



(Formerly known as Telematics Services 4U Services Private Limited)

Audited Financial Statements
March 31, 2018 and March 31, 2017

RANE T4U PRIVATE LIMITED
(Formerly known as Telematics 4U Services Private Limited)

BALANCE SHEET AS AT MARCH 31, 2018

(Amount in Indian Rupees)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A. ASSETS				
1 Non-Current Assets				
(a) Property, plant and equipment	2	16,902,122	29,106,417	29,521,628
(b) Goodwill	3	-	1,500,000	1,500,000
(c) Other Intangible Assets	3	35,361,122	44,352,382	13,205,936
(d) Intangible Assets under development	3	-	3,281,588	27,912,017
(e) Financial Assets				
(i) Investments	4	-	560,000	560,000
(ii) Other financial assets	5	8,762,338	5,411,148	5,005,436
(f) Deferred tax assets (Net)	16	31,298,000	16,764,357	1,628,999
(g) Other non-current assets	6	167,926	146,466	360,670
Total non-current assets		92,491,508	101,122,358	79,694,686
2 Current Assets				
(a) Inventories	7	11,490,465	3,033,500	8,169,058
(b) Financial Assets				
(i) Trade Receivables	8	28,750,030	15,736,821	29,744,928
(ii) Cash and Cash Equivalents	9A	99,861	466,757	421,495
(iii) Bank balances other than (ii) above	9B	-	3,350,247	-
(iv) Other Financial assets	10	3,134,678	692,449	2,675,721
(c) Current Tax Assets (Net)	11	11,822,869	8,687,605	3,968,589
(d) Other Current Assets	12	3,316,985	2,343,702	2,998,670
Total current assets		58,614,888	34,311,081	47,978,461
TOTAL ASSETS		151,106,396	135,433,439	127,673,147
B. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	13A	16,670,000	5,100,000	5,100,000
(b) Instruments entirely equity in nature	13B	185,000,000	-	-
(c) Other Equity	14	(187,181,005)	(90,952,538)	(18,377,537)
Total equity		14,488,995	(85,852,538)	(13,277,537)
Liabilities				
2 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15A	33,596,537	74,708,514	59,519,382
(b) Provisions	17	4,118,287	4,205,802	3,230,672
Total non-current liabilities		37,714,824	78,914,316	62,750,054
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15B	18,589,138	40,086,224	30,900,476
(ii) Trade Payables	18	-	-	-
a) Micro and small enterprises		-	-	-
b) Others		32,564,005	45,086,674	32,274,358
(iii) Other financial liabilities	19	21,870,128	9,612,341	7,209,301
(b) Provisions	20	8,750,803	3,403,755	2,912,454
(c) Other current liabilities	21	17,128,503	44,182,667	4,904,041
Total current liabilities		98,902,577	142,371,661	78,200,630
Total Liabilities		136,617,401	221,285,977	140,950,684
TOTAL EQUITY AND LIABILITIES		151,106,396	135,433,439	127,673,147
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-31			

For and on behalf of the Board of Directors

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 0045325

Managing Director
DIN

Director
DIN

Georgy Mathew
Partner
M. No. 209645

Place: Chennai
Date:

Place: Chennai
Date:

RANE T4U PRIVATE LIMITED
(Formerly known as Telematics 4U Services Private Limited)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Indian Rupees)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I Revenues from Operations	22	143,643,675	183,300,518
II Other Income	23	2,953,703	6,259,134
III Total Income (I+II)		146,597,378	189,559,652
IV Expenses:			
Purchases of stock-in-trade		47,060,305	57,870,090
Changes in inventory of stock-in-trade	24	(8,456,965)	5,135,557
Employee benefits expense	25	99,820,860	91,147,807
Finance costs	26	19,025,303	24,989,651
Depreciation and amortisation expense	27	21,626,536	11,387,241
Other expenses	28	74,138,216	84,785,350
Total Expenses (IV)		253,214,255	275,315,696
V Profit before exceptional items and tax (III - IV)		(106,616,877)	(85,756,044)
VI Exceptional Items		4,781,588	1,024,504
VII Profit before tax (VII - VIII)		(111,398,465)	(86,780,548)
VIII Tax Expense:			
(1) Current Tax		118,122	536,870
(2) Deferred Tax		(14,729,808)	(15,029,327)
		(14,611,686)	(14,492,457)
IX Profit(Loss) for the period from continuing operations		(96,786,779)	(72,288,091)
X Other Comprehensive Income			
A. i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		754,479	(343,141)
ii) Income tax relating to items that will not be reclassified to profit or loss		(196,165)	106,031
B. i) Items that may be reclassified to profit or loss		-	-
XI Total other comprehensive income (A(i-ii)+B(i))		558,314	(237,110)
XII Total Comprehensive Income for the period (XI+XII)		(96,228,465)	(72,525,201)
XIII Earnings Per Equity Share			
(a) Basic (In Rs.)		(82.55)	(141.74)
(b) Diluted (In Rs.)		(10.38)	(141.74)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-31		

For and on behalf of the Board of Directors

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

Managing Director
DIN

Director
DIN

Georgy Mathew
Partner
M. No. 209645

Place: Chennai
Date:

Place: Chennai
Date:

RANE T4U PRIVATE LIMITED
(Formerly known as Telematics 4U Services Private Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Indian Rupees)

	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
A. Cash flow from operating activities				
Profit for the year		(111,398,465)		(86,780,548)
Adjustments for :				
Finance costs recognised in profit or loss	19,025,303		24,989,651	
Interest Income recognised in profit or loss	(1,139,145)		(538,962)	
Net (gain) / loss arising on financial assets mandatorily measured at fair value through profit or loss	(124,643)		(104,983)	
Impairment loss recognised on trade receivables	(1,815,775)		(2,293,387)	
Depreciation and Amortisation of non-current assets (continuing and discontinued operations)	21,626,536		11,387,241	
Impairment of intangible assets	4,419,528		1,024,504	
Impairment of goodwill	1,500,000		-	
Net foreign exchange (gain)/ loss	134,414		(153,194)	
		43,626,218		34,310,870
		(67,772,247)		(52,469,678)
Movements in working capital :				
(Increase) / decrease in trade and other receivables	(11,197,434)		16,301,494	
(Increase) / decrease in inventories	(8,456,965)		5,135,558	
(Increase) / decrease in other assets	(6,228,162)		2,446,732	
Increase / (decrease) in trade payables	(12,657,083)		12,965,510	
Increase / (decrease) in provisions	6,014,012		1,123,290	
Increase / (decrease) in other liabilities	(27,054,164)		39,278,626	
		(59,579,796)		77,251,210
Cash generated from operations		(127,352,043)		24,781,532
Income Tax paid		(3,712,755)		(5,075,887)
Net cash generated by operating activities		(131,064,798)		19,705,645
B. Cash flow from investing activities				
Proceeds on sale of financial assets	560,000		-	
Interest received	585,214		433,979	
Amounts advanced to related parties	(560,000)		-	
Payments for property, plant and equipment	(430,981)		(5,365,438)	
Payments for intangible assets	-		(13,147,113)	
Net cash (used in) / generated by investing activities		154,233		(18,078,572)
C. Cash flow from financing activities				
Proceeds from issue of equity instruments of the company	11,570,000		-	
Proceeds from issue of convertible non-participating preference shares	185,000,000		-	
Repayment of redeemable preference shares	(24,900,000)		-	
Proceeds from borrowings-Term Loans	54,000,000		11,054,006	
Repayment of borrowings-Term Loans	(24,970,726)		(6,061,610)	
Net Proceeds from/ (repayment) of borrowings-Unsecured Loans	(1,400,000)		1,400,000	
Net proceeds from/ (repayment) of borrowings-Working Capital Loans	(21,497,086)		9,185,748	
Interest Paid on Redeemable Preference Shares	(40,450,000)		-	
Interest paid-others	(10,158,766)		(13,809,708)	
Net cash used in financing activities		127,193,422		1,768,436
Net increase in cash and cash equivalents		(3,717,143)		3,395,509
Cash and cash equivalents at the beginning of the year		3,817,004		421,495
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		-		-
Cash and Cash equivalents at the end of the year		99,861		3,817,004

