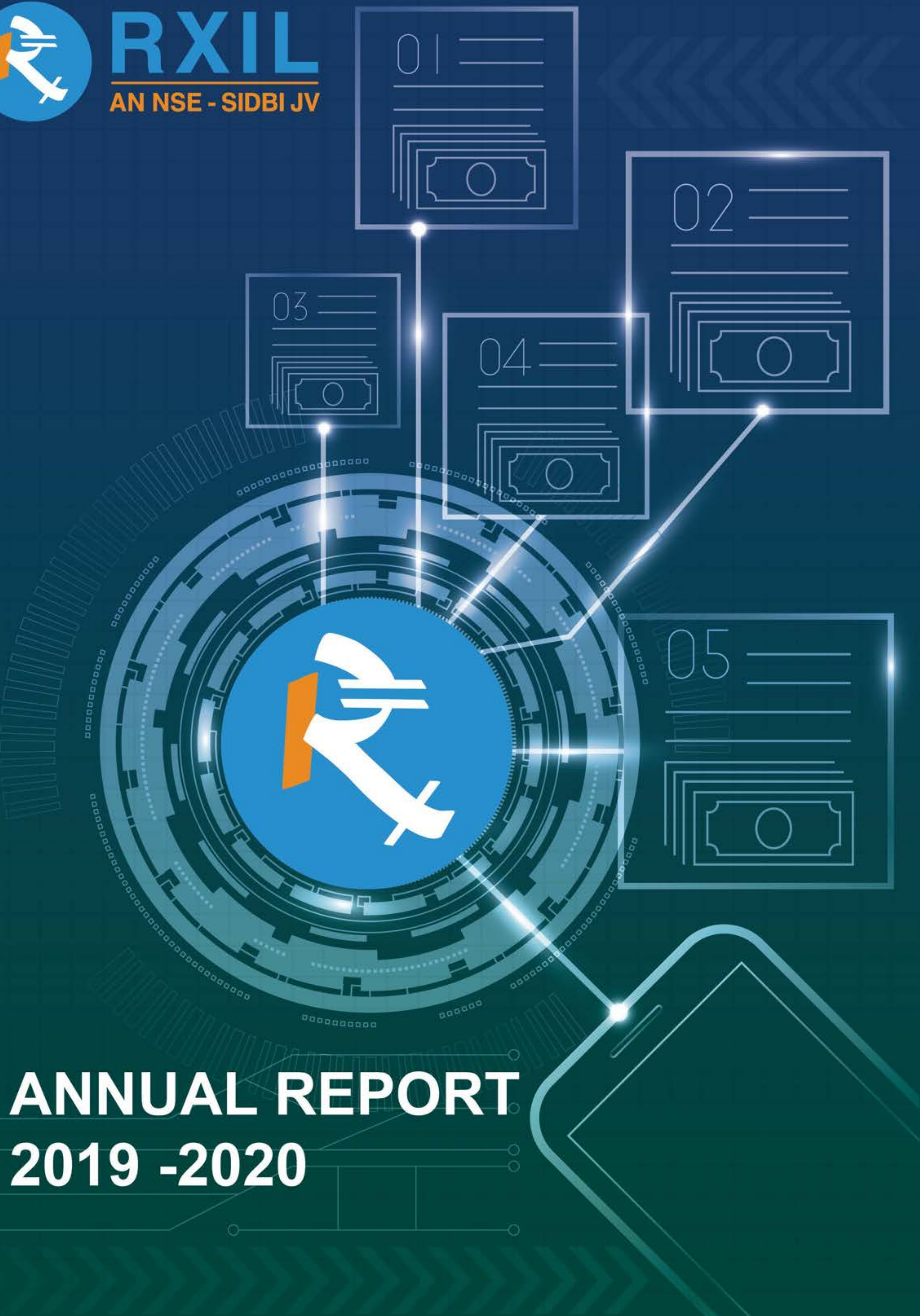
RXIL
AN NSE - SIDBI JV



ANNUAL REPORT 2019 -2020

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS (AS ON JUNE 17, 2020)

MR. MOHAMMAD MUSTAFA	:	CHAIRMAN
MR. MUKESH AGARWAL	:	DIRECTOR
MR. JANKI BALLABH	:	DIRECTOR
MR. RAMAN UBEROI	:	DIRECTOR
MR. AJAY KUMAR GUPTA	:	DIRECTOR
MR. MANOJ MITTAL	:	DIRECTOR
MR. KETAN GAIKWAD	:	DIRECTOR
CHIEF FINANCIAL OFFICER	:	MR. KAILASHKUMAR VARODIA
COMPANY SECRETARY	:	MS. ANITA THOMAS
AUDITORS	:	M/S. KHANDELWAL JAIN & CO., CHARTERED ACCOUNTANT, 6- B & C, PIL COURT, 6TH FLOOR, 111, M. KARVE ROAD, CHURCHGATE, MUMBAI – 400 020
REGISTERED OFFICE	:	TRADE CENTRE (VATIKA BUSINESS CENTRE), FIRST FLOOR, UNIT NO-02 OFFICE NO. 14, BANDRA KURLA COMPLEX, BANDRA (EAST), MUMBAI – 400 051
REGISTRAR & TRANSFER AGENT	:	KFIN TECHNOLOGIES PRIVATE LIMITED SELENIUM (TOWER B), GACHIBOWLI, FINANCIAL DISTRICT, NANAKRAMGUDA, HYDERABAD – 500 032, TELANGANA

NOTICE

NOTICE is hereby given that the 4th Annual General Meeting [AGM] of the Members of Receivables Exchange of India Limited [RXIL] will be held on Friday, August 21,2020 at 12.30 p.m. 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, 2020, 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.

By order of the Board of Directors

Anita Thomas
Company Secretary
Membership No.: ACS 34193

Place: Mumbai
Date: June 17, 2020

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the 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.
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 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 2019-20 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 Annual Report 2019-20 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 production/operations: January 9, 2017
3. In case of new companies, 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 2019-20 (Amt. in Thousands)**	**FY 2018-19 (Amt. in Thousands)**
Revenue	25,142.63	13,400.53
Other Income	4,496.43	11,221.53
Expenses	1,12,467.63	67,175.56
Net Profit / (Loss)	(81,672.20)	(41,474.53)

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

II. Other information:

1. Reasons of loss or inadequate profits:

   The company is still in the early stages of its life and is yet to reach the actual market potential of its business. TReDS is relatively a new concept with all the constituents warming up to the concept. The company has undergone a complete organizational restructuring with a new team coming in place in October 2019. Despite the new team, the business has grown. The company is on the path of growth with the revenue growing by 88% during FY19-20 vis-a-vis FY 18-19. The Company is committed to continue its growth trajectory.

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

   The Government has been supportive of TReDS since its inception and has taken various initiatives to increase the traction in the form of workshops being organized by RBI, MSME Ministry and through its other arms. The lockdown has further made Government. To push awareness about TReDS through mass media and webinars organized by trade bodies. Company is improving its efficiency with new processes, technology, digital initiatives, systems and much more. The Company has now appointed business development personnel in major cities of India to increase it's reach.

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

   The Company is very conscious about improvement in it's productivity and is undertaking concrete measures to improve it. The Company is expecting to deliver a better performance in the years to come.

By order of the Board of Directors

Anita Thomas

Company Secretary
Membership No.: ACS 34193

Place: Mumbai
Date: June 17, 2020

BOARD'S REPORT

Dear Members,

The Directors present the 4th Annual Report of Receivables Exchange of India Limited (referred herein as "RXIL" or "the Company") together with the Audited Financial Statement of for the financial year ended March 31, 2020. Any discussion about FY19-20, would be incomplete without the mention of the impact Covid-19 has had on our lives and business. The damage caused by the lockdown is still being assessed. The virus has reminded the world of its interdependencies and like any other crises this would leave us stronger and resilient. The silver lining of the pandemic has been the growth of the digital infrastructure of the Country which will help the economy come out of this crisis even faster than anticipated. For RXIL, FY-19-20 has been a period of renaissance, filled with achieving newer heights and the period under lockdown has been used to re-align priorities and gain the market share. The same has reflected in our annual performance and despite the loss of volumes in the last 15 days of the FY 19-20, RXIL has seen the best year of performance.

During FY 19-20, 336 buyers were on-boarded representing a growth of 246%. 1,155 MSME sellers were on-boarded showing an increase of 139%. As on 31st March 2020, RXIL has 489 Buyers (including over 100+ Central PSUs), 1787 MSME Sellers and 35 financiers. The total throughput on RXIL's platform was Rs. 2316 cr during FY20 as compared to Rs. 1277 cr during FY19 reflecting a growth of 81%. Cumulative throughput as on March 31, 2020, stood at Rs. 3,816 cr.

FINANCIAL RESULTS

The financial highlights for the year under review is as under:

(Amount in INR Thousands)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operations	25,142.63	13,400.53
Other Income	4,496.43	11,221.53
Gross Income	29,639.06	24,622.06
Total Expenditure	1,12,467.63	67,175.56
Profit before exceptional item and tax	(82,828.57)	(42,553.50)
Add/(Less): Prior period adjustments	-	-
Profit/ (Loss) before tax	(82,828.06)	(42,553.50)
Less: Tax Expenses		
- *Current Tax*		-
- *Deferred Tax*	(1,156.37)	(1,078.97)
Profit/ (Loss) after Tax	(81,672.20)	(41,474.53)
Total other Comprehensive Income (as IND AS 19)	16.10	-
Balance carried to Balance Sheet	(81,656.10)	(41,474.53)
Earnings per Equity Share (FV Rs.10 each)		
- *Basic*	(3.08)	(1.66)
- *Diluted*	(3.08)	(1.66)

COMPANY PERFORMANCE

During FY 2019 – 20, revenue generated from operations was Rs. 2,51,42,629/- as compared to Rs. 1,34,00,534/- in FY 2018 – 19 registering an increase of 88%. Growth in revenue was observed as the Company generates its revenue in the form of registration/ transaction/ annual fees. The total income during FY 2019 - 20 increased from Rs.2,46,22,064/- in the previous year to Rs. 2,96,39,057 reflecting increase of 20%. Net Loss (after tax) in FY 2019 -20 was Rs.8,16,56,100/- as compared to Rs. 4,14,74,531/- in FY 2018 – 19

CORPORATE DEVELOPMENTS AND FUTURE OUTLOOK

Your company stands in a much stronger position than ever before and is on the path to growth.

