CIN: L72200KA2012PLC065294
Notes to Financial Statements as of and for the Year Ended March 31, 2024
 (All amount in INR Lakhs, except share and per share data, unless otherwise stated)

4 Property, plant and equipment

Accounting policies

All items of property, plant and equipment are stated at historical cost less accumulated depreciation.

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, if any, over their useful life estimated as follows:

Management estimate of useful life

Computer equipments: 3 years
 Furniture and fittings: 10 years
 Office equipments: 5 years

Useful life as per Schedule II

Computer equipments: 3 years
 Furniture and fittings: 10 years
 Office equipments: 5 years

See note 34.10 for the other accounting policies relevant to Property, Plant and Equipment.

Particulars	Gross block			Depreciation			Net block	
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	For the year 1 April 2023 to 31 March 2024	Disposals	As at 31 March 2024	As at 31 March 2023
Computer equipments	235.10	4.00	63.10	176.00	16.59	59.95	157.18	18.82
Furniture and fittings	1.20	-	-	1.20	0.29	-	0.36	0.84
Office equipments	3.32	-	-	3.32	0.13	-	3.08	0.24
Carrying amount	239.62	4.00	63.10	180.52	17.01	59.95	160.62	19.90

Particulars	Gross block			Depreciation			Net block	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	For the year 1 April 2022 to 31 March 2023	Disposals	As at 31 March 2023	As at 31 March 2022
Computer equipments	262.37	30.04	57.31	235.10	18.81	54.45	200.54	34.56
Furniture and fittings	-	1.20	-	1.20	0.07	-	0.07	1.13
Office equipments	3.32	-	-	3.32	0.15	-	2.95	0.37
Carrying amount	265.69	31.24	57.31	239.62	19.03	54.45	203.56	36.06

Note:

- i. The Company does not own any immovable property in the current year or in the previous year.
- ii. There is no capital work in progress as at the year end or as at the previous year end.



Trackx Technologies Limited
CIN: L72200KA2012PLC065294
Notes to Financial Statements as of and for the Year Ended March 31, 2024
 (All amount in INR Lakhs, except share and per share data, unless otherwise stated)

5 Intangible assets

Particulars	Gross block			Amortisation			Net block As at 31 March 2024
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	For the year Disposals	
Trackx software platform	26.46	-	-	26.46	26.46	-	26.46
Carrying amount	26.46	-	-	26.46	27.46	-	26.46

Particulars	Gross block			Amortisation			Net block As at 31 March 2023
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	For the year Disposals	
Trackx software platform	26.46	-	-	26.46	26.46	-	26.46
Carrying amount	26.46	-	-	26.46	27.46	-	26.46



Tracxn Technologies Limited
CIN: L72200KA2012PLC065294

Notes to Financial Statements as of and for the Year Ended March 31, 2024

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

6 Financial assets

Accounting policies

i. Classification of financial assets at amortised cost:

The Company classifies its financial assets at amortised cost only if the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cashflows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise of trade receivables and other financial assets.

ii. Classification of financial assets at fair value through profit and loss:

The Company classifies investments in mutual funds at fair value through profit and loss.

See note 34.5 and 34.6 for the other accounting policies relevant to Financial Assets.

6(a) Current investments

Particulars	31 March 2024	31 March 2023
<i>Investment in mutual funds at fair value through profit and loss (quoted)</i>		
SBI Life Liquid Fund Growth Units 61,733 (2023: Nil)	2,312.33	-
HDFC Liquid Funds Growth Units 45,134 (2023: 45,134)	2,120.37	1,978.68
ICICI Prudential Liquid Funds Growth Units 532,101 (2023: 532,101)	1,885.64	1,759.42
Axis Liquid Funds Growth Units 18,273 (2023: Nil)	486.83	-
Total current investments	6,805.17	3,738.10
Aggregate amount of quoted investments and market value thereof	6,805.17	3,738.10
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

6(b) Trade receivables

Accounting policies

Trade receivables are amounts due from customers for services rendered in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is conditional only upon passage of time. Revenue in excess of billings is recorded as unbilled revenue and is classified as a financial asset as only the passage of time is required before the payment is due.

For trade receivables, the company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Particulars	31 March 2024	31 March 2023
Trade receivables from contract with customers – billed	812.64	978.26
Trade receivables from contract with customers – unbilled	48.02	19.01
Less: Loss allowance	(26.68)	(20.40)
Total trade receivables	833.98	976.87
Current portion	833.98	976.87
Non-current portion	-	-



Tracxn Technologies Limited
CIN: L72200KA2012PLC065294

Notes to Financial Statements as of and for the Year Ended March 31, 2024

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

6(b) Trade receivables (contd.)

Particulars	31 March 2024	31 March 2023
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	860.66	997.27
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	860.66	997.27
Loss allowance	(26.68)	(20.40)
Total trade receivables	833.98	976.87

Trade receivables, excluding loss allowance, ageing schedule as at 31 March 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables								
considered good	48.02	476.26	268.72	59.38	8.28	-	-	860.66
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	48.02	476.26	268.72	59.38	8.28	-	-	860.66

Trade receivables, excluding loss allowance, ageing schedule as at 31 March 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables								
considered good	19.01	560.13	404.10	14.03	-	-	-	997.27
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	19.01	560.13	404.10	14.03	-	-	-	997.27

Note: The company does not have any disputed trade receivables as at the end of the current or previous reporting period.