For and on behalf of the Board of Directors

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 0045325

Managing Director
DIN

Director
DIN

Georgy Mathew
Partner
M. No. 209645

Place:Chennai
Date:

Place:Chennai
Date:

RANE T4U PRIVATE LIMITED
(Formerly known as Telematics 4U Services Private Limited)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

Total equity

(Amount in Indian Rupees)

Particulars	Share Capital	General reserve	Retained earnings	Actuarial Gain / (Loss)	Total
Balance at April 1, 2016 (as previously reported)	5,100,000	-	9,338,134	-	14,438,134
Changes in accounting policy	-	(27,715,671)	-	-	(27,715,671)
Restated balance at April 1, 2016	5,100,000	(27,715,671)	9,338,134	-	(13,277,537)
2016-17					
Profit for the year			(72,288,091)		(72,288,091)
Other comprehensive income for the year, net of income tax				(237,110)	(237,110)
Other movements during the year		(49,800)			(49,800)
Balance at March 31, 2017	5,100,000	(27,765,471)	(62,949,957)	(237,110)	(85,852,538)
2017-18					
Profit for the year	-		(96,786,779)		(96,786,779)
On issue of shares	11,570,000				11,570,000
Other comprehensive income for the year, net of income tax				558,314	558,314
Balance at March 31, 2018	16,670,000	(27,765,471)	(159,736,737)	321,204	(170,511,004)

For and on behalf of the Board of Directors

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

Managing Director
DIN

Director
DIN

Georgy Mathew
Partner
M. No. 209645

Place:Chennai
Date:

Place:Chennai
Date:

RANE T4U PRIVATE LIMITED

(Formerly known as Telematics 4U Services Private Limited)

Notes forming part of the financial statements

Note-1 - Summary of Significant Accounting Policies, critical judgements and key estimates

1 General Information

RANE T4U PRIVATE LIMITED (Formerly known as Telematics 4U Services Private Limited) (The Company) was incorporated as a private company on 26th March 2009. During the year, Rane Holdings Limited has acquired 69.41% equity shares of the Company.

The Company is in the business of developing, promoting and marketing telematics vehicle intelligence, remote monitoring related products and services globally.

2 Summary of significant accounting policies

2.01 Basis of Preparation

The financial statements are prepared under historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below, in accordance with the Generally Accepted Accounting Principles in India and comply in all material respects with the accounting standards specified under the section 133 of the Act.

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

2.02 Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in India requires the management to make judgements, estimates and assumptions that effect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.03 Property, Plant and Equipment

RANE T4U PRIVATE LIMITED

(Formerly known as Telematics 4U Services Private Limited)

Notes forming part of the financial statements

Note-1 - Summary of Significant Accounting Policies, critical judgements and key estimates

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment in value, if any. Cost includes purchase price, (inclusive of import duties and non - refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any.

If the Company has acquired a Property, Plant and Equipment on deferred term basis and terms are beyond normal credit terms, property plant and equipment will be recognized on cash price equivalent, i.e. discounted amount.

The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress.

The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. When parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation on Property , Plant and Equipment (Tangible assets) is generally computed on a pro-rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013 under Straight line method. The useful life of assets prescribed in Schedule II to the Companies Act, 2013 are considered for the purpose of Computation of Depreciation. However, If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on an annual review is different from that envisaged in the aforesaid schedule, depreciation is provided at a such rate based on the useful life / remaining useful life as technically advised. Accordingly, depreciation is provided based on the useful life indicated below which is different from that stated in Schedule II to the Companies Act,2013.

<u>Assets</u>	<u>Life</u>
Leasehold Improvements	5
Furniture & Fixtures	5
Office Equipments	3
Computers	3
Computer Servers	6
Tools & Equipments	3
Electrical Fittings	5
Vehicles	5

Depreciation charge on additions / deletions is restricted to the period of use. Depreciation methods, useful lives and residual values are reviewed annually.

The additions to Property, Plant and Equipment with individual unit value upto Rs.10,000/- is capitalised and depreciated at 100% in the year of capitalisation.

2.04 Intangible Assets

RANE T4U PRIVATE LIMITED
(Formerly known as Telematics 4U Services Private Limited)

Notes forming part of the financial statements

Note-1 - Summary of Significant Accounting Policies, critical judgements and key estimates

Internally Generated Software / Intangible Assets

Research costs are expensed as incurred. Costs (internal and external) associated with developing or obtaining internal-use software and software that are embedded in a product and sold as part of the product as a whole are capitalized if the following criteria are met in full:

- The product or the process is clearly defined, and the cost elements can be identified and measured reliably;
 - The technical feasibility is demonstrated;
 - The product or the process will be sold or used in the business;
 - The asset will generate future financial benefits.
- Sufficient technical, financial and other resources for project completion are in place.

Costs expensed in prior accounting periods will not be capitalized

Subsequent expenditure on the product, which are essential to keep it relevant for customers, are expensed and are included in cost of sales

Depreciation begins when the product is transferred from development to production. Uncertainty exists with respect to the expected period of benefits, as this depends on the future technological development in the market.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful life as given below.

Asset	Life
Bought out Software licence	3
<u>Internally Generated Software / Intangible Assets</u>	<u>6</u>

The amortization period and the amortization method for an intangible asset with a finite useful life (including those under development), are reviewed annually.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

RANE T4U PRIVATE LIMITED

(Formerly known as Telematics 4U Services Private Limited)

Notes forming part of the financial statements

Note-1 - Summary of Significant Accounting Policies, critical judgements and key estimates

2.04 Impairment

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

2.05 Borrowing Cost

Borrowing costs that are attributable to the acquisition / construction / production of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalised as part of the cost of that asset. All other borrowing costs are charged to revenue.

2.06 Inventories

Inventories are stated at lower of weighted average cost and net realisable value. Cost of inventories comprises of purchase cost, cost of conversion and other cost including manufacturing overheads incurred in bringing the inventory to present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.07 Foreign Currency Transaction

Initial Recognition

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

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

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

2.08 Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization and collection.

The Subscription charges, Partner Empowerment Fees, Software services upon completion of assignment and on services as per the mutually accepted terms and conditions in line with contracts/agreements with the customer. The Service income shall also be construed as completed upon the fulfilment of desired obligations on both the parties to the agreement, with no uncertainty regarding the consideration to be received on the services and it is shown excluding service taxes.

