

## TELEMATICS 4U SERVICES PRIVATE LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note	As at 31st March 2017	As at 31st March 2016
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	30,000,000	30,000,000
(b) Reserves and Surplus	2	(94,389,459)	9,338,134
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	18,331,575	14,322,461
(b) Deferred tax liabilities	4	-	1,679,610
(c) Other Long term liabilities		-	-
(d) Long Term Provisions	5	4,156,680	2,834,717
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	6	40,051,553	30,900,476
(b) Trade payables	7	29,336,703	23,123,657
(c) Other current liabilities	8	113,482,526	24,542,482
(d) Short-term provisions	9	3,282,069	3,312,038
<b>Total</b>		<b>144,251,647</b>	<b>140,053,575</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10a	29,106,417	29,521,628
(ii) Intangible assets	10b	45,552,382	14,705,936
(iii) Fixed Assets-WIP		-	-
(iv) Intangible assets under development		3,281,588	27,912,017
(b) Non-current investments	11	560,000	560,000
(c) Deferred tax assets (net)	12	14,164,405	-
(d) Long term loans and advances	13	2,955,100	2,811,100
(e) Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Inventories	14	3,033,500	8,169,058
(b) Trade receivables	15	24,008,817	40,388,628
(c) Cash and cash equivalents	16	6,328,627	2,786,388
(d) Short-term loans and advances	17	15,260,811	13,198,820
(e) Other current assets			
<b>Total</b>		<b>144,251,647</b>	<b>140,053,575</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	24		
The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet			
As per our report of even date for K.Umesh Shetty & Co., Chartered Accountants FRN 011519S			
for and on behalf of the Board			
Pratap Chandra Hegde Managing Director & CEO	Vinay.K. Prasad Whole Time Director		
Place: Bangalore			
Date: 26th August, 2017			



Umesha Shetty.K  
Proprietor  
MRN 208364




**TELEMATICS 4U SERVICES PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31st March 2017**

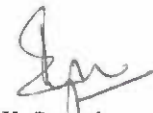
Particulars	Note No	For the Year ended 31st March 2017	For the Year ended 31st March 2016
		<b>Rs.</b>	<b>Rs.</b>
I. Revenue from operations	18	183,300,518	230,735,898
II. Other Income	19	3,926,937	675,122
<b>III. Total Revenue (I + II)</b>		<b>187,227,456</b>	<b>231,411,020</b>
IV. Expenses:			
Cost of Traded Goods	20	63,006,147	91,689,829
Employee Benefit Expenses	21	91,556,621	68,712,325
Financial cost	22	9,332,764	4,949,629
Depreciation and amortization expense	10	11,597,433	7,709,335
Other expenses	23	89,204,913	55,730,482
<b>Total Expenses</b>		<b>264,697,878</b>	<b>228,791,600</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(77,470,422)	2,619,420
VI. Exceptional Items		1,114,312	591,382
VII. Profit before extraordinary items and tax	(V-VI)	(78,584,734)	2,028,038
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(78,584,734)	2,028,038
X. Tax Expense:			
(1) Current tax		-	1,523,509
(2) Income Tax Earlier years		536,870	-
(3) Deferred tax		15,844,009	489,053
XI. Profit(Loss) for the period from continuing operations	(IX-X)	(63,277,594)	993,582
XII. Earning per equity share:			
(1) Basic		(124)	1.95
(2) Dilluted		(124)	1.95
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	24		

The Schedules referred to above and notes to accounts form an integral part of the Profit & Loss Account

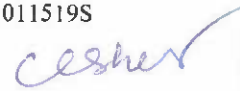
for and on behalf of the Board.

As per our report of even date  
for K.Umesh Shetty & Co.,  
Chartered Accountants  
FRN 011519S

  
Pratap Chandra Hegde  
Managing Director & CEO

  
Vinay.K. Prasad  
Whole Time Director



  
Umesh Shetty.K  
Proprietor  
MRN 208364

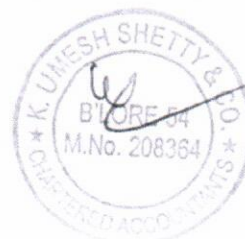


Place: Bangalore  
Date: 26th August, 2017

**TELEMATICS 4U SERVICES PRIVATE LIMITED**  
Cash Flow Statement for the year ending 31st March, 2017

Particulars	For the year ended 31st March, 2017 Amount in Rs	For the year ended 31st March, 2016 Amount in Rs
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	(77,470,422)	2,619,420
<u>Adjustments for:</u>		
Depreciation and amortisation	11,597,433	7,709,335
Interest and other Income	(328,996)	(111,559)
Net (gain) / loss on sale of Fixed Assets	-	-
Operating profit / (loss) before working capital changes	(66,201,985)	10,217,196
<b>Changes in working capital:</b>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	5,135,558	(4,839,471)
Short-term loans and advances	(2,061,991)	(6,230,918)
Trade Receivables	16,379,811	(17,065,731)
Long term Loans & Advances	(144,000)	(502,100)
Other Current Assets	-	-
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Long term Provisions	1,321,963	1,349,680
Short-term borrowings	9,151,077	30,900,476
Trade payables	6,213,046	14,487,552
Other current liabilities	88,940,044	8,011,085
Short-term provisions	(29,969)	414,173
	<b>124,905,539</b>	<b>26,524,746</b>
Extraordinary items	1,114,312	591,382
<b>Cash generated from operations</b>	<b>57,589,242</b>	<b>36,150,560</b>
Net income tax (paid) / refunds	536,870	1,554,473
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>57,052,372</b>	<b>34,596,087</b>
<b>B. Cash flow from investing activities</b>		
Assets Purchased during the year	17,398,239	44,490,287
Long term borrowings	4,009,110	11,730,404
Investments Subsidiary	-	560,000
Interest and other Income	(328,996)	(111,559)
	<b>13,060,133</b>	<b>33,208,324</b>
Cash flow from extraordinary items	-	-
Net income tax (paid) / refunds	13,060,133	33,208,324
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>13,060,133</b>	<b>33,208,324</b>