6(c) Cash and cash equivalents

Particulars	31 March 2024	31 March 2023
Balances with bank:		
- in current accounts	342.37	143.03
- in Exchange earners foreign currency (EEFC) accounts	129.56	119.70
Cash on hand	0.01	0.01
Balances with payment gateway accounts (payments pending to be settled by the payment gateways.)	5.87	-
Total cash and cash equivalents	477.81	262.74

6(d) Other financial assets

Particulars	31 March 2024	31 March 2023
(Unsecured, considered good, unless otherwise stated)		
Current:		
Bank deposits (refer notes below)	182.67	1,876.26
Security deposits	189.04	191.16
Other receivables	51.63	0.58
Total other financial assets	423.34	2,068.00

Notes:

- Bank deposits (current) represents deposits with original maturity more than 12 months but realisable within the next 12 months.
- Held as lien by bank against bank guarantees issued to National Stock Exchange INR 154.69 (2023: INR 154.69).



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

7 Income tax assets (net)

Particulars	31 March 2024	31 March 2023
Advance tax [net of provision for tax INR 29.23 (2023: 11.55)]*	547.40	297.92
Total income tax assets (net)	547.40	297.92

*Includes amounts paid under protest INR 3.40 (2023: INR 3.40)

8 Deferred tax asset

Deferred tax assets comprises of temporary differences attributable to the following:

Particulars	31 March 2024	31 March 2023
Deferred tax assets:		
Carry forwarded business loss	2,048.88	2,174.26
Employee benefit obligations	146.56	116.98
Provisions	26.48	25.47
Property, plant and equipment	2.79	2.66
Total (A)	2,224.71	2,319.37
Deferred tax liabilities:		
Fair value gains on financial assets	(103.57)	(12.02)
Total (B)	(103.57)	(12.02)
Deferred tax asset (net) (A)-(B)	2,121.14	2,307.35

Particulars	Tax losses	Defined benefits obligations	Provisions	Property, plant & equipment	Fair value gains on financial assets	Total
Balance as at 1 April 2022	-	-	-	-	-	-
(Charged) / credited to:						
- Profit and loss	2,174.26	135.35	25.47	2.66	(12.02)	2,325.72
- Other comprehensive Income	-	(18.37)	-	-	-	(18.37)
Balance as at 31 March 2023	2,174.26	116.98	25.47	2.66	(12.02)	2,307.35
(Charged) / credited to:						
- Profit and loss	(125.38)	15.32	1.01	0.13	(91.55)	(200.47)
- Other comprehensive Income	-	14.26	-	-	-	14.26
Balance as at 31 March 2024	2,048.88	146.56	26.48	2.79	(103.57)	2,121.14

Notes:

1. The deferred tax balance above has been arrived at by applying the tax rate of 25.168% being the rate substantively enacted as at 31 March 2024 and 31 March 2023.

2. During the previous year, the Company had recognised deferred tax assets on carried forward tax losses based on an assessment performed by the management. The management has reassessed the recoverability of such deferred tax assets as at 31 March 2024 and concluded that the deferred tax assets on such losses will be fully recoverable. The carry forward business losses have an expiry period ranging from 1-5 years as at the reporting date as per the local tax regulations. The key assumption used in such business plans and budgets pertains to revenue growth rate. A decrease in the revenue growth rate by around 20% is not likely to impact the carrying value of the deferred tax asset on tax losses.

9 Other assets

Particulars	31 March 2024	31 March 2023
Current:		
Prepaid expenses	46.47	22.75
Balance with government authorities	8.76	-
Balance in prepaid corporate cards	4.84	8.78
Advance to vendors	7.04	10.98
Recoverable from employees	12.56	-
Total other assets	79.67	42.51



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10 Share capital and other equity**10(a) Equity share capital**

i) Authorised equity share capital

Particulars	Number of shares	Amount
As at 1 April 2022	109,500,000	1,095.00
Changes during the year	10,500,000	105.00
As at 31 March 2023	120,000,000	1,200.00
Changes during the year	-	-
As at 31 March 2024	120,000,000	1,200.00

ii) Movements in equity share capital

Issued, subscribed and paid-up:

Particulars	Number of shares	Amount
As at 1 April 2022	100,310,185	1,003.10
Bonus shares Issued during the year	-	-
As at 31 March 2023	100,310,185	1,003.10
Changes during the period due to allotment of equity shares on ESOP exercises	3,230,916	32.31
As at 31 March 2024	103,541,101	1,035.41

iii) Rights, preferences and restrictions attached to shares:

Equity shares:

The Company has one class of equity shares having par value of INR 1.00 per share. Each holder of equity share is entitled for one vote per share held. 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.

Each equity shareholder is entitled to dividend as and when the proposed by the Board of Directors, subject to approval of shareholders (except in the case of Interim dividend) at the ensuing annual general meeting.

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

Particulars	31 March 2024		31 March 2023	
	Number of shares	% holding	Number of shares	% holding
Number of equity shares :				
Neha Singh	17,881,729	17.27	17,879,529	17.82
Abhishek Goyal	18,220,266	17.60	17,879,529	17.82
Elevation Capital V Limited (formerly SAIF Partners India V Limited)	-	-	10,980,884	10.95
Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	-	-	7,618,268	7.59



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10(a) Equity share capital (contd.)

