RECEIVABLES EXCHANGE OF INDIA LIMITED

RXIL
AN NSE - SIDBI JV

Third Annual Report
2018-19

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS (as on June 4, 2019)

MR. MOHAMMAD MUSTAFA	:	CHAIRMAN
MR. JANKI BALLABH	:	INDEPENDENT DIRECTOR
MR. RAMAN UBEROI	:	INDEPENDENT DIRECTOR
MR. AJAY KUMAR KAPUR	:	DIRECTOR
MR. MUKESH AGARWAL	:	DIRECTOR
MR. AJAY KUMAR GUPTA	:	DIRECTOR
MR. NARAYANAN SADANANDAN	:	DIRECTOR (w.e.f August 29, 2018)
MR. KETAN GAIKWAD	:	MANAGING DIRECTOR & CEO (w.e.f April 1, 2019)
CHIEF OPERATING OFFICER	:	MR. CHANDRAMOULI VEMURU
CHIEF FINANCIAL OFFICER	:	MR. KAILASHKUMAR VARODIA
COMPANY SECRETARY	:	MS. RIYA SAWANT
AUDITORS	:	M/S. KHANDELWAL JAIN & CO., CHARTERED ACCOUNTANT 12- B, BALDOTA BHAVAN, 5TH FLOOR, M. K. ROAD, 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	:	KARVY FINTECH PRIVATE LIMITED KARVY SELENIUM, TOWER- B, PLOT NO. 31 & 32, FINANCIAL DISTRICT, NANAKRAMGUDA, SERILINGAMPALLY MANDAL, HYDERABAD-500032, INDIA. TOLL FREE NUMBER : 18003454001 EMAIL : einward.ris@karvy.com

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 3rd Annual Report of the Company together with the Audited Financial Statement of Receivables Exchange of India Limited (referred herein as "RXIL" or "the Company") for the financial year ended March 31, 2019.

FINANCIAL RESULTS

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

[₹ in Thousands]

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations	13,400.53	2,854.43
Other Income	11,221.53	12,198.01
Gross Income	24,622.06	15,052.44
Total Expenditure	67,175.56	68,354.26
Profit before exceptional item and Tax	(42,553.50)	(53,301.82)
Add (Less) : Prior period adjustments	-	-
Profit/ (Loss) before Tax	(42,553.50)	(53,301.82)
Less: Tax Expenses		
- Current Tax	-	-
- Deferred Tax	(1,078.97)	917.24
Profit/ (Loss) after Tax	(41,474.53)	(54,219.06)
Balance carried to Balance Sheet	(41,474.53)	(54,219.06)
Earnings per Equity Share (FV ₹ 10 each)		
- Basic	(1.66)	(2.17)
- Diluted	(1.66)	(2.17)

OVERVIEW OF FINANCIAL PERFORMANCE

During FY 2018 – 19, revenue from operations was ₹ 1,34,00,534/- as compared to ₹ 28,54,434/- in FY 2017 – 18 registering an increase of 369%. Substantial growth in revenue was observed as the Company started generating its revenue in the form of registration/ transaction/ annual fees October, 2017 onwards. The total income during FY 2018 - 19 increased from ₹ 1,50,52,444/- in the previous year to ₹ 2,46,22,064/- reflecting increase of 64%. Net Loss (after tax) in FY 2018 -19 was ₹ 4,14,74,535/- as compared to ₹ 5,42,19,057/- in FY 2017 -18.

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Micro, Small and Medium Enterprises (MSME) Sector plays a vital role for socio-economic growth and stability of any country as it has a huge potential for generating income, employment, eradication of poverty, boosting export etc. Due to this, the sector has always been held with paramount importance by our Government.

During FY 2018 -19, Government continued providing support to MSME Sector vide various initiatives viz. large corporate buyer's mandatory registration, inclusion of NBFCs registration on TReDS platform, simplification of KYC procedures etc. resulting in the positive growth of the Company.

As at March 31, 2019, RXIL has registered 632 MSME Vendors, 153 Corporate Buyers and 33 Financiers (out of which 21 are Public Sector Banks). As on March 31, 2019 cumulative factoring on the platform stood at ₹ 1500.26 crore with over 36,450 invoices financed.

As a long-term planning, our focus lies in creating a transparent platform providing quality services to its participants. The Company believes in customer centric approach and is taking proactive measures for bringing innovation, automation in all its processes.

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 financial year ended March 31, 2019.

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

During the FY 2018 – 19, there was no change in the equity capital structure.

DETAILS / CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

List of Directors and KMPs as on March 31, 2019:

Sr. No.	Name of the Director / KMP	Designation	Category
1	Mr. Mohammad Mustafa	Director & Chairman	Non - Executive
2	Mr. Ajay Kumar Kapur	Director	Non - Executive

3	Mr. Mukesh Agarwal	Director	Non - Executive
4	Mr. Ajay Kumar Gupta	Nominee Director – ICICI	Non - Executive
5	*Mr. Narayanan Sadanandan	Nominee Director – SBI	Non - Executive
6	Mr. Janki Ballabh	Independent Director	Non - Executive
7	Mr. Raman Uberoi	Independent Director	Non - Executive
8	Mr. Kailashkumar Varodia	Chief Financial Officer	KMP
9	Ms. Riya Sawant	Company Secretary	KMP

* Appointed as Nominee Director - SBI w.e.f. August 29, 2018

Appointments

- Ms. Runa Baksi (DIN: 08163454) was appointed as an Additional Director (Nominee Director-NSE Investments Limited-NSEI) and was designated as MD & CEO w.e.f. July 9, 2018. At the 2nd AGM of the Company held on August 29, 2018, the Members approved her appointment as MD & CEO of the Company.
- Mr. Narayanan Sadanandan (DIN: 07263104) was appointed as a Nominee Director – SBI Group (Non-Executive Director) w.e.f. August 29, 2018.