*[Handwritten signature]*






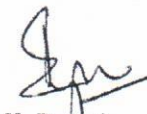
Particulars	For the year ended 31st March, 2017 Amount in Rs	For the year ended 31st March, 2016 Amount in Rs
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	(40,450,000)	
Short term borrowings	-	
Proceeds from long-term borrowings	-	
Dividends paid	-	
Tax on dividend	-	
Cash flow from extraordinary items	(40,450,000)	
<b>Net cash flow from / (used in) financing activities (C)</b>	-	-
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>43,992,239</b>	<b>1,387,763</b>
Cash and cash equivalents at the beginning of the year	2,786,388	1,398,625
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	-	
<b>Cash and cash equivalents at the end of the year</b>	<b>6,328,627</b>	<b>2,786,388</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 14)		
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (Deposits with original maturity of More than three months)		
<b>Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 14</b>	-	-
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		
<b>Cash and cash equivalents at the end of the year *</b>	-	-
* Comprises:		
(a) Cash on hand	26,835	20,903
(b) Cheques, drafts on hand		
(c) Balances with banks	439,923	400,592
(i) In current accounts		
(ii) In EEFC accounts		
(iii) In deposit accounts	5,861,869	2,364,893
(iv) In earmarked accounts		
(d) Others (specify nature) - OD account		
(e) Current investments considered as part of Cash and cash equivalents		
	<b>6,328,627</b>	<b>2,786,388</b>

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

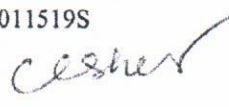
for and on behalf of the Board

As per our report of even date  
for K.Umesh Shetty & Co.,  
Chartered Accountants  
FRN 011519S

  
Pratap Chandra Hegde  
Managing Director & CEO

  
Vinay.K. Prasad  
Whole Time Director



  
Umesh Shetty.K  
Proprietor  
MRN 208364

Place: Bangalore

Date: 26th August, 2017

TELEMATICS 4U SERVICES PRIVATE LIMITED

Note forming part of Balance Sheet

Particulars			Note No	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>1. Share Capital:</b> Authorised Capital: 510000 Equity Shares of Rs. 10/- each 249000 Preference Shares of Rs.100/- each  Issued , subscribed and Paid up Capital: (a) 510000 Equity Shares of Rs. 10/- Each (b) 249000 Preference Shares of Rs. 100/- each  <b>A. Share Capital:</b> (a) shares in company held by each shareholder holding > 5% shares specifying number of shares held			A		
				5,100,000	5,100,000
				24,900,000	24,900,000
				30,000,000	30,000,000
				5,100,000	5,100,000
				24,900,000	24,900,000
				30,000,000	30,000,000
Serial No	Name of the shareholder	As at 31.3.2017			As at 31.3.2016
		No.of shares of Rs10 Per share	% of Holding		No.of shares of Rs10 Per share
i	Pratap Hegde	299,250	58.68%		299,250
ii	Vinay Prasad	107,250	21.03%		107,250
iii	Govardhan Shetty	74,750	14.66%		74,750
iv	KITVEN ( Preference Share Capital)	249,000			249,000
<b>B.Preference Share Capital</b> <i>During the Fianacial Year 2013-14 , the Company has issued 249000 Optional Convertible Preference Shares 0.10% of Rs.100 each to KITVEN (</i> <i>Karnataka Trustee Company Private Limited A/c</i> <i>Karnataka Information Technology Venture Capital</i> <i>Fund-2).The terms and conditions are set out in the</i> <i>Shareholders agreement</i>					
<b>2. Reserves &amp; Surplus</b> (a) Surplus in the Profit & Loss Account Opening Balance Profit for the year Add: Mat Credit for earlier years Less: Dividend on Preference Share Less : OCPS Redemption Premium Less: Dividend Tax on preference dividend Closing Balance				9,338,135 (63,277,594) - - 40,450,000 - (94,389,459)	7,265,095 993,582 1,110,421 24,900 - 6,064 9,338,134