The initiatives taken towards improving the customer experience through digitization and ERP integration has put RXIL ahead of the competition. By providing a frictionless experience we would be able to scale up at a faster rate than in the past and be at par with the competition. The lockdown has presented an opportunity where TReDS has become a go-to option for corporates as they see value in conserving their cash while paying their supply chain partners on time. Further efforts from the govt. are expected to give a boost to TReDS.

The future belongs to those who believe in the beauty of their dreams. Your company has the dream and the vision to achieve the goal of being a preferred partner in the TReDS ecosystem while maintaining a market share of 33% by FY21.

CHANGE IN NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business of the Company.

DIVIDEND

Your Directors have not recommended payment of dividend on Equity Shares, for the FY ended March 31, 2020

TRANSFER TO RESERVES

Due to losses, the Company did not transfer any amount to reserves.

DETAILS OF SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANIES:

The Company does not have any Associate/ Joint Venture / Subsidiary Companies.

SHARE CAPITAL

As on March 31, 2020, the Authorized Share Capital of the Company has been increased to Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each.

During the period under review the Company has issued 2,50,00,000 (Two crore Fifty Lakh) partly paid-up equity shares of Rs. 10 (Rupees Ten only) each Paid up Rs. 5/- (Rupees Five only) each.

The Issued and Subscribed Share Capital is Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and Paid-Up Share Capital is Rs. 37,50,00,000/- (Rupees Thirty Seven Crore Fifty Lakh only) comprising of Rs. 25,00,00,000 (Rupees Twenty Five Crore only) divided into 2,50,00,000 (Two crore Fifty Lakh) fully paid equity shares of Rs. 10 each and Rs. 12,50,00,000 (Rupees Twelve Crore Fifty Lakh) divided into 2,50,00,000 (Two crore Fifty Lakh) partly paid Equity Shares of Rs. 10/- (Rupees Ten only) each Paid up Rs. 5/- (Rupees Five only) each.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

List of Directors and KMP as on March 31, 2020

Sr. No.	Name of the Director / KMP	Designation	Category
1	Mr. Mohammad Mustafa	Director & Chairman	Non - Executive
2	Mr. Mukesh Agarwal	Director	Non - Executive
3	Mr. Janki Ballabh	Independent Director	Non - Executive
4	Mr. Raman Uberoi	Independent Director	Non - Executive
5	Mr. Ajay Kumar Gupta	Nominee Director – ICICI	Non - Executive
6	*Mr. Devi Shankar Mishra	Nominee Director – SBI	Non - Executive
7	**Mr. Manoj Mittal	Nominee Director – SIDBI	Non - Executive
8	#Mr. Ketan Gaikwad	Managing Director & CEO	Executive - KMP
9	Mr. Kailashkumar Varodia	Chief Financial Officer	KMP
10	##Ms. Anita Thomas	Company Secretary	KMP

Appointments

*During the year under review Mr. Devi Shankar Mishra (DIN:08569672) was appointed as Nominee Director – SBI Group (Non-Executive Director) w.e.f. September 23, 2019

**During the year under review Mr. Manoj Mittal (DIN: 01400076) was appointed as Nominee Director – SIDBI (Non-Executive Director) w.e.f. February 17, 2020

#During the year under review Mr. Ketan Gaikwad (DIN: 08359705) was appointed as an Additional Director (Nominee Director- NSE Investments Limited-NSEI) and was designated as MD & CEO w.e.f. April 1, 2019 on the terms and conditions as recommended by The Nomination and Remuneration Committee and approved by Board of Directors at their meeting held on February 5, 2019 subject to approval of shareholders. His appointment was approved by the shareholders at their last Annual General Meeting held on September 18, 2019

##During the year under review Ms. Anita Thomas was appointed as Company Secretary w.e.f from December 13, 2019

Resignations

During the year under review Mr. Narayanan Sadanandan (DIN: 07263104), ceased to be a Nominee Director – SBI Group w.e.f. July 29, 2019. The Board of Directors placed on record their warm appreciation for valuable contribution made by him during his tenure as the Director of the Company.

During the year under review Mr. Ajay Kumar Kapur (DIN: 00108420), ceased to be a Director w.e.f. November 22, 2019. The Board of Directors placed on record their warm appreciation for valuable contribution made by him during his tenure as the Director of the Company.

During the year under review Ms. Riya Sawant resigned as Company Secretary w.e.f. September 25, 2019. The Board of Directors placed on record their warm appreciation for valuable contribution made by her during her tenure as the Company Secretary of the Company.

Retirement by rotation

In accordance with the provisions of Companies Act, 2013 and relevant rules made thereunder, Mr. Mukesh Agarwal (DIN: 03054853), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Company has received declaration of independence from Mr. Janki Ballabh (DIN: 00011206) and Mr. Raman Uberoi (DIN: 03407353), Independent Directors of the Company.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, the Board will carry out an annual evaluation of its own performance and that of its Committees and individual Directors. As provided in the "Board Evaluation Policy", questionnaires will be obtained from the Directors / Committee Members for evaluating the performance. A separate meeting of Independent Directors will be held for reviewing performance of Non-Independent Directors, Board, and the Chairman. The Nomination and Remuneration Committee (NRC) will further review the performance of individual Directors. This will be followed by a Board Meeting that will discuss the performance of the Board, its Committees, and individual Directors.

The criteria for performance evaluation of the Board includes aspects like qualification and experience of Directors, contribution on key issues, strategic direction, corporate governance etc. The criteria for performance evaluation of Committees of the Board includes aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors includes attendance and participation, independent and unbiased opinion, safeguarding confidential information etc. In addition, the Chairman will also be evaluated on the key aspects of leadership, motivation, guidance etc.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 5 (Five) times during the period under review. The details are as under:

Name of Director	Date of Board Meeting				
	June 4, 2019	Sept 18, 2019	Oct 23, 2019	Dec 13, 2019	Feb 17, 2020
Mr. Mohammad Mustafa (Chairman)	Yes	Yes	Yes	Yes	Yes
Mr. Janki Ballabh	Yes	Yes	Yes	Yes	Yes
Mr. Raman Uberoi	Yes	Yes	Yes	Yes	Yes
Mr. Mukesh Agarwal	Yes	Yes	Yes	Yes	Yes
Mr. Ajay Kumar Gupta	Yes	Yes	No	Yes	Yes
Mr. Ketan Gaikwad	Yes	Yes	Yes	Yes	Yes
Mr. Ajay Kumar Kapur	Yes	Yes	No	-	-
Mr. Narayanan Sadanandan	Yes	-	-	-	-
Mr. Devi Shankar Mishra	-	-	Yes	Yes	No
Mr. Manoj Mittal	-	-	-	-	Yes

COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee comprises of three members of which two are Independent Directors and one is non-independent non-executive Director. All members of the Audit Committee possess strong knowledge of accounting and financial management.

The Committee met 4 (four) times during the year i.e. June 4, 2019, September 18, 2019, December 13, 2019 and February 17, 2020. The details of the attendance of the Members at meeting held on above dates are given in the table hereunder:

Name	No. of meetings held during the year	No. of meetings attended
Mr. Raman Uberoi (Chairman)	4	4
Mr. Janki Ballabh	4	4
Mr. Mukesh Agarwal	4	4

Nomination & Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) comprises of four members of which two are Independent Directors and two are non-independent non-executive Directors.

The Committee met 4 (four) times during the year i.e. June 4, 2019, September 18, 2019, December 13, 2019 and February 17, 2020. The details of the attendance of the Members at meeting held on above dates are given in the table hereunder:

Name	No. of meetings held during the year	No. of meetings attended
Mr. Janki Ballabh (Chairman)	4	4
Mr. Raman Uberoi	4	4
Mr. Mukesh Agarwal	4	4
Mr. Ajay Kumar Kapur	2	2

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy formulated by the Company is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto for the appointment and determination of remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company is in place.

The Policy is hosted on the website of the Company www.rxil.in under the heading ‘‘Disclosure’’.

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

a. In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed together with proper explanation relating to material departures;

b. The Directors had selected such accounting policies & applied them consistently and made judgments & estimates that were considered reasonable & prudent to give a true and fair view of the state of affairs of the Company, at the end of the financial year i.e. March 31, 2020 & of the loss of the Company for that year;

c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Directors have prepared the annual accounts on a going concern basis;

e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

RELATED PARTY TRANSACTIONS

All contracts/ arrangements/transactions entered by the Company with related parties during the financial year were on an arm's length basis and in the ordinary course of business. They were also in compliance with the applicable provisions of the Companies Act, 2013. As there were no transactions entered pursuant the provisions of Section 188 (1) of the Companies Act, 2013, the particulars as required in form AOC-2 have not been furnished. The details of transaction between the Company and the related parties are given for information under note no. 26 and 27 to the Financial Statements.

AUDITORS AND AUDIT REPORTS

Statutory Auditors and Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. Khandelwal Jain & Co., Chartered Accountants (Firm Registration No. 105049W) as the Statutory Auditors of the Company to hold office up to the conclusion of 6th Annual General Meeting. The auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee during the FY 2019 - 20.