Resignations

- Mr. Ramling Vishwanath (DIN: 07984270), Nominee Director – SBI Group (Non-Executive Director) ceased as a Director w.e.f. June 25, 2018. 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.
- Mr. Kashinath Katakdhond (DIN: 07716501) ceased as MD & CEO and Nominee Director - NSE Investments Limited (NSEI) w.e.f. July 6, 2018 due to withdrawal of nomination by NSEI. The Board of Directors placed on record their warm appreciation for valuable contribution made by him during his tenure as MD & CEO of the Company.
- Ms. Runa Baksi (DIN: 08163454) ceased as MD & CEO and Nominee Director - NSE Investments Limited (NSEI) w.e.f. December 14, 2018 due to resignation. The Board of Directors placed on record their warm appreciation for valuable contribution made by her during her tenure as MD & CEO of the Company.

Retire by Rotation

- In accordance with the provisions of the Companies Act, 2013 and relevant rules made thereunder, Mr. Mukesh Agarwal (DIN: 03054853) and Mr. Ajay Kumar Kapur (DIN: 00108420), Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment as Directors of the Company.

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				
	May 24, 2018	June 21, 2018	Aug 29, 2018	Nov 29, 2018	Feb 5, 2019
Mr. Mohammad Mustafa	Yes	Yes	Yes	Yes	Yes
Mr. Ajay Kumar Kapur	No	Yes	Yes	No	Yes
Mr. Mukesh Agarwal	No	Yes	Yes	Yes	Yes
Mr. Janki Ballabh	Yes	Yes	Yes	Yes	Yes
Mr. Raman Uberoi	Yes	Yes	Yes	Yes	Yes
Mr. Ajay Kumar Gupta	Yes	Yes	Yes	No	No
Mr. Ramling Vishwanath	Yes	Yes	-	-	-
Mr. Narayanan Sadanandan	-	-	-	Yes	No
Mr. Kashinath Katakdhond	Yes	No	-	-	-
Mr. Runa Baksi	-	-	Yes	Yes	-

ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

The criteria for performance evaluation of the Board included 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 included aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors include attendance and participation, independent and unbiased opinion, safeguarding confidential information etc. In addition, the Chairman was also evaluated on the key aspects of leadership, motivation and guidance etc.

The Board expressed satisfaction with the evaluation process and result.

DECLARATION BY INDEPENDENT DIRCTEORS

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.

COMMITTEES OF THE BOARD

1. 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. May 24, 2018, August 29, 2018, November 29, 2018 and February 5, 2019. The details of the attendance of the Members at meeting held on above dates are given in the table hereunder:

Name	Number of meetings held during the year	Number of meetings attended
Mr. Raman Uberoi (Chairman)	4	4
Mr. Janki Ballabh	4	4
Mr. Mukesh Agarwal	4	3

2. 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 5 (five) times during the year i.e. May 24, 2018, June 21, 2018, August 29, 2018, November 29, 2018 and February 5, 2019. The details of the attendance of the Members at meeting held on above dates are given in the table hereunder:

Name	Number of meetings held during the year	Number of meetings attended
Mr. Janki Ballabh (Chairman)	5	5
Mr. Raman Uberoi	5	5
Mr. Ajay Kumar Kapur	5	4
Mr. Mukesh Agarwal	5	4

NOMINATION AND REMUNERATION POLICY

The Company has formulated a Nomination and Remuneration Policy 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. The Policy is attached as Annexure 1 and the same is also 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, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates as were considered reasonable and 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, 2019 and 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.

AUDITORS AND AUDIT REPORTS

1. Statutory Auditors

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 2018 - 19.

2. Secretarial Auditors

The Secretarial Audit Report for the year ended March 31, 2019 issued by Secretarial Auditors, M/s. Deep Shukla and Associates, Practising Company Secretaries is enclosed as Annexure 2. The Secretarial Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer. The Secretarial Auditors have not reported any incident of fraud to the Audit Committee during the FY 2018 - 19.

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, 2019 is enclosed as Annexure 3 to this report. In line with the requirement of the Companies (Amendment) Act, 2017, effective from July 31, 2018, 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 2018 -19.

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. 24 and 25 to the Financial Statements.

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 following is a summary of sexual harassment complaints received and disposed off during the FY 2018-19:

No. of complaints received	NIL
No. of complaints disposed off	Not Applicable
No. of cases pending for more than 90 days	Not Applicable
No. of Workshops or awareness programs against sexual harassment carried out	One (1) Awareness program
Nature of action taken by the employer	Not Applicable

PARTICULARS OF EMPLOYEES:

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	**Raman Uberoi**
Managing Director and CEO	Director
DIN: 08359705	DIN: 03407353

Date: June 4, 2019
Place: Mumbai

ANNEXURE 1

Nomination and Remuneration Policy

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee (NRC) consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

OBJECTIVE

The Nomination and Remuneration Committee (NRC) and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The objective of this policy is to lay down a framework in relation to remuneration of directors, Key managerial personnel, senior management personnel and other employees.

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- To formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

DEFINITIONS:

"**Act**" shall mean the Companies Act, 2013 and the Rules made thereunder, including the modifications, amendments, clarifications, circulars or re-enactment thereof.

"**Board**" means Board of Directors of the Company.

"**Committee**" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"**Directors**" mean Directors of the Company.

"**Independent Director**" means a Director referred to in Section 149 (6) of the Companies Act, 2013.

"**Key Managerial Personnel**" means key managerial personnel as defined under the Companies Act, 2013 and includes –

- Managing Director, or Executive Director or manager and in their absence, a whole- time director; (includes Executive Chairman)
- Company Secretary;
- Chief Financial Officer; and
- Such other officer as may be prescribed.

"**Policy**" or "**This policy**" means Nomination and Remuneration Policy.

"**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

"**Senior Management**" Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

ROLE AND POWER OF THE COMMITTEE:-

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Policy for appointment and removal of Director, KMP and Senior Management

(i) Appointment criteria and qualifications

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(ii) Term / Tenure

a. Managing Director/Whole-time Director:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c. Evaluation

- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

d. Removal

- Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

e. Retirement

- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

(i) General:

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director;
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(ii) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- Fixed pay:

  The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

– Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

– Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

(iii) Remuneration to Non- Executive / Independent Director:

– Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

– Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

– Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

– Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

MEMBERSHIP:-

– The Committee shall consist of 3 or more non-executive directors out of which not less than 1/2 shall be independent directors.

– Minimum two (2) members shall constitute a quorum for the Committee meeting.

– Membership of the Committee shall be disclosed in the Annual Report.

– Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN:-

– Chairman of the Committee shall be an Independent Director;

– Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;

- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

MINUTES OF COMMITTEE MEETING

- Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

AMENDMENTS TO THE POLICY

- The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

AMENDMENTS IN THE LAW

- Any subsequent amendment/modification in the Companies Act, 2013 and/or other applicable laws in this regard shall automatically apply to this Policy.

ANNEXURE 2

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2019

[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)

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 2019 ('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:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (*Not Applicable to the Company*)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, to the extent applicable;

(iv) 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'): —

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (*Not Applicable to the Company*)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (*Not Applicable to the Company*)

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (*Not Applicable to the Company*);

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (*Not Applicable to the Company*);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*Not Applicable to the Company*);

(f) 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*)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (*Not Applicable to the Company*); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (*Not Applicable to the Company*);

(v) Other laws applicable specifically to the Company, namely:

(a) 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.

(b) 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:

(a) 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:

- 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.
- 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.

  All the decisions at the Board Meetings and the Committee Meetings were camed out by the majority unanimously as recorded in minutes of the Board of Directors and minutes the Committee meetings as the care may be.

We further report that:

- 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

Place: Mumbai
Date: May 15, 2019

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

Place: Mumbai
Date: May 15, 2019

ANNXURE 3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

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.: admin@rxil.in
vi	Whether listed company	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium, Tower- B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032, India. Toll Free Number : 18003454001 Email : einward.ris@karvy.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/ Subsid-iary/ 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	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	7299997	200003	7500000	30.00	7500000	0	7500000	30.00	0.00
e) Banks / FI	7500000	0	7500000	30.00	7500000	0	7500000	30.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	**14799997**	**200003**	**15000000**	**60.00**	**15000000**	**0**	**15000000**	**60.00**	**0.00**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**14799997**	**200003**	**15000000**	**60.00**	**15000000**	**0**	**15000000**	**60.00**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	6975000	0	6975000	27.90	6975000	0	6975000	27.90	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**6975000**	**0**	**6975000**	**27.90**	**6975000**	**0**	**6975000**	**27.90**	**0.00**

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	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3025000	0	3025000	12.10	3025000	0	3025000	12.10	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	**3025000**	**0**	**3025000**	**12.10**	**3025000**	**0**	**3025000**	**12.10**	**0.00**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**10000000**	**0**	**10000000**	**40.00**	**10000000**	**0**	**10000000**	**40.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**24799997**	**200003**	**25000000**	**100.00**	**25000000**	**0**	**25000000**	**100.00**	**0.00**

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)	7500000	30.00%	-	7500000	30.00%	-	0.00%
2	NSE Investments Limited (NSEIL)	7500000	30.00%	-	7500000	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	7500000	30.00%		
	Date wise Increase / Decrease in Promoters 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			7500000	30.00%

Sl. 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	7500000	30.00%		
	Date wise Increase / Decrease in Promoters 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			7500000	30.00%

iv. **Shareholding Pattern of top ten Shareholders** (other than Directors, Promoters and Holders of GDRs and 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	2500000	10.00%		
	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			2500000	10.00%

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	**State Bank of India (SBI)**				
	At the beginning of the year	2475000	9.90%		
	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			2475000	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	2000000	8.00%		
	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			2000000	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	1525000	6.10%		
	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			1525000	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	1500000	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			1500000	6.00%

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

Name	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)	–	–	–	–

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Mr. Kashinath Katakdhond, MD & CEO (April 1, 2018 to July 6, 2018)	Ms. Runa Baksi, MD & CEO (July 9, 2018 to December 14, 2018)	Total Amount (₹)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	46,21,798.00	34,73,772.00	**80,95,570.00**
	(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 (A)	**46,21,798.00**	**34,73,772.00**	**80,95,570.00**
	Ceiling as per the Act	1,50,83,719.00	1,25,00,000.00	

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount (₹)
1	**Independent Directors**	**Mr. Janki Ballabh**	**Mr. Raman Uberoi**	
	- Fee for attending board / committee meetings	2,00,000.00	2,00,000.00	**4,00,000.00**
	- Commission	-	-	**-**
	- Others, please specify	-	-	**-**
	Total (1)	**2,00,000.00**	**2,00,000.00**	**4,00,000.00**
2	**Other Non-Executive Directors**			
	- Fee for attending board / committee meetings	–	–	–
	- Commission	–	–	–
	- Others, please specify	–	–	–
	Total (2)	–	–	–
	Total (B)=(1+2)	**2,00,000.00**	**2,00,000.00**	**4,00,000.00**
	Total Managerial Remuneration			**84,95,570.00**
	Ceiling as per the Act	₹20000 per board meeting and ₹10000 per committee meeting		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Mr. Kailashkumar Varodia, CFO	Ms. Riya Sawant, CS	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26,80,648.00	8,84,598.00	**35,65,246.00**
	(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	**26,80,648.00**	**8,84,598.00**	**35,65,246.00**

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Compa-nies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			**NIL**		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			**NIL**		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			**NIL**		
Punishment					
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 4, 2019
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, 2019, 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, 2019, the loss and total comprehensive income, 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 income, 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 Responsibilities 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 Ind AS specified 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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:

      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.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any of pending litigations which would impact its financial position as at March 31, 2019 – Refer Note 29 to the financial statements.

ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses - Refer Note 30 to the financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019 - Refer Note 31 to the financial statements.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number:105049W

(Narendra Jain)
Partner
Membership Number: 048725

Place: Mumbai
Date: June 4, 2019

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, 2019. We report that:

i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

b) The Company has physically verified the fixed assets in accordance with a program of verification which in our opinion provides for physical verification of all fixed assets at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.

c) 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.

ii) 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.

iii) 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.

iv) 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.

v) 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.