Revenue from sales is recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Revenue is measured at the fair value of consideration received or receivable, net of trade discounts, rebates, goods and service tax.

2.09 Other Income

Interest : Interest income is recognised on a effective interest method taking into account the amount outstanding and the rate applicable.

2.10 Employee Benefits

1. Short - Term employee benefits

RANE T4U PRIVATE LIMITED

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Notes forming part of the financial statements

Note-1 - Summary of Significant Accounting Policies, critical judgements and key estimates

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

2. Defined Contribution Plans

Provident Fund

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

3. Defined Benefit Plan

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the other comprehensive income in the year in which they arise. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

4. Other Long term employee benefits

Compensated Absence

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

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

2.11 Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit and loss shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income (OCI) shall be recognised as part of the part of OCI.

Deferred tax is recognised for all the temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognised and carried forward only to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any and the same is recognised to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

2.12 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Decline in value, if any, which is not considered temporary in nature, is provided for.

2.13 Provisions and Contingent Liabilities

Provisions : Provisions are recognised when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

RANE T4U PRIVATE LIMITED

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Notes forming part of the financial statements

Note-1 - Summary of Significant Accounting Policies, critical judgements and key estimates

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or 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. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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Notes forming part of the financial statements

Note-1 - Summary of Significant Accounting Policies, critical judgements and key estimates

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

3 First-time adoption - mandatory exception, optional exemptions

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has prepared opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company. Applicable mandatory exemptions and optional exemptions are as under:

3.01 Mandatory exceptions:

Estimates:

The estimates as at April 1, 2016 and as at March 1, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

3.02 Optional Exemptions:

1. Deemed cost for property, plant and equipment and intangible assets:

The Company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed costs as of transition date.

2. Investment in subsidiaries:

The company has elected this exemption and opted to continue with the carrying value of investment in subsidiaries as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

3. Business Combinations:

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiary companies, joint venture companies and associates which are considered business under Ind AS that occurred before April 1, 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of acquisition measurement is in accordance with respective Ind AS.

4. Classification of debt instruments:

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

5. Determining whether an arrangement contains a lease:

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

3.03 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

4 Critical accounting judgements, assumptions and key sources of estimation uncertainty

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Notes forming part of the financial statements

Note-1 - Summary of Significant Accounting Policies, critical judgements and key estimates

The following are the critical judgements, assumptions concerning the future, and key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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Notes forming part of the financial statements

Note-1 - Summary of Significant Accounting Policies, critical judgements and key estimates

4.01 Useful lives of property, plant and equipment

As described at Note 2.03 above, the charge in respect of periodic depreciation for the year is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed annually. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

4.02 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuation, which involves making assumptions about discount rates, expected rates of return on assets, future salary increases, and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

4.03 Taxation

Significant assumptions and judgements are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements and tax expert opinions, including an estimation of the likely outcome of any open tax assessments / litigations. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available, based on estimates thereof.

4.04 Provisions and contingencies

Critical judgements are involved in measurement of provisions and contingencies and estimation of the likelihood of occurrence thereof based on factors such as expert opinion, past experience etc.

5 Recent accounting pronouncements

5.01 Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

5.02 Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect on adoption of Ind AS 115 is expected to be insignificant.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2

(Amount in Indian Rupees)

Property, Plant and Equipment		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016				
Carrying amounts of:								
Leasehold improvements		9,896,805	15,484,690	17,434,613				
Furniture and Fixtures		182,623	270,565	306,040				
Office Equipments		2,330,712	4,020,963	2,597,814				
Computers (including servers)		3,771,916	5,270,241	4,223,356				
Tools & equipments		390,863	1,434,875	1,525,785				
Electrical Equipments		16,209	23,430	26,812				
Vehicles		312,994	2,601,653	3,407,208				
Total		16,902,122	29,106,417	29,521,628				
Cost	Leasehold improvements	Furniture and Fixtures	Office Equipments	Computers	Tools & Equipments	Electrical Equipments	Vehicles	Total
Cost as at April 1, 2016	20,649,328	365,204	2,921,748	8,595,048	1,980,530	35,250	6,259,816	40,806,924
Accumulated depreciation as at April 1, 2016	3,214,715	59,164	323,934	4,371,692	454,745	8,438	2,852,608	11,285,296
Balance as at April 1, 2016 (deemed cost)	17,434,613	306,040	2,597,814	4,223,356	1,525,785	26,812	3,407,208	29,521,628
Additions	66,200	-	2,345,082	2,613,622	340,534	-	-	5,365,438
Deletions	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	17,500,813	306,040	4,942,896	6,836,978	1,866,319	26,812	3,407,208	34,887,066
Additions	-	-	90,679	-	340,302	-	-	430,981
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	17,500,813	306,040	5,033,575	6,836,978	2,206,621	26,812	3,407,208	35,318,047
Accumulated depreciation and impairment	Leasehold improvements	Furniture and Fixtures	Office Equipments	Computers	Tools & Equipments	Electrical Equipments	Vehicles	Total
Balance as at April 1, 2016	-	-	-	-	-	-	-	-
Eliminated on disposals	-	-	-	-	-	-	-	-
Depreciation for the year	2,016,123	35,475	921,933	1,566,737	431,444	3,382	805,555	5,780,649
Balance as at March 31, 2017	2,016,123	35,475	921,933	1,566,737	431,444	3,382	805,555	5,780,649
Eliminated on disposals	-	-	-	-	-	-	-	-
Depreciation for the year	5,587,885	87,942	1,780,930	1,498,325	1,384,314	7,221	2,288,659	12,635,276
Balance as at March 31, 2018	7,604,008	123,417	2,702,863	3,065,062	1,815,758	10,603	3,094,214	18,415,925
Carrying amount as at April 1, 2016	17,434,613	306,040	2,597,814	4,223,356	1,525,785	26,812	3,407,208	29,521,628
Carrying amount as at March 31, 2017	15,484,690	270,565	4,020,963	5,270,241	1,434,875	23,430	2,601,653	29,106,417
Carrying amount as at March 31, 2018	9,896,805	182,623	2,330,712	3,771,916	390,863	16,209	312,994	16,902,122

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3

(Amount in Indian Rupees)

Intangible Assets	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:			
Goodwill	-	1,500,000	1,500,000
Computer Software	35,361,122	44,352,382	13,205,936
Total	35,361,122	45,852,382	14,705,936
Intangible Assets under development	-	3,281,588	27,912,017
Total	35,361,122	49,133,970	42,617,953
Particulars	Goodwill	Computer Software	Total
Cost as at April 1, 2016	3,000,000	19,088,501	22,088,501
Accumulated amortisation as at April 1, 2016	1,500,000	5,882,565	7,382,565
Balance as at April 1, 2016 (deemed cost)	1,500,000	13,205,936	14,705,936
Additions	-	37,777,542	37,777,542
Deletions	-	-	-
Balance as at March 31, 2017	1,500,000	50,983,478	52,483,478
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2018	1,500,000	50,983,478	52,483,478
Accumulated amortisation and impairment			
Balance as at April 1, 2016	-	-	-
Eliminated on disposals	-	-	-
Impairment loss recognised in profit or loss	-	1,024,504	1,024,504
Amortisation expense	-	5,606,592	5,606,592
Balance as at March 31, 2017	-	6,631,096	6,631,096
Eliminated on disposals	-	-	-
Impairment loss recognised in profit or loss	1,500,000	-	1,500,000
Amortisation expense	-	8,991,260	8,991,260
Balance as at March 31, 2018	1,500,000	15,622,356	17,122,356
Carrying amount as at April 1, 2016	1,500,000	13,205,936	14,705,936
Carrying amount as at March 31, 2017	1,500,000	44,352,382	45,852,382
Carrying amount as at March 31, 2018	-	35,361,122	35,361,122