- v) Promoters' shareholdings

As at 31 March 2024

Promoter name	No of shares	Percentage of total shares (Equity)	Percentage of change during the year (Equity)
Neha Singh	17,881,729	17.27%	0.01%
Abhishek Goyal	18,220,266	17.60%	1.91%
Total	36,101,995	34.87%	0.96%

As at 31 March 2023

Promoter name	No of shares	Percentage of total shares (Equity)	Percentage of change during the year (Equity)
Neha Singh	17,879,529	17.82%	(30.00%)
Abhishek Goyal	17,879,529	17.82%	(30.00%)
Total	35,759,058	35.65%	(30.00%)

- 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.
- 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 2024:
(a) The Company has issued 98,417,540 equity shares as bonus shares during the year ended 31 March 2022.
(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 29 June 2022, the Company has reclassified its authorised preference share capital of 10,50,000 shares of Rs. 10 each to its authorised equity share capital resulting in an increase by 10,50,000 shares of Re.1 each.



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

10(b) Reserves and surplus

Particulars	31 March 2024	31 March 2023
Securities premium account	11,431.14	10,315.49
Employee stock option reserve	2,408.40	3,047.41
Retained earnings	(7,789.50)	(8,397.24)
Share application money	3.33	-
Total reserves and surplus	6,053.37	4,965.66

(i) Securities premium account

Particulars	31 March 2024	31 March 2023
Opening balance	10,315.49	10,315.49
Changes during the year on account of exercise of stock options	1,115.65	-
Closing balance	11,431.14	10,315.49

(ii) Employee stock option reserve

Particulars	31 March 2024	31 March 2023
Opening balance	3,047.41	2,506.30
Employee stock option expense for the year	476.64	541.11
Changes during the year on account of exercise of stock options	(1,115.65)	-
Closing balance	2,408.40	3,047.41

(iii) Retained earnings

Particulars	31 March 2024	31 March 2023
Opening balance	(8,397.24)	(11,760.78)
Net profit for the year	650.14	3,308.91
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(42.40)	54.63
Closing balance	(7,789.50)	(8,397.24)

(iv) Share application money

Particulars	31 March 2024	31 March 2023
Opening balance	-	-
Add: Application money received for exercise of stock option	35.64	-
Less: Changes during the year consequent to issue of shares	(32.31)	-
Closing balance	3.33	-

Nature and purpose of reserves:

Securities premium account

Securities premium is used to record the premium received on Issue of shares. 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 (net of exercise price) issued to employees under Tracxn Employee Stock Option Plan 2016. Refer note 25 for more details.

Share application money

This represents the total amount received by the company towards exercise of stock options pending allotment.



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11 Financial liabilities

(a) Trade payables

Particulars	31 March 2024	31 March 2023
Trade payables: micro and small enterprises (MSME) [refer note 33]	4.70	7.51
Trade payables: others	54.27	83.00
Total trade payables	58.97	90.51

Trade Payables ageing schedule as at 31 March 2024

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	-	-	3.86	-	0.84	-	4.70
Others	49.35	-	4.92	-	-	-	54.27
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	49.35	-	8.78	-	0.84	-	58.97

Trade Payables ageing schedule as at 31 March 2023

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	-	-	6.67	0.84	-	-	7.51
Others	76.87	-	6.13	-	-	-	83.00
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	76.87	-	12.80	0.84	-	-	90.51

(b) Other financial liabilities

Particulars	31 March 2024	31 March 2023
Current:		
Employees benefits payable	13.35	24.52
Payable to independent directors	13.73	-
Total other financial liabilities	27.08	24.52



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Notes to Financial Statements as of and for the Year Ended March 31, 2024

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

12 Employee benefit obligations

Particulars	31 March 2024		31 March 2023	
	Current	Non-current	Current	Non-current
Compensated absences [Refer note (i) below]	148.08	-	123.85	-
Gratuity [Refer note (ii) below]	95.80	338.45	62.21	278.73
Total employee benefit obligations	243.88	338.45	186.06	278.73

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 2024	31 March 2023
Leave obligations not expected to be settled within the next 12 months	126.16	105.27

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.

Liability is actuarially valued and recognised in the books at each reporting date by the Company. The gratuity plan of the Company is not funded.

Particulars	31 March 2024	31 March 2023
A) Present value of defined benefit obligation		
Obligations at the beginning of the year	340.94	375.28
Current service cost	58.34	50.12
Interest cost	24.88	25.56
Benefits paid	(46.57)	(37.02)
Remeasurement (gains)/ losses		
arising from changes in demographic assumptions.	1.50	(36.85)
arising from changes in financial assumptions.	7.89	(73.49)
arising from changes in experience adjustments.	47.27	37.34
Obligations at the end of the year	434.25	340.94
B) Net (asset)/ liability:		
Present value of defined benefit obligation	434.25	340.94
Fair value of plan assets	-	-
Net (asset)/obligation	434.25	340.94



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

12 Employee benefit obligations (contd)

Particulars	31 March 2024	31 March 2023
C) Expenses recognised in Statement of Profit and Loss		
Current service cost	58.34	50.12
Interest cost	24.88	25.56
Interest income	-	-
Total amount recognised in the Statement of Profit and Loss	83.22	75.68
D) Amounts recognised in Other Comprehensive Income		
(Gains)/losses arising from changes in		
- return on plan assets	-	-
- demographic assumptions	1.50	(36.85)
- financial assumptions	7.89	(73.49)
- experience adjustments	47.27	37.34
Total amount recognised in Other Comprehensive Income	56.66	(73.00)
Total amount recognised in Total Comprehensive Income (C+D)	139.88	2.68
E) Actuarial assumptions		
Discount rate per annum (Key)	7.18%	7.30%
Salary escalation rate (Key)	6-18%	6-18%
Withdrawal rate (Key)	27-36%	22-38%
Mortality rate (Non-key)	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
F) Expected contribution in next year*	350.00	-
G) Reconciliation of amounts in Balance Sheet		
Net defined benefit liability/ (asset) at the beginning of the year	340.94	375.28
Defined benefit cost included in statement of profit and loss	83.22	75.68
Total remeasurements included in other comprehensive Income	56.66	(73.00)
Benefits paid	(46.57)	(37.02)
Net defined benefit liability (asset) at the end of the year	434.25	340.94

*During the year, the Company has registered a trust to fund its gratuity obligation. The amount above represents the contribution that the Company expects to make to the trust during the next financial year.