Secretarial Auditors and Report

The Secretarial Audit Report for the year ended March 31, 2020 issued by Secretarial Auditors, M/s. Deep Shukla and Associates, Practising Company Secretaries is enclosed as Annexure I. The Secretarial Auditor's Report does not contain any qualification, reservation, adverse remarks or disclaimer.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with the provisions of the applicable Secretarial Standards issued by Institute of Companies Secretaries of India.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended on March 31, 2020 is enclosed as Annexure II to this report.

The extract of annual return in Form MGT-9 has also been placed on the website of the Company www.rxil.in under the heading ''Disclosure''.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Information as per Section 134 (3) (g) of the Companies Act, 2013 relating to particulars of loans, guarantees or investment under Section 186 is not applicable to the Company as it has not made any loans, guarantees or investment during FY 2019-20

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

The details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:

1. Conservation of Energy and Technology Absorption: Since the Company does not own any manufacturing facility, the particulars required to be disclosed with respect to conservation of energy and technology absorption in terms of Section 134 (3) (m) of the Companies Act, 2013 are not applicable to the Company.
2. Foreign Exchange Earning and Outgo During the year, there were no foreign exchange earnings or outgo.

RISK MANAGEMENT POLICY

The Company has formulated a Risk Management Policy for identification of risk elements, which in the opinion of the Board may threaten the existence of the Company. The framework consists inter alia risk identification, risk measurement, risk prioritization, risk monitoring and risk escalation.

VIGIL MECHANISM & WHISTLE BLOWER

The provisions of Section 177 (9) of Companies Act, 2013 are not applicable to the Company. However, as a good corporate governance, the Company has framed a Vigil Mechanism (Whistle Blower Policy) applicable for its Directors and Employees.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has formulated Internal Financial Control Policy for providing guidance and control mechanism for accounting and operation of the business activities. During the period under review, no reportable material weakness in the design or operation was observed.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee ('ICC') has been set up by the Company to redress complaints received regarding sexual harassment. All employees are covered under this policy. The Company has zero tolerance for sexual harassment at workplace. While maintaining the highest governance norms, the Company has also appointed external independent persons, who have requisite experience in handling such matters. During the year, the Company has not received any complaint of sexual harassment.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Information as required under the provisions of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, as per the provisions of Section 136 (1) of the Act, the Report and Accounts are being sent to the members, excluding the statement of particulars of employees under the Rules of the Act. Any shareholder desirous of obtaining a copy of the said statement may write to the Company Secretary at the registered office of the Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The Company is not required to transfer any amount to Investor Education & Protection Fund.

DEPOSITS

The Company has not invited, accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013. Accordingly, the requirement to furnish details relating to deposits covered under Chapter V of the Companies Act, 2013 does not arise.

ACKNOWLEDGEMENT

Your Directors are grateful for the support and co-operation extended by the stakeholders, bankers, regulatory bodies and other business constituents. Your Directors would also like to place on record their sincere appreciation of the contribution made by the employees at all levels to the growth of your Company.

For and on behalf of the Board of Directors

Receivables Exchange of India Limited

Ketan Gaikwad

Managing Director & CEO
DIN: 08359705

Raman Uberoi

Director
DIN: 03407353

Date: June 17, 2020
Place: Mumbai

ANNEXURE I TO BOARD REPORT

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Receivables Exchange of India Limited (RXIL)

Exchange Plaza, Plot C-1, Block 'G',
Bandra Kurla Complex, Bandra (East),
Mumbai - 400051, Maharashtra, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Receivables Exchange of India Limited** (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 ('Audit Period') complied with the statutory provisions listed hereunder, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not Applicable to the Company)
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, to the extent applicable;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(Not Applicable to the Company)

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company)
2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not Applicable to the Company)
3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company);
4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company);
5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company);
6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company)
7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company);and
8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company);

Other laws applicable specifically to the Company, namely:

1. The Payment and Settlement Systems Act, 2007 regulated by the Reserve Bank of India and Circulars/ Guidelines / Press releases as issued by Reserve Bank of India for Trade Receivable Discounting System (TReDS), as may be applicable.
2. The terms and conditions as prescribed by Reserve Bank of India while issuing Certificate of Authorisation, vide No.112/2017.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members’ views are captured and recorded as part of the minutes

We further report that:

1. There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

For: Deep Shukla & Associates
Company Secretaries

Deep Shukla
{Proprietor}
FCS: 5652
CP NO.5364
UDIN: F005652B000359038

Place: Mumbai
Date: June 17, 2020

Annexure to the Secretarial Audit Report

To

The Members

Receivables Exchange of India Limited (RXIL)

We further state that our said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these records based on the audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination is limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For: Deep Shukla & Associates
Company Secretaries

Deep Shukla
{Proprietor}
FCS: 5652
CP NO.5364
UDIN: F005652B000359038

Place: Mumbai
Date: June 17, 2020

ANNEXURE II TO THE BOARD REPORT

Form No. MGT-9
Extract of Annual Return

As on the financial year ended on March 31, 2020

RECEIVABLES EXCHANGE OF INDIA LIMITED

"[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]"

I. Registration and Other Details

i.	**CIN**	U67190MH2016PLC273522
ii.	**Registration Date**	February 25, 2016
iii.	**Name of the Company**	Receivables Exchange of India Limited
iv.	**Category / Sub-Category of the Company**	Company Limited by Shares / Indian Non-Government Company
v.	**Address of the Registered office and contact details**	Trade Centre (Vatika Business Centre), 1st Floor (Unit No. 02), Office No. 14, BKC, Bandra (East), Mumbai - 51. Tel Phone : 022 - 40771424 Email id.: info@rxil.in
vi	**Whether listed company**	No
vii	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	KFin Technologies Private Limited Karvy Selenium, Tower- B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032, India. Toll Free Number : 18003454001 Email :dheeraj.b@kfintech.com

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	TReDS Exchange Operator	6619	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
			NA		

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	75,00,000	-	75,00,000	30.00	1,50,00,000	-	1,50,00,000	30.00	-
e) Banks / FI	75,00,000	-	75,00,000	30.00	1,50,00,000	-	1,50,00,000	30.00	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**1,50,00,000**	**-**	**1,50,00,000**	**60.00**	**3,00,00,000**	**-**	**3,00,00,000**	**60.00**	**-**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**1,50,00,000**	**-**	**1,50,00,000**	**60.00**	**3,00,00,000**	**-**	**3,00,00,000**	**60.00**	**-**

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	69,75,000	-	69,75,000	27.90	1,39,50,000	-	1,39,50,000	27.90	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**69,75,000**	**-**	**69,75,000**	**27.90**	**1,39,50,000**	**-**	**1,39,50,000**	**27.90**	**-**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	30,25,000	-	30,25,000	12.10	60,50,000	-	60,50,000	12.10	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**30,25,000**	**-**	**30,25,000**	**12.10**	**60,50,000**	**-**	**60,50,000**	**12.10**	**-**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1,00,00,000**	**-**	**1,00,00,000**	**40.00**	**2,00,00,000**	**-**	**2,00,00,000**	**40.00**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Grand Total (A+B+C)	**2,50,00,000**	**-**	**2,50,00,000**	**100.00**	**5,00,00,000**	**-**	**5,00,00,000**	**100.00**	**-**

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Share	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Share	% of Total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Small Industries Development Bank of India (SIDBI)	75,00,000	30.00%	-	1,50,00,000	30.00%	-	0.00%
2	NSE Investments Limited (NSEIL)	75,00,000	30.00%	-	1,50,00,000	30.00%	-	0.00%

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Small Industries Development Bank of India (SIDBI)**				
	At the beginning of the year	75,00,000	30.00	1,50,00,000	30.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	75,00,000			
	At the end of the year	1,50,00,000		1,50,00,000	30.00

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	**NSE Investments Limited (NSEIL)**				
	At the beginning of the year	75,00,000	100.00	1,50,00,000	30.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.	75,00,000			
	At the end of the year	1,50,00,000		1,50,00,000	30.00

iv. Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**ICICI Bank Limited (ICICI)**				
	At the beginning of the year	25,00,000	10.00	49,95,000	9.99
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.)	24,95,000	-	-	-
	At the End of the year	49,95,000		49,95,000	9.99

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	**State Bank of India (SBI)**				
	At the beginning of the year	24,75,000	9.90	49,50,000	9.90
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc):	24,75,000	-	-	-
	At the end of the year	49,50,000		49,50,000	9.90

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	**YES Bank Limited**				
	At the beginning of the year	20,00,000	8.00	40,00,000	8.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc):	20,00,000	-	-	-
	At the end of the year	40,00,000		40,00,000	8.00%

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	**SBI Capital Markets Limited**				
	At the beginning of the year	15,25,000	6.10	30,50,000	6.10
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc):	15,25,000	-	-	-
	At the end of the year	30,50,000		30,50,000	6.10%

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	**ICICI Securities Limited**				
	At the beginning of the year	15,00,000	6.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc):	No change	-	-	-
	At the end of the year			15,00,000	3.00

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	**ICICI Home Finance Limited**				
	At the beginning of the year	-	-	15,05,000	3.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc):	15,05,000	3.01	-	-
	At the end of the year	15,05,000	3.01	15,05,000	3.01

v. Shareholding of Directors and Key Managerial Personnel: None of the Directors/ Key Managerial Personnel hold shares in the Company

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	**-**	**-**	-

VI. Remuneration of Directors And Key Managerial Personnel

i. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr.No.	Particulars of Remuneration	Mr. Ketan Gaikwad, MD and CEO
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	8,857,236
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission - as % of profit - others, specify…	
5	Others, please specify	
	Total	**8,857,236**

iii. Remuneration to other directors:

Sr.No.	Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
		Mr. Janki Ballabh	Mr. Raman Uberoi	
1	**Independent Directors**			
	- Fee for attending board /committee meetings	1,80,000.00	1,80,000.00	**3,60,000.00**
	- Commission	-	-	**-**
	- Others, please specify	-	-	**-**
	Total (1)	**1,80,000.00**	**1,80,000.00**	**3,60,000.00**
2	**Other Non-Executive Directors - Others, please specify**			
	- Fee for attending board /committee meetings	-	-	**-**
	- Commission	-		**-**
	- Others, please specify	-	-	**-**
	Total (2)	**-**	**-**	**-**
	Total (B)=(1+2)	**1,80,000.00**	**1,80,000.00**	**3,60,000.00**
	Total Managerial Remuneration			**3,60,000.00**
	Ceiling as per the Act	Rs.20000 per board meeting and Rs.10000 per committee meeting		

iv. Remuneration to key managerial personnel other than md/manager/wtd

#	Particulars of Remuneration	Mr. Kailashkumar Varodia, CFO	Ms. Riya Sawant, CS (1st April 2019 to September 25, 2019)	Ms. Anita Thomas, CS (November 11, 2019 onwards	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,85,660.00	6,06,471.00	2,95,152.00	**40,87,283.00**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	**-**	**-**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	**-**	**-**
2	Stock Option	-	-	**-**	**-**
3	Sweat Equity	-	-	**-**	**-**
4	Commission - as % of profit - others, specify…	-	-	**-**	**-**
5	Others, please specify	-	-	**-**	**-**
	Total	**31,85,660.00**	**6,06,471.00**	**2,95,152.00**	**40,87,283.00**

VII. Penalties / punishment/ compounding of offence:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			**NIL**		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			**NIL**		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**NIL**		
Compounding					

For and on behalf of the Board of Directors Receivables Exchange of India Limited

Ketan Gaikwad
Managing Director and CEO
DIN: 08359705

Raman Uberoi
Director
DIN: 03407353

Date: June 17, 2020
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To The Members of Receivables Exchange of India Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Receivables Exchange of India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive loss, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
    d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
    e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act
    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
    g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
    h. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
    i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- The Company does not have any of pending litigations which would impact its financial position as at March 31, 2020 – Refer Note 31 to the financial statements
- The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses - Refer Note 32 to the financial statements
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020 - Refer Note 33 to the financial statements

For Khandelwal Jain & Co.
Chartered Accountants
Firm's Registration No. 105049W

(Narendra Jain)
Partner
Membership No. 048725
UDIN: 20048725AAAACN3547

Place: Mumbai
Date: June 17, 2020

Annexure A to the Independent Auditor's Report of Even Date on the Financial Statements of Receivables Exchange of India Limited

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2020. We report that:

1. The Company is maintained proper records showing full particulars including quantitative details and situation of fixed assets

   We have been informed by management that owing to the lockdown in country, they are not able to conduct the physical verification of fixed asset as at March 31, 2020. However, considering the size and nature of tangible Fixed Assets, the management expects no material discrepancies and no significant impact on its financial statements

   The Company does not have any immovable property and accordingly the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company

2. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company

3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of clause 3(iii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company

4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Therefore, the provisions of clause 3(iv) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

6. We are informed that no cost records are required to be maintained by the Company under Section 148(1) of the Companies Act, 2013.

7. According to the information and explanations given to us and on the basis of records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues, wherever applicable. According to the records of the Company, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

   According to the information and explanations given to us, there were no dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute.

8. The Company has not taken any loan from banks, financial institutions or government and the Company has not issued any debentures. Therefore, the provisions of clause 3(viii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

9. The Company has not taken any term loans and has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(ix) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and section 188 of the Act, where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Khandelwal Jain & Co.
Chartered Accountants
Firm's Registration No. 105049W

(Narendra Jain)
Partner
Membership No. 048725
UDIN: 20048725AAAACN3547

Place: Mumbai
Date: June 17, 2020

Annexure B to the Independent Auditor's Report of even date on the financial statements of Receivables Exchange of India limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of RECEIVABLE EXCHANGE OF INDIA LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Khandelwal Jain & Co.
Chartered Accountants
Firm's Registration No. 105049W

(Narendra Jain)
Partner
Membership No. 048725
UDIN: 20048725AAAACN3547

Place: Mumbai
Date: June 17, 2020

BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in Thousands)

Particulars				Note No.	As at March 31, 2020	As at March 31, 2019
I.	**ASSETS**					
	1.	**Non-current assets**				
		a.	Property, Plant and Equipment's	3	4,493.78	2,727.17
		b.	Other Intangible Assets	4	13,327.66	19,490.43
		c.	Intangible assets under development	4	1,765.50	796.50
		d.	Others Financial Assets- deposits	7	1,904.75	1,155.83
		e.	Income tax assets (net)	14	1,516.34	1,644.25
		f.	Other Non-current assets	9	-	13.22
					23,008.03	**25,827.40**
	2.	**Current assets**				
		a.	Financial Assets			
			i. Investments	5	4,071.74	15,713.30
			ii. Trade Receivable	8	505.01	34.00
			iii. Cash and Cash equivalents	10	25,055.34	3,100.37
			iv. Bank balances other than cash & cash equivalents	6	1,08,055.03	67,915.44
			v. Other Financial assets	7	1,246.50	2,961.99
		b.	Other current assets	9	28,517.72	24,949.77
					1,67,451.34	**1,14,674.87**
			TOTAL ASSETS		**1,90,459.37**	**1,40,502.27**
II.	**EQUITY AND LIABILITIES**					
	1.	**Equity**				
		a.	Equity Share capital	11	3,75,000.00	2,50,000.00
		b.	Other Equity	12	(2,05,983.49)	(1,24,327.39)
					1,69,016.51	**1,25,672.61**
	2.	**Liabilities**				
		a.	**Non-current liabilities**			
			i. Deferred tax liabilities (Net)	13	214.58	1,365.54
			ii. Provisions	17	1,376.04	146.59

						1,590.62	**1,512.13**
		b.	**Current liabilities**				
			i.	Financial Liabilities	15		
				Trade payable			
				• Total Outstanding dues of micro enterprises & small enterprises		173.96	140.40
				• Total Outstanding dues of creditors other than micro enterprises & small enterprises		-	-
				Others		11,588.42	10,290.33
			ii.	Non-Financial liabilities	16	2,878.13	1,902.90
			iii.	Provisions	17	5,211.73	983.90
						19,852.24	**13,317.53**
TOTAL EQUITY AND LIABILITIES						**1,90,459.37**	**1,40,502.27**
Summary of significant accounting policies					1 & 2		
The accompanying notes are an integral part of the financial statements.							

As per our Report of even date attached

For Khandelwal Jain & Co

Chartered Accountants

Firm Regn. No. 105049W

Narendra Jain

Partner

Membership No. 048725

For and on behalf of the Board of Directors

Ketan Gaikwad

Managing Director & CEO

[DIN: 08359705]

Raman Uberoi

Director

[DIN: 03407353]

Kailashkumar Varodia

Chief Financial Officer

Anita Thomas

Company Secretary

Place: Mumbai

Date: June 17, 2020

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Thousands)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	18	25,142.63	13,400.53
Other income	19	4,496.43	11,221.53
Total Income		**29,639.06**	**24,622.06**
Expenses			
Employee benefits expense	20	57,720.69	25,104.76
Depreciation and amortisation expense	3 & 4	12,652.10	10,187.96
Other expenses	21	42,094.84	31,882.84
Total Expenses		**1,12,467.63**	**67,175.56**
Profit before exceptional item & tax		**(82,828.57)**	**(42,553.50)**
Add : Exceptional Item		-	-
Profit / (Loss) before tax for the year		**(82,828.57)**	**(42,553.50)**
Less: Tax expenses			
Current tax		-	-
Deferred tax	13	(1,156.37)	(1,078.96)
Total Tax Expenses		**(1,156.37)**	**(1,078.96)**
Profit / (Loss) after tax for the year (A)		**(81,672.20)**	**(41,474.53)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		21.51	-
Items that will be reclassified to profit or loss			
Tax Remeasurements of post-employment benefit obligations		(5.41)	-
Total Other Comprehensive Income (B)		**16.10**	**-**
Total Comprehensive Income (A+B)		**(81,656.10)**	**(41,474.53)**

Earnings per equity share (FV Rs. 10 each)			
Basic and Diluted (Rs.)	28	(3.08)	(1.66)
Summary of significant accounting policies	1 & 2		
The accompanying notes are an integral part of the financial statements.			