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

vii) a) 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, 2019 for a period of more than six months from the date they became payable.

b) 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.

viii) 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.

ix) 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.

x) 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.

xi) 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.

xii) 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.

xiii) 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 Ind AS Financial Statements as required by the applicable Indian Accounting Standards.

xiv) 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.

xv) 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.

xvi) 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

Place : Mumbai
Date : June 4, 2019

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 **RECEIVABLES EXCHANGE OF INDIA LIMITED** ("the Company") as of March 31, 2019 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, 2019, 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

Place : Mumbai
Date : June 4, 2019

BALANCE SHEET AS AT MARCH 31, 2019

₹ in Thousands

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I ASSETS			
1 Non-current assets			
a Property, Plant and Equipments	3	2,727.17	2,125.91
b Other Intangible Assets	4	19,490.43	25,580.78
c Intangible Assets under Development	4	796.50	330.73
d Others Financial Assets-Deposits	7	1,155.83	-
e Income Tax Assets (Net)	12	1,644.25	2,025.69
f Other Non-Current Assets	8B	13.22	2.96
		25,827.40	**30,066.07**
2 Current Assets			
a Financial Assets			
i Investments	5	15,713.30	31,783.63
ii Trade Receivables	8A	34.00	-
iii Cash and Cash Equivalents	9	3,100.37	7,123.97
iv Bank Balances other than Cash and Cash Equivalents	6	67,915.44	96,084.10
v Other Financial Assets	7	2,961.99	3,421.99
b Other Current Assets	8B	24,949.77	18,990.46
		1,14,674.87	**1,57,404.15**
TOTAL ASSETS		**1,40,502.27**	**1,87,470.22**
II EQUITY AND LIABILITIES			
1 Equity			
a Equity Share Capital	10A	2,50,000.00	2,50,000.00
b Other Equity	10B	(1,24,327.39)	(82,852.86)
		1,25,672.61	**1,67,147.14**
2 Liabilities			
a Non-Current Liabilities			
i Deferred Tax Liabilities (Net)	11	1,365.53	2,444.50
ii Provisions	15	146.60	53.22
		1,512.13	**2,497.72**
b Current Liabilities			
i Financial Liabilities	13		
- Trade payable			
- Total Outstanding dues of micro enterprises and small enterprises		140.40	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		-	125.41
- Others		10,290.33	8,436.81
ii Non-Financial Liabilities	14	1,902.90	3,265.02
iii Provisions	15	983.90	5,998.12
		13,317.53	**17,825.36**
TOTAL EQUITY AND LIABILITIES		**1,40,502.27**	**1,87,470.22**
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

Place : Mumbai
Date : June 4, 2019

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

Riya Sawant
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Thousands

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from Operations	16	13,400.53	2,854.43
Other Income	17	11,221.53	12,198.01
TOTAL INCOME		**24,622.06**	**15,052.44**
EXPENSES			
Employee Benefits Expenses	18	25,104.76	34,027.58
Depreciation and Amortization Expenses	3 & 4	10,187.96	9,310.65
Other Expenses	19	31,882.84	25,016.04
TOTAL EXPENSES		**67,175.56**	**68,354.26**
Profit before Prior-Period Adjustments, Exceptional Item		**(42,553.50)**	**(53,301.82)**
Add/(Less) : Prior-Period Adjustments		-	-
Profit before Exceptional Item & Tax		**(42,553.50)**	**(53,301.82)**
Add : Exceptional Item		-	-
Profit / (Loss) Before Tax for the Period		**(42,553.50)**	**(53,301.82)**
Less : Tax Expenses			
Current Tax		-	-
Deferred Tax	11(c)	(1,078.97)	917.24
Total Tax Expenses		**(1,078.97)**	**917.24**
Profit / (Loss) After Tax for the Period (A)		**(41,474.53)**	**(54,219.06)**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss		-	-
Items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income (B)		**-**	**-**
Total Comprehensive Income (A+B)		**(41,474.53)**	**(54,219.06)**
Earnings per Equity Share (FV ₹ 10 each)			
Basic and Diluted (₹)	26	(1.66)	(2.17)
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

Place : Mumbai
Date : June 4, 2019

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

Riya Sawant
Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

₹ in Thousands

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
CASHFLOW FROM OPERATING ACTIVITIES		
NET PROFIT/ (LOSS) BEFORE TAX	**(42,553.50)**	**(53,301.82)**
Add/(Less) :- Adjustments for :		
– Depreciation and Amortisation Expenses	10,187.96	9,310.65
Less : Adjustments for :		
Interest Income on Bank Deposit & Income Tax Refund	(6,312.83)	(10,129.41)
Net gain on Financial Assets mandatorily measured at fair value through Profit or Loss	(1,537.44)	(2,068.60)
Income on Deposit IND AS	(29.77)	-
Expense on Deposit- IND AS	31.10	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**(40,214.48)**	**(56,189.18)**
Adjustments for :		
Increase/Decrease in Trade Receivable	(34.00)	-
Increase/(Decrease) in Trade Payables and Financial Liabilities	1,992.51	(20,975.27)
(Increase)/Decrease in Other Assets	(7,126.72)	(10,116.26)
Increase/(Decrease) in Non-Financial Liabilities & Provision	(6,282.97)	(791.32)
CASH GENERATED FROM OPERATIONS	**(51,665.66)**	**(88,072.03)**
Prior-period adjustments (Net)	-	-
Direct Taxes paid (Net of Refunds)	381.44	(1,076.94)
NET CASH FROM (USED IN) OPERATING ACTIVITIES - TOTAL (A)	**(51,284.22)**	**(89,148.97)**
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Capital Work-In-Progress	(5,288.64)	(22,989.20)
Interest received	6,772.84	13,095.81
Redemption of Fixed Deposit	1,31,084.10	2,94,515.27
Investment in Fixed Deposit	(1,02,915.44)	(2,30,402.46)
Investment in Mutual Fund	(16,500.00)	-
Redemption of Mutual Fund	34,107.76	1,242.67
NET CASH FROM (USED IN) INVESTING ACTIVITIES - TOTAL (B)	**47,260.62**	**55,462.09**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
CASHFLOW FROM FINANCING ACTIVITIES		
NET CASH FROM (USED IN) FINANCING ACTIVITIES - TOTAL (C)	–	–
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(4,023.60)**	**(33,686.88)**
Cash and Cash Equivalents : Opening Balance	7,123.97	40,810.85
Closing Cash and Cash Equivalents : Closing Balance	3,100.37	7,123.97
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(4,023.60)**	**(33,686.88)**