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 5 year (2023: 5 year) 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.



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12 Employee benefit obligations (contd)

Sensitivity analysis

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

Changes in assumption	Change in DBO	Impact on DBO	
		Gratuity	
		31 March 2024	31 March 2023
		Amount	Amount
Discount rate			
a. Increase by 50 basis points	Decrease by	(5.77)	(5.23)
b. Decrease by 50 basis points	Increase by	5.96	5.41
Withdrawal rate			
a. Increase by 100 basis points	Decrease by	(3.11)	(2.94)
b. Decrease by 100 basis points	Increase by	3.17	2.96
Salary escalation rate			
a. Increase by 100 basis points	Increase by	8.17	6.97
b. Decrease by 100 basis points	Decrease by	(8.13)	(6.98)

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 as when calculating the defined benefit liability recognised in balance sheet.

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 5 years (2023: 7 years). The expected benefit payments are as follows:

Particulars	Gratuity	
	31 March 2024	31 March 2023
	Amount	Amount
Expected future cash flows [Undiscounted]		
Year 1	95.81	62.21
Year 2	86.84	65.25
Year 3	74.30	59.15
Year 4	65.58	50.23
Year 5	53.25	42.83
5 years and above	167.89	166.51

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 wages 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 180.45 (2023: INR 197.54) for Provident fund contributions and INR 6.75 (2023: INR 16.32) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.



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13 Contract liabilities

Particulars	31 March 2024		31 March 2023	
	Current	Non-current	Current	Non-current
Deferred revenue	3,130.01	40.60	2,914.13	25.98
Advance from customers	6.48	-	2.22	-
Total contract liabilities	3,136.49	40.60	2,916.35	25.98

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 2024	31 March 2023
Sale of services	2,916.35	2,543.58

- 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:

Particulars	31 March 2024		31 March 2023	
	Deferred revenue	Advance from customers	Deferred revenue	Advance from customers
Balance as at the beginning of the year	2,940.11	2.22	2,549.99	4.72
Less: Revenue accrued during the year	(2,914.13)	(2.22)	(2,538.87)	(4.72)
Add: Invoicing in excess of earned revenue during the year	3,144.63	-	2,928.99	-
Add: Advances received during the year	-	6.48	-	2.22
Balance as at the end of the year	3,170.61	6.48	2,940.11	2.22

- d) As at 31 March 2024, the aggregate amount of the transaction price allocated to the remaining performance obligations is INR 3,177.09 (2023: INR 2,942.33). Out of this, the Company expects to recognize revenue of INR 3,136.49 (2023: INR 2,916.35) within the next one year and the remaining in the year after that.

Other liabilities

Particulars	31 March 2024	31 March 2023
Current:		
Statutory dues	295.63	156.87
Ex-gratia employee benefits	18.04	54.44
Refund liabilities [refer note (i) below]	60.49	26.39
IPO related expenses	-	0.94
Total other liabilities	374.16	238.64

Note

- i) The Company recognises a refund liability, based on management estimates, for the revenue recognized but likely to be cancelled in the subsequent period.



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Notes to Financial Statements as of and for the Year Ended March 31, 2024

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15 Revenue from operations**Accounting policies****(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, net of goods and services tax, that reflects the consideration entitled in exchange for those services and when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. 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.

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) Refund liabilities

The Company recognises a refund liability for the revenue recognized but likely to be cancelled in the subsequent period. The company estimates the expected cancellations based on acknowledgements from customers or platform usage data.

(iii) 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. Refer Note 13.

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

Particulars	31 March 2024	31 March 2023
Sale of services:		
Income from sale of subscription services	8,277.05	7,810.57
Total revenue from operations	8,277.05	7,810.57

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 2024	31 March 2023
Contract price	8,545.91	8,195.29
Adjusted for:		
Movement in contract liabilities	(234.76)	(387.63)
Movement in refund liabilities	(34.10)	2.92
Closing balance	8,277.05	7,810.57

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

Particulars	31 March 2024	31 March 2023
Interest income from bank deposits measured at amortised cost	28.83	102.47
Interest on Income tax refund	-	27.96
Miscellaneous income	2.10	0.65
Total other income	30.93	131.08

(b) Other gains - net

Particulars	31 March 2024	31 March 2023
Net gain/(loss) on disposal of property, plant and equipment	(0.22)	0.48
Net gains on sale of investments	41.42	97.44
Net fair value gains on financial assets measured at fair value through profit or loss	363.76	47.76
Foreign exchange gain/(loss) (net)	(9.27)	30.76
Total other gains - net	395.69	176.44



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17 Employee benefits expense

Particulars	31 March 2024	31 March 2023
Salaries, wages & bonus	6,122.33	5,792.66
Contribution to provident and other funds [refer note 12(b)]	187.50	214.21
Employee stock option expense	476.64	541.11
Gratuity expenses [refer note 12(a)]	83.22	75.68
Staff welfare expenses	56.15	74.81
Total employee benefits expense	6,925.84	6,698.47

18 Depreciation and amortization expense

Particulars	31 March 2024	31 March 2023
Depreciation on property, plant and equipment	17.01	19.03
Total depreciation and amortization expense	17.01	19.03

19 Other expenses

Accounting policies

Lease payments - 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.