As per our Report of even date attached

For Khandelwal Jain & Co

Chartered Accountants

Firm Regn. No. 105049W

Narendra Jain

Partner

Membership No. 048725

For and on behalf of the Board of Directors

Ketan Gaikwad

Managing Director & CEO

[DIN: 08359705]

Raman Uberoi

Director

[DIN: 03407353]

Kailashkumar Varodia

Chief Financial Officer

Anita Thomas

Company Secretary

Place: Mumbai

Date: June 17, 2020

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Thousands)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CASHFLOW FROM OPERATING ACTIVITIES			
NET PROFIT/ (LOSS) BEFORE TAX		**(82,828.57)**	**(42,553.50)**
Add/(Less) :- Adjustments for :			
Depreciation and amortisation expense		12,652.10	10,187.96
Adjustments for :			-
i.	Interest income on Bank deposit & Income tax refund	(3,930.71)	(6,312.83)
Ii	Net gain on financial assets mandatorily measured at fair value through profit or loss	(475.45)	(1,537.44)
iii.	Income on Deposit IND AS	(90.27)	(29.77)
iv.	Expense on Deposit- IND AS	89.62	31.10
v.	Share Issue Expense	2,381.05	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(72,202.23)**	**(40,214.48)**
Adjustments for :			
i.	(Increase)/Decrease in Trade Receivable	(471.01)	(34.00)
Ii	Increase/(Decrease) in trade payables and financial liabilities	2,719.65	1,992.51
iii.	(Increase)/Decrease in other financial assets	-	-
iv.	(Increase)/Decrease in Other Assets	(4,303.00)	(7,126.72)
v.	Increase/(Decrease) in non-financial liabilities & Provision	6,437.94	(6,282.97)
CASH GENERATED FROM OPERATIONS		**(67,818.65)**	**(51,665.66)**
	Direct Taxes paid (Net of Refunds)	127.90	381.44
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)		**(67,690.74)**	**(51,284.22)**
CASHFLOW FROM INVESTING ACTIVITIES			
	Purchase of Fixed Assets/Capital work-in-progress	(10,596.85)	(5,288.64)
	Interest received	5,646.20	6,772.84
	Redemption of Fixed Deposit	(40,139.59)	1,31,084.10
	Investment in Fixed deposit	-	(1,02,915.44)
	Investment in Mutual Fund	(1,05,00,000.00)	(16,500.00)
	Redemption of Mutual Fund	1,05,12,117.01	34,107.77
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)		**(32,973.23)**	**47,260.62**

CASHFLOW FROM FINANCING ACTIVITIES		
Issue of equity shares	1,25,000.00	-
Share Issue expenses	(2,381.05)	-
Net Cash From (Used In) Financing Activities - Total (C)	**1,22,618.95**	**-**
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	**21,954.98**	**(4,023.60)**
Cash And Cash Equivalents : Opening Balance	3,100.37	7,123.97
Closing Cash And Cash Equivalents : Closing Balance	25,055.34	3,100.37
Net Increase / (Decrease) In Cash And Cash Equivalent	**21,954.97**	**(4,023.60)**

Notes to Cash Flow Statement:

1. Cash and Cash equivalent represent bank balances and deposits with original maturity of less than 3 months.

2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind-AS 7 on Statement of Cash Flow notified under Companies (Indian Accounting Standards) Rules, 2015.

Summary of significant accounting policies 1 & 2

As per our Report of even date attached

For Khandelwal Jain & Co
Chartered Accountants
Firm Regn. No. 105049W

Narendra Jain
Partner
Membership No. 048725

For and on behalf of the Board of Directors

Ketan Gaikwad
Managing Director & CEO
[DIN: 08359705]

Raman Uberoi
Director
[DIN: 03407353]

Kailashkumar Varodia
Chief Financial Officer

Anita Thomas
Company Secretary

Place: Mumbai
Date: June 17, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 2020

(Rs. in Thousands)

(A) Equity Share Capital

Balance as at 31.03.2018	**2,50,000.00**
changes in equity share capital during the year	-
Balance as at 31.03.2019	**2,50,000.00**
changes in equity share capital during the year	1,25,000.00
Balance as at 31.03.2020	**3,75,000.00**

(B) Other Equity

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance as at 31.03.2018	**-**	**(82,852.86)**	**(82,852.86)**
Profit / (Loss) after tax for the year	-	(41,474.53)	(41,474.53)
Other Comprehensive Income	-	-	-
Balance as at 31.03.2019	**-**	**(1,24,327.39)**	**(1,24,327.39)**
Profit / (Loss) after tax for the year	-	(81,672.20)	(81,672.20)
Other Comprehensive Income	-	16.10	16.10
Balance as at 31.03.2020	**-**	**(2,05,983.49)**	**(2,05,983.49)**

As per our Report of even date attached

For Khandelwal Jain & Co
Chartered Accountants
Firm Regn. No. 105049W

Narendra Jain
Partner
Membership No. 048725

For and on behalf of the Board of Directors

Ketan Gaikwad
Managing Director & CEO
[DIN: 08359705]

Raman Uberoi
Director
[DIN: 03407353]

Kailashkumar Varodia
Chief Financial Officer

Anita Thomas
Company Secretary

Place: Mumbai
Date: June 17, 2020

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

NOTE 1: GENERAL INFORMATION

Background

Receivables Exchange of India Ltd (RXIL), is promoted by Small Industries Development Bank of India (SIDBI), the apex financial institution for promotion and financing of MSMEs in India and NSE Investment Limited (Formerly known as NSE Strategic Investment Corporation of India Limited), a wholly owned subsidiary of National Stock Exchange of India Limited (NSEIL), the premier stock exchange in India. RXIL has been incorporated under the Companies Act, 2013 on February 25, 2016. RXIL operates the Trade Receivables Discounting System (TReDS) Platform as per the TReDS guideline issued by RBI on December 3, 2014. Reserve Bank of India (RBI) has authorized RXIL to operate TReDS under the Payment and Settlement Systems Act, 2007 vide their letter dated December 01, 2016. Accordingly RXIL has started their operations w.e.f January 09, 2017. Further RBI, vide their letter dated May 17, 2017, has granted final Certificate of Authorisation to RXIL to operate TReDS. The said certificate is valid till June 30, 2022.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS financial statements") as amended.

a. Basis of preparation of Financial Statements

1. Compliance with Ind AS

   The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 ('Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

2. Historical Cost Convention

   The financial statements have been prepared on a historical cost basis, except for the following:

   - Certain financial assets and liabilities that is measured at fair value, and
   - Defined benefit plans - plan assets measured at fair value

   Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

   In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

b. Foreign currency translation and transactions

1. Functional and presentation currency

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

2. Transactions and balances

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of 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.

c. Revenue recognition

RXIL operates in Trade Receivables Discounting System (TReDS) under payment and Settlement Systems Act, 2007. TReDS is a scheme for setting up and operating the institutional mechanism for facilitating the financing of trade receivables of MSMEs from corporate and other buyers, including Government Departments and Public Sector Undertakings (PSUs), through multiple financiers.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 1 to the Recent accounting Pronouncements – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

1. Transaction charges are recognized on accrual basis as and when the services are rendered**;**
2. Annual and other fees - revenue is recognised on a straight-line basis over the period to which the fee relates.
3. Registration fees- The revenue is recognized on the completion of registration.
4. Other insurance claims are accounted on accrual basis when the claims become due and payable.
5. Income excludes applicable taxes and other levies

d. Income taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses:

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

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

e. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

As a lessee

Effective from April 1, 2019 ,the company has adopted Ind AS 116, At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Company does not have any impact on account of this amendment.

f. Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

g. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

h. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

i. Investments and other financial assets

1. Classification

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

2. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

3. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses

which are recognised in profit and loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

4. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

5. De-recognition of financial assets

A financial asset is de-recognised only when

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

6. Income recognition

- Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

- Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured.

j. Financial liabilities

1. Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

2. Initial recognition and measurement

   Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

3. Subsequent measurement

   Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

4. Derecognition

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

k. Offsetting financial instruments

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

l. Property, plant and equipment (including CWIP)

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

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

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Property, Plant & Equipment	Useful Life
Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment	10 years
Computer systems office automation	3 years
Computer systems – others	4 years
Computer software	4 years
Telecommunication systems	4 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

Fixed assets whose aggregate cost is Rs. 5,000 or less are depreciated fully in the year of acquisition.

m. Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

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

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of 4 years.

n. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

o. Provisions

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

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

p. 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 the obligation or a reliable estimate of the amount cannot be made.

q. Contingent Asset

A Contingent Asset is neither recognised nor disclosed in the financial statements.

r. Employee benefits

1. Short-term obligations

   Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the year in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

2. Other long-term employee benefit obligations

   The liabilities for long term employees benefit obligations are the amounts expected to be paid when the liabilities are settled. Long term employee's benefits are recognized in statement of profit and loss in the year in which the related services is rendered. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

s. Contributed equity

Equity shares are classified as equity.

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

t. Dividends

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

u. Earnings per share

1. Basic earnings per share

   Basic earnings per share is calculated by dividing:

   - the profit attributable to owners of the Company
   - By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.
   - Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period.

2. Diluted earnings per share

   Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

   - the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
   - the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

v. Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, Unless otherwise stated.

w. Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimation of tax expense and payable Note 13 and 14
2. Estimated useful life of intangible asset Note 4
3. Estimation of amount of contingent liabilities refer Note 30
4. Estimation of Impairment of Assets

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

x. Recently issued Accounting Standard (Ind As)

Ministry of Corporate Affairs has notifies new standards or amendments to existing standards. There is no such notification which would be applicable from April 01, 2020.

NOTE 3: PROPERTY PLANT AND EQUIPMENT

(Rs. in Thousands)

Particulars	Office Equipment	Furniture and Fixtures	Computers - End user devices	Computers - Servers and networks	Total
Gross carrying amount					
Opening gross carrying amount as at 01-04-2018	-	-	1,284.64	1,904.29	3,188.93
Additions	-	554.51	355.27	707.86	1,617.64
Deletions	-	-	653.00	-	653.00
Closing gross carrying amount	**-**	**554.51**	**986.91**	**2,612.15**	**4,153.57**
Accumulated depreciation and impairment					
Opening accumulated depreciation	-	-	481.30	581.72	1,063.02
Depreciation charge during the year	-	15.35	(137.26)	485.28	363.38
Impairment loss	-	-	-		-
Disposals	-	-	-	-	-
Closing depreciation and impairment	**-**	**15.35**	**344.04**	**1,067.00**	**1,426.40**
Net Carrying Amount as at March 31, 2019	**-**	**539.16**	**642.87**	**1,545.15**	**2,727.17**
Gross carrying amount					
Opening gross carrying amount	-	554.51	986.91	2,612.15	4,153.57

as at 01-04-2019					
Additions	-	-	3,080.59	264.35	3,344.94
Deletions	-	-	-	-	-
Closing gross carrying amount	**-**	**554.51**	**4,067.50**	**2,876.50**	**7,498.51**
Accumulated depreciation and impairment					
Opening accumulated depreciation	-	15.35	344.04	1,067.00	1,426.40
Depreciation charge during the year	-	55.57	813.75	709.02	1,578.33
Impairment loss	-	-	-		-
Disposals	-	-	-	-	-
Closing depreciation and impairment	**-**	**70.92**	**1,157.79**	**1,776.02**	**3,004.73**
Net Carrying Amount as at March 31, 2020	**-**	**483.59**	**2,909.71**	**1,100.48**	**4,493.78**