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

Place : Mumbai
Date : June 4, 2019

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

Riya Sawant
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2019

(A) Equity Share Capital

₹ in Thousands

Balance as at March 31, 2017	2,50,000.00
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2018	2,50,000.00
Changes in Equity Chare Capital during period	-
Balance as at March 31, 2019	**2,50,000.00**

(B) Other Equity

₹ in Thousands

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance as at March 31, 2017	-	**(28,633.81)**	**(28,633.81)**
Profit / (Loss) after Tax for the year	-	(54,219.06)	(54,219.06)
Other Comprehensive Income	-	-	-
Balance as at March 31, 2018	-	**(82,852.87)**	**(82,852.87)**
Profit / (Loss) after Tax for the year	-	(41,474.53)	(41,474.53)
Other Comprehensive Income Prior Period Adjustment	-	-	-
Balance as at March 31, 2019	-	**(1,24,327.40)**	**(1,24,327.40)**

As per our report of even date attached

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

For and on behalf of the Board of Directors

Narendra Jain
Partner
Membership No. 048725

Ketan Gaikwad
Managing Director & CEO
[DIN: 08359705]

Raman Uberoi
Director
[DIN: 03407353]

Place : Mumbai
Date : June 4, 2019

Kailashkumar Varodia
Chief Financial Officer

Riya Sawant
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Background and Significant Accounting Policies

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 (NSEI) (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 1: 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

(i) 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.

(ii) 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

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(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. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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:

(i) Transaction charges are recognized on accrual basis as and when the services are rendered;

(ii) Annual and other fees - revenue is recognised on a straight-line basis over the period to which the fee relates.

(iii) Registration fees- The revenue is recognized on the completion of registration.

(iv) Other insurance claims are accounted on accrual basis when the claims become due and payable.

(v) 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) Leases

As a lessee

Leases of property, plant and equipment, including land where the Company, as lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(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 includes 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

(i) 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.

(ii) 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.

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 derecognised, 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.

(iii) 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.

(iv) 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.

(v) 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

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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:

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

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

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are 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.

(ii) 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 employees 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

(i) 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.

(ii) 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:

Estimation of tax expense and payable Note 11 and 12

Estimated useful life of intangible asset Note 4

Estimation of amount of contingent liabilities refer Note 28

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.

NOTE 2: RECENT ACCOUNTING PRONOUNCEMENTS

i) IND AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified IND AS 116, Leases. IND AS 116 will replace the existing leases Standard, IND AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. IND AS 116 substantially carries forward the lessor accounting requirements in IND AS 17.

The effective date for adoption of IND AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under IND AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of IND AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to IND AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The Company is currently evaluating the effect of this amendment on the financial statements.

ii) IND AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified IND AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IND AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of IND AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the financial statements.

iii) Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in IND AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

iv) Amendment to IND AS 19 – Plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to IND AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

NOTE 3: PROPERTY PLANT AND EQUIPMENT

₹ in Thousands

Particulars	Office Equipment	Furniture And Fixtures	Computers - End user devices	Computers - Servers and networks	Total
Net carrying amount as at March 31, 2017	-	-	488.56	1,798.64	2,287.20
Gross carrying amount					
Opening gross carrying amount as at April 1, 2017	-	-	653.00	1,904.29	2,557.29
Additions	-	-	631.64	-	631.64
Deletions	-	-	-	-	-
Closing gross carrying amount	-	-	1,284.64	1,904.29	3,188.93
Accumulated Depreciation and Impairment					
Opening Accumulated Depreciation	-	-	164.45	105.65	270.10
Depreciation charge during the year	-	-	316.85	476.07	792.92
Deletions	-	-	-	-	-
Closing Depreciation and Impairment	-	-	481.30	581.72	1,063.02
					-
Net carrying amount as at March 31, 2018	-	-	803.34	1,322.57	2,125.91
Gross carrying amount					
Opening gross carrying amount as at April 1, 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**	**1,067.01**	**1,426.40**
Net carrying amount as at March 31, 2019	**-**	539.16	642.87	1,545.14	2,727.17

NOTE 4: INTANGIBLE ASSETS

₹ in Thousands

Particulars	Computer Software	Intangible Assets under Development
Gross carrying amount		
Opening gross carrying amount as at April 1, 2017	29,350.82	1,758.75
Additions	6,412.17	330.73
Disposals	-	-
Transfers	1,758.75	(1,758.75)
Closing gross carrying amount	**37,521.74**	**330.73**
Accumulated Depreciation and Impairment		
Opening Accumulated Depreciation	3,429.51	-
Depreciation charge during the year	8,511.46	-
Disposals	-	-
Closing Amortization & Impairment	**11,940.97**	-
Net carrying amount as at March 31, 2018	**25,580.78**	**330.73**
Gross carrying amount		
Opening gross carrying amount as at April 1, 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**

₹ in Thousands

Total Depreciation for current year	10,187.96

NOTE 5: CURRENT INVESTMENTS

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Units	₹ in Thousands	Number of Units	₹ in Thousands
A) Investment in Mutual Funds				
(i) Unquoted Investment in mutual funds at FVPL				
ICICI Prudential Liquid Plan Direct--Growth	56846.00	15,713.30	123606.00	31,783.63
Total	**56846.00**	**15,713.30**	**123606.00**	**31,783.63**

₹ in Thousands

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate amount of quoted Investments and market value thereof	-	-
Aggregate amount of unquoted Investments	15,713.30	31,783.63

NOTE 6: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

₹ in Thousands

Particulars	Non-current	Non-current	Current	Current
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Deposits with original maturity for more than 12 months	-	-	67,915.44	96,084.10
Total	**-**	**-**	**67,915.44**	**96,084.10**

NOTE 7: OTHERS FINANCIAL ASSETS

₹ in Thousands

Particulars	Non-current	Non-current	Current	Current
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security Deposit	1,155.83	-	-	-
Interest accured on Bank deposits	-	-	2,961.99	3,421.99
Total	**1,155.83**	**-**	**2,961.99**	**3,421.99**

NOTE 8A: TRADE RECEIVABLE

₹ in Thousands

Particulars	Non-current	Non-current	Current	Current
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Registration fee receivable-Buyer	-	-	34.00	-
Total	**-**	**-**	**34.00**	**-**

NOTE 8B: OTHERS ASSETS

₹ in Thousands

Particulars	Non-current	Non-current	Current	Current
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Balances with GST authorities	-	-	23,562.90	17,620.80
Prepaid lease rent- IND AS	13.22	-	89.62	-
Prepaid Expenses	-	2.96	1,297.25	1,369.66
Total	**13.22**	**2.96**	**24,949.77**	**18,990.46**

NOTE 9: CASH AND CASH EQUIVALENTS

₹ in Thousands

Particulars	Current	Current
	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
In Current Account	600.37	323.97
Deposits with original maturity of less than three months	2,500.00	6,800.00
Cash on hand	-	-
Total	**3,100.37**	**7,123.97**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the above.