See note 34.4 for the other accounting policies relevant to Lease payments.

Particulars	31 March 2024	31 March 2023
Cloud hosting charges	242.49	249.73
Rent	206.09	178.91
Data extraction charges	64.99	41.27
Professional and consultancy fees	64.82	67.55
Information technologies expenses (including software license)	59.24	57.40
Director remuneration (refer note 27)	40.00	40.00
Marketing expenses	32.51	24.89
Payment to auditors [refer note below]	32.36	24.50
Bank and payment gateway charges	29.82	30.15
Repairs and maintenance	24.80	13.08
Bad debts written off	21.98	74.61
Rates and taxes	20.04	26.04
Director sitting fees (refer note 27)	19.25	25.75
Other office expenses	8.51	7.87
Recruitment expenses	8.22	13.86
(Reversal)/allowance for expected credit loss (net) (refer note 23)	6.28	(43.46)
Travelling and conveyance	5.40	18.97
Miscellaneous expenses	5.73	3.81
Total other expenses	892.53	854.93

Note: Details of payment to auditors

Particulars	31 March 2024	31 March 2023
Payment to auditors*		
As auditor:		
Audit fee	30.00	23.50
Tax audit fee	1.00	1.00
Out of pocket expenses	1.36	-
Total payments to auditors	32.36	24.50

* The above does not include payables relating to the audit services towards IPO amounting to INR Nil (2023: 81) as it was part of IPO expenses recovered (Refer note 20).



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Notes to Financial Statements as of and for the Year Ended March 31, 2024

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20 Exceptional Items

Particulars	31 March 2024	31 March 2023
IPO expenses	-	(449.08)
Total IPO expenses	-	(449.08)

The transaction costs with respect to the initial public offer (IPO) of the Company, which were initially borne by the Company were recognised as an expense. During the year ended 31 March 2023, upon successful completion of IPO, these expenses have been fully recovered from the selling shareholders.

21 Income tax expense

Particulars	31 March 2024	31 March 2023
(a) Income tax expense		
Current tax		
Current tax for the year	17.68	11.55
Total current tax expense	17.68	11.55
Deferred tax		
Decrease/(Increase) in deferred tax assets	108.92	(2,337.74)
(Decrease)/increase in deferred tax liabilities	91.55	12.02
Total deferred tax expense/(benefit)	200.47	(2,325.72)
Income tax expense	218.15	(2,314.17)

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

Particulars	31 March 2024	31 March 2023
Profit before income tax expense	868.29	994.74
Tax at the Indian tax rate of 25.168% (2023: 25.168%)	218.53	250.36
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
IPO expenses (recovery)	-	(113.02)
Others	(0.38)	2.76
Previously unrecognised tax losses now utilised to reduce current tax expense	-	(113.15)
Previously unrecognised deferred tax asset created during the current year	-	(2,341.12)
Income tax expense	218.15	(2,314.17)



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22 Fair value measurements

A. Financial instruments by category

Particulars	Level	As at 31 March 2024		As at 31 March 2023	
		Amortised cost	FVTPL	Amortised cost	FVTPL
Financial assets					
Investments	1	-	6,805.17	-	3,738.10
Trade receivables	3	833.98	-	976.87	-
Cash and cash equivalents		477.81	-	262.74	-
Other financial assets					
- Bank deposits		182.67	-	1,876.26	-
- Security deposits	3	189.04	-	191.16	-
- Other receivables	3	51.63	-	0.58	-
Total financial assets		1,735.13	6,805.17	3,307.61	3,738.10
Financial liabilities					
Trade payables	3	58.97	-	90.51	-
Other financial liabilities	3	27.08	-	24.52	-
Total financial liabilities		86.06	-	115.03	-

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.

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

There are no transfers between the levels during the year.

C. valuation process and techniques:

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.

The fair value of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at each reported balance sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

D. 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 amount are equal to the fair values.



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23 Financial risk management

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. 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	Periodic review of aging for trade receivables
Liquidity risk	Trade payables and other financial liabilities	Cash outflow 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		Increased focus on a) advance export billing b) limiting the accumulation of foreign exchange
Market risk - security prices	Investments in mutual funds	Sensitivity analysis	Investing only in liquid funds of reputed AMC with sizeable AUMs and investment in debt based funds

A. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers located in various countries. Credit risk is managed by the Company through continuously monitoring of the outstanding receivables.

(i) Loss allowance as at March 31, 2024 and March 31, 2023 was determined as follows for trade receivables under the simplified approach

Particulars	Not due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
As at 31 March 2024							
Gross carrying amount - trade receivables (see note below)	519.61	193.60	13.21	15.99	6.74	1.27	750.42
Expected loss rate	1.52%	1.60%	23.39%	43.51%	64.62%	100.00%	
Expected credit loss - trade receivables	7.90	3.10	3.09	6.96	4.36	1.27	26.68
Carrying amount of trade receivables (net of ECL)	511.71	190.50	10.12	9.03	2.38	-	723.74

Note: Excluding receivables of Rs.110.24L on which refund liabilities are recognised.