## Note forming part of the Balance Sheet

Particulars	Notes No.	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>3. Long -Term Borrowings</b>	B		
i. Term Loans from			
a. Banks:			
Secured		8,403,233	10,657,451
b. Other than Banks			
Unsecured	C	7,178,342	3,665,010
ii. Loans and advances from related parties	D	2,750,000	-
		18,331,575	14,322,461
<b>B. Long - Term Borrowings</b>			
1) Details of Term Loans from Banks under secured basis:			
1) Vehicle Loan- from Vijaya Bank(268)		18,477	1,038,757
2) Term Loan-from Vijaya Bank (303)		-	204,695
3) Term Loan-from Vijaya Bank (334)		7,510,470	9,413,999
4) Corporation Bank Term Loan- SCBL0036073		874,286	-
<i>Term loans from Vijaya Bank are secured by hypothecation of Computers, servers, office equipments, furniture &amp; fixtures etc. Vehicle loans are secured by hypothecation of vehicles. Loans are additionally secured by personal guarantee of whole time directors. Further term loan from Corporation Bank is secured by hypothecation of computers, server and other assets purchased from term loan sanctioned and also secured against CGMTSE.</i>			
		8,403,233	10,657,451
<b><u>Terms of repayment of the term loans and other loans: Banks</u></b>			
1) Vehicle Loan from Vijaya Bank-268		Feb 2018	Feb 2018
Period of Maturity from Balance sheet date		Nil	Nil
No of installment due		11.50%	11.50%
Rate of Interest		98,230	98,230
Amount of EMI			
2) Term Loan from Vijaya Bank-303		June 2017	Jan 2017
Period of Maturity from Balance sheet date		Nil	Nil
No of installment due		14.05%	14.05%
Rate of Interest		75,520	75,520
Amount of EMI			
3) Term Loan from Vijaya Bank-334		March 2021	March 2021
Period of Maturity from Balance sheet date		Nil	Nil
No of installment due		14.05%	14.05%
Rate of Interest		278,540	278,540
Amount of EMI			
4) Term Loan from Corporation Bank-SCBL0036073		September 2019	-
Period of Maturity from Balance sheet date		Nil	-
No of installment due		10.95%	-
Rate of Interest		80,152	-
Amount of EMI			



## Notes forming part of the Balance Sheet

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
<b>C.Unsecured from other than Banks:</b>		
a) Religare Finvest Limited	304,438	1,622,366
b) Zen Lefin Private Limited( Capital Float)	906,765	2,042,644
c) Bajaj Finserv Limited	1,582,366	-
d) Capital First Limited	2,326,510	-
e) Zen Lefin Private Limited( Capital Float)-II	2,058,263	-
	7,178,342	3,665,010
<b>D. From Directors and Shareholders:</b>		
Govardhan Shetty	1,400,000	-
Abdul Haseeb	1,350,000	-
Note :The above loans are all received on unsecured basis. In respect of above loans , there are no covenants stipulated for repayment and it does not carry any interest.		
	2,750,000	-
<b><u>Terms of repayment , interest rate and other terms</u></b>		
1) Relegere Finvest Limited		
Period of Maturity from Balance sheet date	July 2018	July 2018
No of installment due	16	16
Rate of Interest	18.00%	18.00%
Amount of EMI	Rs.2,10,656/- till July 2017 and Rs.78,996/- till July 2018	Rs.2,10,656/- till July 2017 and Rs.78,996/- till July 2018
2) Zen Lefin Private Limited( Capital Float)		
Period of Maturity from Balance sheet date	Dec 2018	Dec 2018
No of installment due	21	21
Rate of Interest	18.00%	18.00%
Amount of EMI	108,457	108,457
3) Bajaj Finserv Limited		
Period of Maturity from Balance sheet date	April 2019	NA
No of installment due	25	NA
Rate of Interest	19%	NA
Amount of EMI	131,962	NA
d) Capital First Limited		
Period of Maturity from Balance sheet date	Sep 2019	NA
No of installment due	30	NA
Rate of Interest	19%	NA
Amount of EMI	149,557	NA
2) Zen Lefin Private Limited( Capital Float)-II		
Period of Maturity from Balance sheet date	Sep 2019	NA
No of installment due	34	NA
Rate of Interest	18.96%	NA
Amount of EMI	107,486	NA





## Notes forming part of the Balance Sheet

Particulars	Notes No.	As at 31st March 2017	As at 31st March 2016
<b>4. Deferred Tax Liability</b>		Rs.	Rs.
Opening Balance		-	2,168,663
Deferred Tax effected during the year		-	489,053
		-	1,679,610
<b>5. Long Term Provisions</b>			
(a) Provision for employee benefits (Gratuity)		4,156,680	2,834,717
		4,156,680	2,834,717
<b>6. Short - Term borrowings</b>	E		
(a) Loans repayable on demand from			
(i) Banks:			
Secured		37,551,553	30,900,476
(ii) Others			
Zen Lefin Private Limited ( Capital Float)		2,500,000	-
		40,051,553	30,900,476
<b>E. Short - Term Borrowings</b>			
Secured : Short term demand loans from Banks:			
i) Cash credit facilities from Vijaya Bank ( ROI 11.65%)		37,551,553	30,900,476
Secured against hypothecation of hardware stock, bills receivables. Further the limits are collaterally secured by EMDTD of Residential Property belonging to the Director Mr. Vinay Prasad bearing no.2303, 3rd Floor, Gowri Apartments, RMV II Stage, Bangalore 560094 and Residential Property belonging to the Director Mr. Govardan Shetty bearing no.K-006, K Block Purva Pavillion, Byatarayanapura, Bangalore. Further it is secured by lien on present RD balance of Rs.8.17 lakhs and proposed RD of Rs.2.00 lakhs per month. Additionally covered by personal guarantee of whole time directors			
ii) Short term Loan from Zen Lefin Private Limited ( ROI 16.20%) repayable after 60 days		2,500,000	-
The above short term loan is unsecured and secured by personal guarantee of the whole time Directors			