NOTE 10A: SHARE CAPITAL

₹ in Thousands

Particulars	As at March 31, 2019	As at March 31, 2018
Authorized		
25,000,000 (Previous Year 25,000,000) Equity Shares of ₹10 each	2,50,000.00	2,50,000.00
Issued, Subscribed and 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
Total	**2,50,000.00**	**2,50,000.00**

(i) The Company has not issued bonus shares during the year.

(ii) **Terms and Rights of Equity Shareholders**

The company has only one class of Equity Shares having a par value of ₹10/- per Share. Each holder of Equity Shares is entitled to one vote per 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:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	₹ in Thousands	Nos.	₹ in Thousands
Opening Balance	2,50,00,000	2,50,000.00	2,50,00,000	2,50,000.00
Add: Issued during the period	-	-	-	-
Closing Balance	**2,50,00,000**	**2,50,000.00**	**2,50,00,000**	**2,50,000.00**

(iv) Details of Shareholders holding more than 5% Share in the company

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	% holding	No.	% holding
*NSE Investments Limited-NSEI (formely known as NSE Strategic Investment Corporation Ltd and its nominees	75,00,000	30.00%	75,00,000	30.00%
*Small Industries Development Bank of India (SIDBI) and its nominees	75,00,000	30.00%	75,00,000	30.00%
ICICI Securities Limited	15,00,000	6.00%	15,00,000	6.00%
SBI Capital Markets Ltd	15,25,000	6.10%	15,25,000	6.10%
State Bank Of India	24,75,000	9.90%	24,75,000	9.90%
YES Bank Limited	20,00,000	8.00%	20,00,000	8.00%
ICICI Bank Limited	25,00,000	10.00%	25,00,000	10.00%

* Shares held by nominees were transferred to the respective shareholder on November 21, 2017

(v) 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 ₹ 25 Crore. The Company is in compliance with the said requirement.

NOTE 10B: OTHER EQUITY

₹ in Thousands

Retained Earnings	As at March 31, 2019	As at March 31, 2018
Balance as at April 1, 2018	(82,852.86)	(28,633.80)
Profit / (Loss) after Tax for the year	(41,474.53)	(54,219.06)
Prior Period Income	-	-
Balance as at March 31, 2019	**(1,24,327.39)**	**(82,852.86)**

NOTE 11: INCOME TAX

₹ in Thousands

Particulars	As at March 31, 2019	As at March 31, 2018
a) The Major Components of Income Tax Expense in the Statement of Profit and Loss		
Statement of profit and loss		
Current Tax		
Current Tax on profit for the period	-	-
Adjustment for Current Tax of prior periods	-	-
Total Current Tax Expenses	**-**	**-**
Deferred Tax Expense / (Income)		
Decrease (Increase) in Deferred Tax Assets	21.02	135.94
(Decrease) Increase in Deferred Tax Liabilities	(1,099.99)	781.30
Total Deferred Tax Expense (Benefit)	**(1,078.97)**	**917.24**
Total for Statement of Profit and Loss	**(1,078.97)**	**917.24**

₹ in Thousands

Particulars	As at March 31, 2019	As at March 31, 2018
OCI section		
Related to items recognised in OCI during in the year:		
Re-measurement of the defined benefit Liability / Asset	-	-
Income Tax charged to other Comprehensive Income	-	-

b) Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Domestic Tax Rate

₹ in Thousands

Particulars	As at March 31, 2019	As at March 31, 2018
Profit before Income Tax Expense	(42,553.50)	(53,301.82)
At India's statutory income tax rate of 26%	(11,063.91)	(16,470.26)
Rate Difference	-	(493.18)
Others	(869.63)	-
Tax impact of Loss carried forward	10,854.56	17,880.68
Income Tax Expense	**(1,078.97)**	**917.24**

c) Deferred Tax Liabilities (Net)

The balance comprises temporary difference attributable to:

₹ in Thousands

Particulars	Balance Sheet	Statement of Profit and Loss	Balance Sheet	Statement of Profit and Loss
	As at March 31, 2019	For the year March 31, 2019	As at March 31, 2018	For the year March 31, 2018
Deferred Tax Liabilities				
Property, Plant and Equipment and Investment Property	1,771.02	(403.21)	2,174.23	310.22
Financial Assets at Fair Value through Profit and Loss	70.22	(696.78)	767.00	471.06
Total (A)	**1,841.24**	**(1,099.99)**	**2,941.23**	**781.28**
Less : Deferred Tax Assets				
Related to Preliminary Expenses written off	266.17	(133.08)	399.25	(233.41)
Related to employee defined benefit plans	209.54	112.07	97.47	97.47
Related to unabsorbed Loss / Depreciation	31698.09	(8326.65)	23,321.44	13,502.27
Less:- Amount not recognised*	(31648.09)	8326.05	(23,321.44)	(13,502.27)
Total (B)	**475.71**	**(21.02)**	**496.73**	**(135.94)**
Net Deferred Tax Liabilities (A-B)	**1,365.53**	**(1,078.97)**	**2,444.50**	**917.22**

* 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.