Particulars	Not due	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days	Total
As at 31 March 2023							
Gross carrying amount - trade receivables (see note below)	579.14	334.16	18.69	5.38	-	-	937.37
Expected loss rate	1.37%	1.42%	24.64%	48.05%	-	-	
Expected credit loss - trade receivables	8.47	4.73	4.61	2.59	-	-	20.40
Carrying amount of trade receivables (net of ECL)	570.67	329.43	14.08	2.79	-	-	916.97

Note: Excluding receivables of Rs.59.90L on which refund liabilities are recognised.

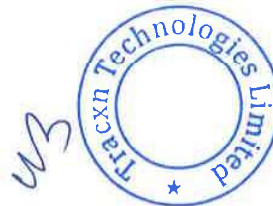
(ii) Reconciliation of expected credit loss for trade receivables under simplified approach

Particulars	Trade receivables
Loss allowance as on 1 April 2022	63.86
Increase in loss allowance	31.15
Loss allowance reversed on account of receivables written off	(74.61)
Loss allowance as on 31 March 2023	20.40
Increase in loss allowance	14.50
Loss allowance reversed on account of receivables written off	(8.22)
Loss allowance as on 31 March 2024	26.68

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumption and selecting the inputs to the impairment calculations, based on the Company's past history and existing market conditions as well as forward- looking estimates at the end of each reporting period.

The Company is also exposed to credit risk in respect of cash and cash equivalents, deposits with banks and investment in mutual funds. As a policy, the Company places its cash and cash equivalents and deposits with well established banks and financial institutions.

Management has evaluated and determined expected credit loss for cash and cash equivalents, deposits with banks, security deposits and other financial assets to be insignificant.



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23 Financial risk management (contd)**B. Liquidity risk**

Liquidity risk is a risk that the Company may not be able to meet its financial obligations associated with its financial liabilities on a timely basis through:

- a) Primary source - cash and cash equivalents i.e. cash generated from operations,
- b) Secondary source - mutual fund investments and bank deposits (liquid investments realisable in short term).

A material and sustained shortfall in cash flows generated from operation could expose the company to liquidity risk. The company manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of its financial assets and liabilities.

(i) Maturities of 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 2024

Contractual maturities of financial liabilities	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Total
Non-derivatives				
Trade payables	58.97	-	-	58.97
Other financial liabilities	27.08	-	-	27.08
Total liabilities	86.05	-	-	86.05

31 March 2023

Contractual maturities of financial liabilities	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Total
Non-derivatives				
Trade payables	90.51	-	-	90.51
Other financial liabilities	24.52	-	-	24.52
Total liabilities	115.03	-	-	115.03

C. Market risk**(i) Foreign currency risk**

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



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23 Financial risk management (contd)

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

Particulars	Amount In INR	
	31 March 2024	31 March 2023
<u>Financial assets</u>		
<u>USD</u>		
Trade receivables	429.87	608.28
Bank balance in EEFC accounts	129.56	119.70
<u>EUR</u>		
Trade receivables	19.23	12.57
<u>GBP</u>		
Trade receivables	10.01	0.99
Total financial assets	588.67	741.54
<u>Financial liabilities</u>		
<u>USD</u>		
Trade payables	-	-
Total financial liabilities	-	-
Net exposure to exchange risk*	588.67	741.54

* Represents foreign currency exposure that is unhedged as at the year end

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.

Particulars	Impact on profit before tax and equity	
	31 March 2024	31 March 2023
USD sensitivity		
INR/USD - increase by 1% (2023:1%)	5.59	7.28
INR/USD - decrease by 1% (2023:1%)	(5.59)	(7.28)
EUR sensitivity		
INR/EUR - increase by 1% (2023:1%)	0.19	0.13
INR/EUR - decrease by 1% (2023:1%)	(0.19)	(0.13)
GBP sensitivity		
INR/GBP - increase by 1% (2023:1%)	0.10	0.01
INR/GBP - decrease by 1% (2023:1%)	(0.10)	(0.01)



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23 Financial risk management (contd)

(ii) Market 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 increases by 5% or decreases by 5% with all other variables held constant.

Particulars	Impact on profit before tax and on equity	
	31 March 2024	31 March 2023
NAV- increase 5% (2023: 5%)	340.26	186.90
NAV- decrease 5% (2023: 5%)	(340.26)	(186.90)

24 Capital management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can provide returns to shareholders and benefits for other stakeholders, and
- 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 as and when required.

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

The gearing ratios are as follows:

Particulars	31 March 2024	31 March 2023
Borrowings	-	-
Lease liabilities	-	-
Cash and cash equivalents	477.81	262.74
Net debt	-	-
Total equity	7,088.78	5,968.76
Net debt to equity ratio	-	-

The net debt to equity ratio of the company is nil (2023: nil)



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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 5th 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.