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Note 4 (Amount in Indian Rupees)

Investments in Subsidiaries	Face Value per share	As at Mar 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
I. Unquoted Investments							
Investments in Equity Instruments at Cost - Subsidiary							
Adwise Analytics Private Limited	Rs. 10/-	-	-	56,000	560,000	56,000	560,000
Total Unquoted Investments		-	-	56,000	560,000	56,000	560,000
Total Non-Current Investments		-	-	56,000	560,000	56,000	560,000
Aggregate carrying value of unquoted investments			-		560,000		560,000

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Indian Rupees)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non Current Assets (Contd..)			
Note 5			
Other Non-Current Financial Assets			
Bank deposits with more than 12 months maturity held as collateral security against term loans/ working capital loans			
- Recurring Deposits	3,875,214	2,511,622	2,364,893
Rent Deposits	2,539,027	2,674,426	2,419,443
Earnest Money Deposits	777,550	220,000	210,000
Deposits with statutory authorities	1,459,559	3,000	3,000
Other Utility Deposits	110,988	2,100	8,100
Total	8,762,338	5,411,148	5,005,436
Non - current financial assets - notes:			
Restricted Bank Deposits include Rs.38,75,214/- and Rs.25,11,622/- as at March 31, 2018 and March 31, 2017 respectively, held as security in relation to interest and repayment of bank borrowings. These are pledged till the maturity of the respective borrowings.			
Deposit with statutory authorities include Rs.14,56,559/- and Rs.Nil/- as at March 31, 2018 and March 31, 2017 respectively, held as a deposit in relation to ongoing disputes with service tax authorities.			
Note 6			
Other Non-Current Assets			
Prepaid Rent	167,926	146,466	360,670
Total	167,926	146,466	360,670
Current Assets			
Note 7			
Inventories			
Stock-in-Trade	11,490,465	3,033,500	8,169,058
Total	11,490,465	3,033,500	8,169,058

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Indian Rupees)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 8			
Financial Assets			
Trade Receivables			
(i) Outstanding for more than 6 months			
Secured, considered good	-	-	-
Unsecured, considered good	6,599,718	11,982,561	10,101,491
Doubtful	-	-	-
Allowance for doubtful debts (expected credit loss allowance)			
(ii) Others			
Secured, considered good	-	-	-
Unsecured, considered good	28,748,621	12,168,344	30,350,908
Doubtful	-	-	-
Allowance for doubtful debts (expected credit loss allowance)	(6,598,309)	(8,414,084)	(10,707,471)
Total	28,750,030	15,736,821	29,744,928
Note 9A			
Financial Assets			
Cash and cash equivalents			
For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:			
(a) Balances with banks			
- In Current accounts	58,592	439,923	400,592
(b) Cash on hand	41,269	26,834	20,903
Total	99,861	466,757	421,495
Note 9B			
Other Bank Balances			
Bank deposits with more than 12 months maturity held as collateral security against term loans/ working capital loans			
- Fixed Deposits	-	2,340,182	-
- Recurring Deposits	-	1,010,065	-
Total	-	3,350,247	-

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Indian Rupees)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 10			
Financial Assets			
Other Financial Assets			
Earnest Money Deposits	-	-	2,532,000
Rent Deposits	957,714	-	-
Other security deposit	-	300,000	-
Unbilled revenue	1,030,200	-	-
Advance recoverable in cash	586,764	392,449	143,721
Other receivables (refer Note 29 - 5.03)	560,000	-	-
Total	3,134,678	692,449	2,675,721
Current financial assets - notes:			
Restricted Bank Deposits include Rs.Nil and Rs.33,50,247/- as at March 31, 2018 and March 31, 2017 respectively, held as security in relation to interest and repayment of bank borrowings. These are pledged till the maturity of the respective borrowings.			
Note 11			
Current tax assets (Net)			
Advance payment of Tax and Tax Deducted at Source (Net of provision for income tax)	11,822,869	8,687,605	3,968,589
Total	11,822,869	8,687,605	3,968,589
Note 12			
Other Current Assets			
Unsecured and considered good unless otherwise stated :			
(a) Balance with Customs and Central Excise Authorities	-	-	214,886
(b) Advances paid for purchase of goods/ services	1,603,213	623,124	761,375
(c) Salary Advance	6,000	20,000	70,660
(d) Travel Advance	93,975	394,348	355,098
(e) Prepaid Expenses	1,613,797	1,306,230	1,596,651
Total	3,316,985	2,343,702	2,998,670

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Indian Rupees)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity						
Note 13A - Equity Share Capital						
13A.1 AUTHORISED :						
Equity Shares of Rs.10 each	1,667,000	16,670,000	510,000	5,100,000	510,000	5,100,000
13A.2 ISSUED, SUBSCRIBED AND FULLY PAID UP						
Equity Shares of Rs.10 each fully paid up	1,667,000	16,670,000	510,000	5,100,000	510,000	5,100,000
		16,670,000		5,100,000		5,100,000

13A.3 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars of Equity Shares of Rs.10 each fully paid up	2017-18		2016-17	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Balance at the beginning of the year	510,000	5,100,000	510,000	5,100,000
Allotment of shares during the year	1,157,000	11,570,000	-	-
Balance at the end of the year	1,667,000	16,670,000	510,000	5,100,000

13A.4 Rights, preferences and restriction relating to Equity Shares

The Company has one class of equity share having a par value of Re.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. 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.

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13A.5 Particulars of equity share holders holding more than 5% of the total paid up equity share capital:

Name of the share holder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos.	%	Nos.	%	Nos.	%
M/s. Rane Holdings Limited	1,157,000	69.41%	-	-	-	-
Mr. Pratap Hegde	199,230	11.95%	299,250	58.68%	299,250	58.68%
Mr. Vinav K Prasad	107,250	6.43%	107,250	21.03%	107,250	21.03%
Mr. Pratap Hegde jointly with M/s. Rane Holdings Limited	100,020	6.00%	-	-	-	-
Mr. Govardhan Shetty	-	-	74,750	14.66%	74,750	14.66%

Note 13B - Instruments entirely equity in nature

Compulsorily Convertible Preference Shares

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
13B.1 AUTHORISED : Preference Shares of Rs.10 each	23,333,000	233,330,000	-	-	-	-
13B.2 ISSUED, SUBSCRIBED AND FULLY PAID UP Compulsorily Convertible Preference Shares of Rs.10 each fully paid up	18,500,000	185,000,000	-	-	-	-
		185,000,000		-		-

13B.3 Reconciliation of number of Compulsorily Convertible Preference Shares and amount outstanding at the beginning and at the end of the year:

Particulars of Compulsorily Convertible Preference Shares of Rs.10 each fully paid up	2017-18		2016-17	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Balance at the beginning of the year	-	-	-	-
Allotment of shares during the year	18,500,000	185,000,000	-	-
Balance at the end of the year	18,500,000	185,000,000	-	-

13B.4 Rights, preferences and restriction relating to Compulsorily Convertible Preference Shares

RANE T4U PRIVATE LIMITED***(Formerly known as Telematics 4U Services Private Limited)***

1. The above shares are compulsorily convertible preference shares convertible at 1:1 ratio.
2. Rights of dividend - In the event the Company declares dividend, the holder of the CCPS shall have preference over equity shares and shall be entitled to receive a cumulative dividend at the rate of 0.1% of the amount invested per annum.
3. Rights during liquidation
 - a. In the event of liquidation, along with all the other shareholders of the company, RHL is entitled to receive a pro rata share in the remaining proceeds available after the payment of the outside liabilities and the Liquidation Preference share subscription amount. - Liquidation Preference.
 - b. At the time of liquidation, RHL can, either before or after winding up, elect in writing not to avail the Liquidation Preference specified in Point (a) above and on such election, the holder shall be entitled for the proceeds of and / or assets available for distribution as if the Liquidation Preference had never existed.
4. Reservation of shares issuable upon Conversion - The Company shall at all times reserve and keep available out of its authorised but unissued Equity Securities, solely for the purpose of effecting the conversion of the CCPS, such number of Equity Shares sufficient to effect the conversion.
5. Date of Conversion - The shares shall be converted by RHL effecting the Put Option at any time but not later than August 31, 2027 ("Mandatory Conversion Date"). The CCPS shall be Compulsorily convertible into Equity Shares on the Mandatory Conversion Date.

13B.5 Particulars of Compulsorily Convertible Preference Shares holding more than 5% of the total paid up Compulsorily Convertible Preference Shares Capital:

Name of the Preference Share holder	As at March 31 2018		As at March 31 2017		As at April 1 2016	
	Nos.	%	Nos.	%	Nos.	%
M/s. Rane Holdings Limited	18,500,000	100.00%	-	-	-	-

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Indian Rupees)

Note 14 Other equity	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Ind AS Transition Reserve	(27,765,471)	(27,765,471)	(27,715,671)
Other Comprehensive Income	321,204	(237,110)	-
Retained Earnings	(159,736,738)	(62,949,957)	9,338,134
Total	(187,181,005)	(90,952,538)	(18,377,537)

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Ind AS Transition Reserve			
Balance at the beginning of the year	(27,765,471)	(27,715,671)	-
Discounting of lease deposits	-	-	(19,887)
Provision for doubtful debts (net of deferred tax asset of Rs.33,08,609/-)	-	-	(7,398,863)
Impact of Effective Interest Rate on preference shares	-	(49,800)	(20,296,921)
Balance at the end of the year	(27,765,471)	(27,765,471)	(27,715,671)
(b) Other Comprehensive Income			
Balance at the beginning of the year	(237,110)	-	-
Movement during the year	558,314	(237,110)	-
Balance at the end of the year	321,204	(237,110)	-
(c) Retained Earnings			
Balance at the beginning of the year	(62,949,957)	9,338,134	7,265,095
Profit attributable to the owners of the company	(96,786,779)	(72,288,091)	993,582
Add: MAT Credit for earlier years	-	-	1,110,421
Less: Dividend on Preference Share	-	-	(24,900)
Less: Dividend tax on Preference share	-	-	(6,064)
Balance at the end of the year	(159,736,737)	(62,949,957)	9,338,134
Grand Total	(187,181,004)	(90,952,538)	(18,377,537)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Indian Rupees)

Note 15A Non-current borrowings	Non-Current Portion			Current Maturities		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured - at amortised cost						
Preference Share Capital	-	24,900,000	24,900,000	-	-	-
Interest on the preference shares (as per Effective Interest Rate method)	-	31,476,939	20,296,921	-	-	-
Term Loans						
i) from banks	4,809,337	8,403,233	10,657,451	3,378,742	3,950,018	4,120,406
ii) from other parties	28,787,200	-	-	18,182,400	-	-
Unsecured Loans						
i) from related parties	-	1,400,000	-	-	-	-
ii) from other parties	-	8,528,342	3,665,010	308,986	5,555,798	3,002,128
Total	33,596,537	74,708,514	59,519,382	21,870,128	9,505,816	7,122,534
Note 15B Current borrowings	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016			
Secured - at amortised cost						
Loans repayable on demand						
i) from banks	18,589,138	37,586,224	30,900,476			
ii) from other parties	-	2,500,000	-			
Total	18,589,138	40,086,224	30,900,476			

Terms of repayment of above borrowings

Indian rupee loan from banks

Bank	Interest rate	Terms of repayment
(Secured)		
Term loan from Vijaya Bank Secured by hypothecation of furniture and fixtures, air conditioners, electrical fittings and hardwares/ softwares. Lien on recurring deposits which is shown separately under Note 5 and Note 9B.	14.05% p.a. floating	Loan availed Rs.1,35,00,000/- is repayable in 72 equated monthly installments of Rs.2,78,540/- each commenced from April 2015. Interest is payable on monthly basis commenced from March 5, 2015.
Term loan from Corporation Bank Secured by hypothecation of assets i.e. servers and accessories purchased out of this term loan also secured against Credit Guarantee Fund Trust for Micro and Small Enterprises (CGMTSE).	10.95 % Floating	Loan availed Rs.24,50,000/- is repayable in 36 equated monthly installments of Rs.80,152/- each commenced from October 2016. Interest is payable on monthly basis commenced from 28 September, 2016.
Term Loan from Tata Capital Financial Services Private Limited Secured by way of comfort letter from M/s. Rane Holdings Limited (Holding Company).	10.25% p.a. Floating	Loan availed Rs.5,00,00,000/- is repayable in 33 equated monthly installments of Rs.15,15,200/- each commencing from Feb-2018. Interest is payable on monthly basis commencing from 31 October, 2017.
Working Capital facilities (fund based) from HDFC Bank Limited Secured by way of exclusive charge on the current assets of the Company.	10.00% p.a. Floating	Loan availed Rs.2,00,00,000/- is valid till October 30, 2018. The facilities are payable on demand.
(Unsecured)		
Term loan from Religare Finvest Limited	18.17% p.a. Fixed	Loan availed Rs.51,00,000/- is repayable in 36 equated monthly installments of Rs.2,36,988/- Lakhs each commenced from August 1, 2015 till July 1, 2016, Rs.2,10,656/- each commenced from August 1, 2016 till July 1, 2017 and Rs.78,996/- each commenced from August 1, 2017 till July 1, 2018. Interest is payable on monthly basis commenced from June 30, 2015.