d) Movement in Deferred Tax Assets

₹ in Thousands

Particulars	Preliminary Expenses	Financial Assets at Fair Value through Profit and Loss	Financial Assets at Fair Value through OCI	Related to employee defined benefit plans	Total
As at March 31, 2017	**632.66**		**-**	**-**	**632.66**
Charged / (Credited)					
- to Profit or Loss	(233.41)	-	-	97.47	(135.94)
- to other comprehensive Income	-	-	-	-	-
- to transfer from other Reserves to retained earning	-	-	-	-	-
As at March 31, 2018	**399.25**	**-**	**-**	**97.47**	**496.73**
Charged / (Credited)					
- to Profit or Loss	(133.08)	-	-	112.07	(21.02)
- to other comprehensive Income	-	-	-	-	-
- to transfer from other Reserves to retained earning	-	-	-	-	-
As at March 31, 2019	**266.17**	**-**	**-**	**209.54**	**475.71**

e) Movement in Deferred Tax Liabilities

₹ in Thousands

Particulars	Property, Plant and Equipment	Financial Assets at Fair Value through Profit and Loss	Financial Assets at Fair Value through OCI	Others	Total
As at March 31, 2017	**1,864.00**	**295.93**	**-**	**-**	**2,159.93**
Charged / (Credited)					
- to Profit or Loss	310.24	471.06	-	-	781.30
- to other comprehensive Income	-	-	-	-	-
- to transfer from other Reserves to retained earning	-	-	-	-	-
As at March 31, 2018	**2,174.23**	**767.00**	**-**	**-**	**2,941.23**
Charged / (Credited)					
- to Profit or Loss	(403.21)	(696.78)	-	-	(1,099.99)
- to other comprehensive Income	-	-	-	-	-
- to transfer from other Reserves to retained earning	-	-	-	-	-
As at March 31, 2019	**1,771.02**	**70.22**	**-**	**-**	**1,841.24**

NOTE 12: CURRENT TAX ASSETS (NET)

₹ in Thousands

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax assets (Net)		
Income Tax paid including TDS (Net of Provisions)	1,644.25	2,025.69
Total	**1,644.25**	**2,025.69**

NOTE 13: FINANCIAL LIABILITIES

₹ in Thousands

Particulars	Non-current	Non-current	Current	Current
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade Payables MSME (refer note 21)	-	-	140.40	-
Trade payables (other than MSME) (refer note 21)	-	-	-	125.41
Others				
Provisions for Expenses	-	-	1,765.30	1,867.22
Payable for Capital Expenditure (refer note 21)	-	-	1,388.00	1,512.00
Payable for Other Expenses (refer note 21)	-	-	7,137.03	5,057.59
Total	**-**	**-**	**10,290.33**	**8,436.81**

NOTE 14: NON-FINANCIAL LIABILITIES

₹ in Thousands

Particulars	Current	Current
	As at March 31, 2019	As at March 31, 2018
Income Received in advance	565.26	452.40
Statutory payments	1,337.40	2,812.62
Advances from Debtors	0.24	-
Total	**1,902.90**	**3,265.02**

NOTE 15: PROVISION EMPLOYEE BENEFITS

₹ in Thousands

Particulars	Non-current	Non-current	Current	Current
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provisions for Leave Encashments	-	-	659.33	321.68
Provision for Gratuity	146.60	53.22	-	-
Provision for Variable Pay and other Allowances	-	-	324.56	5,676.44
Total	**146.60**	**53.22**	**983.90**	**5,998.12**

NOTE 16: REVENUE FROM OPERATIONS

₹ in Thousands

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Services		
Registration Fees	5,130.00	1,355.00
Transaction Charges	8,220.79	1,499.43
Annual Fees	49.74	-
Total	**13,400.53**	**2,854.43**

NOTE 17: OTHER INCOME

₹ in Thousands

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income from financial assets at amortised cost		
- Interest Income on Bank Deposits	6,246.42	10,129.41
Other Interest		
- Income on Deposit IND AS	29.77	-
- Interest on Refund for A.Y. 2017-18	66.41	-
	6,342.60	10,129.41
Excess Provisio write back	3,341.49	-
Other gains/(losses)		
Net gain Investments mandatorily measured at Fair Value through Profit or Loss	270.06	1,992.28
Net gain on sale of Investments mandatorily measured at Fair Value through Profit or Loss	1,267.38	76.32
	1,537.44	**2,068.60**
Total	**11,221.53**	**12,198.01**

NOTE 18: EMPLOYEE BENEFITS EXPENSES

₹ in Thousands

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	9,759.56	5,474.89
Contribution to Provident and other fund	337.18	179.67
Employees Welfare Expenses	54.87	83.32
Deputed Personnel Cost	14,953.14	28,289.71
Total	**25,104.76**	**34,027.58**

NOTE 19: OTHER EXPENSES

₹ in Thousands

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	6,885.60	7,526.74
Auditors' Remuneration	170.00	150.00
Outsourcing Charges	1,886.97	1,004.62
Repair & Maintenance :		
- Trading and Computer System	4,895.73	3,159.27
- Others	10.50	-
Professional fees	4,300.66	1,317.06
Software Testing Charges	1,462.13	1,927.04
Electricity Expenses	1,032.22	1,380.32
Clearing & Settlement Charges	357.34	219.93
Insurance Expenses	1,218.85	295.84
Traveling Expenses	2,923.79	1,946.87
Director Sitting Fees	400.00	410.00
Telephone Expenses	73.18	106.48
Printing & Stationery	156.71	242.23
Business Promotion Expenses	-	875.00
Ineligible GST	860.51	-
Other Expenses	1,203.05	305.61
Data Center Charges	4,045.62	4,149.03
Total	**31,882.84**	**25,016.04**
Note :		
Payment to auditor		
As auditor :		
Audit fees	135.00	125.00
In other capacity		-
Other services	35.00	25.00
Total	**170.00**	**150.00**

NOTE 20: EXPENDITURE IN FOREIGN CURRENCY :

₹ in Thousands

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Travelling Expenses	-	-
Others	-	-
Total	-	-

NOTE 21: Trade payables include outstanding amounts of ₹ NIL (including interest of ₹ 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 22: Payments to and provision for Employees includes the amount reimbursed by the Company to Small Industries Development Bank of India (SIDBI) and National Stock Exchange of India (NSE) in respect of employees made available to the Company. Accordingly, necessary provisions as required are rent, salary of deputees.