## Notes forming part of the Balance Sheet

Particulars	Notes No.	As at 31st March 2017	As at 31st March 2016
<b>7. Trade Payables</b>		Rs.	Rs.
Sundry creditors for goods		10,806,094	12,587,162
Creditors for expenses & Services		17,625,889	7,526,075
Sundry creditors for capital goods		904,719	3,010,420
		29,336,703	23,123,657
<b>8. Other Current Liabilities</b>			
(a) Current maturities of Long - Term debt	F	9,505,816	7,122,533
(b) Interest accrued but not due on borrowings		106,524	56,798
(c) Income received in advance		12,811,698	1,403,375
(d) Other payables:			
TDS Payable		12,015,831	2,035,371
PF & ESI Payable		2,048,852	412,069
VAT payable		789,176	1,028,026
Professional Tax Payable		19,400	25,200
Service tax payable		8,972,452	-
Other Statutory Liabilities Payable		7,525,258	-
Vijaya Bank C/A debit balance		34,671	-
Karnataka Information Technology Venture Capital Fund-2		40,450,000	-
Payable to employee benefits	G	19,202,848	12,459,110
		113,482,526	24,542,482
<b>F. Current Maturities of Long term debt:</b> (Loan due within one year are classified as current maturities of Long term debt)			
1) Vehicle Loan- from Vijaya Bank(268)		1,019,834	1,010,670
2) Term Loan-from Vijaya Bank(307)		-	328,946
3) Term Loan-from Vijaya Bank (303)		201,838	815,113
4) Term Loan-from Vijaya Bank (334)		1,941,360	1,965,676
5) Term Loan from Corporation Bank		786,986	-
6) Religare Finvest Limited		1,317,928	2,129,556
7) Zen Lefin Private Limited ( Capital Float)		1,034,637	872,572
8) Bajaj Finserv Limited		1,167,432	-
9) Capital First Limited		1,223,139	-
10) Zen Lefin Private Limited ( Capital Float)-II		812,662	-
		9,505,816	7,122,533
<b>G. Payable to Employee Benefits</b>			
Salary payable to Employees		11,431,862	6,616,789
Salary payable to Directors		4,528,109	3,157,884
Leave Encashment payable		2,437,983	1,879,543
Bonus Payable		804,894	804,894
		19,202,848	12,459,110



## Notes forming part of the Balance Sheet

Particulars	Notes No.	As at 31st March 2017	As at 31st March 2016
		Rs.	Rs.
<b>9. Short - Term Provisions</b>			
Preference Dividend Payable		-	24,900
Dividend Tax Payable		-	5,069
Income Tax Payable		3,282,069	3,282,069
		3,282,069	3,312,038
<b>11. Non Current Investments</b>			
56000 Equity Shares of Rs.10/- in Advise Analytics Private Limited ( Subsidiary Company)		560,000	560,000
		560,000	560,000
<b>12. Deferred Tax Asset</b>			
Opening Balance DTL		1,679,604	-
Add: Deffererd Tax Asset for the period		15,844,009	-
		14,164,405	-
<b>13. Long-term loans &amp; advances</b>	H		
(a) Other loans & advances			
Secured, considered good		2,955,100	2,811,100
		2,955,100	2,811,100
<b>H. Long term loans and advances:</b>			
Rental Deposits		2,950,000	2,800,000
Sales Tax Deposit		3,000	3,000
Deposit-furniture rental		-	6,000
Tata Teleservices Ltd		1,500	1,500
Vodafone Telephone deposit		600	600
		2,955,100	2,811,100




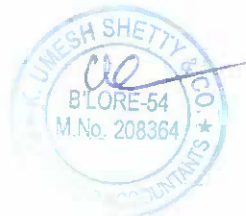

## Notes forming part of the Balance Sheet

Particulars	Notes No.	As at 31st March 2017	As at 31st March 2016
		Rs.	Rs.
<b>14. Inventories</b>			
(a) Traded Goods		3,033,500	8,169,058
		3,033,500	8,169,058
<b>15. Trade Receivables</b>			
(i) Outstanding more than 6 months			
Secured, considered good			
Unsecured, considered good		11,982,561	10,101,491
Less: provision for doubtful debt			
(ii) Others			
Secured, considered good			
Unsecured, considered good		12,026,256	30,287,137
Doubtful			
		24,008,817	40,388,628
<b>16. Cash &amp; Bank Balances</b>	I		
I. Cash & Cash equivalents			
(a) Balances with banks		439,923	400,592
(b) Cash on hand including Foreign currency		26,835	20,903
II. Balances with banks-held as margin money or security deposits against Letter of credit and others		5,861,869	2,364,893
		6,328,627	2,786,388
<b>I) Balances with banks:</b>			
Balance at Vijaya Bank, Overseas Branch		-	27
Corporation Bank		13,115	-
Vijaya Bank Current Account-Dasarahalli Br.		-	2,310
Vijaya Bank Current Account-Malleswaram Branch		-	22,105
Vijaya Bank Cash Credit A/c- Debit balance		-	285,545
State Bank of India Current Account		426,808	90,605
		439,923	400,592