NOTE 4: INTANGIBLE ASSETS

(Rs. in Thousands)

Particulars	TReDS & Software	Intangible assets under development
Gross carrying amount		
Opening gross carrying amount as at 01-04-2018	37,528.00	330.73
Additions	3,734.23	1,260.00
Disposals	-	-
Transfers	-	(794.23)
Closing gross carrying amount	**41,262.23**	**796.50**
Accumulated depreciation and impairment		
Opening accumulated depreciation	11,947.23	-
Depreciation charge during the year	9,824.58	-
Disposals	-	-
Closing amortization & impairment	**21,771.81**	**-**
Net carrying amount as at March 31, 2019	**19,490.43**	**796.50**
Gross carrying amount		
Opening gross carrying amount as at 01-04-2019	41,262.23	796.50
Additions	4,911.00	5,880.00
Disposals	-	-
Transfers	-	(4,911.00)
Closing gross carrying amount	**46,173.23**	**1,765.50**
Accumulated depreciation and impairment		
Opening accumulated depreciation on 01-04-2020	21,771.81	-
Depreciation charge during the year	11,073.77	-
Disposals	-	-
Closing amortization & impairment	**32,845.58**	**-**
Net carrying amount as at March 31, 2020	**13,327.66**	**1,765.50**

NOTE NO. 5: CURRENT INVESTMENTS

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Units	(Rs. in Thousands)	Number of Units	(Rs. in Thousands)
Investment in mutual funds				
Unquoted investments in mutual funds at FVPL				
ICICI Prudential Liquid Plan Direct--Growth	13,860	4,071.74	56,846	15,713.30
Total	**13,860**	**4,072**	**56,846**	**15,713**

(Rs. in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	4,071.74	15,713.30

NOTE 6: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

(Rs. in Thousands)

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity for more than 12 months			10,000.00	67,915.44
Deposits with original maturity for more than 3 months but less than 12 months			98,055.03	-
Total	**-**	**-**	**1,08,055.03**	**67,915.44**

NOTE 7: OTHERS FINANCIAL ASSETS

(Rs. in Thousands)

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Security Deposit	1,904.75	1,155.83	-	-
Interest accrued on Bank deposits	-	-	1,246.50	2,961.99
Total	**1,904.75**	**1,155.83**	**1,246.50**	**2,961.99**

NOTE 8: TRADE RECEIVABLE

(Rs. in Thousands)

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Registration fee receivable	-	-	505.01	34.00
Other trade receivables	-	-	-	-
Total	-	-	**505.01**	**34.00**

NOTE 9: OTHERS ASSETS

(Rs. in Thousands)

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Balances with GST authorities	-	-	27,577.75	23,562.90
Prepaid lease rent- IND AS	-	13.22	13.22	89.62
Advance to Employee	-	-	7.85	-
Prepaid expenses	-	-	918.91	1,297.25
Total	**-**	**13.22**	**28,517.72**	**24,949.77**

NOTE 10: CASH AND CASH EQUIVALENTS

(Rs. in Thousands)

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Balances with banks				
In current accounts	-	-	55.34	600.37
Deposits with original maturity of less than three months	-	-	25,000.00	2,500.00
Cash in hand	-	-	-	-
Total	**-**	**-**	**25,055.34**	**3,100.37**

NOTE 11: SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
a. Authorised		
50,000,000 (Previous Year 25,000,000) Equity Shares of Rs.10 each	5,00,000.00	2,50,000.00
b. Issued, Subscribed and Paid-up		
Issued, Subscribed and Fully Paid-up	-	-
25,000,000 (Previous Year 25,000,000) Equity Shares of Rs 10 each, fully paid	2,50,000.00	2,50,000.00
Issued, Subscribed, Called up and Partly Paid-up	-	-
25,000,000 (Previous Year Nil) Equity Shares of Rs 10 each, called up and paid up Rs. 5 each	1,25,000.00	-
Total	**3,75,000.00**	**2,50,000.00**

i. The Company has not issued bonus shares since its inception.

ii. Terms and Rights of Equity Shareholders

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Voting rights of each holder of partly paid up equity share is proportionate to the paid up amount of such share

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

iii. A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the Year.

a. Equity Shares, fully paid shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Units	(Rs. in Thousands)	Number of Units	(Rs. in Thousands)
Opening Balance	2,50,00,000	2,50,000.00	2,50,00,000	2,50,000.00
Add: Additional during the year	-	-	-	-
Closing Balance	**2,50,00,000**	**2,50,000.00**	**2,50,00,000**	**2,50,000.00**

*'*Share held by nominees were transferred to respective shareholder on November 21, 2017*

b. Equity Shares, partly paid shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Units	(Rs. in Thousands)	Number of Units	(Rs. in Thousands)
Opening Balance				
Add: Right shares of Rs 10 each Issued during the year, called up and paid up Rs. 5 each	2,50,00,000	1,25,000.00	-	-
Closing Balance	**2,50,00,000**	**1,25,000.00**	**-**	**-**

Equity shares issued on rights basis were allotted on February 17, 2020.

iv. Details of shareholders holding more than 5% share in the company

c. Equity shares of Rs.10 each, Fully paid up

Particulars	As at March 31, 2020		As at March 31, 2019	
	No.	% holding	No.	% holding
NSE Investments Ltd (Formerly known as NSE Strategic Investment Corporation Ltd) and its *nominees	75,00,000	30.00%	75,00,000	30.00%
Small industrial Bank of India Ltd (SIDBI) and its *nominees	75,00,000	30.00%	75,00,000	30.00%
ICICI Bank Limited	25,00,000	10.00%	25,00,000	10.00%
ICICI Securities Limited	15,00,000	6.00%	15,00,000	6.00%
State Bank Of India	24,75,000	9.90%	24,75,000	9.90%
SBI Capital Markets Ltd	15,25,000	6.10%	15,25,000	6.10%
Yes Bank Limited	20,00,000	8.00%	20,00,000	8.00%

d. Equity shares of Rs.10 each, called up and partly paid up Rs. 5 each

Particulars	As at March 31, 2020		As at March 31, 2019	
	No.	% holding	No.	% holding
NSE Investments Ltd (Formerly known as NSE Strategic Investment Corporation Ltd) and its *nominees	75,00,000	30.00%	-	-
Small industrial Bank of India Ltd (SIDBI) and its *nominees	75,00,000	30.00%	-	-
ICICI Bank Limited	24,95,000	9.98%	-	-
ICICI Home Finance Limited	15,05,000	6.02%	-	-
State Bank Of India	24,75,000	9.90%	-	-
SBI Capital Markets Ltd	15,25,000	6.10%	-	-
Yes Bank Limited	20,00,000	8.00%	-	-

Capital management

The Company considers the following components of its Balance Sheet to be managed capital:

Total equity (as shown in the balance sheet). – retained profit / (Loss) and share capital

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management’s judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company aims to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

Compliance with externally imposed capital requirements

In accordance with Guidelines for setting up of and operating the Trade Receivables Discounting System (TReDS) issued by Reserve Bank of India, the company shall have minimum paid up equity capital of Rs. 25 crore. The Company is in compliance with the said requirement.

NOTE 12: OTHER EQUITY

(Rs. in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at April 1, 2019	(1,24,327.39)	(82,852.86)
Profit / (Loss) after tax for the year	(81,672.20)	(41,474.53)
Other Comprehensive Income	16.10	-
Balance as at March 31, 2020	(2,05,983.49)	(1,24,327.39)

NOTE 13: INCOME TAX

a. The major components of income tax expense in the statement of profit and loss

(Rs. in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
Statement of profit and loss		
Current tax on profit for the year	-	-
Deferred tax expense / (gain)	(1,156.37)	(1,078.96)
Total tax expense	**(1,156.37)**	**(1,078.96)**

(Rs. in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
OCI section	-	-
Related to items recognised in OCI during in the year:	-	-
Tax Remeasurements of post-employment benefit obligations	(5.41)	-
Income tax charged to Other Comprehensive Income	**(5.41)**	-

b. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(Rs. in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
Profit before income tax expense	(82,828.57)	(42,553.50)
At India's statutory income tax rate of 25.17%	(20,847.95)	(11,063.91)
Others	536.78	(869.62)
Tax impact of Loss carried Forward	19,154.80	10,854.56
Income tax expense	**(1,156.37)**	**(1,078.96)**

c. Deferred Tax liabilities (net)

The balance Comprises Temporary Difference attributable to:

(Rs. in Thousands)

Particulars	Balance Sheet	Statement of Profit and Loss	Balance Sheet	Statement of Profit and Loss	Balance Sheet
	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	For the year March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities					
Property, plant and equipment and investment property	707.42	(1,063.61)	1,771.03	(403.20)	2,174.23
Financial Assets at Fair Value through profit and Loss	8.03	(62.18)	70.22	(696.78)	767.00
Total (A)	**715.45**	**(1,125.80)**	**1,841.25**	**(1,099.98)**	**2,941.23**
Less : Deferred Tax Assets					
Related to Preliminary Expenses Written off	128.84	(137.33)	266.17	(133.08)	399.25
Related to employee defined Benefit plans	372.04	162.50	209.54	112.07	97.47
Related to unabsorbed Loss / Depreciation	51,525.06	19,876.97	31,648.09	8,326.65	23,321.44
Less:- Amount not recognised*	(51,525.06)	(19,876.97)	(31,648.09)	(8,326.65)	(23,321.44)
Total (B)	**500.87**	**25.16**	**475.71**	**(21.02)**	**496.73**
Net Deferred Tax liabilities (A-B)	**214.58**	**(1,150.96)**	**1,365.54**	**(1,078.96)**	**2,444.50**