NOTE 23: 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 24: In compliance with Indian Accounting Standard (Ind AS)-24 - "Related Party Disclosures" notified under Section 133 of the Companies Act, 2013 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) (NSEI)	Promoter Company (Associate)
3	Small Industries Development Bank of India (SIDBI)	Promoter Company (Associate)
4	Mr. Kashinath Katakdhond up to July 06, 2018 (MD & CEO)	Key Managerial Personnel
5	Ms. Runa Baksi from July 09, 2018 up to December 14, 2018 (MD & CEO)	Key Managerial Personnel
6	Mr. Kailashkumar Varodia (CFO)	Key Managerial Personnel
7	Ms. Riya Sawant (CS)	Key Managerial Personnel
8	Mr. Mohammad Mustafa	Chairman & Non Executive Director (Representing SIDBI)
9	Mr. Ajay Kumar Kapur	Non Executive Director (Representing SIDBI)
10	Mr. Mukesh Agarwal	Non Executive Director (Representing NSEI)
11	Mr. Ajay Kumar Gupta	Nominee Director -ICICI
12	Mr. Narayanan Sadanandan w.e.f. August 29, 2018	Nominee Director -SBI
13	Mr. Janki Ballabh	Independent Director
14	Mr. Raman Uberoi	Independent Director

NOTE 25: Details of transaction (including service tax / goods and service tax wherever levied) with parties are as follows :

₹ in Thousands

Name of the Related Party	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
National Stock Exchange of India Limited (NSEIL)	• Reimbursement paid for capital expenditure incurred	82.66	595.44
	• Reimbursement paid for taxes incurred on behalf of the Company	-	6,740.48
	• Space & Infrastructure usage charges paid	6,058.45	7,892.03
	• Electricity & Water charges paid (including provisions)	1,268.22	1,676.08
	• DC Hosting Charges (including provisions)	4,507.25	4,986.79
	• Reimbursement paid for expenses of staff on deputation (including provisions)	7,793.08	21,241.66
	• Outstanding balance – (Credit) / Debit	(5,761.95)	(10,619.06)
Small Industries Bank of India (SIDBI)	• Equity Capital contribution	-	-
	• Reimbursement paid for expenses on staff on deputation	12,050.25	10,720.43
	• Reimbursement paid for Rent for residential accommodation	369.00	803.25
	• Director Deposit Received & paid back	-	200.00
	• Outstanding balance – (Credit) / Debit	(2,118.91)	(1,291.63)
NSE Investment Limited (Formerly Known as NSE Strategic Investment Corporation Limited)	• Director Deposit Received & paid back	-	200.00
	• Outstanding balance – (Credit) / Debit	-	-
Key Management Personnel	Reimbursement and Gross Remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.		
	- For MD & CEO	9,059.93	15,300.72
	- For CFO	2,525.74	2,622.17
	- For CS	862.38	748.83
	- For Independent Director (Director Sitting Fees)	400.00	410.00

NOTE 26: 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, 2019	Year ended March 31, 2018
Net Profit attributable to Shareholders (in ₹)	(41,474.53)	(54,219.06)
Weighted Average number of Equity Shares issued	2,50,00,000	2,50,00,000
Basic Earnings Per Share of ₹ 10/- each (in ₹)	(1.66)	(2.17)

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 27: Capital and other commitments :

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

NOTE 28: Contingent Liabilities and Commitments :

(i) Claims against company not acknowledged as debts: ₹ NIL

(iii) On account of disputed demand of Income Tax ₹ NIL

NOTE 29: As at March 31, 2019, the company does not have any pending litigation which would have impact on its financial position.

NOTE 30: The Company did not have any long-term contracts including derivative contracts for which there was any material foreseeable losses.

NOTE 31: For the period ended March 31, 2019, 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 32: A Fair Value measurement

(i) Fair Value Hierarchy and Valuation Techinque used to determine fair value :

This section explians the judgements and estimates made in determining the fair values of the financial instruments that are recognised 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:

₹ in Thousands

Financial Assets and Liabilities measured at fair Value - recurring fair Value measurements at March 31, 2019	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total March 31, 2019**
<u>Financial Assets</u>					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	5	15,713.30	-	-	15,713.30
Total Financial Assets		**15,713.30**	**-**	**-**	**15,713.30**

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements at 31 March, 2018	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total March 31, 2018**
<u>Financial Assets</u>					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	5	31,783.63			31,783.63
Total Financial Assets		**31,783.63**			**31,783.63**

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 hieraracthy 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

₹ in Thousands

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Fixed Deposit	70,415.44	1,02,884.10
Total Financial Assets	**70,415.44**	**1,02,884.10**

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

₹ in Thousands

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Fixed Deposits	-	-	67,915.44	-	-	96,084.10
Mutual Funds	15,713.30	-	-	31,783.63	-	-
Cash and Cash equivalents	-	-	3,100.37	-	-	7,123.97
Trade Receivable			34.00			
Other Financial assets	-	-	2,961.99	-	-	3,421.99
Total Financial Assets	**15,713.30**	**-**	**74,011.80**	**31,783.63**	**-**	**1,06,630.05**
Financial Liabilities						
Trade Payable	-	-	140.40	-	-	125.41
Other Financial liabilities	-	-	10,290.33	-	-	8,436.81
Total Financial Liabilities	**-**	**-**	**10,430.73**	**-**	**-**	**8,562.22**

NOTE 33: 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 March 31, 2019. 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.

₹ in Thousands

	Carrying amount	Payable on demand	Less than 12 months	More than 12 months	Total
As at March 31, 2019					
Trade and other payables	140.40	-	140.40	-	**140.10**
Other Financial Liabilities	10290.33	-	10290.33	-	**10290.33**

₹ in Thousands

	Carrying amount	Payable on demand	Less than 12 months	More than 12 months	Total
As at March 31, 2018					
Trade and other payables	125.41	-	125.41	-	**125.41**
Other Financial Liabilities	8436.81	-	8436.81	-	**8436.81**

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
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, 2019 the exposure to price risk due to investment in mutual funds amounted to ₹ 15,713.30/- Thousand (Previous Year ₹ 31,783.63/- 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 ₹ 39.28/- Thousand (previous year ₹ 79.46/- 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, 2019, is the carrying value of each class of Financial Assets as disclosed in note no 5, 6,7 and 9."

NOTE 34: 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

Place : Mumbai
Date : June 4, 2019

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

Riya Sawant
Company Secretary