RANE T4U PRIVATE LIMITED

(Formerly known as Telematics 4U Services Private Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 16 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(Amount in Indian Rupees)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets	36,440,000	23,993,971	5,041,838
Deferred tax liabilities	(5,142,000)	(7,229,614)	(3,412,839)
Deferred tax assets (Net)	31,298,000	16,764,357	1,628,999

2017-18	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred Tax Asset/ (Liability) in relation to				
Property plant and equipment and intangible assets	(7,229,614)	2,087,614	-	(5,142,000)
Business loss carried forwarded	5,311,287	15,427,713	-	20,739,000
Depreciation loss carried forwarded	7,400,382	3,560,618	-	10,961,000
Provision for Gratuity	1,284,415	232,750	(196,165)	1,321,000
Provision for leave salary	753,337	(32,337)	-	721,000
Provision for doubtful debts	2,599,958	(883,958)	-	1,716,000
Deferred revenue expenses	18,540	(10,540)	-	8,000
Provision for statutory liability	6,377,340	(5,553,340)	-	824,000
Provision for bonus	248,712	(98,712)	-	150,000
Net Deferred Tax Asset / (Liability)	16,764,357	14,729,808	(196,165)	31,298,000

2016-17	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred Tax Asset/ (Liability) in relation to				
Property plant and equipment and intangible assets	(3,412,839)	(3,816,775)	-	(7,229,614)
Business loss carried forwarded	-	5,311,287	-	5,311,287
Depreciation loss carried forwarded	-	7,400,382	-	7,400,382
Provision for Gratuity	875,928	302,456	106,031	1,284,415
Provision for leave salary	580,779	172,558	-	753,337
Provision for doubtful debts	3,308,609	(708,651)	-	2,599,958
Deferred revenue expenses	27,810	(9,270)	-	18,540
Provision for statutory liability	-	6,377,340	-	6,377,340
Provision for bonus	248,712	-	-	248,712
Net Deferred Tax Asset / (Liability)	1,628,999	15,029,327	106,031	16,764,357

RANE T4U PRIVATE LIMITED
(Formerly known as Telematics 4U Services Private Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Indian Rupees)

Note 17 - Provisions	Non-Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
i) Provision for Gratuity	2,843,726	2,937,011	2,265,389
ii) Provision for Leave Encashment	1,274,561	1,268,791	965,283
Total	4,118,287	4,205,802	3,230,672
Note 18 - Trade Payables	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables			
To Micro and Small Enterprises	-	-	-
To Others:			
Creditors for expenses and services	6,393,812	17,415,889	6,902,103
Creditors for goods	14,274,997	10,806,094	12,587,162
Creditors for capital goods	3,129,705	904,719	3,010,420
Employee related payables	8,765,491	15,959,971	9,774,673
Total	32,564,005	45,086,674	32,274,358
Note 19 - Other financial liabilities	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest accrued but not due on borrowings	-	106,524	56,798
Current maturities of long-term debt	21,870,128	9,505,816	7,122,534
Preference dividend and dividend tax payable	-	-	29,969
Total	21,870,128	9,612,340	7,209,301
Note 20 - Provisions	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Provision for employee benefits			
i) Bonus Payable	576,336	804,894	804,894
ii) Provision for Gratuity	2,236,741	1,219,669	569,328
iii) Provision for leave encashment	1,496,742	1,169,192	914,260
b) Others			
Provision for expenses	4,440,984	210,000	623,972
Total	8,750,803	3,403,755	2,912,454
Note 21 - Other Liabilities	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Unearned Revenue	8,388,513	-	-

(b) Advances and Deposits from Customers/Others	2,407,810	12,811,698	1,403,375
(c) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, GST etc.)	6,332,180	31,370,969	3,500,666
Total	17,128,503	44,182,667	4,904,041

RANE T4U PRIVATE LIMITED
(Formerly known as Telematics 4U Services Private Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Indian Rupees)

	Year ended March 31, 2018	Year ended March 31, 2017
Note 22		
Revenue from operations		
Sale of Products	44,606,415	68,983,300
Sale of Services	99,037,260	114,317,218
Total	143,643,675	183,300,518
Sale of Products		
Domestic sales	41,801,878	67,248,905
Export sales	2,804,537	1,734,395
Total sale of Products	44,606,415	68,983,300
Sale of services		
Domestic Services	80,192,950	83,405,244
Export services	18,844,310	30,911,974
Total sale of services	99,037,260	114,317,218
Note 23		
Other Income		
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss		
-On bank deposits	460,571	378,996
(b) Interest income earned on financial assets that are designated as at fair value through profit or loss		
-On rent deposits	174,643	104,983
(c) Interest on income tax refund	429,288	-
(d) Balances no more payable written back	67,799	3,264,652
(e) Excess provision for doubtful debts written back (net)	1,815,775	2,293,387
(e) Net Foreign Exchange Gain	-	153,194
(f) Others (aggregate of immaterial items)	55,627	113,923
Total	2,953,703	6,259,134
Note 24		
Changes in inventory of stock-in-trade		
Opening Stock	3,033,500	8,169,057
Closing Stock	11,490,465	3,033,500
(Increase)/ decrease in inventory	(8,456,965)	5,135,557
Note 25		
Employee benefit expenses		
Salaries, Wages and Bonus	95,468,502	86,855,765
Contribution to Provident and Other Funds	2,603,033	2,588,805
Staff Welfare Expenses	1,749,324	1,703,237
Total	99,820,860	91,147,807

RANE T4U PRIVATE LIMITED
(Formerly known as Telematics 4U Services Private Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Indian Rupees)

	Year ended March 31, 2018	Year ended March 31, 2017
Note 26		
Finance Cost		
a) Interest costs:		
Interest on bank overdrafts and loans (for payments to related parties, refer Note 29 - 5.03)	8,540,052	8,300,747
Interest on Redeemable Preference Shares	8,973.061	11,130.217
Interest on delayed payment of statutory dues	1,089.511	4,970.962
b) Other borrowing Costs	422.679	587.725
Total	19,025,303	24,989,651
Note 27		
Depreciation and amortisation expense		
Depreciation on Property, plant and equipment pertaining to continuing operations (Note No.2)	12,635,276	5,780,649
Amortisation of Intangible assets (Note No.3)	8,991,260	5,606,592
Total	21,626,536	11,387,241
Note 28		
Other Expenses		
Field and other support services	16,194,389	8,971,324
IT Infrastructure and host services	8,648,796	9,683,774
Power and Fuel	1,641,703	1,184,464
Rent	7,629,298	6,538,134
Equipment Hire Charges	3,770,838	1,386,509
Travelling and Conveyance	9,502,232	11,298,468
Repairs and Maintenance		
- Buildings	2,819,369	2,918,710
- Others	1,655,835	883,833
Insurance	296,988	465,002
Rates and Taxes	2,433,040	3,864,888
Auditors' Remuneration (Refer Note 28.1 below)	379,659	142,500
Directors' Sitting Fees	80,000	30,000
Bad Debts written off	750,714	20,933,456
Administration expenses	3,901,285	3,350,728
Professional Charges	13,647,364	10,914,488
Advertisement and Sales Promotion	333,369	1,526,239
Bank Charges	304,388	444,292
Donation	11,000	7,500
Net Foreign Exchange Loss	134,414	-
Miscellaneous Expenses	3,537	241,041
Total	74,138,216	84,785,350
28.1 Payment to auditors		
For audit	240,000	100,000
For taxation matters	80,000	42,500
For other services	30,000	-
For reimbursement of expenses	29,659	-
Total	379,659	142,500

RANE T4U PRIVATE LIMITED
(Formerly known as Telematics 4U Services Private Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Indian Rupees)