**In accordance with the Indian Accounting Standard (Ind AS) - 12 "Income Taxes" as notified under section 133 of the Companies Act, 2013 ("the Act"), to the extent that it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised, the deferred tax asset on unused tax losses or unused tax credits is not recognised.*

NOTE 14: INCOME TAX ASSETS (NET)

(Rs. in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax paid including TDS (Net of Provisions)	1,516.34	1,644.25
	1,516.34	**1,644.25**

NOTE 15: FINANCIAL LIABILITIES

(Rs. in Thousands)

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Balances with banks				
Trade Payables MSME (refer note 23)	-	-	173.96	140.40
Trade payables (other than MSME) (refer note 23)	-	-	-	-
			173.96	**140.40**
Others (refer note 26 below)				
Provisions For expenses			9,203.98	1,765.30
Payable for Capital Expenditure (refer note 23)			-	1,388.00
Payable for Other Expenses (refer note 23)			2,384.44	7,137.03
Total	**-**	**-**	**11,588.42**	**10,290.33**

NOTE 16: NON-FINANCIAL LIABILITIES

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
Income Received in advance	684.16	565.26
Statutory payments	2,012.87	1,337.40
Advances from debtors	181.10	0.24
Total	**2,878.13**	**1,902.90**

NOTE 17: PROVISION EMPLOYEE BENEFITS

(Rs. in Thousands)

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provisions for Leave encashments	831.68	-	100.97	659.33
Provision for Gratuity	544.36	146.60	1.09	-
Provision for variable pay and other allowances	-	-	5,109.68	324.56
Total	**1,376.04**	**146.60**	**5,211.73**	**983.90**

NOTE 18: REVENUE FROM OPERATIONS

(Rs. in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
Sale of Services		
Registration Fees	11,271.69	5,130.00
Transaction Charges	13,747.33	8,220.79
Annual Fees	123.60	49.74
	25,142.63	**13,400.53**

NOTE 19: OTHER INCOME

(Rs. in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
Sale of Services		
Interest income from financial assets at amortised cost		
- Interest Income On Bank Deposits	3,848.47	6,246.42
Other Interest		
- Income on Deposit IND AS	90.27	29.77
- Interest on I.T. Refund	82.24	66.41
	4,020.98	**6,342.60**
Excess Provisio Write Back*	**-**	**3,341.49**
Other gains/(losses)		
Net gain Investments mandatorily measured at Fair Value through Profit or Loss	31.92	270.06
Net gain on sale of Investments mandatorily measured at Fair Value through Profit or Loss	443.53	1,267.38
	475.45	**1,537.44**
	4,496.43	**11,221.53**

** Varibale pay written back since the same is not payable.*

NOTE 20: EMPLOYEE BENEFITS EXPENSES

(Rs. in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
Salaries, wages and bonus	42,903.75	9,759.56
Contribution to provident and other fund	1,589.93	337.18
Employees welfare expenses	930.75	54.87
Deputed Personnel Cost	12,296.26	14,953.14
Total	**57,720.69**	**25,104.76**

NOTE 21: OTHER EXPENSES

(Rs. in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
Rent	8,015.32	6,885.60
Outsourcing Charges	2,016.22	1,886.97
Repair & Maintenance :		
- Trading and Computer System	9,220.65	4,915.76
- Others	182.79	10.50
Professional fees	5,321.09	4,291.14
Software Testing Charges	1,164.27	1,462.13
Electricity expenses	-	1,032.22
Clearing & Settlement Charges	409.11	357.34
Insurance Expenses	2,716.94	1,218.85
Traveling Expenses	3,797.47	2,923.79
Director Sitting Fees	380.00	400.00
Telephone Expenses	164.05	73.18
Printing & Stationery	321.68	156.71
Employees Training Expenses	350.12	-
Business Promotion Expenses	368.08	-
Auditors' Remuneration (refer note below)	213.00	179.52
Ineligible GST	68.37	860.51
Share Issue Expense	2,381.05	-
Data Center Charges	4,024.33	4,045.62
Other expenses	980.30	1,183.02
Total	**42,094.84**	**31,882.84**

Note:

Auditors' Remuneration		
As Auditors		
Audit fees	160.00	135.00
Limited review	40.00	35.00
In other capacity	-	-
Out of Pocket Expenses	13.00	9.52
Total	**213.00**	**179.52**

NOTE 22: EXPENDITURE IN FOREIGN CURRENCY

(Rs. in Thousands)

Particulars	As at March 31, 2020	As at March 31, 2019
Travelling Expenses	NIL	NIL
Others	NIL	NIL

NOTE 23:

Trade payables outstanding amounts of Rs.173.96 Thousand (including interest of Rs. Nil), previous year Rs.140.40 Thousand (including interest of Rs. Nil), payable to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 24:

Payments to and provision for employees includes the amount reimbursed by the company to Small industrial Bank of India Ltd (SIDBI) and National Stock exchange of India in respect of employees made available to the company. Accordingly, necessary provisions as required are rent, salary and salary deputy.

NOTE 25:

Operating segments are reported in a manner consistant with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM, who is responsible for allocating resources and assessing performance of Operating Segments, have been identified as MD & CEO of the Company. In the opinion of the management, as the Company's operations comprise of only facilitating trading of Receivable and the activities incidental thereto within India, the disclosures required in terms of Indian Accounting Standard (Ind AS)-108 - "Operating Segments" are not applicable.

NOTE 26:

In compliance with Indian Accounting Standard (Ind AS)-24 - "Related Party Disclosures" notified under section 133 of the Act read with Companies (Accounting Standards) Rules 2015 , the required disclosures are given in the table below:

Names of the related parties and related party relationship

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited (NSEIL)	Ultimate Holding company of Promoter company
2	NSE Investment Limited (Formerly known as NSE Strategic Investment Corporation Limited)	Promoter Company (Associate)
3	Small industrial Bank of India Ltd (SIDBI)	Promoter Company (Associate)
4	Mr. Ketan Gaikwad from April 01, 2019 (Managing Director & CEO)	Key Managerial Personnel
5	Mr. Kailashkumar Varodia (CFO)	Key Managerial Personnel
6	Ms. Riya Sawant (CS) Till 25-09-2019	Key Managerial Personnel
7	Ms. Anita Thomas w.e.f. 11-11-2019	Key Managerial Personnel
8	Mr. Mohammad Mustafa w.e.f. 21-11-2017	Chairman & Non Executive Director (Representing SIDBI)
9	Mr. Ajay Kumar Kapur Till 22-11-2019	Non Executive Director (Representing SIDBI)
10	Mr. Mukesh Agarwal	Non Executive Director (Representing NSICL)
11	Mr. Ajay Kumar Gupta	Nominee Director -ICICI
12	Mr. Narayanan Sadanandan Till 29-07-2019	Nominee Director -SBI
13	Mr. Devi Shankar Mishra w.e.f. 23-09-2019	Nominee Director -SBI
14	Mr. Janki Ballabh	Independent Director
15	Mr. Raman Uberoi	Independent Director

NOTE 27:

Details of transaction (including goods and service tax wherever levied) with parties are as follows:

Name of the Party	Nature of Transactions	Year ended March 31, 2020	Year ended March 31, 2019
NSE Investments Ltd (Formerly known as NSE Strategic Investment Corporation Ltd)	Receipts against rights issue of equity shares	3,750.00	-
National Stock Exchange of India Limited	Reimbursement paid for capital expenditure incurred	-	82.66
	Space & Infrastructure usage Charges paid	-	6,058.45
	Electricity & Water Charges paid (including provisions)	-	1,268.22
	DC Hosting Charges (including provisions)	4,024.33	4,507.25
	Reimbursement paid for expenses of staff on deputation (including provisions)	2,626.78	7,793.08
	Outstanding balance – (Credit) / Debit	**(1,483.09)**	**(5,761.95)**
Small industrial Bank of India Ltd (SIDBI)	Receipts against issue of Rights Share	3,750.00	-
	Reimbursement paid for expenses on staff on deputation	11,781.16	12,050.25
	Reimbursement paid for Rent for Residential Accommodation	293.37	369.00
	Outstanding balance – (Credit) / Debit	**-**	**(2,118.91)**
Key Management Personnel	Reimbursement and Gross remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	-	-
	For MD & CEO	10,883.95	9,059.93
	For CFO	3,478.11	2,525.74
	For CS	939.41	862.38
	For Independent Director (Director Sitting Fees)	380.00	400.00

NOTE 28:

In accordance with Indian Accounting Standard (Ind AS) 33 - “Earning per Share” issued by the Institute of Chartered Accountants of India, the required disclosure is given below.

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by weighted average number of equity shares outstanding during the year.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit / (Loss) attributable to Shareholders	(81,672.20)	(41,474.53)
2,50,00,000 of Rs. 10/ - each fully paid equity shares	2,50,00,000	2,50,00,000
2,50,00,000 of Rs. 5/- each partly paid equity shares	15,02,732	-
Weighted Average number of equity shares issued	2,65,02,732	2,50,00,000
Basic earnings per share of Rs. 10/- each (in Rs.)	(3.08)	(1.66)

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

NOTE 29: CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts executed on capital account (net of advances) NIL (Previous Year NIL)

NOTE 30:

1. Claims against company not acknowledged as debts: Rs. NIL
2. On account of disputed demand of Income tax Rs.NIL

NOTE 31:

As at March 31, 2020, the company does not have any pending litigation which would have impact on its financial position.

NOTE 32:

The Company did not have any long-term contracts including derivative contracts for which there was any material foreseeable losses.