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

Particulars	31 March 2024		31 March 2023	
	Number	Average exercise price per share option (INR)	Number	Average exercise price per share option (INR)
Opening balance	9,720,193	1	9,544,472	
Granted during the year	1,215,973	1	794,434	1
Forfeited during the year	(508,274)	1	(618,713)	1
Exercised during the year	(3,230,916)	1	-	1
Closing balance	7,196,976	1	9,720,193	1
Vested and exercisable	5,222,698	1	7,668,052	1
Options available for grant (including forfeitures)	1,724,690		2,432,389	

The weighted average remaining contractual life for options outstanding at the end of the period is 4.6 years (2023: 6.63 years)

The weighted average fair value of options granted as at grant date during the year ended 31 March 2024 was INR 77.80 per option (2023: INR 68.32). 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 included:

Assumptions	31 March 2024	31 March 2023
Expected term (in years) (see note below)	2.5 years	10 years
Risk-free interest rate	6.94%	7.22%
Expected volatility	50.69%	33.28%
Dividend yield	0%	0%

Note: Expected term for the year ended March 31, 2024 is considered basis the assumption that employees will exercise the options immediately upon vesting.

Employee stock option expense

Particulars	31 March 2024	31 March 2023
Employee stock option expense	476.64	541.11
Total employee stock option expense	476.64	541.11



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26 Segment reporting**a) Description of segments and principal activities**

The company generates revenues from subscription to the 'Tracxn' platform, with the operating results regularly reviewed by the Company's chief operating decision maker(s), i.e. the Board of Directors to make decisions about resource allocation and performance assessment for 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 2024	31 March 2023
Geographical segment *		
India	2,843.91	2,504.76
United States of America	2,440.99	2,086.13
Other countries	2,992.15	3,219.68
Total	8,277.05	7,810.57

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

(c) Information about major customers

No single customer contributed 10 per cent or more of the Company's revenues.



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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 Abhishek Goyal
Non-Executive Directors	Vivek Kumar Mathur (Resigned on 21st April 2023) Ravi Chandra Adusumali (Resigned on 15th November 2022)
Independent Directors	Brij Bhushan Payal Goel Nishant Verman Rohit Jain
Chief Financial Officer (CFO)	Prashant Chandra
b) Entity having significant influence over the Company	Elevation Capital V Limited (Upto 21st April 2023)* (formerly SAIF Partners India V Limited)
c) Entity under common control of Elevation Capital V Limited	Elevation Company Limited (Upto 21st April 2023)*
d) Employee benefit trusts of the Company	Tracxn Employees' Group Gratuity Scheme (w.e.f 15th March 2024)*
*No transactions during the year	

B. Transactions with related parties (refer notes below)

Particulars	31 March 2024	31 March 2023
Short-term employee benefits		
- Neha Singh	6.24	44.78
- Abhishek Goyal	6.24	6.28
- Prashant Chandra	92.24	83.22
Post-employment benefits		
- Neha Singh	0.33	(18.26)
- Abhishek Goyal	0.24	(0.35)
- Prashant Chandra	0.75	4.05
Employee stock option expense		
- Prashant Chandra	20.69	33.71

Notes:-

The above excludes the expenses incurred in the ordinary course of business through prepaid corporate credit cards issued to whole time directors and CFO.

C. Transactions with Independent directors

Particulars	31 March 2024		31 March 2023	
	Sitting fee	Fixed remunerations	Sitting fee	Fixed remunerations
Brij Bhushan	6.00	10.00	9.25	10.00
Payal Goel	3.50	10.00	4.50	10.00
Nishant Verman	4.50	10.00	4.50	10.00
Rohit Jain	5.25	10.00	7.50	10.00

D. Payable to independent directors (refer note below):

Particulars	31 March 2024	31 March 2023
Brij Bhushan	3.60	2.63
Payal Goel	3.38	2.48
Nishant Verman	3.15	3.15
Rohit Jain	3.60	3.60

Note: Net of tax deducted at source

E. Other transactions

Subscription sale to Elevation Company Limited amounting INR Nil (2023: INR 13.62)



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28 Contingent liabilities

The Company has the following contingent liabilities:

Particulars	31 March 2024	31 March 2023
Claims against the company not acknowledged as debt		
Income tax matters (Refer Note (a) below)	31.79	31.79
Total contingent liabilities	31.79	31.79

- 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 89.03 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) 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

There were no capital commitments as at the end of current/previous reporting period.

30 Earnings per share (EPS):

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

Particulars	31 March 2024	31 March 2023
Basic earning per share (In INR)	0.61	3.30
Diluted earning per share (In INR)	0.61	2.99

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

Particulars	31 March 2024	31 March 2023
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (see note below)	106,865,101	100,310,185
Adjustments for calculation of diluted earnings per share:		
Employee stock options	314,376	10,401,118
Weighted average number of equity shares and potential equity shares used as denominator in calculating diluted earnings per share	107,179,477	110,711,303

Note: Includes weighted average stock options vested but not exercised.

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

Particulars	31 March 2024	31 March 2023
Profit after tax attributable to equity holders of the Company	650.14	3,308.91



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31 Ratios

The following are analytical ratios for the year ended 31 March 2024 and 31 March 2023.