Note 29

1 INCOME TAX EXPENSE

1.01 Current tax

In respect of current year

In respect of prior years

1.02 Deferred tax

In respect of current year

Total income tax expense

	Year ended March 31, 2018	Year ended March 31, 2017
	-	-
	118,122	536,870
	<u>118,122</u>	<u>536,870</u>
	(14,533,643)	(15,135,358)
	<u>(14,533,643)</u>	<u>(15,135,358)</u>
	(14,415,521)	(14,598,488)

2 EARNINGS PER SHARE

2.01 Basic Earnings per share

A Profit for the year

B Weighted average number of shares outstanding (B)

A/B Total basic earnings per share (A/B)

2.02 Diluted Earnings per share

C Profit for the year (A)

D Weighted average number of shares outstanding (B)

C/D Total diluted earnings per share (A/B)

	Year ended March 31, 2018	Year ended March 31, 2017
	(96,786,779)	(72,288,091)
	1,172,501	510,000
	(82.55)	(141.74)
	(96,786,779)	(72,288,091)
	9,324,555	510,000
	(10.38)	(141.74)

3 SEGMENT REPORTING

The Company is engaged in the business of providing technological services for transportation industry by designing and developing, promoting and marketing telematics, vehicle intelligence, remote monitoring related products and services globally. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely IoT (Internet of Things) Solutions for transportation industry. The geographical segments considered for disclosure are - India and Rest of the World.

3.01 Geographical Information

	Revenue from customers		Non - current assets**	
	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
India	121,994,828	150,654,149	92,491,508	101,122,358
Rest of World	21,648,847	32,646,369	-	-
Total	143,643,675	183,300,518	92,491,508	101,122,358

** Non- current assets are used in the operations of the Company to generate revenues both in India and outside India.

3.02 Information about major customers

	As at	As at
	March 31, 2018	March 31, 2017
Revenue from sale of product and services to largest customers (individually greater than 10% of total sales)	21,171,642	50,594,857

4 EMPLOYEE BENEFIT PLANS

4.01 Defined contribution plans

The Company has recognised Rs.25,99,113/- (Previous Year: Rs.25,87,293/-) as expense in Statement of Profit or Loss towards defined contribution plans. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

4.02 Defined benefit plans

Gratuity -

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

In respect of Gratuity plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as on March 31, 2018. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statement of Profit and Loss.

Particulars	Gratuity (Unfunded)	
	2017-18	2016-17
Present Value of obligations at the beginning of the year	4,156,680	2,834,717
Current service cost	1,383,553	1,116,669
Past service cost	282,129	-
Interest Cost	265,979	197,366
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	(754,479)	343,141
Benefits paid	(253,395)	(335,213)
Present Value of obligations at the end of the year	5,080,467	4,156,680
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	-	-
Expected Return on plan assets	-	-
Contributions from the employer	-	-
Benefits Paid	-	-
Actuarial gain/ (loss) on plan assets	-	-
Fair Value of plan assets at the end of the year	-	-
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	5,080,467	4,156,680
Fair value of plan assets at end of the year	-	-
Funded status of the plans - Liability recognised in the balance sheet	5,080,467	4,156,680
Components of defined benefit cost recognised in profit or loss		

Current service cost	1,383,553	1,116,669
Past service cost	282,129	-
Net Interest Expense	265,979	197,366
Net Cost in Profit or Loss	1,931,661	1,314,035
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising on Plan obligations	(754,479)	343,141
- Actuarial gains and losses arising on Plan assets	-	-
Net Cost in Other Comprehensive Income	(754,479)	343,141

Assumptions	March 31,2018	March 31,2017
Discount rate	7.00%	6.60%
<u>Expected rate of salary increases</u>		
Executives Managers & Below / Senior Manager & Above	5.00%	15.00%
<u>Expected rate of attrition</u>		
Executives and Staff	45.00%	45.00%
Average age of members	33.93	31.80
Average remaining working life	2.21	2.20
Average duration of defined benefit obligation (years)	2.88	2.80

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Impact on defined benefit obligation	
	March 31, 2018	March 31, 2017
Salary growth rate		
- 1% increase (+100 BP)	5,132,315	4,201,059
- 1% decrease (-100 BP)	5,029,822	4,112,632
Discount rate		
- increase of 1% (+100 BP)	5,068,032	4,063,251
- decrease of 1% (-100 BP)	5,093,032	4,254,420

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The Company's best estimate of the Benefit payments expected to be paid to the plan during the next year is Rs.22,37,000/- (Previous Year: Rs.12,20,000/-).

4.03 Long Term Compensated Absence

The assumptions used for computing the long term accumulated compensated absences on actuarial basis are as follows -

Assumptions	2017-18	2016-17
Discount rate	7.00%	6.60%
Expected rate of salary increases		
Executives Managers & Below / Senior Manager & Above	5.00%	15.00%
Expected rate of attrition		
Executives and Staff	45.00%	45.00%

4.04 Defined contribution plan

During the year the following amounts have been recognised in the statement of Profit and loss on account of defined contribution plans

	2017-18	2016-17
Employer's contribution to Provident Fund	2,469,297	2,458,480
Employer's contribution to Employees State Insurance	129,816	128,813

5 RELATED PARTY DISCLOSURES

5.01 Names of related parties and nature of relationship:

(i) Holding Company	Rane Holdings Limited (RHL)
Subsidiary Company	Adwise Analytics Private Limited till 31/08/2017
(ii) Fellow subsidiaries	Rane (Madras) Limited (RML) Rane Die cast Limited (RDL) Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAL) Rane Holdings Europe GmbH (RHEG)
(iii) Significant influence	Nisshinbo Holdings Inc. Japan
(iv) Affiliates of entity with Significant influence	Nisshinbo Brake Inc. Japan Saeron Automotive Inc, South Korea Nisshintoa Iwao Inc; Japan Nisshinbo Somboon Automotive Co.Ltd., Thailand TMD Friction GmbH, Germany Shijiazhuang TMD Friction Ltd.Co.; China
(v) Key Management Personnel (KMP)	Mr. Pratap Chandra Hegede, Managing Director Mr. Vinay Lakshman, Director from 11/09/2017 Mr. Harish Lakshman, Director from 11/09/2017 Mr. Vinay Prasad, Director till 11/09/2017 Mr. Govardhan Shetty, Director till 11/09/2017 Mr. Manish Kumar Belmannu, Nominee Director till 11/09/2017
(vi) Relatives of KMP	Mrs. Meenakshi Ganesh Mr. Aditya Ganesh Mrs. Aparna Ganesh Mr.L.Lakshman Mr. L Ganesh Mrs.Pushpa Lakshman Mr.Harish Lakshman Mrs. Priya Vinay Laksman Ms. Mantra Vinay Lakshman Ms. Shloka Vinay Lakshman Mrs. Hema C Kumar Mrs.Vanaja Aghoram Mrs. Shanthi Narayan
(vii) Enterprise over which KMP/Relative of KMP exercise significant influence	Rane Foundation (RF) Ganesh (HUF) Lakshman (HUF) Savithur Enterprises Private Limited (SEPL) HL Hill Station Properties Private Limited (HHSPPL) RT Automotive Systems Private Limited (RTASPL)
(viii) Enterprises under common control	Rane TRW Steering Systems Private Limited (RTSS) Rane NSK Steering Systems Private Limited (RNSS)