## Notes forming part of the Balance Sheet

Particulars	Notes No.	As at 31st March 2017	As at 31st March 2016
<b>17. Short - Term Loans and Advances</b>	J	Rs.	Rs.
(a) Others			
Secured , considered good		-	-
Unsecured, considered good		15,260,811	13,198,820
Doubtful		-	-
		15,260,811	13,198,820
<b>J. Short Term Loans and Advances</b>			
Advance paid for Purchases/expenses		623,124	761,375
TDS receivable		11,969,674	7,250,658
Salary advance		20,000	70,660
Service Tax Receivable		-	214,886
Adwise Analytics Private Limited		142,088	63,771
Prepaid expenses		1,199,128	1,596,651
Religare Finvest-Tds due.		180,610	123,638
Zen Lefin TDS		98,093	20,083
Bajaj Finvest TDS		68,886	-
Capital First Limited TDS		44,860	-
EMD/Security Deposit		520,000	2,742,000
Travelling and imprest advance		394,348	355,098
		15,260,811	13,198,820

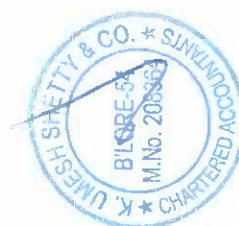


## Fixed Assets

Amount in Rs.

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2



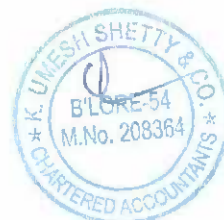
## Notes forming part of Profit and Loss Account

Particulars	Note No	For the Year ended 31st March 2017	For the Year ended 31st March 2016
		Rs.	Rs.
<b>18. Revenue from operations</b>	K		
(i) Sale of Products		68,983,300	111,064,605
(ii) Sale of Services		114,317,218	119,671,293
		183,300,518	230,735,898
<b>K.Sale of Products</b>			
Domestic sales less Discounts		67,248,905	108,725,412
Export sales		1,734,395	2,339,193
Total sale of Products		68,983,300	111,064,605
<b>Sale of services</b>			
Export services		30,911,974	34,686,889
Domestic Services		83,405,244	84,984,404
Total of services		114,317,218	119,671,293
<b>19. Other Income</b>			
(i) Interest Income		328,996	111,559
(ii) Exchange difference		153,194	128,424
(iii) Other Non- Operating Income		65,673	336,056
(iv) Discount received		500	-
(v) Freight charges received		113,923	-
(vi) Prior Period Income		-	99,083
(vii) Sundry creditors balance w/off		3,264,652	-
		3,926,937	675,122
<b>20. Purchase of stock in trade</b>			
Traded goods:			
Opening Stock		8,169,057	3,329,587
Add. Purchases less discount,duties		57,870,590	96,529,300
		66,039,647	99,858,887
Less: Closing Stock		3,033,500	8,169,058
		63,006,147	91,689,829
<b>21. Employee Benefits Expenses</b>			
(i) Salaries & Wages		87,264,579	64,812,236
(ii) Contribution to Provident Fund		2,458,480	2,280,688
(ii) Contribution to other Fund		128,813	217,655
(iii) Staff Welfare Expenses		1,704,749	1,401,746
		91,556,621	68,712,325



## Notes forming part of Profit and Loss Account

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
	Rs.	Rs.
<b>22. Financial Cost</b>		
Interest on Loans	8,300,747	4,293,043
Other borrowing cost	1,032,017	656,586
	9,332,764	4,949,629
<b>23. Other Expenses</b>		
Advertisement Expenses	999,098	152,456
Audit Fees	142,500	75,000
Bad debts	20,933,456	-
Power & fuel	1,184,464	729,449
Rent	6,431,032	5,846,017
Conveyance Expenses	752,805	750,299
Equipment Hire Charges	8,429,081	4,479,092
Repairs & Maintenance-Machinery	1,453,642	1,711,237
Repairs & Maintenance-Building	1,038,125	1,006,009
Repairs others	1,860,977	1,679,482
Insurance	465,002	283,568
Rates & Taxes excluding taxes on Income	1,128,512	1,074,687
Travelling Expenses	10,545,663	13,274,325
Professional charges	12,074,488	11,288,381
Printing & Stationery	405,946	417,210
Communication Cost	3,630,304	3,515,297
Installation Support Charges	4,589,785	3,445,770
Director's Sitting fees	30,000	25,000
Business Support/subsorption charges	2,188,635	-
Sales Promotion expenses	1,512,691	3,161,401
Freight & Forwarding Expenses	1,135,721	1,726,586
Miscellaneous Expenses	239,655	104,866
Donation	7,500	145,900
Interest on late payment TDS/service tax	4,970,962	518,576
Sales Tax Demand	2,736,376	-
Security Charges	318,493	319,874
	89,204,913	55,730,482



## TELEMATICS 4U SERVICES PRIVATE LIMITED

### 24. Significant Accounting Policies for the year ended March 31, 2017.

#### Company Overview

Telematics 4U Services Private Limited ("Company") was incorporated as Private Limited Company on 26<sup>th</sup> March, 2009 vide CIN: U72900KA2009PTC049462 having its registered office at Plot No.# 9, 2nd Floor, 1st Main Road, New BEL Road, Sanjaynagar, Bangalore-560094, Karnataka, India.

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

#### Significant Accounting Policies:

##### i. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the accounting standards specified in section 133 of the Companies Act, 2013. The company follows accounting policies consistently in accordance with generally accepted accounting principles, other than those specifically stated.