Particulars	Numerator	Denominator	31 March 2024	31 March 2023	Variance	Reasons for variance in excess of 25%
Current ratio	Total current assets	Total current liabilities	2.24	2.05	9.4%	NA
Return on equity (ROE)	Net profits after taxes	Average shareholder's equity	9.96%	82.38%	(87.91%)	Refer note 3
Trade receivables turnover ratio	Contract price	Average trade receivables	9.44	9.68	(2.45%)	NA
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	12.69	11.84	7.2%	NA
Net capital turnover ratio	Revenue from operations	Average working capital	1.97	2.80	(29.71%)	Refer note 4
Net profit ratio	Net profits after taxes	Revenue from operations	7.85%	42.36%	(81.46%)	Refer note 3
Return on capital employed	Profit before exceptional items and tax	Capital employed#	12.25%	9.14%	34.0%	Refer note 5
Return on investment	Profit before exceptional items and tax	Average total assets	8.25%	7.21%	14.5%	NA

Capital employed = Tangible net worth + Total debt + Deferred tax liability

Notes:

- The Company did not have any debt outstanding as at 31 March 2024 and 31 March 2023. Accordingly, the debt-equity ratio and the debt service coverage ratio have not been disclosed.
- The business model of the company is services oriented hence there is no inventory. Accordingly the inventory turnover ratio is not applicable.
- Decrease is on account of recognition of deferred tax assets on carry forward business losses and recovery of IPO expenses from selling shareholders in the previous year.
- Decrease is due to increase in working capital i.e. on account of increase in current investments.
- Increase is on account of the revenue growth rate being higher than the expense growth rate and increase in fair value gains on financial assets.



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32 Leases

The Company has taken office premises on lease. Rental contracts are typically made for 1 to 3 years, and extendable for further periods upon mutual agreement. The notice period for such leases is 2-3 months where either party can terminate the lease without any significant penalty or loss. Extension options have not been included in the lease term as exercising this option is currently not reasonably certain. Accordingly, the Company has elected to treat such leases as short term leases and taken an exemption from recognition of right-of-use assets and related lease liabilities in accordance with Ind AS 116.

i) Amounts recognised in the Statement of Profit and Loss

Particulars	Note	31 March 2024	31 March 2023
Expenses relating to short-term leases (included in other expenses)	19	206.09	178.91

ii) Total cash outflow for leases for the year ended 31 March 2024 was INR 206.09 (2023: INR 178.91)

33 Dues to micro and small enterprises

Sr No	Particulars	31 March 2024	31 March 2023
(i)	a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.65	7.41
	b. Interest due thereon remaining unpaid on year end,	0.05	0.10
(ii)	The amount of interest paid by the buyer under the terms of section 16 of the MSMED Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during entire accounting year,		
	a. Delayed payments of principal amount paid beyond the appointed date during the entire accounting year.	0.59	2.91
	b. Interest actually paid under section 16 of the Act, during the entire accounting year,	0.02	0.09
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	-	-
(iv)	The amount of interest accrued and remaining unpaid as at year end		
	a. Total interest accrued during the year	0.07	0.18
	b. Total interest remaining unpaid, out of the above as at year end.	0.05	0.10
(v)	The amount of further interest due and payable even in the succeeding years until such date when the interest due as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	0.15	0.10



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34 Other accounting policies

Other than the Material Accounting Policies given, this note provides a list of other accounting policies adopted in the preparation of these financial statements. The Accounting Policies have been consistently applied to all the years presented, unless otherwise stated.

34.1 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 26 for segment information presented.

34.2 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 on a net basis within other gains/ (losses).

34.3 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 substantially 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.

34.4 Leases

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.



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34.4 Leases (contd)

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.

34.5 Financial instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the Instruments.

Financial assets (excluding trade receivables which do not contain significant financing component) and financial liabilities are initially measured at fair value. 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 or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

34.6 Investments and other financial assets

A) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

B) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the financial asset.

C) Subsequent measurement

i) 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.

ii) Fair Value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, Interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognised under other income/ other expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

iii) Fair value through profit and loss (FVPL)

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.



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34.6 Investments and other financial assets (contd)

D) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable information including that which is forward-looking.

The losses arising from impairment are recognized in the Statement of Profit and Loss.

E) Derecognition

A financial asset is derecognized only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

F) 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.

34.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments (excluding investment in debt mutual funds e.g. liquid funds which are shown separately as 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 changes in value.

34.8 Financial liabilities

A) Classification

Financial liability and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

B) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method unless at initial recognition, they are classified as fair value through profit or loss.

C) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

34.9 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.



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34.10 Property, plant and equipment

Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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.

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 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).

34.11 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.

34.12 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets under development are tested for impairment on an annual basis. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

34.13 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.



34.14 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.

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 at the end of the reporting period 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

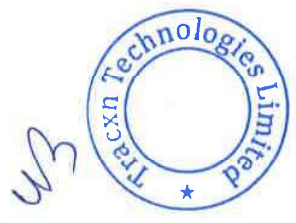
The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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.



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34.15 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.

34.16 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 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.

34.17 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.

34.18 Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that its disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

34.19 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs 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 rupees five thousand.

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 property plant and equipment, 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. The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group.



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Notes to Financial Statements as of and for the Year Ended March 31, 2024

35 Additional regulatory information (contd)

(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.

(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 (whether recorded in writing or otherwise) 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.

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

36 The Company maintains backup of certain books and records on third party sites. However those servers are not physically located in India. From Aug 30, 2023, the company has implemented a process to additionally maintain daily backup of data stored on such sites on company's servers physically located in India.

37 These financial statements are approved for issue by Company's Board of Directors on 20 May 2024.

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


Mohan Danivas S A
 Partner
 Membership Number:
 Place: Bengaluru
 Date: 20 May 2024

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


Neha Singh
 Managing Director
 DIN: 05331824


Prashant Chandra
 Chief Financial Officer

Place: Bengaluru
 Date: 20 May 2024


Abhishek Goyal
 Director
 DIN: 00423410


Surabhi Pasari
 Company Secretary
 M. No. F11215

Place: Bengaluru
 Date: 20 May 2024