NOTE 33:

For the period ended March 31, 2020, the company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

NOTE 34:

a. Fair value measurement

i. Fair Value Hierarchy and valuation technique used to determine fair value:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value and are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements

(Rs. in Thousands)

At 31 March, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	5	4,071.74	-	-	4,071.74
Total Financial Assets		**4,071.74**	**-**	**-**	**4,071.74**

(Rs. in Thousands)

At 31 March, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	5	15,713.30	-	-	15,713.30
Total Financial Assets		**15,713.30**	**-**	**-**	**15,713.30**

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarachy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, debentures, government securities and commercial papers) is determined using FIMMDA valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3

There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hirerchy level as at the end of reporting period.

ii. Valuation technique used to determine fair value :

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices and NAV.

iii. Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

iv. Fair value of Financial Assets and Liability at amortised cost

(Rs. in Thousands)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Financial Assets		
Fixed Deposits	1,33,055.03	70,415.44
Total	**1,33,055.03**	**70,415.44**

The carrying amounts of deposits, other bank balance, other receivables, trade payables, creditors for capital expenditures, other liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

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

b. Financial Instruments by category

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments:						
Fixed Deposits	-	-	1,08,055.03	-	-	67,915.44
Mutual Funds	4,071.74	-	-	15,713.30	-	-
Cash and Cash equivalents	-	-	25,055.34	-	-	3,100.37
Trade Receivable	-	-	505.01	-	-	34.00
Other Financial assets	-	-	1,246.50	-	-	2,961.99
Total financial assets	**4,071.74**	**-**	**1,34,861.87**	**15,713.30**	**-**	**74,011.80**
Financial Liabilities						
Trade Payable	-	-	173.96	-	-	140.40
Other Financial liabilities	-	-	11,588.42	-	-	10,290.33
Total financial liabilities	**-**	**-**	**11,762.38**	**-**	**-**	**10,430.73**

NOTE 35: FINANCIAL RISK MANAGEMENT

The Company’s business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a. Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company’s approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintains a conservative funding and investment strategy, with a positive cash balance throughout the period ended 31st Marchr, 2020. This was the result of cash generated from financing activity to provide the funds to service the financial liabilities on a day-to-day basis.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash equivalents (to the extent required) , other highly liquid investments and excess is invested in interest bearing term deposits and other highly marketable debt investments including the government securities with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(Rs. in Thousands)

As at March 31, 2020	Carrying amount	Payable on demand	Less than 12 months	More than 12 months	Total
Trade Payable	173.96	-	173.96	-	**173.96**
Other Financial liabilities	11,588.42		11,588.42		**11,588.42**

(Rs. in Thousands)

As at March 31, 2020	Carrying amount	Payable on demand	Less than 12 months	More than 12 months	Total
Trade Payable	140.40	-	140.40	-	**140.40**
Other Financial liabilities	10,290.33	-	10,290.33	-	**10,290.33**

b. MANAGEMENT OF MARKET RISK

"The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

Potential Impact of Risk	Management Policy	Sensitivity to Risk
1. Price Risk		
The Company is mainly exposed to the price risk due to its investment in mutual funds . The price risk arises due to uncertainties about the future market values of these investments. At March 31, 2020 the exposure to price risk due to investment in mutual funds amounted to Rs. 4,071.74 Thousand (Previous Year Rs. 15,713.30 Thousand).	In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies. The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.	As an estimation of the approximate impact of price risk, with respect to mutual funds , the Company has calculated the impact as follows: For mutual funds, a 0.25% increase in prices would have led to approximately an additional Rs. 10.18 Thousand (previous year Rs. 39.28 Thousand) gain in the Statement of Profit and Loss. A 0.25% decrease in prices would have led to an equal but opposite effect.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

c. "Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

The Company's maximum exposure to credit risk as at March 31, 2020, is the carrying value of each class of financial assets as disclosed in note no 5, 6, 7 and 10."

NOTE 36:

The recently promulgated Taxation Laws (Amendment) Ordinance 2019, has inserted section 115BAA in the Income Tax Act, 1961, providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions/ incentives. The option need to be exercised within the prescribed time for filing the return on income under section 139(1) of the Income Tax Act, 1961, for assessment year (AY) 2020-21 or subsequent assessment years. Once exercised, such an option cannot be withdrawn for the same or subsequent assessment years. These financial statements are prepared on the basis that the Company would avail the option to pay income tax at the lower rate. Consequently, the resultant impact is being recognised for year ended March 31, 2020. The deferred tax expense for the year ended March 31, 2020 includes a credit of Rs. 7.08 Thousand.

NOTE 37:

Disclosure under Indian Accounting Standard 19 (IND AS 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Provident Fund: Company has contributed Rs. 1,589.93 Thousand (previous year Rs. 337.18 Thousand) towards Provident Fund during the year ended March 31, 2020 to The Employees' Provident Fund Organisation.

Gratuity:

The Company provides for Gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of Gratuity is payable on retirement / termination of the employees based on last drawn basic salary per month multiplied for 15/26 and number of years of service.

a. Balance Sheet

i. The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the period are as follows:

Particulars	At March 31, 2020
At the beginning of the year (a)	**146.60**
Current service Cost	410.40
Interest cost / (income)	9.97
Expenses recognised in the Statement of Profit & Loss (b)	**420.37**
Remeasurements	-
Return on plan assets	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	-
Actuarial (gains) / losses on obligations - due to experience	(21.51)
Net (Income) / Expense for the period recognized in OCI ('c)	**(21.51)**
Employer Contributions	-
Benefits paid (d)	-
At the end of the year (a+b+c+d)	**545.45**

ii. The net liability disclosed above relates to funded plans are as follows:

Particulars	At March 31, 2020
Fair value of plan assets as at the end of the year	-
Liability as at the end of the year	545.45
Net (Liability) / Asset	**(545.45)**
Non-Current Portion	(544.36)
Current Portion	(1.09)

iii. Balance sheet re-conciliation:

Particulars	At March 31, 2020
Opening net liability	**146.60**
Expense recognized in Statement of Profit & Loss	420.37
(Income) / Expense recognized in OCI	(21.51)
Net (liability)/asset transfer in	-
Employer's contribution	-
Amount recognized in the Balance sheet	**545.45**

b. Statement of Profit & Loss

i. Net interest cost for current period

Particulars	At March 31, 2020
Interest cost	9.97
Interest income	-
Net Interest cost for current period	**9.97**

ii. Expense recognized in Statement of Profit & Loss

Particulars	At March 31, 2020
Current service Cost	410.40
Net Interest cost	9.97
Expense recognized in Statement of Profit & Loss	**420.37**

iii. Expense recognized in the Other Comprehensive Income

Particulars	At March 31, 2020
Re-measurement	
Expected return on Plan Assets	-
Actuarial (gain) / loss	(21.51)
Net (income) / expense for the period recognized in OCI	**(21.51)**

c. Sensitivity to key assumptions

Particulars	At March 31, 2020
Projected Benefit Obligation on Current Assumptions	545.45
Discount rate Sensitivity- Increase by 0.5%	514.46
Discount rate Sensitivity- Decrease by 0.5%	579.07
Salary growth rate Sensitivity- Increase by 0.5%	562.36
Salary growth rate Sensitivity- Decrease by 0.5%	530.22
Withdrawal rate Sensitivity- Increase by 10%	524.57
Withdrawal rate Sensitivity- Decrease by 10%	566.46

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

d. Significant actuarial assumptions are as follows:

Particulars	At March 31, 2020
Discount Rate	6.80%
Rate of Return on Plan Assets	Not Applicable
Salary Growth Rate	0% p.a for next 1 year & 10% p.a. thereafter
Withdrawal Rates	20% p.a at younger ages reducing to 2% p.a. at older ages

e. The expected maturity analysis of undiscounted gratuity defined benefits is as follows:

Particulars	At March 31, 2020
1st Following Year	1.09
2nd Following Year	1.15
3rd Following Year	7.80
4th Following Year	19.14
5th Following Year	56.41
Sum of Years 6 to 10	276.66
1st Following Year	1.09

f. Expected contribution to Gratuity plan for the year ending March 31, 2021 is Rs. 1.09 Thousand.

** Gratuity actuarial valuation is carried out first time for the financial year ended March 31, 2020. Hence, previous year's figures are not available.*

NOTE 38:

The Coronavirus (COVID-19) outbreak is an unprecedented global situation. World Health Organization (WHO) has declared the COVID-19 virus a ‘pandemic’. The Government of India and various state governments had put in place several measures including instituting a complete lockdown w.e.f. March 25, 2020 to combat the spread and transmission of the virus. Effective June 8, 2020 the said lockdown is being partially lifted in a phased manner.

During the lockdown, though all services across the nation were suspended, RXIL comes under Payment & Settlement Systems authorised by the Reserve Bank of India to operate TReDS platform in India. RXIL continued its function with minimal disruption during the lockdown period. Company planned and started the employee work from home to continue its operations without any disruption and support their clients.

"The Company has evaluated the potential impact of COVID-19 on the operations of the Company.

Based on its assessment, the Company is of the view that that there is no significant impact on the carrying value of its assets and liabilities as at March 31, 2020 and on the financial performance for the year ended March 31, 2020. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. Accordingly, going forward, the Company will continue to evaluate any significant changes to its operations and its resultant impact on the financial performance."

NOTE 39:

Previous Period Figures have been Reclassified / Regrouped Wherever Necessary.

As per our Report of even date attached

For Khandelwal Jain & Co

Chartered Accountants

Firm Regn. No. 105049W

Narendra Jain

Partner

Membership No. 048725

For and on behalf of the Board of Directors

Ketan Gaikwad

Managing Director & CEO

[DIN: 08359705]

Raman Uberoi

Director

[DIN: 03407353]

Kailashkumar Varodia

Chief Financial Officer

Anita Thomas

Company Secretary

Place: Mumbai

Date: June 17, 2020