- a) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of Companies Act 2013.
- b) The financial statements are prepared under the historical costs convention, on the accounting principles of a going concern.
- c) Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by the Companies Act 2013 under section 133.
- d) All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.
- e) The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively.
- f) All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criteria set out in the schedule III to the companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.





## **ii. Revenue Recognition**

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization and collection. Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales excludes value added tax.

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 fulfillment 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.

### **Other Income:**

Interest income is accounted on accrual basis. Sundry creditors balances which are not payable and Sundry debtors balances which are showing credit balances i.e excess money received and not payable are transferred to other income. Management is the view that these are not payable due to non-fulfillment of conditions as per PO/agreement, hence transferred to other income.

## **iii. Foreign Currency Transactions:**

### **Initial recognition:**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

### **Measurement of foreign currency monetary items at the Balance Sheet date**

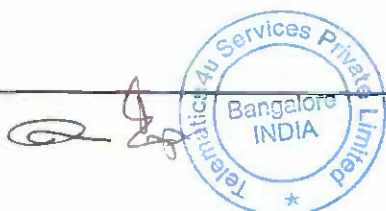
Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

### **Treatment of exchange differences**

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

## **iv. Inventories**

Inventories of traded goods are valued at the lower of cost on FIFO basis and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.



v. **Tangible Assets, Intangible Assets and Work -in - Progress**

a) **Tangible Assets -**

Fixed assets are stated at cost less accumulated depreciation and impairment lost.

- i. The cost (Gross Block) of the Fixed asset is shown at the original cost of acquisition or construction , including taxes and duties (net of tax credits as applicable), interest on borrowing upto the period of time the Asset is put to use, and other incidental expenses relating to the acquisition and installation of the particular asset.

b) **Intangible Assets -**

The intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, cost of development in relates to self-generated assets and any directly attributable expenditure on marketing the asset ready for its intended use. Intangible asset is an identifiable non-monetary asset, without physical substance, held for use in the delivery of services. Useful life is period over which an asset is expected to be used for. During the year the Company has internally developed different vertical of software assets and which are capitalized after the same are ready to use. During the year company has identified/classified Rs 3,77,42,147/- assself-generated software asset which has been developed internally on various verticals. We have relied on the management representation with regard to technical aspects in capitalizing the above intangible assets. The life of the internally developed software is taken at 6 years as explained by the Company and the details are given below:





**Software Development(Self Generated Assets) Capitalization writeup for FY 16-17**

Business Stream	Software Solution Developed	Amount
Distribution Logistics	<p>This Development cost includes building software solution for following platforms</p> <p>a) Automotive Logistics, b) Cash Van Management c) Cold Chain Logistics d) Container Cargo Management e) Milk Distribution Logistics f) Xpress Cargo Management g) Other General Distribution Logistics</p>	9,649,015
Natural Resources	<p>This Development cost includes building software solution for following platforms</p> <p>a) Sand Mining operation b) Iron Ore Ecosystem</p>	4,565,229
People Mobility Solutions	<p>This Development cost includes building software solution for following platforms</p> <p>a) Car Rental b) Child Safety Assurance System c) Employee Transportation d) Passenger Bus Ticketing e) Taxi Solution</p>	14,972,194
Other/General/Channel solution	<p>This Development cost includes building software solution for following platforms</p> <p>a) BI-POC b) Horizontal Feature common to all vertical/Stream. c) Support on Solution architecture d) Enterprise Architecture e) Cloud computing competency building</p>	8,555,709
<b>Total Amount</b>		<b>37,742,147</b>




- c) **Capital Work-in-progress-** Capital Working progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date. An amount of Rs.32,81,588/- has been shown under intangible assets under development

vi. **Investments**

During the year 2015-16 the Company has invested 56,000 Equity shares of Rs.10/- each in Adwise Analytics Private Limited, its subsidiary company. AdWise Board has approved in the Board Meeting held on 24<sup>th</sup> August 2017, to sell/transfer the shares held by Telematics4u Services Private Limited to Mr. Pratap Hegde. Subsequently, 56,000 Shares of Rs.10 each are transferred from Telematics4u Services Private limited to Mr. Pratap C Hegde at the face value and thereby AdWise Analytics Services Private Limited ceases to be the subsidiary of Telematics4u Services Private Limited.

vii. **Depreciation**

Schedule II to the Companies Act 2013, requires systematic allocation of the depreciable amount on an asset over its useful life. The Depreciable amount of an Asset is the cost of the asset or other amount substituted for cost less its residual value. The Ministry of Corporate Affairs (MCA) vide its notification dated 2-3-2014 has appointed 01-04-2014 as the date from which Schedule II comes into force. The Company has adopted useful life for various categories of Assets as specified in Part C of Schedule II of the Act. Part C of Schedule II also specifies that the residual value should be taken at not more than 5 % of the cost of the Asset.

**Retirement/Disposal:**

As a matter of consistent policy adopted by the company in respect of assets which are no more in existence or ceased to exist, the same have been discarded from the fixed assets. Further in cases where the depreciation on the assets have been fully written off, the residual value of 5% or the value continued in the books are carried forward without applying further depreciation on the same.

