

NOTICE

NOTICE is hereby given that the 5th Annual General Meeting (AGM) of the Members of Receivables Exchange of India Limited (RXIL) will be held on Friday, July 30, 2021 at 4:30 pm through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and Auditors thereon
2. To appoint a Director in place of Mr. Mukesh Agarwal (DIN: 03054853), who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a Director in place of Mr. Ajay Kumar Gupta (DIN: 07580795), who retires by rotation and being eligible, seeks re-appointment

SPECIAL BUSINESS

4. Revision in remuneration of Mr. Ketan Gaikwad, Managing Director & CEO

To consider and if thought fit, to pass with or without modification, the following resolution as **Special Resolution**:

RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board in accordance with section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and pursuant to the provisions of Articles of Association of the Company, approval of the Members be and is hereby accorded to the revision in remuneration of Mr. Ketan Gaikwad, Managing Director & CEO (DIN: 08359705) with effect from April 1, 2021 as set out in the statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things arising out of and incidental thereto as may be deemed necessary, proper, expedient, or incidental to give effect to this resolution including filing of necessary forms and returns with the Ministry of Corporate Affairs or submission of necessary documents with any other concerned Authorities in connection with this resolution.

By order of the Board of Directors

Anita Thomas
Company Secretary

Mumbai, April 30, 2021

Membership No: ACS 34193

EXPLANATORY STATEMENT, PURSUANT TO SECTION 102 OF COMPANIES ACT 2013

ITEM NO. 4: Revision in remuneration of Mr. Ketan Gaikwad, Managing Director & CEO

Mr. Ketan Gaikwad was appointed as Managing Director & CEO of the Company (representing NSE Investments Limited - NSEI) by the Board of Directors as recommended by the Nomination and Remuneration Committee in their meetings held on February 5, 2019, w.e.f. April 1, 2019 for a period of 3 years. The same was subsequently approved by the members at the AGM held on September 18, 2019.

Further considering the Company's performance, the progress made and targets achieved by the Company and as per the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on April 30, 2021 approved revision of remuneration of Mr. Ketan Gaikwad, Managing Director & CEO for FY 2021-22 with effect from April 1, 2021. The revised annual remuneration is Rs. 1,43,75,000/- (Rupees One Crore Forty Three Lakhs Seventy-Five Thousand only) including LTA of Rs. 2,51,953/-, Provident Fund Rs. 3,62,813/-, Gratuity Rs. 1,45,427/- and Rs. 40,62,500/- towards Performance Based Variable Pay.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revision in remuneration of Mr. Ketan Gaikwad, Managing Director & CEO as decided by the Board of Directors is required to be approved by the Members at their meeting due to no/ inadequacy of profits.

The remuneration is in line with the Industrial Standards for managerial personnel falling under the same cadre. Thus, the Members are requested to consider revision in remuneration of Mr. Ketan Gaikwad, Managing Director & CEO.

Pursuant to the applicable provisions of the Companies Act, 2013, and relevant rules made thereunder, consent of the members is being sought by way of Special Resolution.

Except Mr. Ketan Gaikwad, none of the promoters, directors, key managerial personnel and their relatives are concerned or interested financially or otherwise, in the Resolution.

The Board and the NRC, as the case may be, may, at its discretion, fix the annual increment of MD & CEO every year, subject to the percentage limits applicable to the Senior Management based on performance.

The Board of Directors recommend passing of the Special Resolution at item no. 4 of the notice.

NOTES:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular no. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and Circular no. 02/2021 dated January 13, 2021 (collectively "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy/ proxies need not

be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of its Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC / OAVM and vote on their behalf at the Meeting.
5. The Company's Statutory Auditors, M/s. Khandelwal Jain & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 1st AGM of the Members held on December 18, 2017, to hold office up to the conclusion of 6th AGM to be held in the year 2022 on remuneration to be determined by the Board of Directors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on December 18, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn. In view of the above, ratification of their appointment by Members at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall mutually be agreed between the Board of Directors of the Company and the Statutory Auditors.
6. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to all the Members at their email ID registered with the Company/RTA. Members are requested to promptly notify any changes in their email ID to the Company at anita.thomas@rxil.in.
7. Members may note that the Notice and the Annual Report 2020-21 will also be made available on the Company's website www.rxil.in.
8. Members are requested to send their queries, if any, on Annual Report, to the Company Secretary, not less than 2 days before the date of Meeting, so that the requisite information/ explanations can be provided in time.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
10. Details for attending the AGM through VC / OAVM will be shared with the members.

Additional information required to be given as per the provisions contained in Schedule V of the Companies Act, 2013 are given hereunder:

I. General Information

1. Nature of industry: TReDS (Trade Receivables Discounting System)
2. Date of commencement of commercial operations: January 9, 2017
3. In case of new companies, the expected date of commencement of activities as per project

approved by financial institutions appearing in the prospectus: NA

4. Financial performance based on given indicators:

Financial Performance		
Particulars	FY 2020-21 (Amt. in Thousands)	FY 2019-20 (Amt. in Thousands)
Revenue	71,522.01	25,142.63
Other Income	7,782.33	4,496.43
Expenses	1,31,881.72	1,12,467.63
Net Profit / (Loss)	(52,544.50)	(81,656.10)

5. Foreign investments or collaborations, if any: None at the moment

II. Other Information

1. Reasons of loss or inadequate profits:

In this year when we only had challenges to face, in an uncertain economic environment, your company has achieved better than anticipated results. The initial months of the Covid-19 crisis and the lockdown destabilized even the best of the businesses in the country. RXIL, on the other hand, has taken these challenges head-on and grown from strength to strength on every business parameter. The revenue has more than doubled in comparison to last FY i.e., from Rs. 2.51 crore in FY 2000-21 to Rs. 7.15 crore in FY 2021-22, while the losses have reduced by more than 36% i.e., from Rs. 8.17 crore to Rs. 5.25 crore, in commitment to our path to profitability. The reduction in losses has been on the back of increased operating and non-operating revenues.

2. Steps taken or proposed to be taken for improvement:

FY 2020-21 could be called a watershed movement for TReDS, it was in these times of crisis, that the benefits of the platform were appreciated. The Govt. continued its awareness drive for TReDS to be a source of early payments to MSMEs. The RBI came out with a mass media campaign and the corporates too realized the importance of timely payments. RXIL participated in close to 100 webinars during the year, apprising MSMEs of its benefits. Our initiatives on digital onboarding of MSMEs from the remotest parts of the country kept us miles ahead of the competition and helped us cover the lost ground.

3. Expected increase in productivity and profits in measurable terms:

The company has reduced its losses and on the back of improved revenues. It is committed to becoming profitable without sacrificing growth or market leadership. We have plans to expand the Business Development team and Operations in the key Tier-II cities which have business potential, contributing to growth in volumes. Our marketing plan focusses on building a brand image for RXIL and making it a go-to platform for TReDS.

By order of the Board of Directors

Anita Thomas

Company Secretary

Membership No: ACS 34193

Mumbai, April 30, 2021