Rane (Madras) International Holdings B.V (RMIH)
Rane Precision Diecast Inc. (RPDC)

5.02 The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.

5.03 Transactions /Balances

(Amounts in Indian Rupees)

Description	Holding Company		Subsidiary Company		KMP		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Transactions during the year								
Issue of Equity Shares	11,570,000	-	-	-	-	-	11,570,000	-
Issue of Compulsorily Convertible Preference Shares	185,000,000	-	-	-	-	-	185,000,000	-
Remuneration to Managing Director *	-	-	-	-	6,000,000	6,000,000	6,000,000	6,000,000
Remuneration to Director-Mr. Govardhan Shetty	-	-	-	-	1,125,000	3,000,000	1,125,000	3,000,000
Remuneration to Director-Mr. Vinay Prasad	-	-	-	-	1,250,000	2,700,000	1,250,000	2,700,000
Sitting Fees to Nominee Director-Mr. Manish Kumar Belmannu	-	-	-	-	80,000	30,000	80,000	30,000
Unsecured loan received from								
Mr. Govardhan Shetty	-	-	-	-	-	1,400,000	-	1,400,000
Mr. Vinay Prasad	-	-	-	-	600,000	3,650,000	600,000	3,650,000
Interest on unsecured loan paid to								
Mr. Govardhan Shetty	-	-	-	-	210,000	-	210,000	-
Mr. Vinay Prasad	-	-	-	-	10,800	-	10,800	-
Sale of products/ services	-	-	271,506	1,205,254	-	-	271,506	1,205,254
Balance as at Year End								
Payable								
Reimbursement of expenses	-	-	-	-	-	78,114	-	78,114
Remuneration Payable	-	-	-	-	-	4,528,109	-	4,528,109
Unsecured Loan	-	-	-	-	-	1,400,000	-	1,400,000
Receivables								
Share transfer of M/s Adwise Analytics Pvt. Ltd.	-	-	-	-	560,000	-	560,000	-
Sale of products/ services	-	-	-	-	886,573	-	-	886,573
Reimbursement of expenses	-	-	-	-	142,088	856,820	23,828	856,820
							856,820	165,916

*Remuneration to Key Management personnel Mr. Pratap Chandra Hegde, Managing Director, Mr. Govardhan Shetty, Director, Mr. Vinay Prasad, Director

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Short term benefits paid	8,366,000	11,700,000
Other Long term benefits paid	9,000	-
Total	8,375,000	11,700,000

6 Contingent liabilities (to the extent not provided for) & Commitments

Particulars	As at	As at
	March 31, 2018	March 31, 2017
6.01 Claims against the Company not acknowledged as debt: In respect of matters under dispute with appellate agencies		
Service tax matters	2,791,064	3,804,169
Total	2,791,064	3,804,169

6.02 Commitments

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Other commitments: Maximum obligation on long term lease of facilities	14,066,488	18,282,702

7 Exceptional items

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Write off of expenditure capitalised on intangible assets other than amortisation	4,419,528	1,024,504
Write off of goodwill	1,500,000	-
Total	5,919,528	1,024,504

8 Dues to micro and small enterprises

There are no creditors that are micro, small or medium enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 who have notified the Company. Accordingly, no disclosures are made in this regard.

9 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on April 30, 2018.

10 Additional information to Financial statements

	As at	As at
	March 31, 2018	March 31, 2017
a) CIF Value of imports :		
i) Traded Goods	4,579,478	1,628,473
	4,579,478	1,628,473
b) Expenditure in foreign currency		
i) Travelling Expenses	233,604	359,320
ii) Purchase of R&D Equipment	35,114	72,085
	268,718	431,405

c) Earnings in foreign currency	Year ended	
	March 31, 2018	March 31, 2017
FOB Value of exports:		
Sale of products	2,804,537	1,734,395
Sale of services	18,844,310	30,911,974
	21,648,847	32,646,369

d) Other Financial information	Year ended	
	March 31, 2018	March 31, 2017
i. Net exchange difference debited/ (credited) to Profit and Loss Statement	134,414	(153,194)

11 UNHEDGED FOREIGN CURRENCY EXPOSURE

	Amount in		Amount in	
	USD	INR	USD	INR
i. Trade Receivables	109,310	6,971,330	48,065	3,152,545
TOTAL	109,310	6,971,330	48,065	3,152,545

12 During the year, the Company has adopted the revised estimates of the useful life of certain tangible assets and bought out software license w.e.f. April 1, 2017. Consequent to this change, the depreciation for the year is higher by Rs. 72,78,692/-.

13 The balances of trade receivables, trade payables and some of the bank balances are subject to confirmation. In the opinion of management, current assets, loans and advances have a value not less than what is stated in the accounts, if realized in the ordinary course of business.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14 Consequent to investment by Rane Holdings Limited, a publicly listed company by acquiring majority stake in the Company, the Company has become its subsidiary w.e.f. August 31, 2017 and hence it has adopted Ind AS for preparation of its financial statements for the year ended March 31, 2018 and consequently the position as at April 1, 2016 and March 31, 2017 have also been restated as per Ind AS.

14.01 Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016 is given below:

(Amount in Indian Rupees)							
	Notes	As at March 31, 2017			As at April 1, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets							
Property, plant and equipment		29,106,417	-	29,106,417	29,521,628	-	29,521,628
Goodwill	a	1,200,000	300,000	1,500,000	1,500,000	-	1,500,000
Other intangible assets		44,352,382	-	44,352,382	13,205,936	-	13,205,936
Intangible assets under development		3,281,588	-	3,281,588	27,912,017	-	27,912,017
Financial assets		-	-	-	-	-	-
(i) Investments		560,000	-	560,000	560,000	-	560,000
(ii) Other financial assets	b	2,955,100	2,456,048	5,411,148	2,811,100	2,194,336	5,005,436
Deferred tax assets (Net)		14,164,405	2,599,952	16,764,357	-	1,628,999	1,628,999
Other non-current assets	b	-	146,466	146,466	-	360,670	360,670
Total non-current assets		95,619,892	5,502,466	101,122,358	75,510,681	4,184,005	79,694,686
Current assets							
Inventories		3,033,500	-	3,033,500	8,169,058	-	8,169,058
Financial assets		-	-	-	-	-	-
(i) Trade receivables	c	24,008,817	(8,271,996)	15,736,821	40,388,628	(10,643,700)	29,744,928
(ii) Cash and cash equivalents	d	6,328,626	(5,861,869)	466,757	2,786,388	(2,364,893)	421,495
(iii) Bank balances other than (ii) above	d	-	3,350,247	3,350,247	-	-	-
(iv) Other financial assets	b	15,260,811	(14,568,362)	692,449	13,198,820	(10,523,099)	2,675,721
Current Tax Assets (Net)	b	-	8,687,605	8,687,605	-	3,968,589	3,968,589
Other current assets	b	-	2,343,702	2,343,702	-	2,998,670	2,998,670
Total current assets		48,631,754	(14,320,673)	34,311,081	64,542,894	(16,564,433)	47,978,461
Total assets		144,251,646	(8,818,207)	135,433,439	140,053,575	(12,380,428)	127,673,147