**Addition to fixed assets:**

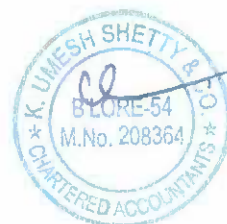
Where asset value is less than Rs. 5000/- the same is treated as revenue expenditure.

**Addition/Disposal of an asset:**

In case of Addition/sale of asset including assets discarded, demolished or destroyed during the financial year, the depreciation on such asset shall be calculated on a prorata basis from the date of such addition or as the case maybe up to the date such asset has been sold, discarded, demolished or destroyed.

**Method of Depreciation:**

SLM method of depreciation is followed as per Companies Act, 2013.





**viii. Research and Development**

Revenue expenditure incurred for new product development is expensed till technical and commercial feasibility is established and thereafter is capitalized as intangible assets. The management exercises business prudence and judgment on registration of patents with respect to the intangible assets.

Intangible assets are amortized over the estimated economic beneficial life. Management estimates the economic beneficial life of intangible assets between 1 to 6 years. Capital expenditure is shown as addition to fixed assets.

**ix. Employee Benefits**

**a) Short Term Employee Benefits**

The employee benefits payable only within 12 months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, Leave Travel Allowance, short term compensated absences etc., and the expected cost of bonus is recognized in the period in which the employee renders the related services.

Employee benefits include compensated absences and performance incentives.

**b) Post-Employment Benefits**

**Defined contribution plans**

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service.

**Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability.

The provisions of the 'Payment of Gratuity Act' are applicable to the company and accordingly actuarial valuation has been undertaken. It is the policy of the company to determine the liability as per valuation certificate issued by the actuary. Accordingly, the valuation certificate furnished by the actuary for the year ended 2017 amounts to Rs.13,21,963/- and treated accordingly in the financial statements.



**x. Borrowing Cost**

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs relating to the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of Capitalization of such asset is added to the cost of the assets. As para 46A of AS 11 is followed by the company capitalization of borrowing cost in case of foreign currency monetary items does not arise as per notification of number 696/2011.

**xi. Leases**

There is no finance lease and there are four operating leases involving rental accommodation.

**xii. Earnings per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**xiii. Income Tax**

Current income tax is not provided, since the Company has incurred cash loss during year under Audit.

Minimum Alternate Tax (MAT) is also not provided, since the company has not earned any book profit.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient



future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date.

**xiv. Impairment of Assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets. During the year self-generated software assets of Rs.15,00,179/- has been discarded.

**xv. Provisions and Contingent Liabilities**

**A. Provisions**

Provision is recognized when the company has present obligations because of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**B. Contingent Liabilities**

Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**xvi. Cash and cash equivalents**

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



**xvii. Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

**xviii. Details of specified Bank Notes**

Details of specified bank notes (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016

Particulars	Amount (Rs.)
Closing cash on hand on 08.11.2016	17,000
Add: Permitted receipts	Nil
Less: Amount deposited in banks	17,000
Less: Permitted payments	Nil
Closing cash as on 30.12.2016	Nil

**xix. Redemption of Optional Convertible Preference Shares issued to KITVEN ( Karnataka Trustee Company Private Limited A/c Karnataka Information Technology Venture Capital Fund-2).The terms and conditions are set out in the Shareholders agreement as detailed below.**

Karnataka Information Technology Venture Capital Fund (KITVEN) has invested Rs.2.50 Crores in the company in July'13 comprising of 10,000 equity shares of Rs. 10/- each and 2,49,000 (0.10% OCPS) of Rs. 100/- each. As per the SHA with them entered by the company, it was agreed to give an exit to them through their OCPS redemption as per the terms given below:

1.50 times of OCPS amount if redeemed within 1 year (30.06.2014)

1.75 times of OCPS amount if redeemed after 1 year and before 2 years (30.06.2015)

2.0 times of OCPS amount if redeemed after 2 years and on / before 31.12.2015

KITVEN further reserves the right to redeem the OCPS at 20% IRR from the date of investment till the date of disinvestment after 31.12.2015.

However, it was mutually agreed between Telematics and KITVEN to redeem the OCPS @ Rs.653.50 Lakhs. The premium amount of Rs.4,04,50,000.00 has been reduced from Reserves and Surplus and shown as current liability.





## 25. Notes forming part of financial statements

Disclosures required under revised Schedule III to the companies Act, 2013 are as under:

### i. Equity Share Capital

Company has Authorized Share Capital of Rs. 3,00,00,000/-consisting 5,10,000 equity shares of Rs. 10/- each and 2,49,000 Preference Shares of Rs.100/- each. Issued, Subscribed and fully paid up share capital for the year ending 31<sup>st</sup> March 2017 is Rs. 51,00,000/- consisting of 5,10,000 equity shares of Rs. 10/- each fully paid and 2,49,00,000/- consisting of 249000 preference shares of Rs.100/- each. For the year there are no shares issued for subscription.

### ii. Auditors Remuneration:

Professional Charges Includes Auditors RemunerationsTowards:	As at 31 March 2017	As at 31 March 2016
As Statutory Auditors	1,00,000	57,500
Taxation Matters	42,500	28,750
<b>TOTAL</b>	<b>1,42,500</b>	<b>75,000</b>

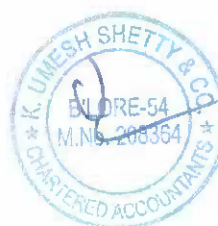
### iii. Foreign Currency Transactions: -

#### a. FOB Value of Exports:

Sl.no	Particulars	As at 31.03.2017	As at 31.03.2016
1	Sales - Products	17,34,395	23,39,193
2	Services	3,09,11,974	3,46,86,889

#### b. CIF value of Imports:

Sl. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Traded Goods	16,28,473	43,35,290



**c. Expenditure in foreign currency:**

Sr. no	Particulars	As at 31.03.2017	As at 31.03.2016
1	Travelling Expenses	3,59,320	25,21,808
2	Hosting & Data Transfer Charges		4,92,608
3	R & D equipment	72,085	

**d. Total of value of Cost of goods -Traded Goods**

Particulars	2016-17	2015-16
Traded Goods	5,53,21,281	9,84,75,817
<b>Total</b>	<b>5,53,21,281</b>	<b>9,84,75,817</b>

**iv. Prior Period Items**

Nature of Expenses	2016-17	2015-16
<b>Prior Period Incomes:</b>		
Repairs & Maint. expenses- Premises	32,551	Nil
TDS receivables		99,083
<b>Total</b>	<b>32,551</b>	<b>99,083</b>
<b>Prior Period Expenses:</b>		
Electricity Expenses	51,711	4,231
Repair & Maintenance-Water	10,608	Nil
Telephone Charges	54,904	Nil
Travel expenses	95,347	79,626
Rent Server Rack Space	39,472	Nil
Cloud Server Charges	28,805	Nil
<b>Total</b>	<b>2,80,847</b>	<b>83,857</b>



**v. Exceptional Items**

Nature of Expenses	2016-17 (In Rs)	2015-16 (In Rs)
Loss on Fixed Assets Discarded	11,14,312	5,91,382

**vi. Deferred Tax:**

(Amount in Rs)

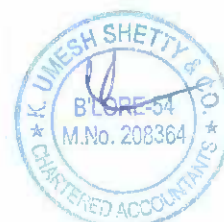
Particulars	2016-17	2015-16
Opening Deferred Tax Liability	16,79,604	21,68,657
Deferred tax asset provided during the year	1,58,44,009	4,89,053
<b>Net Deferred Tax Asset Recognized</b>	<b>1,41,64,405</b>	<b>16,79,604</b>

Based on the assessment made, considering the huge turnover expected in current financial year and also certainty regarding future profitability existing on the Balance sheet date 31.3.2017, the Company has created deferred tax asset on loss incurred during the year.

**vii. Related Party Transactions- as per annexure 1**

**viii. List of Associate Company/ Key Managerial Personnel:**

1. Key Managerial Personnel:-
  - a. Mr. Pratap Hegde - Director
  - b. Mr. Vinay Prasad - Director
  - c. Mr. Govardhan Shetty- Director
  - d. Advise Analytics Private Limited-Subsidiary Company



ix. **Earnings per share:**

Particulars	As at 31st March,2017 (Rs)	As at 31st March,2016 (Rs)
Net Loss/ Profit After Tax as per Statement of Profit & Loss attributable to Equity Share holders	(6,32,77,594)	9,93,582
Weighted Average number of Equity Shares used as denominator for calculating the EPS	5,10,000	5,10,000
Basic and Diluted Earnings per Share	(124)	1.95
Face value of Equity share	10	10

**Other Notes**

Previous year figures have been regrouped and reclassified wherever necessary to make them comparable to current year figures.

Confirmations in respect of some of the receivables/sundry creditors have been received. Where ever confirmations in respect of these are not received, they are subject to confirmations/reconciliations or adjustments if any.

Signature to Notes forming part of the Balance Sheet as at 31<sup>st</sup>March 2017 and Statement of Profit and Loss for the year ended 31<sup>st</sup>March 2017, Notes to Accounts and Cash Flow for the year ended 31<sup>st</sup> March, 2017.

As per our report attached

For and on behalf of the board of directors

For K Umesh Shetty & Co.,  
Chartered Accountants  
Firm Registration No. 011519S

Telematics 4U Services Private Limited


  
(Umesh Shetty. K)  
Proprietor  
Membership No:208364





Pratap Chandra Hegde  
Director  
DIN: 02496473



  
Vinay K Prasad  
Director  
DIN: 02548343

Place: Bengaluru  
Date:26th August,2017

M/s TELEMATICS 4U SERVICES PRIVATE LIMITED

Annexure -1

Related parties Transactions

- (i) Names of related parties and description of relationship
- Pratap Hegde Director
  - Vinay P Prasad Director
  - Govardhan Shetty Director
  - Manish Kumar Belmannu Director-Nominee
  - Advise Analytics Private Limited Subsidiary Company

(ii) Related Party Transactions

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>Remuneration</b>		
-Pratap Chandra Hegde	60,00,000	77,00,000
-Vinay Prasad	30,00,000	30,00,000
-Govardhan Shetty	27,00,000	27,00,000
<b>Sitting Fees</b>		
- Manish Kumar Belmannu	30,000	25,000
<b>Software Development Fees:</b>		
Sindhur Hegde	Nil	3,79,500
<b>Advise Analytics Private Limited:</b>		
Resource Sharing and Hardware sales	12,05,254	Nil
<b>Total</b>	<b>1,29,35,254</b>	<b>1,38,04,500</b>



